Making Presidentialism Work:  
Legislative and Executive Interaction in Indonesian Democracy

Dissertation

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By

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Abstract

This study explores the phenomenon of executive – legislative relations in a new multiparty presidential system. It seeks to understand why, contrary to arguments regarding the dysfunctionality of multi-party presidential systems, Indonesia’s governmental system appears to work reasonably well.

Using institutionalism as the main body of theory, in this study I argue that the combination of formal and informal institutions that structure the relationship between the president and the legislature offsets the potential of deadlock and makes the relationship work. The existence of a coalition-minded president, coupled with the tendency to accommodative and consensual behavior on the part of political elites, also contributes to the positive outcome.

This study joins the latest studies on multiparty presidentialism in the last two decades, particularly in Latin America, which argue that this type of presidential system can be a successful form of governance. It contributes to several parts of the debate on presidential system scholarship. First, by deploying Weaver and Rockman’s concept of the three tiers of governmental institutions, this study points to the importance of looking more comprehensively at not only the basic institutional design of presidentialism (such as dual legitimacy and rigidity), but also the institutions below the regime level which usually regulate directly the daily practice of legislative – executive relations such as the legislative organizations and the decision making process of the legislature.
Second, related to the first contribution, this study points to the importance of not only focusing our attention on the separation of the legislative and executive branches (such as dual legitimacy) but also on the level of legislative – executive integration. Third, this study has also used a coalitional presidentialism approach in building its argument. Its focus however, is not only on the success of the president’s agenda as the measure of success, but also, on the formal and informal institutions as constraints which influence how the president and the legislature interact with each other. Finally, given that studies of multiparty presidentialism outside Latin America are still rare, this study contributes to enlargement of the data set of multiparty presidential systems in the world.
Dedication

Dedicated to:

Murani Baruit Husin (mother)

Isabella (wife)

Hanin Atina Rahmania (daughter)

Malia Arifa Yumna (daughter)

Shameel Ahmad Hanan (son)
Acknowledgments

It took three years for me to finish this dissertation. This long journey has involved numerous individuals directly or indirectly. Given very limited space, I could not mention all of them here. Instead, I want to express my deep gratitude to a few key names.

First, I would like to thank my adviser and chair of my dissertation committee: Professor R. William Liddle. I have been very fortunate to have him as mentor and academic adviser. He has been always caring, helpful, and ready to help whenever and wherever I need his help or advice. His endless support and encouragement have helped me convince myself that this dissertation project can be done.

Second, my profound gratitude goes to my dissertation committee members: Professor Richard Gunther and Professor Goldie Ann Shabad. Professor Gunther’s deep knowledge and understanding about the role of institutions in politics has helped me in formulating the research questions and theoretical framework I use in this study. Since the early process of this dissertation project, Professor Shabad has always helped me in looking at the conceptual flaws of this study and provided me with guidance on how to fix them.
Further words of gratitude should also be extended to my friends and families both in Columbus and Jakarta: Bang Saiful Mujani and his wife, Mbak Ikun, who were always ready with their support, especially during my field research in Jakarta; Mas Dodi Ambardi who helped me from my first day in Columbus; Paul Rowland, the Director of NDI Indonesia, who assisted me with a part time job while I was conducting my research in Jakarta; Riris Katarina and Partogi Nainggolan, two researchers in the DPR, who assisted me by getting documents from the DPR; and Mbak Indah who helped me make contact with several leaders of PDIP.

During the process of writing this dissertation in the last year, I have been generously helped by the Harvard Kennedy School, which provided me a one year resident research fellowship in Cambridge. For that, I would like to thank Elizabeth Osborn (Betsy), the Director of the Indonesia Program, and her team.

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In Palembang, South Sumatra, I have incurred debts to my mother (umak), brothers and sisters for their endless support and encouragement until I can finish this long journey.

Finally, my wife and children most deserve my gratitude as well as my deepest apologies. During the more than five year journey to finish this doctoral program, so much of the time that I should have dedicated to them was taken away. I can not thank them more for all their support and sacrifice.
Vita

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<td>Ampres</td>
<td>Amanat Presiden (Presidential Mandate)</td>
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<td>APBN</td>
<td>Anggaran Pendapatan dan Belanja Negara (Annual State Budget)</td>
</tr>
<tr>
<td>APBN-P</td>
<td>Anggaran Pendapatan dan Belanja Negara-Perubahan (Adjusted Annual State Budget)</td>
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<tr>
<td>Badan Konstituante</td>
<td>Constituent Assembly</td>
</tr>
<tr>
<td>BAKN</td>
<td>Badan Akuntabilitas Keuangan Negara (Public Finance Accountability Committee)</td>
</tr>
<tr>
<td>BI</td>
<td>Bank Indonesia (the Indonesian Central Bank)</td>
</tr>
<tr>
<td>Baleg</td>
<td>Badan Legislasi (Legislation Committee)</td>
</tr>
<tr>
<td>Banmus</td>
<td>Badan Musyawarah (Steering Committee)</td>
</tr>
<tr>
<td>Banggar</td>
<td>Badan Anggaran (Budget Committee)</td>
</tr>
<tr>
<td>Banpres</td>
<td>Bantuan Presiden (Presidential Assistance)</td>
</tr>
<tr>
<td>Bappenas</td>
<td>Badan Perencanaan Pembangunan Nasional or (National Development Planning Board)</td>
</tr>
<tr>
<td>Bawaslu</td>
<td>Badan Pengawas Pemilu (General Election Supervisory Board)</td>
</tr>
<tr>
<td>BBM</td>
<td>Bahan Bakar Minyak (Fuel/Gas)</td>
</tr>
<tr>
<td>BI</td>
<td>Bank Indonesia (Indonesian Central Bank)</td>
</tr>
<tr>
<td>BKF</td>
<td>Badan Kebijakan Fiskal (Fiscal Policy Office)</td>
</tr>
<tr>
<td>BK</td>
<td>Badan Kehormatan (Ethics Committee)</td>
</tr>
<tr>
<td>BKSAP</td>
<td>Badan Kerjasama Antar Parlemen (Interparliamentary Cooperation Body)</td>
</tr>
<tr>
<td>BPD</td>
<td>Bintang Pelopor Demokrasi (The Star of Democracy Pioneer), a political Caucus comprised of several small parties i.e. Partai Demokrasi Kebangsaan (PDK, National Democratic Party), Partai Bulan Bintang (PBB, Crescent and Star Party), Partai Penegak Demokrasi Indonesia (PPDI, The Pioneer of Indonesian Democracy Party), and Masyumi Party</td>
</tr>
<tr>
<td>BPK</td>
<td>Badan Pemeriksa Keuangan (Supreme Audit Body)</td>
</tr>
<tr>
<td>BPS</td>
<td>Biro Pusat Statistik (Central Bureau of Statistics)</td>
</tr>
<tr>
<td>BURT</td>
<td>Badan Urusan Rumah Tangga (Household Affairs Committee)</td>
</tr>
<tr>
<td>CSIS</td>
<td>Center for Strategic and International Studies</td>
</tr>
<tr>
<td>DAK</td>
<td>Dana Alokasi Khusus (Special Allocation Fund)</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>Depdagri</td>
<td>Departemen Dalam Negeri (Department of Home Affairs)</td>
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<tr>
<td>DIM</td>
<td>Daftar Inventaris Masalah (Problems Inventory List)</td>
</tr>
<tr>
<td>DPA</td>
<td>Dewan Pertimbangan Agung (Supreme Advisory Council)</td>
</tr>
<tr>
<td>DPD</td>
<td>Dewan Perwakilan Daerah (House of Regional Representatives)</td>
</tr>
<tr>
<td>DPPID</td>
<td>Dana Percepatan Pembangunan Infrastruktur Daerah (The Fund for Local Infrastructure Development Acceleration)</td>
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<tr>
<td>DPR</td>
<td>Dewan Perwakilan Rakyat (House of Representatives)</td>
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<tr>
<td>DPRD</td>
<td>Dewan Perwakilan Rakyat Daerah (Local House of Representatives)</td>
</tr>
<tr>
<td>DPR-GR</td>
<td>DPR – Gotong Royong (Mutual Aid DPR)</td>
</tr>
<tr>
<td>Formappi</td>
<td>Forum Masyarakat Peduli Parlemen Indonesia (Forum for Concerned Society for Indonesian Parliament)</td>
</tr>
<tr>
<td>GAM</td>
<td>Gerakan Aceh Merdeka (Free Aceh Movement)</td>
</tr>
<tr>
<td>GBHN</td>
<td>Garis-Garis Besar Haluan Negara (General Guidelines of State Policies)</td>
</tr>
<tr>
<td>G 30S/PKI</td>
<td>Gerakan Tiga Puluh September/Partai Komunis Indonesia (the movement of September 30/Indonesian Communist Party)</td>
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<tr>
<td>Gerindra</td>
<td>Gerakan Indonesia Raya (Greater Indonesia Movement)</td>
</tr>
<tr>
<td>Hanura</td>
<td>Hati Nurani Rakyat (People Conscience Party)</td>
</tr>
<tr>
<td>Inpres</td>
<td>Instruksi Presiden (Presidential Instruction)</td>
</tr>
<tr>
<td>Kapolri</td>
<td>Kepala Kepolisian Republik Indonesia (Head of the Indonesian National Police)</td>
</tr>
<tr>
<td>KIB I</td>
<td>Kabinet Indonesia Bersatu (United Indonesia Cabinet) I</td>
</tr>
<tr>
<td>KIB II</td>
<td>Kabinet Indonesia Bersatu (United Indonesia Cabinet) II</td>
</tr>
<tr>
<td>KNIP</td>
<td>Komite Nasional Indonesia Pusat (Central Indonesian National Committee)</td>
</tr>
<tr>
<td>KOKARMENDAGRI</td>
<td>Korps Karyawan Kementerian Dalam Negeri (Corps of the Functionaries of the Ministry of Home Affairs)</td>
</tr>
<tr>
<td>KPK</td>
<td>Komisi Pemberantasan Korupsi (Corruption Eradication Commission)</td>
</tr>
<tr>
<td>KPU</td>
<td>Komisi Pemilihan Umum (General Election Commission)</td>
</tr>
<tr>
<td>LIPI</td>
<td>Lembaga Ilmu Pengetahuan Indonesia (Indonesian Institute of Sciences)</td>
</tr>
<tr>
<td>MA</td>
<td>Mahkamah Agung (Supreme Court)</td>
</tr>
<tr>
<td>Masyumi</td>
<td>Majelis Syura Muslimin (Islamic Consultative Council)</td>
</tr>
<tr>
<td>MK</td>
<td>Mahkamah Konstitusi (Constitutional Court)</td>
</tr>
<tr>
<td>MPR</td>
<td>Majelis Permusyawaratan Rakyat (People Consultative Assembly)</td>
</tr>
<tr>
<td>MPRS</td>
<td>Majelis Permusyawaratan Rakyat Sementara (Interim People Consultative Assembly)</td>
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</table>
NAD  Nanggrooe Aceh Darussalam (Peaceful Aceh State), the current name of Aceh Province
NKRI  Negara Kesatuan Republik Indonesia (Unitary State of the Republic of Indonesia)
NU   Nahdatul Ulama (Awakening of Islamic Scholars)
OPM  Organisasi Papua Merdeka (Free Papua Organization), a movement to secede Papua province from Indonesia
PAN  Partai Amanat Nasional (National Mandate Party)
Pancasila  Five Principles, formal Indonesian state ideology
Panglima TNI  Panglima Tentara Nasional Indonesia (Indonesia National Military Commander)
panja  panitia kerja (working committee)
pansus  panitia khusus (special committee)
Parmusi  Partai Muslimin Indonesia (Indonesian Muslims Party)
Partai Golkar  Partai Golongan Karya (Functional Groups Party)
PBB  Partai Bulan Bintang (Star and Crescent Party)
PBR  Partai Bintang Reformasi (Reform Star Party)
PD  Partai Demokrat (Democrat Party)
PDIP  Partai Demokrasi Indonesia Perjuangan (Indonesian Democratic Party Struggle)
PDK  Partai Demokrasi Kebangsaan (National Democracy Party)
PDP  Partai Demokrasi Pembaruan (Reformed Democratic Party)
PDS  Partai Damai Sejahtera (Peace and Prosperous Party)
Perpu  Peraturan Pemerintah Pengganti Undang-Undang (Government Regulation in Lieu of Law)
Pertamina  Pertambangan Minyak Nasional (National Oil Company)
PIB  Partai Indonesia Baru (New Indonesia Party)
PK  Justice Party (Partai Keadilan)
PKB  Partai Kebangkitan Bangsa (National Awakening Party)
PKI  Partai Komunis Indonesia (Indonesian Communist Party)
PKS  Partai Keadilan Sejahtera (Justice and Prosperous Party)
PNI  Partai Nasional Indonesia (Indonesian Nationalist Party)
PNS  Pegawai Negeri Sipil (Civil Servant)
PPATK  Pusat Penelitian dan Analisa Transaksi Keuangan (The Center for Financial Transaction Report and Analyses)
PPKI  Panitia Persiapan Persiapan Kemerdekaan Indonesia (The Committee for the Preparation of Indonesian Independence)
PPP  Partai Persatuan Pembangunan (United Development Party)
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<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>P3DI</td>
<td>Pusat Penelitian dan Pelayanan Data dan Informasi (DPR research center)</td>
</tr>
<tr>
<td>Prolegnas</td>
<td>Program Legislati Nasional (National Legislation Program)</td>
</tr>
<tr>
<td>Raker</td>
<td>Rapat Kerja (Working Meeting)</td>
</tr>
<tr>
<td>RAPBN</td>
<td>Rancangan APBN (Bill of Annual State Budget)</td>
</tr>
<tr>
<td>RIS</td>
<td>Republik Indonesia Serikat (the Republic of the United States of Indonesia)</td>
</tr>
<tr>
<td>Risalah</td>
<td>Transcript/Parliamentary Proceeding</td>
</tr>
<tr>
<td>RUU</td>
<td>Rancangan Undang-Undang (Bill)</td>
</tr>
<tr>
<td>Setgab</td>
<td>Sekretariat Gabungan (Joint Secretariat)</td>
</tr>
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<td>Sekber</td>
<td>Sekretariat Bersama (Joint Secretariat)</td>
</tr>
<tr>
<td>Supersemar</td>
<td>Surat Perintah Sebelas Maret (Order of March the Eleventh)</td>
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<tr>
<td>Supres</td>
<td>Surat Presiden (Presidential Letter)</td>
</tr>
<tr>
<td>Timmus</td>
<td>Tim Perumus (Formulation Team)</td>
</tr>
<tr>
<td>Timsin</td>
<td>Tim Sinkronisasi (Synchronization Team)</td>
</tr>
<tr>
<td>UKP3R</td>
<td>Unit Kerja Presiden untuk Pemantauan Pembangunan dan Reformasi (Presidential Working Unit for Development Monitoring and Reform)</td>
</tr>
<tr>
<td>UU</td>
<td>Undang-Undang (Law)</td>
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<td>UUD</td>
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Chapter One

Introduction: Evaluating the Indonesian Presidential System

Research Questions

This study explores the phenomenon of executive – legislative relations in a new multiparty presidential system. The principal theories on this issue predict that this system has a tendency to fail: the legislative and executive branches will not be able to work out a good relationship in a multi-party presidential democracy (Linz, 1990; 1994; Mainwaring, 1992; Shugart & Carey, 1992; Stepan & Skach, 1994). This study seeks to understand why, contrary to arguments regarding the dysfunctionality of multiparty presidential systems, Indonesia’s governmental system appears to work reasonably well.

Why do I choose the issue of legislative-executive interaction in trying to understand the working of the presidential system in Indonesia? The answer lies in the fact that all indicators of the evaluation of governmental systems, as will be discussed below, are related to the type and practice of the relationship between legislative and executive in the government.

The fact that Indonesian multiparty presidentialism has been working reasonably well so far is at odds with the prevailing views about the perils of presidentialism. Although several studies in Latin America and Europe (Costa Rica, Colombia, Finland, France, Iceland) and the United States, have revealed that presidentialism has shown
several success stories, the new presidential democracies like Indonesia are still predicted
to be prone to presidential instability or presidential crises (Kim & Bahry, 2008).

Having said that, it is important to study why legislative – executive relations in
Indonesia appear to work well. What are the institutional factors that affect the
relationship between the two bodies? Also, what are the non-institutional factors that
contribute to the way the interactions work?

Studying the relationship between legislative and executive bodies in Indonesian
new multiparty presidentialism is important for a couple of reasons. First, this study can
contribute to the debate on institutional design of governmental systems, especially
presidential systems, by joining other studies in identifying institutional and non-
institutional factors that can help mitigate the deadlock or immobilism inherent in
presidentialism in general and highly fragmented multiparty presidential systems in
particular. The fact that the data in this study comes from Indonesia, a country located
outside Latin America, is also a contribution to presidential system analyses which so far
have been based mainly on Latin American cases. This for instance can challenge the
assertion from Mainwaring and Shugart that “presidentialism is more likely to be adopted
in Latin America and Africa than in other parts of the world” (1997, p. 29). Beyond that
this research will illuminate the theoretical insights from Indonesia itself for there are not
so many presidential systems outside Latin America and the United States.

Second, as a newly established multiparty presidential democracy, the scholarship
on this topic in Indonesia is still new. This research will bring the theoretical insights
from multiparty presidential systems like the Latin American ones as well as from older
and more established presidential democracies like the United States. Thus this study can be a first step for more fruitful research in this area.

Third, as a new democracy Indonesia is still in the process of institutionalizing her democratic institutions. This research will examine many factors that contribute to and/or inhibit the working of the relationship between the president and the legislature (DPR, Dewan Perwakilan Rakyat, People’s Representative Council). This will be very useful for future efforts toward institutionalization as well as reforms to make both of these democratic institutions develop as true modern elements of democracy. The dynamic and constructive interactions between the two are essential for the consolidation and advancement of democracy in Indonesia. This research can provide more insights for institutional reforms of both.

**Three Indicators**

There are two contradicting views of the Indonesian presidential system so far. One view says that the Indonesian presidential system is an example of the “perils of multiparty presidentialism.” Braun (2008), for instance, in his dissertation, concludes that the Indonesian presidential system is a destabilizing factor. He suggested that Indonesia replace its system with a parliamentary system like Thailand. The main problem with Braun’s conclusion is that his observation is based on only the first two and a half years of the working of the system i.e. during the period 2004-2006. He found that the relationship between legislative bodies and the president was in a state of high tension because several legislative drafts could not reach agreement. He concluded that the Indonesian system was potentially gridlocked. However, when the 2004-2009 period
passed, the legislative drafts which, based on Braun’s observation, were in gridlock such as the Bill on Freedom of Information, were finally passed. Thus his evidence vanished.

Several Indonesian observers point to the existence of coalitions—which according to them is a characteristic of parliamentary systems—as the problem that makes the Indonesian presidential system not work.\(^1\) Coalitions—which for these observers indicate too much compromise—make the presidential system in Indonesia weak and thus ineffective. This observation is also problematic. Coalitions have been regarded as common phenomena of the multiparty system both in the parliamentary and presidential systems. Empirical studies show that coalition in presidential systems is a phenomenon that occurs as frequently as in parliamentary systems (Cheibub, 2007; Cheibub, Przeworski, & Saiegh, 2004).

The second view argues that the Indonesian governmental system has been stable so far. The explanation, however, does not relate directly to any debate about presidentialism versus parliamentarism. Instead, the explanation lies in the fact that the Indonesian political party system is a cartelized one. While I agree with the view that the Indonesian governmental system has been stable and working so far, I contend that the explanation offered by this cartel party thesis is not satisfactory; in fact it is partially true at best. More explanation of the cartel party thesis is in the last part of Chapter Two of this dissertation.

Before we go on to say or to judge how well the Indonesian presidential system works, we need to look at what criteria we can use in evaluating a presidential system or a governmental system in general, whether it is presidential, parliamentary, or a mixed

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\(^1\) See for instance Sukardi Rinakit (*Kompas*, February 16, 2010) and Hanta Yudha AR (2010).
system. The literature on this issue points to at least three broad indicators. They are democratic stability, executive – legislative gridlock/deadlock, and government performance.

Since there is no unified framework to evaluate the working of political systems in general (Hogstrom, 2011) or parliamentary and presidential systems in particular, it is useful to look at the main issues discussed in the long debate between the merits of parliamentary versus presidential government. For evaluating political systems in general, Hogstrom (2011) suggested that we have to categorize them into the input side which is related to democratic performance, and the output side which is related to government performance. This categorization seems to be applicable to the debate about the parliamentary system and presidential system of government.

There are at least two core issues in the debate between these two democratic governmental systems. The first one focuses on which institutional arrangement better contains political conflict and provides democratic stability (Eaton, 2000; Linz, 1994; Riggs, 1997; Sartori, 1997). The second focuses on the policy performance or government performance in general (Weaver, 1985). Using Hogstrom’s concept, the first is part of the input side of the system while the second is part of the output side.

The proponents of parliamentary systems such as Linz (1990,1994) and Stepan and Skach (1994) argue that presidentialism is inherently more prone to democratic instability or democratic breakdown than is the parliamentary system. To reduce the risk of instability Linz suggests that the countries which have adopted presidentialism as in Latin America shift their governmental system to parliametarism. This argument implies
that one of the important characteristics of a governmental system to function well is
democratic stability.

This inherent problem of democratic instability in Linz’s argument is because of
two elements. Carey (2005) summarizes as follows:

First, presidentialism lacks parliamentarism’s safety valve, the confidence vote, that allows for the removal of a government from office in the event of a crisis without discarding the constitution. Second, presidentialism creates incentives and conditions that encourage such crises in the first place, and particularly that aggravate the relationship between the executive and the legislature. … presidentialism inflames antagonism between the popular branches while proscribing any constitutional mechanism for resolving the most serious conflicts. The separation of survival means presidents lack the option of dissolving intransigent assemblies, and assemblies lack the option of voting no-confidence in the executive. This lack of options can encourage one party or the other to resort to unconstitutional outside options in the event of conflict, threatening the stability of presidential democracy itself. (p. 94)

Another risk of this problem is the possibility of presidential expansion power of which can lead to the establishment of authoritarianism. Added to this is the possibility of military intervention when the antagonism between the popular branches becomes a crisis (Mainwaring, 1993). All these together make the presidential system prone to democratic instability, if not democratic breakdown.

The other major criticism of presidentialism is the so called majoritarian tendency. Quoting Juan Linz, Lijphart (2004) argues: “… perhaps the most important implication of presidentialism is that it introduces a strong element of zero-sum game into democratic politics with rules that tend toward a ‘winner-take-all’” (p. 101). In their summary about this critique, Shugart and Carey (1992) wrote:

This is what Linz describes as ‘the winner-take-all’ nature of presidentialism. The high stakes, and the certainty that control of the executive will not be open to question again for a set period, raise the tension of electoral politics. In the wake of the presidential election, moreover, the winners have no reason to try to make
amends with the losers. The ultimate prize has been secured, and those who contributed to the victory are clamoring for compensation, perhaps patronage or cabinet positions. The losers, moreover, have no reason to try to cooperate with the new incumbent. There is little to be gained, given the exclusive nature of presidential executives. (p. 31)

The argument that democracy in a presidential system is less stable than in a parliamentary system is supported by the breakdown of many Latin American presidential democracies in the 1960s and 1970s. Presidentialism broke down in Brazil in 1964, in Peru in 1968, in Chile in 1973, in Uruguay in 1974, and in Argentina in 1976 (Carey, 2005). All of these countries, during those periods, experienced military intervention which was for the most part related to the legislative-executive conflicts that preceded the intervention. Several case studies conducted by scholars on Latin American democratic breakdown also support this argument (DiPalma, 1990; Lamounier, 1993; Lijphart, 1999; Valenzuela, 1994; Sartori, 1994). Cross-national studies using statistical analyses also provide the ground for the argument that presidential democracy is more prone to democratic breakdown compared to parliamentary democracy (Stepan & Skach, 1993; Pzeworski & Limongi, 1997).

Another way to evaluate the presidential system is by looking at its level of gridlock or deadlock. Riggs (1997) argues:

… the viability of presidentialism hinges on the ability of president and congress to reach agreements under the constraints of a constitutional separation-of-powers principle which enables each to flout the other. This means that gridlock may occur for an indefinite period of time between the executive and legislative branches or, more probably, the president with the support of the armed forces and the civilian bureaucracy, will domesticate the legislature, forcing it into submission or even dissolving it by a coup d’etat. (p. 262)

Related to the deadlock issue, further debate about presidentialism does not focus so much on how it differs from parliamentarism. This debate focuses more on the
variation among presidential systems themselves. One well-known example is Mainwaring’s (1992) and Mainwaring and Shugart’s (1997) studies which argue that the problem lies in the fact that when presidentialism is combined with a fragmented party system or multiparty system, there is a tendency to have a minority president with low legislative support. The president will face a hostile legislature and not be able to move the government’s agenda forward leading to incapacitated government. Alternatively, the president can just ignore the legislature and rule by decree when necessary, which leads to the conflictual relationship and deadlock. This implies that when we evaluate the performance of the presidential system we can also look at to what extent the interactions between executive and legislative bodies lead to deadlock/gridlock.

The second issue, which is about government performance or policy outcomes, concerns with to what extent the government can come up with policies that address the problems of the society. One important measure of this is economic performance such as economic growth or budget balances. Cheibub (2006), for instance, tries to look at the difference between parliamentary and presidential systems of government in terms of economic performance. Using cross-national data from 98 countries between 1970 and 2002, Cheibub finds that there is an impact of the system of government on economic performance such as budget balance or economic growth. In terms of budget balance for instance, Cheibub argues: “… presidential systems in which presidents are constitutionally able to dominate the budget process or to effectively veto legislation tend to have higher budget balances than those in which the budget process is dominated by the legislature or the president is unable to exercise existing veto power” (2006, p. 353). Another way to look at government performance is related to government’s legislative
performance (Kawanaka, 2010). To do this we can examine to what extent the president’s priority bills are approved by the legislature, or being enacted as laws.

The discussion about the evaluation of government systems above reveals several important issues. First, the evaluation is very much related to the interaction between the legislature and the executive or president. This is understandable because the legislature stands at the center of all democratic government (McCubbins, 2005). Second, the general evaluation of governmental systems, including in this case presidential systems, can be directed towards three broad indicators: democratic stability, executive-legislative gridlock, and government performance. In this respect, there are two general things that can be looked at for government performance: economic performance and legislative agendas. These three criteria can be seen in the evaluation of presidential systems by scholars so far, as shown by the following examples.

In his evaluation of Argentina’s presidential system, Jones (1995, 1997) concluded that the system has shown relative success during the period 1983-1995. Argentina during this time, according to Jones, was able to promote economic growth and stability as well as maintain its political stability through the normalization of civil-military relations. During this time, Argentina successfully engaged in a dramatic and successful economic liberalization program. During his first presidential term, President Menem successfully resolved the military problem by, among others, giving pardons to 277 soldiers and civilians who were convicted of conducting human rights abuses during the military dictatorship. Thus Jones concluded that “Argentina’s ability to respond successfully to its economic and social problems while maintaining a functioning
democratic system is an example of the ability of presidential systems to confront and resolve serious policy crises” (1997, p. 261).

Julio Faundez (1997) also pointed to the three broad indicators when evaluating presidentialism in Chile. After the return of democracy in 1932, according to Faundez, democratic stability had been maintained all the way through the 1970s despite the fact that the system experienced a party system crisis in the late 1940s. Presidentialism was the explanatory factor behind the success. Faundez reiterated that “given the severity of the crisis affecting the party system in the late 1940s, it is very likely that democracy would not have survived had the political regime been parliamentary rather than presidential” (1997, p. 309). Economic performance during this time was also a success story. The economic stabilization program had been able to control inflation and to introduce fiscal and financial discipline. In terms of executive legislative relations, the deadlock was mitigated through a constitutional arrangement in which the president held strong powers over legislation, making President Allende (1970-1973) able to successfully implement his government programs.

Siavelis’s (1997) evaluation of Chile’s presidentialism after the Pinochet regime (since 1990) also used these indicators. During the Alwyn presidency, Chile was able to maintain macroeconomic stability and continuity in economic policy making. Democratic stability was also managed properly through good relations with the military in which civilian control was strictly enforced without threatening the military’s fundamental institutional interests. The deadlock between the executive and legislative had been mitigated through the president’s self-restraint in exercising his strong constitutional powers and through a coalition (Concertacion Alliance).
Other examples of presidential system evaluation also show the use of these three indicators in one way or another. Gamara (1997) for instance pointed to the government’s ability to deal with economic crisis and to maintain a legislative coalition to support the president’s agenda in Bolivia’s hybrid presidentialism. Evaluating Brazil’s presidentialism, Mainwaring (1997) looked at the number of presidential decrees to avoid Congress’ rejection of the government’s bills, the democratic instability in 1961 and 1964, and the incoherence of economic policies because of the use of patronage. He then concluded that presidentialism had trouble pushing through the government’s agenda in the area of state reform and stabilization. Meanwhile the persistent inability of president and congress to achieve agreements on reformist policies was one of the characteristics of presidential system evaluation in Colombia (Archer & Shugart, 1997).

In Asia, Kawanaka (2010) evaluated Philippines presidentialism, especially executive-Congress interactions, by looking at the process and the number of the president’s legislative agendas both in the area of economic policies and other areas that could be successfully advanced. He differentiated between the budget process and ordinary legislation which have different levels of success in bringing the compromises between the president and Congress. Park (2000) evaluates Korea’s hybrid presidentialism by examining the number of government bills that were initiated and compared them to the success of their passing by the Korean Assembly. Park described that the government bills have always outnumbered the bills initiated by the assembly’s members. He found that in 1993, the number of government bills was 82 percent of the total bills deliberated in the assembly and from this 82 percent, 87 percent were approved by the assembly or legislature. Presidentialism in Korea according to Park is clearly
dominated by the executive. Kim (2008) used the concept of governability to evaluate the Korean governmental system. Governability is related to the ability of the government to avoid deadlock/gridlock in order for the executive’s policy agenda to move forward. Kim’s evaluation shows that coalition building has been one important tool for the President Kim Dae-jung administration in avoiding gridlock with the parliament. However, it did not always work because “…the ‘fission and fusion’ of political parties in the legislature have undermined the government’s capacity to legislate and eventually harmed governability” (2008, p. 367).

Finally, the evaluation of presidentialism in the United States, the pioneer of presidential systems in the world, in one way or another points to the three broad indicators as well. The democratic stability of the United States’ system has been widely acknowledged. Therefore the focus of study has been mostly on government and legislative performance. Scholars writing on American presidentialism have produced a lot of studies on both legislative performance such as Mayhew (2005) and presidential performance such as Bond and Fleisher (1990). Studying American presidentialism according to several scholars can also be directed toward stalemate or gridlock both in terms of inter-branch (president versus congress) and intra-branch (senate versus house) relations (Brady & Volden, 1998; Binder, 1999). Studying gridlock, according to Binder (1999), “reflects the relative ability of the political system to reach legislative compromises” (p. 523). In her study on American gridlock during the period 1947-1996, for instance, Binder found that out of 2,899 items discussed in Congress, fifty percent of them were enacted or passed. In other words American presidentialism has been modest in its performance based on gridlock or stalemate measurement.
**What about Indonesia?**

After four constitutional amendment packages (1999-2002), Indonesia officially shifted its form of government from quasi-presidentialism to pure presidentialism in 2004. This shift was featured by the direct election of the president for the first time.

After two rounds of the presidential election in 2004, Susilo Bambang Yudhoyono (SBY) and his running mate Jusuf Kalla (JK) were declared President and Vice President. In supporting their candidacy, SBY and JK’s main political vehicle was a newly established Partai Demokrat (Democrat Party) which, in the legislative election two months prior to the presidential election, got only 7% of the votes. In the second direct presidential election in 2009, SBY, this time with a new running mate, Budiono, also won the election. His party also won the legislative election prior to his election with 20% of the votes.

The results of the Indonesian legislative and presidential elections of 2004 resulted in multiparty presidentialism. As shown in Table 1, out of 24 political parties competing in a proportional representation-based legislative election, seven big and middle size parties dominated the seats in the Dewan Perwakilan Rakyat (DPR, House of Representatives). They are Golongan Karya (Golkar, Fungsional Group) Party (23%), Partai Demokrasi Indonesia Perjuangan (PDIP, Indonesian Democratic Party Struggle) (20%), Partai Persatuan Pembangunan (PPP, United Development Party) (10.6%), Partai Demokrat (10.4%), National Awakening Party (Partai Kebangkitan Bangsa) or PKB (9.5%), Partai Amanat Nasional (PAN, National Mandate Party) (9.5%), and Partai Keadilan Sejahtera (PKS, Justice and Prosperous Party) (8.2%). There were nine other political parties which held between 1 and 13 seats (0.2% - 2.4%). This figure makes it
clear that the president’s party, Partai Demokrat, is a minority party, making SBY a president with minority support in the parliament (DPR).

Table 1
*Political Parties in the DPR (2004 – 2009)*

<table>
<thead>
<tr>
<th>No.</th>
<th>Party</th>
<th>Seat</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Golkar Party</td>
<td>127 (23%)</td>
</tr>
<tr>
<td>2</td>
<td>PDIP</td>
<td>109 (20%)</td>
</tr>
<tr>
<td>3</td>
<td>PPP</td>
<td>57 (10.5%)</td>
</tr>
<tr>
<td>4</td>
<td>Partai Demokrat</td>
<td>57 (10.5%)</td>
</tr>
<tr>
<td>5</td>
<td>PAN</td>
<td>53 (9.6%)</td>
</tr>
<tr>
<td>6</td>
<td>PKB</td>
<td>52 (9.4%)</td>
</tr>
<tr>
<td>7</td>
<td>PKS</td>
<td>45 (8.2%)</td>
</tr>
<tr>
<td>8</td>
<td>Partai Bintang Reformasi (PBR, Reform Star Party)</td>
<td>13 (2.4%)</td>
</tr>
<tr>
<td>9</td>
<td>Partai Damai Sejahtera (PDS, Peace and Prosperous Party)</td>
<td>13 (2.4%)</td>
</tr>
<tr>
<td>10</td>
<td>Others</td>
<td>20 (3.6%)</td>
</tr>
</tbody>
</table>

Source: PSHK (2010).

Meanwhile, as described in Table 2, although it came in first in 2009 legislative election, Partai Demokrat holds only 26.4% of the seats today. The rest of the seats are controlled by eight other parties: Golkar (19%), PDIP (17%), PKS (10.2%), PAN ((8.2%), PPP (6.8%), PKB (5%), Gerakan Indonesia Raya (Gerindra, Greater Indonesia Movement) (4.6%), and Partai Hati Nurani Rakyat (Hanura, People Conscience Party) (3%). This still makes SBY a president with minority support in the DPR.
Table 2
Political Parties in DPR (2009-2014)

<table>
<thead>
<tr>
<th>No.</th>
<th>Party</th>
<th>Seat</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Partai Demokrat</td>
<td>148 (26.2%)</td>
</tr>
<tr>
<td>2</td>
<td>Golkar Party</td>
<td>106 (19%)</td>
</tr>
<tr>
<td>3</td>
<td>PDIP</td>
<td>94 (17%)</td>
</tr>
<tr>
<td>4</td>
<td>PKS</td>
<td>57 (10.2%)</td>
</tr>
<tr>
<td>5</td>
<td>PAN</td>
<td>46 (8.2%)</td>
</tr>
<tr>
<td>6</td>
<td>PPP</td>
<td>38 (6.8%)</td>
</tr>
<tr>
<td>7</td>
<td>PKB</td>
<td>28 (5%)</td>
</tr>
<tr>
<td>8</td>
<td>Gerindra</td>
<td>26 (4.6%)</td>
</tr>
<tr>
<td>9</td>
<td>Hanura</td>
<td>17 (3%)</td>
</tr>
</tbody>
</table>

Source: Author’s calculation based on data from DPR Secretariat General.

On the other side, the DPR is also fundamentally changed from a merely rubber stamp legislature into a powerful one with clear lawmaking and check and balance power. The power of legislation constitutionally is now in the hands of the DPR. Other powers such as oversight, budget amendment, the appointment of various state commissions, and approval of various executive positions are also granted by the constitution to the DPR. There is no doubt that the Indonesian legislature is constitutionally powerful, especially in its relation to the executive. In their assessment of the Parliamentary Power Index (PPI), Fish and Kroenig (2009), for instance, give the PPI score 0.56 for the DPR, making it among half of the parliaments around the world (including the US Congress) that have PPI of more than 0.5 (strong legislature).

With its current characteristics, the Indonesian form of government can be categorized as presidentialism with a highly fragmented multiparty system. Using Linz’s theoretical prediction about “the perils of presidentialism” (1990, 1994) and Mainwaring’s concept of “the difficult combination of presidentialism and multipartism”
(1993), the Indonesian governmental system will be more likely to fall into the state of immobilism.

Doubt about the possibility of pure presidentialism to work in Indonesia has also been expressed by Indonesian scholars and Indonesianists. Mujani (2002), a leading expert on Indonesian politics, suggests that it is better for Indonesia to position the president only as the head of the state. The daily governmental business should be given to a kind of prime minister. According to Mujani, pure presidentialism is too risky to be applied and a more parliamentary system of government—he calls it “inclusive parliamentarism”—will be better able to deal with the complexities because of the highly fragmented and heterogeneous nature of Indonesian society. Indonesian presidentialism, according to Rinakit, has inherent problems because it has to adopt elements of parliamentarism in order for it to work (Kompas, 2010, February 16). An Indonesianist, Liddle, when evaluating the first year of Indonesian multiparty presidentialism, stated: “it appeared that some of Mainwaring’s worst fears, particularly executive-legislative deadlock, might be realized immediately. …interparty coalition support in the legislature for the executive remained shaky throughout the year. … Some observers also saw the beginnings of ideological polarization,…” (Liddle & Mujani, 2006, pp. 133-134)

All of these predictions and doubts, however, do not materialize after the implementation of this presidentialism since 2004. In general, not only is immobilism absent, but also, during the implementation of this presidentialism, Indonesian democracy has been consolidated (Mujani, 2006; Liddle & Mujani, 2009, 2010a; Aspinall, 2010). With its high party fragmentation and volatility, Indonesian presidentialism remains stable (Liddle & Mujani, 2010b).
In a nutshell, Indonesia has been joining the story about how the multiparty presidential systems have been working just like several Latin American countries in the last two decades. The following evaluation can show that the Indonesian governmental system continues working reasonably well since the democratization process started in 1998 and since the implementation of the multiparty presidential system in 2004.

**Democratic stability.** Having completed its transition to democracy during the period 1999-2002, democratic stability in Indonesia has been maintained relatively well. The four packages of constitutional amendments completed in 2002 signified the completion of the transition to democracy phase. Since then, Indonesia has been on the road to democratic consolidation.

One of the threats to democratic stability in post authoritarian Indonesia is the centrifugal force coming from the regions including the separatist movements. This threat has been overcome so far by the implementation of massive decentralization policies empowering local governments to initiate policies and provide basic services to the local people (Rasyid, 2002). Since 2005, under these decentralization policies, Indonesia has been conducting hundreds of direct local elections to elect governors and mayors. Despite the worries that these local elections will spark local electoral tension and violence, so for the results have been underway relatively free, fair, and peaceful. The long lasting separatist movement in Aceh province in the Western part of the country has been resolved through the policy of special autonomy. There is only one more separatist movement that Indonesia has to deal with i.e. Organisasi Papua Merdeka (OPM, Free Papua Movement). This OPM threat however has not been able to destabilize Indonesia in general.
Another threat to democratic stability is from the military. The conventional assumption is that the comeback of the military in politics is potentially high in the early era of democratization. Indeed a kind of threat from the military group was not actually absent at all in current Indonesia. At the end of 2006 and early 2007, there was a demonstration/protest movement involving many former generals of the military (Tempo, 2007, January 28). They tried to convey to the public that SBY’s government had not performed as promised. On January 15, 2007, this group of former generals, together with several civil society activists, conducted a protesting parade called “Pawai Cabut Mandat” (Retake the Mandate Parade). Later, SBY dealt with this group by conducting a series of meetings with former generals by sending his team, which also consisted of former military generals. Moreover, this small movement was not able to bring the active military to threaten political stability.

The temptation for the military to come back to its political role is actually present. One reason that can be used by dissident generals is the public perception that military leadership style is still desirable. In its survey in 2006, for instance, the Indonesian Survey Institute (LSI) found that 36% Indonesian public support the notion that an active military figure can lead Indonesia better (Mujani, 2006). The Indonesian military authorities under the SBY government, however, have been signalling their intention to refrain from direct involvement in politics. In its survey report on the leadership style of the military, Kompas (2011, October 3) wrote: “The position of the Indonesian military that can maintain its distance from politics in the post reform era makes the military gain good image…The military style of leadership has attracted attention again in the middle of the seemingly weak performance of state institutions.
…The fact that the military has not been tempted to directly involve itself again in politics is attractive to the public.”

However, the public also still believes that the role of the military should be limited so that it does not enter politics anymore. That same Kompas (2011) survey also revealed that although the public sees the leadership style of the military as good for the country, the public does not want the military to come back to politics. Kompas (2011, October 3) reported:

Although most of the respondents (72.2%) view that the current image of the military has been good, it does not mean that the military personnel are the best people that can manage the state. The role of the military, for the public, can be tolerated only at the level of presidential leadership. The lower level of leadership/office such as minister, legislative member, and head of region (governor/mayor), according to most of the respondents, are closed for the military.

Besides that, the SBY government is also viewed by the public as bringing positive changes in terms of free and open political culture. In its survey in 2011, Kompas (2011, July 18) found that a majority of the public appreciates government efforts to encourage freedom of the press and opinion, in respecting the freedom of religion and worship, and in cutting off the chain of radicalism and terrorism. The trust in the SBY administration was still high until 2011. According to this survey, 68.6 percent of the public believes that SBY should continue his presidency until the end of the term and 62.6 percent believes that the President can work better in the near future.

**Executive-legislative gridlock.** As has been shown in other democratic countries, the relationship between executive and legislative bodies in Indonesia since democratization and the implementation of the multiparty presidential system in 2004 has
been much more dynamic. It has also been, to some extent, conflictual. However, we do not find any kind of deadlock so far.

In terms of legislation, all bills that were deliberated by the DPR in 2004-2009 were enacted as laws of the land (Haris, 2008; PSHK, 2010). During the period 2009-2014 (until 2012) there has been no deadlock in bill deliberation either. Several bills such as the bill on the Social Security Agency (RUU BPJS) went through a highly tense deliberation process until it was enacted as a law on October 2011. “No-deadlock” does not necessarily mean there is no conflict at all. However, conflict in the process of bill deliberation usually emerges at the beginning of the process before a bill is agreed (or disagreed) to by both the president and the DPR to be put into the deliberative stage of the legislative process. One example is the case of the rejection of the DPR to put the bill on State Secrets (RUU Rahasia Negara), which was initiated by the president in 2008, into the deliberative stage. It was rejected because the DPR viewed that bill as not only anti democracy, human rights, and civil society empowerment, but also potentially harmful to the principles of transparency and accountability in governance (Kompas, 2008, May 29). Another example is when the DPR rejected the Defence Cooperation Agreement (DCA) between Indonesia and Singapore in 2007 (Suara Merdeka, 2007, June 13). This rejection, however, did not end with deadlock because the government in the end agreed with the DPR and cancelled the DCA.

The same case applies to the process of annual budget making. Both in the period 2004-2009 and the current period, 2009-2014, all budget proposals from the executive—after being modified—have been approved by the DPR. There was a potential for deadlock in the early stages of the 2012 annual budget making in May 2011 following the
DPR decision in the case of the Century Bank bailout. In March 2011, the DPR decided that Minister of Finance Sri Mulyani was guilty of criminal malfeasance in her bailout policy. The DPR then refused to sit with Sri Mulyani to begin the process of annual budget making of 2012. This situation did not end with deadlock either, because the president decided to accept the resignation of Sri Mulyani as minister of finance in May 5, 2012. Another potential for deadlock occurred when the president proposed to increase the subsidized fuel price in the process of the adjustment of 2012 Annual Budget (APBNP 2012) in March 2012. The opponents of this proposal outnumbered the president and the proposal was rejected. However, both the president and the DPR were able to work out a compromise and this process did not end with deadlock as well.

Another area of executive – legislative relations in the Indonesian context is the oversight function of the DPR. As granted by the constitution, the DPR has the right to oversee the implementation of government policies or to oversee the policies that have been taken by the government. In doing so, the DPR can summon the president and or his team through the exercise of hak angket (the right for investigation), hak bertanya (interpellation), and hak menyatakan pendapat (opinion expression). The dynamics in this area seems to be higher than the other two. Part of the reason is because in this area, the DPR functions as a reactive body toward the executive which makes it easier for DPR members to bring out the issues they want to discuss with the president. During the period 2004-2009, there were at least 14 interpellations made by the DPR. The DPR also

\[\text{More detail on the story of Century Bank bailout is in the case studies chapter of this dissertation.}\]

\[\text{Indonesian Annual Budget (APBN) for the subsequent fiscal year is agreed by the president and the DPR at the end of October. This APBN can be adjusted if the president considers it necessary by asking the DPR to discuss is again toward the middle of the fiscal year.}\]
exercised a number of investigative rights such as the investigation on rice import policy, on the operation of Cepu site mining, and on the government’s decision to increase the subsidized fuel price over the course of 2005-2008. During the first year of the DPR’s 2009-2014 term, there were 13 oversight function exercises. One of these was on the Century Bank bailout which showed the potential for deadlock. Despite all of these dynamics however, the president and the DPR have not experienced any deadlock despite a highly tense mode of interaction.

**Government performance.** We can also evaluate the Indonesian governmental system by looking at some indicators of government performance. In terms of the economy and the legislative agenda, the following narrative shows that the Indonesian presidential system has been performing relatively well.

**Economy.** The Indonesian economy has been robust since 2004 especially in terms of macroeconomic performance. In its analysis of the Indonesian economy at the end of SBY’s first term, the respected newsmagazine Tempo (2009, December 6) wrote:

… a positive record is achieved by Indonesia throughout the year despite the global economic crisis. The Indonesian economy grew as the third fastest one after China and India during the first half of this year. The affect of the crisis was not as bad as 1997. During that time Indonesian economic growth plunged into negative 13.7 percent. Indonesian standing is now also higher after joining the economic group of G-20—which replaced the old G-8. The crisis does not have much impact on Indonesian companies as well. The number of companies that collapsed is not as high as the crisis of 1997-1998. The most affected ones are companies that are highly dependent on the export market such as textiles and rugs. The crisis also affected the companies that produce tertiary products such as automotive industries. (pp. 67-73)

The description of economic achievement above has been generally true of the Indonesian economy since 2004. When SBY began his presidency, economic growth was 5.03 percent. This growth became 5.69 percent, 5.51 percent, 6.32 percent, 6.36 percent,
and 6.1 percent in 2005, 2006, 2007, 2008, and 2009 respectively. The same robust achievement also continues during the second term of SBY’s administration. Economic growth during this period was 6.1 percent in 2010 and 6.6 percent in 2011. This figure shows in general that the Indonesian economy is getting better and better during the administration of SBY both in the first and the second term.

![Figure 1. Indonesian economic growth 1999-2011. This figure shows Indonesian economic growth since 1999. Source: Author’s calculation from various sources.](image)

Another economic achievement is the ability of Indonesia to achieve the ranking from Fitch Ratings as a country that is good for investment for the first time after 14 years (Tempo, 2012, January 1). In its press release, the Indonesian Central Bank (BI) stated: “Today, December 15, 2011 Fitch Ratings the official rating agency of the Republic of Indonesia, upgraded Indonesia's sovereign credit rating, to BBB- level for foreign currency long-term senior debt, with stable outlook” (2011, December 15). The director of the Fitch Asia-Pacific Sovereign Ratings Groups, Philip McNicholas, as
quoted by the Central Bank, mentioned that the rationale for the upgrade was the improvement in Indonesian economic performance, strengthened external liquidity, low and declining public debt ratios, and a prudent overall macro policy framework. Fitch also predicted that the prospect of Indonesian economic growth continues to be strong and will grow above six percent until 2013 (Tempo, 2012, January 1).

Other than the economy, one of the evaluations of the government performance is the low performance of the cabinet/government in general. However this cannot be directly attributed to the presidential system. One of the problems in a new presidential system, especially in a post-authoritarian era, is the bureaucratic system. The Indonesian bureaucracy has been long politicized and has its own political power. The minister under the new presidential system cannot automatically direct and change the way the bureaucracy works to be in line with the president’s agenda. One highly respected political observer in Indonesia, Baswedan in Tempo (2005, December 18) wrote:

The first problem is the limitation of the power of the minister in directing the bureaucracy machine. The replacement of personnel at the top level can signal the change in policy direction. However, in reality, a minister enters a bureaucracy where the career bureaucrats have been established there and can have different interest than the minister. Here we can see that the minister has limitations in bringing his own political appointees who will be able to interpret his policy and its implementation. (p. 130)

The public actually has mixed evaluations of government performance. However, most members of the public do not relate government performance to the presidential system. Instead they point to the leadership of the president when there are problems in governance.
**Legislative agendas.** The other thing we can look at when evaluating the Indonesian presidential system is the legislative agenda. In the Indonesian context, this aspect is related both to the government legislative agenda and the legislature’s legislative agenda. As stipulated in the law that regulates the interaction between the executive and legislative bodies, the legislative agenda can be agreed by both bodies every year. During the period 2004-2009, the DPR has been able to enact on average 40 laws per year.

*Figure 2.* The average number of laws per year since 1966. Source: Author’s calculation from various sources.

Figure 2 shows that since democratization the product of the DPR has been increasing dramatically. When the multiparty presidential system started to be implemented in 2004 the products of the DPR in terms of legislation also increased. This means that the interactions between the executive and legislative which resulted in the
number of laws enacted has been more productive especially when we compare to the pre-democratization era where everything was driven by the executive.

The amended 1945 Constitution also clearly states that the lawmaking body is the DPR. Therefore, the bill initiation has also been not only the monopoly of the executive. On average, 50% of the bills were initiated by the DPR during the period 2004-2009. During this term, out of 173 laws enacted, 86 laws were initiated by the Executive. Moreover, many executive-initiated laws are considered major laws such as the Law on Population Management, the Law on Aceh Governance, the Law on General Election, the Law on Public Service, the Law on Special Autonomy of the Papuan Region, the Law on Local Governance, the Law on Offshore and Small Islands Management, the Law on Farming, the Law on Transportation, etc. Meanwhile 57 of the DPR-initiated laws can be considered as only one law because all of them are about the creation of new regions (especially municipalities and regencies).

It is also true that almost half of the planned bill in the Prolegnas\(^4\) (373 bills as the combination of both DPR and executive initiatives) are not passed into laws. But this is not because of the stalemate between the two. The cause is mainly that the DPR has no more time to deliberate them. The same applies to the DPR of 2009-2014. The number of laws it produced during the first two years of this period, however, has been low. During the period of 2009-2010, the DPR only finished 16 out of 70 bills it had targeted. This is the same as the first year of the DPR of 2004-2009. Thus we cannot say that the productivity of the DPR on average in the current period is low because many of the bills

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\(^4\) Prolegnas is *Program Legislasi Nasional* (National Legislation Program). It is a document that is agreed at the beginning of each DPR Period containing the list of planned bills that the executive and legislative have agreed to be processed during that period.
are still being processed. Some of the bills need more time to pass. In the period 2004-2009, during its first year the DPR finished only 14 bills.

Another part of the legislative agenda is the exercise of the oversight function of the DPR. Just like other democracies, and other presidential systems, the DPR’s oversight function exercise has been dramatically increasing as well. The DPR has also launched inquiries and oversight initiatives with regard to government policies. There were overall 33 inquiries, six of which resulted in changes or improvements in the policies. At the beginning of the 2009-2014 term, there was a tension between the executive and the DPR with regard to the previous government policy on the bailout of one private bank as part of the policies of dealing with the economic crisis of 2008. The political process in the DPR resulted in the decision that the government policy was wrong. The president, although he disagreed with the decision, chose to work things out through his coalition partners to end the tension.

Research Method

In terms of collecting data, I used a combination of methods that rely heavily on written documents and in-depth interviews. I combined them because they can complement each other to provide data in this study.

Since this study deals with the process and outcomes of the relationship between president and legislature, the historical or chronological data is important. To fill this need, I used data provided by the government’s and the DPR’s documents, newspapers and magazines that reported what the president and DPR do over time. I used mainly Kompas newspaper and Tempo magazine as the source of data/information. Both
publications are well-known for their credibility as sources of information. I purchased around one hundred editions of *Tempo* magazine covering the period of 2004-2012 from which I examined all information related to president - DPR relations. I also collected electronic versions of a number of reports in *Kompas* especially since 2008. Whenever necessary, I also used information reported in other newspapers or online media.

To look at the interactions between the executive and the DPR I also used the transcripts of the DPR decision making process such as the panitia khusus (pansus, special committee) meetings, panitia kerja (panja, working committee) meetings, plenary sessions, and so on. These transcripts could show how the interaction between the president’s side and the DPR is in practice. The bills and budget deliberations for example can show how the institutions that regulate relations work.

I also used the method of in-depth interviews to understand and interpret better why actors in the relationship between the president and the DPR made certain choices in their interactions. The reasons behind the decision of certain political parties or DPR members to agree or disagree in the process of decision making, for instance, could be better understood by interviewing the actors. For this I have interviewed members of the DPR both from the period of 2004-2009 and 2009-2014, several members of the first and the current SBY Cabinet, several high ranking bureaucrats at the Ministry of the State Secretariat, the Secretary General of DPR, and several DPR support staffs, especially researchers. These people were chosen because they are directly involved in the process of interaction between the executive and legislature. Besides that, I also interviewed several civil society organization activists whose work focuses on the DPR institutions and its relations with the president.
My main approach in analyzing the data is process tracing. According to Goldstone (2003), “process tracing consists of analyzing a case into a sequence … of events and showing how those events are plausibly linked given the interests and situations faced by groups or individual actors” (p. 47). Thus in the case of bills and budget deliberations for example, I tried to show events in the interactions between the executive and the DPR link to the next events and finally reach agreement or disagreement or solutions to the problem that was deliberated. In writing and presenting my argument and evidence, I used a narrative style, in which the interactions between the president and his team and the DPR can be better described.

**Structure of Analysis**

This study is about the relationship or interaction between the executive and legislative bodies in Indonesia. The main conclusion of this study is that the relationship between the two bodies has been more cooperative than conflictual, making the Indonesian multiparty presidential system in general work. The ability of the executive and legislative bodies to avoid gridlock is related to the combination of institutional and non-institutional factors that make the relations work.

My analysis begins with a brief argument that to understand the working of the relationship between the executive and legislative bodies in Indonesia, we cannot only use the thesis of cartel party that has been advanced by several studies before when analyzing the political party system in Indonesia. At the end of Chapter Two, I explain that the cartel thesis ignores several institutional and non-institutional factors that make the executive – legislative relation work. The cartel thesis for instance views the existence of a coalition as problematic while it is in fact the practice that can be used by a
minority president to govern. The cartel thesis also ignores the existence of opposition parties which have existed in Indonesia since the implementation of multyparty presidentialism in 2004.

In Chapter Three, I describe the historical background and development of legislative-executive relations in Indonesia since independence. I argue in this chapter that historically legislative – executive relations have always been dominated by the executive. However, this domination does not prevent some limited institutionalization on the legislative side. This legacy is then useful for the operation of the current legislature which is still institutionally based on the old one. Moreover, the legislative – executive relations from this pre-democratization era have also developed some types of informal institutions which are later useful for the current interactions as well.

Chapter Four and Five describe the main argument and findings of this study. In Chapter Four, I argue that despite the relatively high probability of being disfunctional because of the difficulties in making the relations between executive and legislative work, the institutions that govern the practice of the relationship between the DPR and the President make the relationship in general work, thus offsetting the potential for gridlock or deadlock. To see what kind of rules of the game govern the relationship and how it is practiced, this chapter discusses both formal and informal institutions which currently exist in the Indonesian multiparty presidential system. In Chapter Five, I argue that the lack of partisan power of SBY both in his first and second term is potentially destabilizing to the Indonesian presidential system because it can lead to gridlock/deadlock in executive and legislative interaction. However, the existence of a coalition has been able so far to offset this potential instability. Further, the coalition in
general has been working both because of the willingness of the president to hold with it and because of the accommodative nature of political elites’ behavior.

In the next chapter, Chapter Six, I present a number of cases of the relationship between DPR and president which show how the institutions that govern the interaction between the two work and make the relationship more stable than unstable. The cases also show that coalition politics complements the institutions in supporting the working of the executive and legislative relations. The cases are categorized into the main functions of the DPR in the area of budget making, legislation, and oversight. This analysis ends with a short chapter summarizing the findings and conclusion.

Specific mention needs to be made about the Indonesian terms, abbreviations, and acronyms used in this dissertation. Short explanations about them can be found in the glossary section. Doing so, I hope, will make this dissertation easier to read.
Chapter Two

Theoretical Framework

In this chapter, I review some of the literature that addresses the issue of legislative – executive relations in presidential systems. The first part provides a short survey on the theoretical and empirical findings that can provide insights into understanding the interactions between the two bodies. In the second part, I lay out the conceptual framework that I use to answer the question of this dissertation and the argument that comes from the framework.

Comparative Literature on Legislative-Executive Relations

There are at least two ways to map the development of the literature on legislative-executive relations in presidential systems. One way to do that is by looking at the focus of the analysis. In this respect there are analyses that emphasize their focus on the executive side, i.e. the president. There are also analyses that put their focus on the legislative side, i.e. the legislature or congress. Besides that, several scholars also divide the development of the literature into several phases/waves. In this respect we will see what Elgie (2005) called the three waves of debate or the shifting of the analyses from institutional perils to coalitional presidentialism (Power, 2010; Chaisty et al., 2012).

Focus on president/executive. Much of the literature on how executive – legislative interaction in presidential systems works focuses on the president or the
executive in general (Shugart & Carey, 1992; Mainwaring & Shugart, 1997; Negretto, 2005; Aleman & Schwartz, 2006; Cheibub, 2007). The focus of this literature, therefore, is on the aspects that can support or obstruct the president in moving forward his/her agenda or presidential performance. Presidential power and influence determine whether or not executive – legislative relations will be characterized more by cooperation and consensus, or by rivalry and even gridlock. Presidentialism, according to this literature, is not monolithic. It can vary from country to country depending on its principal institutional variations such as “the strength of presidents over policy” (Mainwaring & Shugart, 1997, p.40).

Mainwaring & Shugart (1997) said: “the strength of presidents – their ability to influence legislation – rests on two categories of presidential powers: constitutional and partisan. … The interaction of presidents’ constitutional and partisan powers shapes the character of executive – legislative relations and largely determines the ability of presidents to turn a legislative program into policy” (pp.13-14). Constitutional powers vary across presidential systems in many countries. In general, they can be categorized into proactive powers such as decrees and reactive power such as vetos (Mainwaring & Shugart, 1997). A president’s partisan power is the support that is available and/or can be built by the president in the legislature. It can be from the size of president’s party, in the form of a coalition (Cheibub, Pzeworski, & Saiegh, 2004; Cheibub, 2007) and/or the president’s influence over legislators.

Partisan power is related to two other institutional dimensions that determine the relationship between the executive and legislative. They are the degree of party system fragmentation and the discipline of political parties (Mainwaring & Shugart, 1997). Party
system fragmentation is the effective number of political parties in the legislature. The more fragmented the party system, the less likely that there will be a party which controls close to a majority. Political party discipline is also important since it determines how the president will strategically deal with the legislature. Party discipline is the behavior of political party members in the legislature. The more disciplined the political party, the more likely that its members will behave (vote) as a unified block.

Empirical studies, especially in Latin America, have confirmed the value of these conceptualizations. In his study of executive–legislative relations in post-Pinochet Chile, Siavelis (1997) argues that the success of the Chilean government in avoiding executive–legislative gridlock, especially during the Alwyn presidency, is due to several factors. First, numerous presidential powers are granted by the constitution such as the power to control the legislative process through declared executive emergencies, exclusive initiative in certain substantive areas of bills such as state budget finance, and the right to veto legislation. Second, the contextual and legal framework encouraged bipolar competition between center-left and center-right forces in its multiparty system; this provided the president with enough partisan support to move his legislative agenda forward. The third factor is the structure of the executive branch. Each of the ministries in the cabinet is staffed with an under-secretary who is a representative of political party. This provided the president not only a kind of coalitional political support but also a continuing mechanism of coordination among political parties as well as with the legislature. The fourth factor is the behavior of executive and legislative actors. With his constitutional powers, the executive, especially the president can just bypass or force Congress with for instance the emergency powers. On the other hand, there are no
penalties - constitutional or others - for the Congress to just ignore presidential
emergencies. Despite these facts, the president had been willing to refrain from using
such power and gave the Congress more time and room in dealing with presidential
initiatives. On the other side, the Congress had been cooperative in considering the
president’s legislative agenda.

In Argentina, Jones (1997) finds that in the period of 1983-1994, the very strong
president (with his enormous constitutional power), combined with strong partisan
support enabled by moderate to high party discipline, and the ability of the federal system
to offset the winner-take-all nature of presidentialism, has created an effective
government. When the constitutional powers of the president were restricted after the
1994 constitutional reform, the two-party dominant system was still able to provide
necessary partisan support for the president and avoid the potential executive-legislative
gridlock.

Similarly, in Brazil, Mainwaring (1997) finds that the strong president has to
struggle with partisan support because of the undisciplined parties and party system
fragmentation. The president in Brazil, with its very strong presidential powers, cannot
ignore the legislature because doing so will create difficulties for the president in moving
forward the ordinary legislative agenda where the legislature has more say. In Costa Rica,
without decree authority and with very limited veto power, the president is relatively
weak (Carey, 1997). In dealing with the legislature, the president was hardly able to build
partisan power because the one term presidential and legislative limit creates a low
incentive among legislators to support the incumbent president. However, according to
Carey (1997), there are two factors that make the elected president able to elicit legislative support for his agenda:

First, the Costa Rican presidency must be awarded to the candidate who wins a plurality of at least 40% of the popular vote in the first round of presidential elections. This rule discourages fragmentation of the party system, encouraging the formation of broad partisan coalitions behind fewer candidates than would be the case in a pure majority runoff system, … . Second, Costa Rica’s Assembly elections are held concurrently with the presidential election. In a system where presidential and the Assembly elections are held on the same day, the parties presenting the top presidential candidates benefit in Assembly as well. … Thus … the Costa Rican party system since 1949 has been increasingly dominated by two major parties, and presidents have generally enjoyed majority – or at least plurality – partisan support in the Assembly. (p. 203)

Focus on legislature. Another part of the literature looks at the legislature as the main focus. Thus the main question is: “does the legislature play an important policy role in the interaction between the two?” (Morgenstern & Nacif, 2002). This kind of literature however, focuses mostly on the configuration of political parties in the legislature or the party-centric approach (Morgenstern, 2002). The legislature is viewed mainly as an arena of political parties without paying much attention to the institutional characteristics of the legislature. Morgenstern and Nacif’s (2002) edited volume contains a number of studies of legislative politics in Latin America that examine how legislatures play their role in presidentialism. Part of this volume deals with executive – legislative relations.

Mustapic’s (2002) study of Argentina’s president and Congress relations reveal that although there was a strong potential for the executive-legislative to be in gridlock, the power of the legislature restrained the president in using the excessive power granted by the constitution. The gridlock is potential due to the absence of assurance for the president to have the necessary majority to govern, the decentralized nature of the legislative process, and decentralized political parties that made it difficult for the
president to have partisan powers. On the other hand, the president is equipped constitutionally with strong executive veto power and decrees. The gridlock had been able to be avoided, not merely because the presidents restrained themselves from using such institutional powers, but also, even more important is the Congress’ power to legitimize, prioritize, modify, and approve/disapprove the president’s initiatives. The capability of the legislature in this regard is made possible by the internal heterogeneity of the parties and party discipline. In other words, legislature, even in the Argentinian “hyperpresidentialist” presidential system, cannot be ignored in the dynamic of executive-legislative relations. This situation resulted in the capability of the system to avoid the gridlock because of presidentialism.

In his other account, Siavelis (2002) reiterates that despite being theoretically predicted to be in the state of gridlock because of a very strong executive (Mainwaring & Shugart, 1997), the Chilean executive – legislative relations appeared to be smooth and successful in moving the legislative agenda forward. The divided Congress provided the president with the incentives to avoid the use of extreme presidential power granted by the constitution. Siavelis argues that this has been made possible by several factors. First, the party aligns in the chamber of Deputies and Senate. Second, the president has more incentives to negotiate with the legislature because of the distribution of government and opposition in the legislature. Third, the legislature has both formal and informal influence over the executive under the new institutional framework for executive-legislative relations. In other words, it is not the president’s constitutional powers that matter most, instead the success of the legislative agenda is determined by “the constellation of partisan forces in Congress and the dynamic of inter- and intracoalition cooperation
forced by the democratic transition” (Siavelis, 2002, p.106). Similarly, in Mexico, the president’s success in the legislative agenda is not mostly determined by his strength because the Mexican president is constitutionally weak. Rather, the success in executive – legislative relations is determined by the nature of the party system where a quasi-single party system made the Congress provide the president with large majority of legislative support (Casar, 2002).

The type of legislature, according to Cox and Morgenstern (2001, 2002) is an important factor that determines the form of executive – legislative relations in presidential systems. They classify three types of legislature. Originative legislatures make and break the executive. A proactive legislature initiates and passes its own legislative initiatives. A reactive legislature amends and/or vetoes executive proposals. Most of European parliaments (parliamentary system) are originative/reactive while the US Congress is an example of proactive/reactive assembly. In their study of Latin-American legislatures, Cox and Morgensten find that legislatures in this region are neither the type of European nor the US Congress. They are instead reactive legislatures.

The presidents in Latin America, according to Cox and Morgenstern (2001), face the legislature in the form of “bilateral veto games in which the president moves first, proposing most of the important legislation, but knows that the assembly will then have a chance to react” (p.187). In this relation, the legislature plays an important role through its anticipated reactions which must be considered by the president before moving with his agenda. However, there is a possibility that the president reaches a situation where he “has established political mastery over the assembly” (Cox & Morgenstern, 2001, p.187) such as in Mexico in which the legislature will no longer play an important role. While
constitutionally reactive, how the legislature reacts depends on the available partisan power that can support the president. In other words, the president’s level of support determines the overall strategy especially in the first move. A majority in the legislature can be recalcitrant (only a small number of members support the president) which means that most of the president’s initiatives will be rejected. A majority can also be subservient, thus providing the president with a favorable legislative environment. Between these two extremes there is a manageable majority with which president can work out certain deals such as exchanges for access to pork or other political resources. Which type of legislature will be faced by the president depends on the types of political party system in the country.

There have been a few studies that examine the institutional characteristics of legislatures and how they influence the interaction between executive and legislative. Examining legislative organization and party behavior in Brazil, Figuerido and Limongi (2000), for instance, argue that legislative failure is not a necessity of the minority president. They contend that “incentives to cultivate the personal vote stemming from the electoral arena may be neutralized in the legislature through the internal distribution of legislative rights” (2000, p.167). How these legislative rights and processes are structured and put into play in practice among actors in the legislature determines whether or not the minority president can move his agenda. Therefore, “the combination of presidentialism and a multiparty system is not necessarily a threat to governmental performance” (Figuerido & Limongi, 2000, p.167).

In executive–legislative relations, according to Figuerido and Limongi, what matters most are presidential legislative power and legislative organization. Presidential
legislative powers, however, are not the means for circumventing the legislature in a situation where the president lacks partisan support. Presidential legislative powers are “the means to entice a centralized legislature to cooperate” (Figuerido & Limongi, 2000, p.154).

So far, most of the literature dealing with executive-legislative interaction in presidentialism, whether focusing on the president or the legislature, argues that presidential power and partisan support are determinant factors. Partisan support, moreover, is determined by party system fragmentation and party discipline. Others try to look at legislative organization where the internal working mechanism and organization of the legislature, together with the president’s legislative power, determine whether or not the executive – legislative interaction is prone to immobilism.

This literature has not been able to look at how the day to day interactions of legislative and executive are structured/framed. Figuerido and Limongi’s (2000) study of Brazil presidentialism has been actually on this track. However, their approach does not take account of the method of decision making in the legislature. They seem to assume that decision making in legislature is made based on voting, thus cannot account for other methods such as consensus which becomes the main method of decision making in Indonesia. Usually the attention to the practice of institutional mechanism of legislative-executive relation is focused on the constitution or what is stated in the constitution. This approach, I argue, misses the process of the interaction in practice. When the constitution is highly detailed, this approach is possibly not so problematic. However, in countries like Indonesia, where the constitution is short and general, the examination of the
legislative and executive interaction must also be directed to how the provisions in the constitution are transformed into legal frameworks and practices.

**From institutional perils to coalitional presidentialism.** Studies that deal with institutional problems of presidentialism, especially related to the coexistence of a presidential executive and a fragmented multiparty legislature, which revived in 1990, have since been through several phases or waves of development (Elgie, 2005; Power, 2010; Chaisty et al., 2012).

Elgie (2005) divides the development of the studies into three waves. The first wave was marked by the widely cited article by Linz on the perils of presidential democracy in 1990. This was also an era of the rise of new democratic governments, particularly in Central and Eastern Europe and the former Soviet Union. The main characteristic of this wave, to Elgie, is the effort to examine how institutional design affects the likelihood that democracy will endure. Both theoretical analyses and more empirical studies during this first wave came to relatively the same conclusion supporting Linz’s thesis about the perils of presidentialism. Most of the studies in this generation for instance suggest that presidentialism is less conducive to democratic stability than a parliamentary regime (Lawrence & Hayes, 2000).

The beginning of the second wave in Elgie’s periodization is associated mostly with the works of Shugart and Carey (1992) and Mainwaring (1993). While still supporting the perils of presidentialism thesis, the studies during this second wave focus their analyses on other variables than the difference in institutional designs of presidentialism and parliamentarism. The main conclusion of this era is that presidentialism per se is not necessarily problematic; rather, presidentialism becomes
problematic when it is combined with a multiparty system. With this “difficult combination”, it is difficult to have a president with majority support in the legislature, which then leads to the difficulties in making the interactions between executive and legislative work well.

Elgie’s third wave points to the use of a more “positive political science” method in understanding the correlation between the institutional design, i.e. parliamentarism and parliamentarism, and other variables such as democratic stability. One example of this is the use of the veto player approach in understanding how executive and legislative relations work in a presidential system. Thus the main conclusion of this wave is still more supportive of the thesis of the perils of presidentialism using a method that can describe better how the institutional design can lead to its perils and/or virtues.

In general, we can see that Elgie’s periodization is still related to the thesis of the perils of institutional design in presidential systems. The latest development of the studies on presidential systems has been to focus more specifically on multiparty presidentialism. Since 1997, a series of studies arguing that multipartiism and presidentialism are not necessarily a difficult combination has been emerging. According to this argument, in many cases, the so-called difficult combination is not problematic at all. The reason for this is that the executive or president in a multiparty presidential system can use the ways of governing just like the executive in a parliamentary system. Thus the third wave of presidential studies, according to Chaisty et al. (2012) should be marked by the rise of the “coalitional presidentialism” approach. The coalitional presidentialism approach basically advances the thesis that presidentialism could work like parliamentarism namely that presidents are “…capable of
building stable multiparty coalitions, even in weakly institutionalized party systems” (Chaisty et al., 2012, p. 4). A series of empirical studies using this thesis, particularly on the Latin American cases have emerged coming out of dissertations at various European and American universities such as Neto (1998), Pereira (2000), Altman (2001), Acosta (2004), Martinez-Gallardo (2005), Hernandez (2007), and Zucco (2007). Case studies that derive from other regions such as Africa, Russia, and Asia have also started to emerge (Kim, 2008; Chaisty et al., 2012).

How does a president work out legislative and executive relations according to this approach? According to Chaisty et al. (2012) this approach combines the institutional framework of legislative – executive relations with an actor based approach (the president) and assumes that conflict and cooperation between the president and the legislature are conditioned by institutional characteristics: “Institutions do not merely shape the strategies of actors: they also affect the probability distribution of certain political outcomes” (Chaisty, 2012, p. 5).

This approach, while still using this assumption, according to them, moves beyond the institutionalist approach per se to include the following characteristics. First, presidents have access to multiple tools to be used in various available circumstances to form a coalition and make it work as well as to secure legislative support. These multiple tools are called the presidential toolbox or executive toolbox. Thus a president’s institutional resources are not single such as only agenda power, or cabinet formation/management power, or budgetary power, or pork for policy. Second, the role of informal institutions cannot be ignored, though they may not be as important as the formal ones. Chaisty et al. (2012), for instance, find that the consolidation of Latin
American presidentialism is often related to the practice of informal institutions such as the spoils system. Other examples of informal institutions in this respect are clientelism and side payments in Latin America, particularistic networks in Russia and post-Soviet regimes, and ethnic and regional loyalties in Africa. Third, executive – legislative relations do not occur in a vacuum. Therefore, the context is important and makes the strategies of creating and maintaining coalitions vary from one case to another. In a country where ideological difference is not important or not salient for instance, the coalition formation and management will be different from the country where such difference matters.

In short, coalitional presidentialism is a conceptual framework that can be used to understand the fact that many multiparty presidential systems in Latin America, Europe, Africa, and Asia have been able to maintain stability both in terms of regime stability and democratic consolidation.

One of the fertile grounds for the research on presidentialism in Latin America is Brazil. The rise of coalitional presidentialism as mentioned by Chaisty has been supported by empirical evidence and the development of presidential studies in this country (Power, 2010). In Brazil, according to Power, the problem of governability was persistent during the beginning of the post democratization era in 1985. Studies on the Brazilian presidential system were mostly pessimistic. Barry Ames compiled his long research on this issue in a book with the title of “The Deadlock of Democracy in Brazil” (2001). The argument mostly pointed to the key deficiencies such as “party fragmentation leading to minority presidentialism, internal weakness of the parties, an electoral system inhibiting democratic accountability” (Power, 2010, p.19). Thus until the mid-1990s,
Brazil was considered as good example of a problematic case of a multiparty presidential system.

Starting from the mid 1990s, the tone of studies of Brazilian presidential system became more optimistic. The focus of the studies was on various possible institutional arrangements that could correct the perils of institutional design. These corrective institutions can include presidential agenda power, decree authority, centralization of the legislative decision making process, or the requirement for a constitutional amendment. By looking more closely at the rules and institutions that operate on the ground, the more optimistic view is able to point to the mechanisms that make Brazilian multiparty presidentialism work. Finally, echoing the developments in other countries, the latest development of the studies points to the phenomenon of coalitional presidentialism. The term itself, according to Power, is usually attributed to the Brazilian term of *presidencialismo de coalizao*, introduced by Brazilian political scientist Sergio Abranches, who is among the first to recognize the importance of coalitions in making multiparty presidentialism work.

This short literature review shows that to understand the state of the relationship between executive and legislative bodies in presidential systems we can look at several aspects. The first one is the institutional powers that are granted by the constitution and/or by the laws both on the side of the president/executive and on the side of the legislature. The next aspect is the organization and decision making process in the legislature. The third aspect is pertinent to the rules and procedures that structure the daily interactions of the president and legislature and how they are practiced. The final
aspect deals with the coalition formation and maintenance, including how the president uses the available toolbox in making the coalition work in the president’s favor.

In the Indonesian context, there have been a number of researches that are directly or indirectly related to presidentialism. These researches can be categorized into two types of works. First are analyses that focus on specific institutions especially legislatures. Braun (2008) categorizes these works into three types: (1) descriptive accounts that include historical accounts, publications by non-governmental organizations, and the works of most Indonesian political scientists; (2) analytical accounts lacking theoretical bases including analyses of international donor agencies and international consultants such as NDI (2005) and Sherlock (2003, 2004, 2007, 2008, 2009, 2010); and (3) more theoretically informed accounts such as analysis of the role of the DPR in Indonesian democratization (Ziegenhain, 2008).

The second type of work is a more theoretically informed one with a focus on the work of the system in general. One example is from Braun (2008) which was mentioned at the beginning of Chapter One. Braun analyzes whether or not Indonesian presidentialism should be considered as a factor for stability or instability in Indonesian democracy. Braun argues that Indonesian presidentialism from 2004 to 2006 showed evidence of the perils of presidentialism or Mainwaring’s difficult combination of multiparty presidentialism. To reiterate my critique of Braun’s work, there are at least two weaknesses in this account. One is it does not clearly define gridlock. It confuses gridlock with heightened debates or tensions between executive and legislative on certain issues. His analysis also covers only the first two years of Indonesian pure
presidentialism and many of the issues considered gridlock have been resolved toward the end of the 2004-2009 period of DPR.

**Argument**

In this study, I am developing an argument to explain why multiparty-presidentialism in Indonesia works by incorporating a more comprehensive framework which includes institutional mechanisms that structure the day to day relations of executive – legislative, the executive’s legislative and partisan power, legislative organization and its institutional capacity, coalition and opposition (presidential and elite behaviors).

I argue that the institutional aspects that structure the relationship between executive and legislative in Indonesia are not only constitutional and legislative power of the president but also, equally important, the legislative organization and institutional mechanism that structure the day to day relationship especially in moving the legislative agenda—of the president as well as the legislature—forward. The available informal institutions complement this mechanism to support the working of the relationship. I also argue that given his constitutional authority and political constraints, the willingness of the president to form and maintain a coalition contributes to the working of the relationship as well. Moreover, the available formal and informal institutions are used by the president as an “executive toolbox”\(^5\) to make the relationship work in different situations. The accommodative nature of presidential leadership is in line with the tendency of Indonesian political elite’s behavior toward a more consensual politics.

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\(^5\) This term is used, among others, by Raile et.al (2011) and Chaisty et.al (2012) to point to various means that the president can use in making and maintaining coalition and to secure legislative support for her agendas.
Putting all these together makes the Indonesian multiparty presidential system has been working reasonably well so far.

**Formal and informal institutions.** The main body of theory behind this argument is institutionalism. An institution can be formal and informal, opportunity as well as constraint to the actors. North (2005) defines institutions as “the rules of the game—both formal rules, informal norms and their enforcement characteristics [which] together they define the way the game is played” (p. 22). According to Thelen and Steinmo (1992), institutions are formal rules, compliance procedure, and standard operating procedures that structure the relationship between individuals in various units of the polity and economy. An institution can also be defined as “constraints that shape behavior in all sorts of areas of human activity, stretching from social interaction to economic exchange to international cooperation” (MacIntyre, 2003, p. 2).

Hall (1986) provides good examples of how this mechanism of structuring works. First, organization of policy making affects the degree of power that any set of actors has over the policy outcome. Second, organizational position influences actors’ way of defining their interests, by establishing institutional responsibilities and relationship to others.

The example of application of this institutional approach in understanding how the governmental institutions work is summarized by Weaver and Rockman (1993) in the following figure.
This figure, according to Weaver and Rockman shows that the institutions provide constraints which encourage or discourage certain types of attributes of decision making process. These attributes in the next stage can enable or deter the emergence of policy making capabilities which in turn influence the government’s ability to make policy choices. Finally, the policy choices influence but do not necessarily determine the policy outcome such as the quality of social and economic life.

In order for us to understand more comprehensively all formal institutional aspects of the working of legislative – executive relations we need to look at the categorization of institutions into three tiers as proposed by Weaver and Rockman (1993). The following figure can describe three levels or tiers of institutions that can be used to examine how the legislative and executive relations work in a presidential system.
This framework suggests that to better understand or explain executive– legislative relations in presidential systems and their outcomes we have to look at not only the difference of institutional design between parliamentary and presidential regimes but also the difference inside the presidential regime or parliamentary regime itself. Juan Linz’s “the perils of presidentialism,” for instance, can be categorized as only using the

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6 Since Weaver and Rockman put the regime type or government type under the presidential or parliamentary system, this classification can be a little bit confusing. It is important to clarify that Weaver and Rockman’s classification of regime type does not refer to the classification from Linz & Stepan (1996) that regime type is classified into democratic and nondemocratic regimes. Instead, what Weaver and Rockman mean by regime type is the classification of government into multiparty, two party, and single party governments (pp.18-30).
first tier in his analysis. Thus when we use this first tier to understand the fact that presidentialism works in many countries in the last two decades, this first tier of analysis is unable to come up with an explanation. Meanwhile, the Mainwaring thesis on the difficult combination of presidentialism and multipartyism focuses too much of its analysis on the second tier of explanation, thus is unable to explain the fact that coalition can be stable and working in many multiparty presidential systems. The third tier of this framework guides us to look more closely at the institutional arrangement and the practice of the relationship between executive and legislative bodies just like the scholars in Brazil who used a more optimistic approach in understanding the Brazilian presidential system. This framework seems to imply the importance of non institutional variables such as coalition (policy makers’ goals) but it is clear that its focus is still much more on the formal institutions.

We can now identify several formal institutions that we can use to analyze executive – legislative relations in multiparty presidential system like Indonesia. At the first tier, in a presidential system, presidential constitutional power is balanced by legislative power. The mechanism between the two is basically check and balance. Institutionally, both work separately. The result of the process in each institution is then sent to the other. For example, in the United States, after being deliberated in the Congress (the House and the Senate), a bill is sent to the president to be signed (approved) or vetoed. In case it is vetoed, the bill is sent back to the Congress to be overridden successfully or not successfully. This basic process does not provide the bridge between the two institutions in between the process. Therefore, formally, it is difficult for the president to make sure that his/her agenda is moved forward in the bill
deliberation. The only way for the president to do this is by relying on his/her partisan power, i.e. the legislative members from his/her party who are directly involved in the process inside the legislature. This basic institutional mechanism, in the case of a minority president in multiparty presidentialism, is more likely to create rivalry or competition than cooperation between the two.

As has been revealed by the literature, the constitutional power of the president – including the legislative power, president’s partisan support, and legislative organization affect the outcome (executive – legislative relations). The constitutional power of the president is defined as legislative and non-legislative powers that are granted by the constitution. Shugart and Carey (1992) have neatly conceptualized these powers and their variation across presidential systems as presented in the following tables.
Table 3
*President’s Legislative Powers*

<table>
<thead>
<tr>
<th>Package Veto/Override</th>
<th>Partial Veto/Override</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Veto with no override</td>
<td>• No override</td>
</tr>
<tr>
<td>• Veto with override requiring majority greater than 2/3 (of quorum)</td>
<td>• Override by extraordinary majority</td>
</tr>
<tr>
<td>• Veto with override requiring 2/3</td>
<td>• Override by absolute majority of whole membership</td>
</tr>
<tr>
<td>• Veto with override requiring absolute majority of assembly or extraordinary majority less than 2/3</td>
<td>• Override by simple majority of quorum</td>
</tr>
<tr>
<td>• No veto; or veto requires only simple majority override</td>
<td>• No partial veto</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Decree</th>
<th>Exclusive Introduction of Legislation (Reserved Policy Areas)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Reserved power, no rescission</td>
<td>• No amendment by assembly</td>
</tr>
<tr>
<td>• President has temporary decree authority with few restrictions</td>
<td>• Restricted amendment by assembly</td>
</tr>
<tr>
<td>• Authority to enact decrees limited</td>
<td>• Unrestricted amendment by assembly</td>
</tr>
<tr>
<td>• No decree powers; or only as delegated by assembly</td>
<td>• No exclusive power</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budgetary Powers</th>
<th>Proposal of Referenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>• President prepares budget, no amendment permitted</td>
<td>• Unrestricted</td>
</tr>
<tr>
<td>• Assembly may reduce but not increase amount of budgetary items</td>
<td>• Restricted</td>
</tr>
<tr>
<td>• President sets upper limit of total spending, within which assembly may amend</td>
<td>• No presidential authority to propose referenda</td>
</tr>
<tr>
<td>• Assembly may increase expenditures only if it designates new revenues</td>
<td></td>
</tr>
<tr>
<td>• Unrestricted authority of assembly to prepare or amend budget</td>
<td></td>
</tr>
</tbody>
</table>

Source: Mainwaring and Shugart (1992, p.150).
Table 4
*President’s Non-legislative Powers*

<table>
<thead>
<tr>
<th>Cabinet Formation</th>
<th>Cabinet Dismissal</th>
</tr>
</thead>
<tbody>
<tr>
<td>• President names cabinet without need for confirmation or investiture</td>
<td>• President dismisses cabinet ministers at will</td>
</tr>
<tr>
<td>• President names cabinet ministers subject to confirmation or investiture by assembly</td>
<td>• Restricted powers of dismissal</td>
</tr>
<tr>
<td>• President names premier, subject to investiture, who then names other ministers</td>
<td>• President may dismiss only upon acceptance by assembly of alternative minister or cabinet</td>
</tr>
<tr>
<td>• President cannot name ministers except upon recommendation of assembly</td>
<td>• Cabinet or minister may be censured and removed by assembly</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Censure</th>
<th>Dissolution of Assembly</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Assembly may not censure and remove cabinet minister</td>
<td>• Unrestricted</td>
</tr>
<tr>
<td>• Assembly may censure, but president may respond by dissolving assembly</td>
<td>• Restricted by frequency or point within term</td>
</tr>
<tr>
<td>• “Constructive” vote of no confidence (assembly majority must present alternative cabinet)</td>
<td>• Requires new presidential election</td>
</tr>
<tr>
<td>• Unrestricted censure</td>
<td>• Restricted: only as response to censures</td>
</tr>
<tr>
<td></td>
<td>• No provision</td>
</tr>
</tbody>
</table>

Source: Mainwaring and Shugart (1992, p.150).

Table 3 and 4 show that constitutional legislative and non-legislative powers are the tools of the president in his/her interaction with the legislative. From these tables we can see that there are several possibilities of legislative-executive interactions. First, the president is very strong and the legislature is very strong as well. Second, there is a strong president with relatively weak legislature. Third, there is a strong legislature and a relatively weak president. Theoretically and empirically, according to Shugart and Carey, a relatively strong legislature, in its relation to president, is the best scenario. With this arrangement, according to them:
… presidentialism with a strong congress indeed does afford a democratic principle for the regulation of interbranch conflicts: that principle is that the assembly prevails, subject to a need for compromise with the president. The relatively weaker presidents (those of Costa Rica and the United States, for example) cannot use decree legislative authority to break a “logjam” in congress, as many presidents can do with perfect legality. (p.165)

Shugart and Carey’s argument about the advantage of having a strong legislature, relative to the president is echoed by Steven Fish. According to him, a stronger legislature “…served as a weightier check on presidents and thus a more reliable guarantor of horizontal accountability than did weaker legislatures” (Fish, 2006, p.18). In short, unlike Linz who conceives of the executive and legislative in presidential system as always equally powerful, Shugart and Carey and also Fish explain that the constitutional powers of the two can be varied. This variation, according to Domingo and Morgenstern (1997) provides some formal institutions that can help avoid deadlock in multiparty presidentialism.

Based on the success of presidentialism in Latin America, Domingo and Morgenstern (1997) point to some examples of how various formal powers derived from the constitution can be the solution to executive – legislative deadlock. In Colombia, if the legislators were really having troubling relations with the president, they could constitutionally change the rules of the game without the president’s involvement, thus avoiding deadlock. Similarly, in Venezuela, the Congress does not need to worry about deadlock because it can override presidential veto by a simple majority. On the other hand, other cases reveal that the president can use several formal institutions to avoid such deadlock. The president can use emergency provisions such as in Chile, Ecuador,
Paraguay, and Uruguay without legislative approval. The president can also use decree power such as in Brazil or budget power such as in Bolivia, Brazil, and Chile.

Another formal institution that can be looked at is what Weaver and Rockman—in their three tiers concept above—called secondary institutional characteristics. These institutions are the ones that can be seen in the day to day process of executive-legislative interactions. Relevant to the argument in this study are secondary characteristics of legislatures (Weaver & Rockman, 1993). Several aspects that can be looked at in this respect are organization, voting rules, and the process of deliberation and decision making in general. Legislative decision making, for instance, may be recorded or secret. It can also require simple majorities or supermajorities to make decisions. Other organizational aspects are the role of the legislative/parliamentary caucus, the centrality of the committee in the decision making process, and the role of legislative leadership.

Although not many scholars pay attention to it, the importance of assessing the day to day process of executive-legislative relations has actually been advocated by Balutis (1977), who introduced the concept of “legislative – executive integration.” According to Balutis, legislative-executive integration is a concept that can help us examine the actual operation of the governmental process, not only based on what is stated in the constitution.

In his case study on legislative-executive interaction in New York state, he found that although the two institutions are separated with different authorities/powers, in practice both are integrated in many ways (legislative – executive interaction in practice). The staffs become the informal bridge between the two branches. The obvious reason for the interactions of the staffs is the need for information. Legislators and the executive
need to make informed reactions and decisions in dealing with legislation and other matters. However, there is another, more important, political reason. The staffs can be the line of communication between the legislators and the related executive departments. They can serve as “transmission belts” from which the two branches can narrow the gaps or the differences before, during, and after the formal deliberations about certain legislation or other issues. These informal interactions “provide much of the cement that binds the legislative and executive branches together” (Balutis, 1977, p.93). Siavelis’ (1997) argument about the working of presidentialism in Chile, also uses this kind of legislative-executive integration as one of the reasons why the system works.

As mentioned above, Figuerido and Limongi (2000) have pointed to legislative organization as one important formal institutional factor that affects executive–legislative cooperation or rivalry. When the executive’s strong legislative power is paralleled with highly centralized legislative organization, the cooperation between president and legislature will be more easily achieved. The reason is because the president does not have to negotiate with so many actors in the legislature.

In the case of Brazil, for instance, Figuerido and Limongi found that given the highly centralized legislative organization, the president needs to keep close cooperation with the speaker and party leaders in order to get legislative support and avoid gridlock. This was possible because the speakers and party leaders exercised tight control over the legislative agenda and the process of decision making. In requesting a roll call, considering an amendment to the executive’s proposals, and requesting emergency, for example, the signature of the party leader automatically represents the will of all members of his party. Beside the structure of organization and the decision making
process, institutional capacity, especially expertise/technical support of the legislature is also an important factor. The president who has to face a legislature with low capacity in drafting the bills or in modifying the budget proposals from the executive for instance will be more likely able to pass his/her agenda.

Informal institutions are also important. These institutions, according to Helmke and Levitsky (2004), can range from bureaucratic and legislative norms to clientelism and patrimonialism. In their analysis, Helmke and Levitsky found that a growing number of comparative studies in Latin America, postcommunist Eurasia, Africa, and Asia in the last two decades indicate the importance of informal rules of the game, the institution that is “created, communicated, and enforced outside of officially sanctioned channels” (Helmke & Levitsky, 2004, p.725). They further assert that formal and informal institutions interact with each other in four patterns: complementary, accommodating, competing, and substitutive.

Informal institutions are complementary when formal institutions are expected to be enforced but leave a gap which needs to be filled by informal institutions. Examples of this are “the myriad norms, routines, and operating procedures that ease decision making and coordination within bureaucracies” (Helmke & Levitsky, 2004, p.728). Accommodating informal institutions alters the formal rules but does not violate them. A good example is the informal interparty consultation in Chile’s executive-legislative power sharing mechanism. When it is ignoring the formal rules, informal institution is competing. Formal rules and procedures in this case are not enforced and actors can ignore them. Clientelism, patrimonialism, and corruption are among good examples of this type of informal institution. Finally, it is substitutive when the formal rules are not
enforced and the informal ones replace them. When the state structures are weak or lack authority, their function is usually taken by informal institutions.

Informal institutions in presidential systems have also been identified as important factors that can contribute to the working of executive – legislative relations. Informal institutions, according to Chaisty et al. (2012), are any non formal institutions that reflect country-specific historical and cultural factors. These informal institutions can be in the form of patronage resources and extra institutional deal-making such as in Latin America (Domingo & Morgenstern, 1997; Acosta, 2004), business lobbying, vote buying, and bribery as in the post Soviet presidential systems (Chaisty et al., 2012), or personalized patron-client networks such as in Africa (Van Cranenburg, 2008).

**Coalitional presidents.** Besides institutions (formal and informal), explaining executive – legislative relations in multiparty presidential systems also needs to consider non-institutional factors. The latest theoretical development on this issue, as mentioned above, points to the importance of coalitional presidents in making the relations work or in avoiding deadlock.

Institutions need actors to operate. Thelen and Steinmo contend that “institutions constrain and refract politics but they are never the sole cause of outcomes. Institutional analyses do not deny the broad political forces that animate various theories of politics: class structure in Marxism, group dynamics in pluralism” (1992, p. 3). Institutions and actors are interrelated. In the words of Mainwaring: “Institutions create incentives and disincentives for political actors, shape actors’ identities, establish the context in which policy-making occurs, and can help or hinder in the construction of democratic regimes” (1993, p.198). Strahan (2007) uses this reasoning in his study of American Congressional
leadership. He introduces the concept of conditional agency in which he focuses on “identifying conditions under which the agency of leaders is most likely to be an important factor in institutional and policy outcomes” (2007, p.39). Ilchman and Uphoff (1998) view actors as related to many aspects of their structure, including institutions. Actors, for them, are the creative users of the environment (such as institutions) as resources. In terms of legislative – executive relations, Siavelis’ study of Chile described above reveals the importance of actors’ behavior in making presidentialism work.

Here we can see the importance of coalitions in multiparty presidentialism. Although the executive or president in presidential systems is not dependent on the legislative, when running his/her administration, the president still needs support from the legislature. Otherwise, the president’s agenda can be obstructed by the legislature through its lawmaking and budgetary power, oversight power and other powers granted by the constitution. This need is even more important in a multiparty presidential system where a president usually has minority support in the legislature.

Coalitional presidentialism is a logical choice to compensate the fragmenting effects of institutional characteristics such as the combination of presidentialism, multipartyism, and proportional representation of the electoral system (Power & Taylor, 2011). This situation fits with the current Indonesian multiparty presidential system. Due to a PR list system of election of legislative members, there have been always more than five political parties sitting in the legislature. The presidential election following the legislative election also requires a coalition of political parties both for the requirements of vote share/number of legislative seats share and for broader support from the voters. Later, in order for the president to get majority support in the legislature he must be able
to convince other political parties to support him because of the small size of the president’s party in the legislature.

The conventional model of coalition that generally derives from the theory of coalition formation in parliamentary regimes hypothesizes that coalition formation is an explanatory variable for legislative support of executive policy position (Raile et al., 2011). This is based on an assumption comes from the theory of responsible government, i.e., “…parties provide legislative support in exchange for spots in the formal pro-government coalition and for cabinet seats” (Raile et al., 2011, p. 324).

In a multiparty presidential system with an open-list PR election system like Brazil, however, this assumption does not necessarily hold. The reason, according to Raile et al. (2011), is because the parties “… are weaker and less disciplined and ideological differences are not necessarily the primary determinants of voting decision” (p. 324). Therefore, Raile et al. (2011) continue: “In some presidential regimes, the lack of party loyalty and discipline means that a minimal “winning” coalition may not be enough to win consistently over time. Minimal winning coalitions are also suspect in that they give inordinate power to smaller coalition parties, which can become hostage takers” (pp. 324-325). As a result, a president may find it better to form an oversize coalition that is not vulnerable to other vote buyers and in which no single coalition member can view itself as the leverage point (Groseclose & Snyder, 1996).

Raile et al. (2011, p.325) have identified two separate approaches to explain how the executive “boosts voting discipline and buys additional votes in order to cobble together winning coalitions in multiparty, coalition-based presidential systems.” The first approach views that the success of multiparty presidentialism, is related to how the
executive maintains its day-to-day relationship with the legislature. The executive uses various means to generate and maintain legislative support such as pork in Brazil (Ames, 2001; Pereira & Mueller, 2004; Alston & Mueller, 2006). Legislators know very well that access to state resources can help their political survival (Ames, 1987; Samuels, 2002).

The second approach pointed to the importance of coalition goods such as cabinet positions as the president’s strategic resources (Martinez-Gallardo, 2005). Thus, this approach looks at how the executive forms a coalition and cabinet to boost legislative support. The executives will be more likely to get legislative support when establishing and maintaining cabinets which distributes portfolios proportionally to political parties in the coalition (Amorim Neto, 2002, 2006; Negretto, 2006). Executives “may also redesign the internal structure of the presidency itself, using staffing and organizational reforms in ways that resemble the allocation of ministerial posts” (Raile et al., 2011, pp. 324-325). Therefore, an oversize coalition becomes an important—to borrow Raile et al.’s term—“executive toolbox” for a president governing in a multiparty presidential system.

Besides that, there has been also significant examination of the failure of presidencies in multiparty presidential systems, especially in Latin America (Llanos & Marsteintredet, 2010; Hochstetler & Edwards, 2009: Hochstetler, 2011). The presidential failure here is defined as the president must step down in the middle of the term without dismantling the presidential regime. These researches reveal that there are at least four factors that can explain the failure of the presidency. They are the lack of partisan support (legislative support), the street based challenge (such as continuous mass protest), the presidential corruption or scandals, and the problems of economic performance. As partisan support is found to be one of the significant factors in making failed
presidencies, this research therefore also suggests that coalition formation and coalition maintenance are important factors in multiparty presidential systems.

Another issue is related to the longevity of a coalition. The theory of coalition duration in presidential systems points to two aspects of coalitions (Martinez-Gallardo, 2011). First is related to the incentives to form and maintain coalitions on the president’s side. There are two influential factors here. The first factor is related to the status of the government. A president with minority legislative support from his/her party would be more likely to form a coalition. Later, the president with a surplus coalition will be less likely to make compromises, especially when he/she sees that defection from one party or two parties in the coalition will not jeopardize the government’s agenda. On the other hand, a president who has only a minimum winning coalition and faces uncertainty in implementing his government agenda when one or two parties in the coalition defects will be more likely to compromise. According to Pareira et al. (2011), “All other things held constant, an executive can be less accommodating with noncontroversial and minor policy change. … The executive will be more disposed to give ground on policies over which she has weak preferences” (p. 39).

The second factor is related to a president’s institutional leverage. The president with strong unilateral authority, such as in Brazil, will be less likely to make compromises. However, “… where the president’s ability to change policy relies necessarily on the concurrence of a legislative majority, the president will be more likely to compromise with other parties and to pay a higher price to maintain the support of other political parties” (Martinez-Gallardo, 2011, p.70).
On the other side, this president’s institutional leverage is counterbalanced by the legislative capacity to effectively revise or modify the executive’s proposals. This means that the president will be institutionally more likely to compromise with the legislature/political parties, but at the same time, because of its institutional capacity which outperforms the legislature, the incentive of the president to work with the legislature is even higher, because the president can get a compromise from the legislature while at the same time still leading the process of the compromise formation.

The second aspect is related to the incentives on the political parties’ side. Unlike parliamentary systems, in presidential government when one party leaves the coalition or when the coalition breaks down, it does not lead to the dissolution of the government, and the president has the leverage to redistribute the portfolios and reform the coalition by offering them to the new parties (Cheibub & Limongi, 2002). As stated by Martinez-Gallardo (2011), the government’s portfolios

… are valued by potential coalition partners as a privileged channel to policy making as well as a way to access the perks of office, including a source of patronage for their members and a vehicle through which to distribute pork to their supporters. … The value of a portfolio is even higher in presidential systems where opportunities for pork and policy are concentrated in the executive and opportunities for career advancement outside the government are scarce. (p.71)

This means that the incentive for a political party to be a part of the government coalition is high in presidential systems, if not higher than in parliamentary government. The flip side of the coin, however, is when the party sees that siding with the government will be costly to its electoral fate (Strom, 1990). When the president is growing unpopular and/or the election time is approaching, political parties will be more calculative about the benefits of siding with the government in the coalition.
Another way of maintaining a coalition is by shadowing the ministers who are not from the president’s political party. In multiparty coalition government one of the big delegation problems is related to the fear of the governing party that its governing partners in the ministries will pursue their own interests. Carroll and Cox (2012) argue that the governing party can shadow the ministers of their partners by appointing legislative committee chairs and/or junior ministers from other governing parties to check the corresponding ministers. In their research Carroll and Cox indeed find that “… the greater is the policy disagreement between a minister’s party and its partners, the more likely the minister is to be shadowed. … this baseline probability of a given minister being shadowed is higher in the newer democracies” (2012, p. 231).

To summarize, the theoretical discussion about formal and informal institutions as well as coalitional presidents above provides a more detailed theoretical framework which I will use in answering the questions of this dissertation. First, formal and informal institutions provide both enabling and constraining factors to the president and the legislature in working out their relationship. Second, formal and informal institutions also provide a toolbox which provides multiple means for the president to use in making sure that the presidential legislative agenda is moving forward and in making sure that the president can get enough legislative support. Based on the experience of coalitional presidentialism in Latin America, post-Soviet countries, and Africa, these presidential tools can be categorized into five broad clusters: agenda power, budgetary prerogatives/power, cabinet management power, partisan power, and informal institutions (Chaisty et al., 2012). Third, the willingness of the president to use a coalitional approach in his/her relations with the legislative body makes the possibility of deadlock or gridlock
reduced. In other words, the existence of a coalition is a solution rather than a problem in executive-legislative relations in multiparty presidential system.

**An Alternative Explanation**

One common analysis of how the Indonesian governmental system works since the era of democratization, especially since the implementation of the multiparty presidential system, is the so called cartel thesis. The political party system as the main basis of the work of the system is regarded as a cartel system. Using this concept, the answer to the main question in this dissertation is that the Indonesian multiparty presidential system has been working so far because of the collusion among political parties and hence between the executive and legislative bodies.

In a cartelized party system, all major political parties engage in collusive behavior pursuing many shares/cuts in politics in various forms such as governmental position, government projects, or other patronage politics. According to this logic, political parties in the legislature are not concerned with the policies or the agenda of the president as long as they can provide political and economic profit for the survival of the parties. Because of this collusion, there is no need to have rivalry between the two bodies, thus, the possibility of the perils of presidentialism becomes zero. I argue that the explanation of a cartelized party system is not satisfactory. Nevertheless, I also accept the notion that there is some element of the truth in this explanation; hence it is partially satisfactory at best.

**What is cartelized party system?** In their seminal article, Katz and Mair (1995) identified a new kind of political party that they called a “cartel party” which works together in a collusive manner to milk resources from the state and create barriers for
newcomers to enter the political arena. These parties, they argued, are different from mass parties in that they were no longer the linkage between society and state. Instead, such parties had colonized the state and moved away from the society and their membership. From time to time they also found that they have more in common with each other, and used their positions and access to the state to secure access and privileges.

Confirming their previous thesis, in later article, Katz and Mair (2009) restate their argument:

…the concept of the “cartel party” was first proposed as a means of drawing attention to patterns of interparty collusion or cooperation as well as competition, and as a way of emphasizing the influence of the state on party development. The cartel party is a type that is postulated to emerge in democratic politics that are characterized by the interpenetration of party and state and by a tendency towards inter-party collusion. … Competition between cartel parties focuses less on differences in policy and more on, …, provision of spectacle, image, and theater. Above all, with the emergence of cartel parties, the capacity for problem-solving in public life is manifested less and less in the competition of political parties. (p.755)

Besides that, Katz and Mair (2009) further contend, in a cartel party system:

“The election campaigns that are conducted by cartel parties are capital-intensive, professionalized and centralized, and are organized on the basis of a strong reliance on the state for financial subventions and for other benefits and privileges. Within the party, the distinction between party members and non-members becomes blurred, in that through primaries, electronic polling, and so on, the parties invite all of their supporters, members or not, to participate in party organizational activities and candidate selection. (p.755)

The application of the cartel party model in Europe (Hutcheson, 2010) suggests that the emergence of such parties occur in a number of ways. It can be because of the lack of resources of the parties as suggested by Katz and Mair, because of the increasing involvement of the state in civil society institutions, or simply because each political
party believes that to cooperate and collude can yield better political and economic rewards.

**The cartel thesis for Indonesia.** The available cartel thesis on Indonesia actually does not directly intend to answer the question in this dissertation. Rather, the cartel thesis emerges in the research and discussion in the area of political party and party system development. The implication of this thesis, however, is directly related to the discussion of executive – legislative relations. Thus the cartel thesis can become an alternative explanation as to why Indonesian executive – legislative relations are not in the state of gridlock despite the fact that it is a multiparty presidential system which is prone to the perils of presidentialism.

One of the widely cited cartel theses on the Indonesian party system is proposed by Dan Slater (2004, 2006) when he discusses accountability in this post authoritarian political system. Slater argues that Indonesia is experiencing what he calls the “accountability trap”. This trap is caused by the failure of political parties to function as checks and balances at the level of government. After the 1999 general election, according to Slater, instead of maintaining the competition against each other, political parties formed a cartel which prevented the emergence of opposition. Without the existence of opposition in the legislature, there is no horizontal accountability between legislature and government. The cartel parties can also capture economic rents from their control over the ministerial posts allocated to them. With the collusion of all political parties, except PKB, in 2001, to impeach President Abdurrahman Wahid, the cartelization of Indonesian parties became stabilized during the Presidency of Megawati Sukarnoputri (2001-2004). There was a moratorium among political parties during this
time in which they all agreed to keep the presidency of Megawati until 2004 and all political parties got ministerial posts in Megawati’s cabinet. Led by PDIP and Golkar Party, according to Slater, this cartel prepared for the election of 2004.

This cartel, according to Slater, was potentially destabilized by the election of 2004 both because of the new direct presidential election system and the entrance of the winner who is not part of the cartel. Supported by three small-medium size parties, Partai Demokrat, PKS, and Partai Bulan Bintang (PBB, Star and Crescent Party), SBY teamed up with Jusuf Kalla or JK (both were ministers under Megawati’s cabinet) challenged Megawati in the first direct presidential election in 2004. Partai Demokrat is a party established by SBY and PKS is a transformation of Partai Keadilan (PK, Justice Party) which had to change its name in order to enter the legislative election of 2004. SBY and JK then defeated Megawati and another candidate from Golkar Party in the election which used the run off system. The disruption of this cartel, argued Slater, seemed to materialize because right after the election of 2004, in the new DPR for the period of 2004-2009, Golkar and PDIP, together with PKB and PBR formed a coalition which was self-proclaimed as “Koalisi Kebangsaan” (the nationhood coalition) in opposition to SBY’s government. SBY’s camp, supported by small and medium size parties (Partai Demokrat, PK, PPP, PAN, PBB), then established a coalition called “Koalisi Kerakyatan” (the people’s coalition).

In a later article, Slater (2011) indicates that the cartel party system was disrupted by the direct presidential election in 2004 and also by the split between Megawati and SBY. However the politics still shows political continuity rather than change, especially in terms of power sharing. This potential for cartel disruption did not materialize as SBY-
JK continued its administration. Through the capture of its chairmanship by JK, Golkar was included in SBY’s coalition. PKB also decided to join SBY’s cabinet. PDIP was the only party that opted to be on the opposition side. The existence of the nationhood coalition and the people’s coalition was soon no longer relevant. Thus the collusive arrangement among political parties is continued and so is the cartel.

The cartel thesis from Slater is then advanced by Kuskridho Ambardi in his dissertation (2008), subsequently is then published as a book in the Indonesian language (2011). According to Ambardi, cartelization can be defined as a situation where political parties collectively ignore their ideological and programmatic commitments for the sake of their existence as a group. Political parties in Indonesia cease to compete with each other once elections are over. Just like Slater’s thesis, Ambardi confirms that in the legislative and governance arena, political parties cooperate with each other in a collusive manner. Thus the politics is characterized by the emergence and persistence of an oversized coalition on the one hand, and the absence of opposition on the other. In addition, political parties as a group throw out their left-leaning electoral programs and collectively orchestrate right-leaning policies. In a nutshell, the Indonesian political party system is a cartelized party system with several characteristics:

a. Decreasing role of ideology as the basis for political party behavior;
b. Promiscuousness in coalition formation;
c. Absence of opposition; and
d. Tendency of political parties to behave as a group.

Others who use this thesis include political observers and journalists, especially in Indonesia. Boni Hargens, a lecturer from the University of Indonesia, for instance,
defines the political cartel in Indonesia as “…the collusion among elites (of political parties) in a pseudo oligarchy designed to cover certain political objectives and aim at limiting the competition” (Kompas, 2011, October 10). Sunny Tanuwijaya, a political observer from the Center for Strategic and International Studies (CSIS) of Indonesia, wrote that there is no need to worry about the deadlock in the Indonesian governmental system because the structure of Indonesian political elites is in the form of a political cartel which will always maintain political stability among elites (Kompas, 2009, May 12). In 2009, according to Tanuwijaya, the most significant indicator of the existence of this cartel was the fact that after the presidential election, one by one, political parties that were originally not part of SBY’s camp, are included in his coalition, including Golkar which was one of the challengers during the presidential election. Another political observer from CSIS, J. Kristiadi, added that the main reason for the formation of this cartel is the need for vast resources to run a political party as big as Golkar or PDIP (Kompas, 2009, May 8). Joining the government, argued Kristiadi, would be one of the main access points to the resources that could be milked from the state.

Problems with the cartel thesis. While I agree that the cartel thesis provides some evidence of the existence of cartel parties such as permissiveness in coalition making, the stability of the relationship between the legislative and executive bodies in the Indonesian multiparty presidential system cannot be captured entirely by the cartel thesis.

Perhaps the strongest case that can be made to support the cartel thesis is in the area of state budget making. Given that the state’s annual budget has always been passed by consensus since the beginning of SBY’s presidency, it can be shown that there is a
tendency of the political parties to act as a group. The fact that this is about budget politics where most of the policies related to the state resources allocation are designed can be considered to be the way the cartel milks state resources.

However, if this act is mainly motivated by the greed for state resources, the political parties outside of the coalition (PDIP, Gerindra, Hanura)—which also approved the budget consensus—do not have access to the spoils. These three political parties do not have portfolios in the cabinet, making it difficult for them to access the resources from the program executed by the executive branch. As described in the case of budget politics in Chapter Six and the discussion of coalition politics in Chapter Five, PDIP has much difficulty financing itself, despite the fact that it is part of the consensus in the passing of the annual state budget. Thus, this PDIP participation in the almost always unanimous consent of the passing of the annual state budget can possibly be explained by the collusion of its members for individual benefits, but not for the party’s benefit as a whole.

An example of evidence to support this explanation is the involvement of several PDIP members in the budget committee such as I Wayan Koster in collusion with other budget committee members to get some kickbacks in exchange for their support for the approval of several ministerial programs in the budget. Another explanation is that PDIP’s cooperation in the passing of the budget is part of its compromise resulting from the constraints provided by the institutions that govern the relationship between the DPR and the president, and the organization and decision making process in the DPR.

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7 I Wayan Koster, along with other DPR Budget Committee members have been being named as suspects for receiving some kickbacks for their support on the program of Ministry of Youth and Support. See for instance the report from Tempo online (2012, September 6).
Another argument used by the cartel thesis is the promiscuousness of coalition formation. The existence of an oversized coalition in the Indonesian presidential system since 2004 is considered one of the main indicators of the existence of the cartel. However, an oversized or supermajority coalition does not necessarily indicate the work of a cartel. During his presidency in Brazil after 1992, for instance, President Franco put together a supermajority governing coalition embracing 87.7 percent (441 of 503) of the legislators in the chamber (Hochstetler & Samuels, 2009). He also appointed many experienced former legislators to his cabinet. Despite the fact that this is a supermajority coalition, none of the scholars categorizes Brazil’s system as a cartel system.

Research on coalitions in presidential regimes reveals that a minimum winning coalition is not enough to stabilize the government and move the government’s agenda forward (Raile et al., 2011). In a multiparty presidential system where political parties are weak, less disciplined, and less ideological, “a formateur may find it cheaper to assemble supermajorities that are not vulnerable to other vote buyers and in which no single party can envision itself as the leverage point” (Raile et al., 2011, p. 324). In other words, the formation and maintenance of coalitions, including oversized coalitions, are also the expression of a presidential need. Thus, the cartel thesis also denies the role of presidential leadership.

Besides that, in the case of legislative – executive relations in Indonesia, the oversized coalition is only reflected in half of the cabinet size. Fifty percent of the ministers in SBY’s cabinet in the first and second term are not political party affiliated. As shown by the cases in Chapter Six, these non political party affiliated ministers can many times block the political parties’ agendas. The case of the deliberations on the
Social Security Agency bill (BPJS), for instance, shows that the Minister of State Owned Companies was able not only to delay the time of the bill approval but also get a compromise from the political parties (the DPR) regarding the substance of the bill. The cartel party system might exist, but it cannot, once again, explain the phenomena of executive – legislative relations entirely.

Another problem with this thesis is that political parties like PDIP (the second largest in the period 2004-2009 and the third largest in the period 2009-2014), are still in the opposition. In SBY’s second term (2009 – present), the opposition parties have grown in number, adding Gerindra and Hanura to the total. Following the logic of the cartelized party system, it is difficult to explain these opposition parties’ position.

The cartel thesis supporters usually explain PDIP’s opposition as merely a reflection of the rivalry between the former president, Megawati Sukarnoputri, and SBY. However, this opposition, which has existed for 8 years, cannot be regarded as merely the expression of Megawati’s rivalry with SBY or the personal factor of Megawati. PDIP knows that they do not gain financial and political (electoral) advantages by being in the opposition (Tempo, 2009, September 6). This is against the logic of the cartel thesis. There are some moves inside this party from one group led by Taufik Kiemas (Megawati’s husband) to get closer to SBY’s coalition. Despite an endless effort from Kiemas’ group to change the political stance of PDIP, Megawati’s group still dominates. The PDIP continues to be in the opposition.

In fact there is also another group inside PDIP—especially a younger group including Eva Kusuma Sundari, Ganjar Pranowo, and Budiman Sudjatmiko—who consider opposition as the right political stance of PDIP (Tempo, 2009, September 6; E.
K. Sundari, personal communication, November 22, 2011; B. Sudjatmiko, personal communication, November 9, 2011). In the beginning of the 2009-2014 period, Taufik Kiemas was elected by the legislature as the chair of Majelis Permusyawaratan Rakyat (MPR, People Consultative Assembly). However, this fact cannot be considered as a signal that PDIP was ready to change position. According to this group (Eva Kusuma Sundari and others), the election of Taufik Kiemas as the chair of the MPR cannot be regarded as a gift from the Partai Demokrat to start a coalition; it is a part of PDIP’s effort to win that position. Therefore, the fact of Taufik’s becoming an MPR leader has not made PDIP make a deal with the Partai Demokrat or SBY to become part of the coalition. Thus it is an oversimplification to regard this oppositional position as merely about the problem of the personal rivalry between SBY and Megawati.

The cartel thesis reduces the dynamics inside the DPR and DPR interactions with the president merely to the dynamics among political parties. In other words, it talks only about the partisan argument. In her analysis of the dynamics of gridlock in the American presidential system, Binder (1999), for instance, argues that the partisan explanation is not enough to understand the dynamics of executive-legislative relations. There are two other things that need to be discussed, i.e. the institutional context and the policy context. The institutional context in the American system is the intra-dynamics inside the Congress such as the difference between the Senate and the House and the decision

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8 The MPR was a superlegislative body during the authoritarian era. According to the amended Constitution, the MPR is a kind of joint session between the DPR and the DPD (Dewan Perwakilan Daerah or Regional Representative Council). The DPD is a kind of senate with no legislative power. The function of MPR is mostly ceremonial such as inaugurating the president and the vice president. A more significant function of the MPR is to process the amendment of the constitution if the DPR and the DPD agree to do so.
making process (whether or not the filibuster exists, for instance). The policy context is related to public support for governmental actions and the budget surplus (economic condition).

If we apply this to Indonesia, it is clear that the cartel thesis ignores the possibility that close cooperation among parties on several issues is also related to the dynamics of the institutional arrangement which regulates the day to day interactions between executive and legislative bodies and how decision making happens in the DPR. For example, this institutional arrangement requires every bill to be jointly deliberated piece by piece and approved by the DPR and the president. It also requires the decision to be reached by consensus rather than by voting. In terms of policy context, the cartel thesis cannot explain why all political parties supported the bill on social security providers (BPJS) in 2010 while the government did not support it because of the pressure from the state owned enterprises. The cartel thesis also ignores the fact that when the PDIP agreed to a government program for helping poor people through a direct cash transfer program and small credits without getting access to how those programs are implemented in order to get financial benefits, the logic of cartel party (the motivation to get state resources) does not apply.

One of the aims of the cartel thesis is to explain why there is no consistency of competition from the electoral arena to the legislative arena in Indonesia. Competition among parties is getting less as the electoral arena moves to the legislative arena. However, there are actually two electoral arenas in Indonesian elections at the national level. The first arena is the legislative election and the second is the presidential election. If we pay attention to the difference between the two elections, we will find that political
parties tend to shift to a more cooperative (coalition) mode of interaction when they are
in the presidential election period.

The decrease in competition indicated by the formation of the coalition, therefore,
starts in the electoral arena. This means that close cooperation among parties has been
there since the electoral arena, not only in the arena of governance and the legislature.
This difference between the legislative electoral arena and the presidential electoral arena
is due to the difference of electoral systems: the proportional representation system in the
legislative election and first past the post combined with a run-off system in the
presidential election. In other words, the reason for the difference is the different
institutions (election system and rules) that are applied to both elections. The cartel
system is not the reason for the changes in the competition mode among political parties.

Institutions provide fewer or no incentives for coalitions in the legislative
election, especially in the PR system with a high magnitude of multimember districts.
However, in presidential elections, institutions provide more incentives for coalition,
especially when the run-off election must be conducted. The two presidential elections of
2004 and 2009 are cases in point. Therefore, when we look at the legislative arena and
find many parties to have joined coalitions (therefore resulting in less competition) we
should also seek an explanation in the institutions both formal and informal. Although a
cartel can also be seen as an institution (informal), other institutions such as how the
relationship of the DPR and president is framed and practiced, how the DPR decision
making processes are regulated, how the DPR is structured, and so on, should be put into
the equation also.
The cartel thesis also has been contradicted by the 2004 phenomenon in the DPR in its first weeks when there is the so called “national coalition” and “people’s coalition.” There was at that time a possibility of having a more dynamic coalition and opposition politics but because of the change in the Golkar leadership, this type of politics did not continue. In addition, the cartel thesis also oversimplifies the explanation and the dynamics of politics in the parliament and executive. For example, can we simply say that because everybody can reach a consensus on many things that it is because of the existence of a cartel? The reality, as shown by this study, is much more nuanced than the cartel thesis is arguing.

Compromise versus collusion. To put it simply, the cartel thesis implies that the cooperation among political parties and between the legislative and executive branch is possible because of the collusion among political parties. My argument, on the other hand, implies that the cooperation or the actual working pattern of the relationship between legislative and executive bodies in Indonesia is more in the form of compromises which are made possible by the available formal and informal institutions that structure the day to day relationship between the two. Equally important is the tendency of the president and political elites to favor coalition and consensual politics. Once again, I need to emphasize that this argument does not imply the rejection of the existence of the cartel party system because some evidence indicating such collusion can

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9 At the beginning of the 2004-2009 DPR, political parties split into two groups especially during the contest for leadership composition. Two big parties, Golkar and PDIP, supported by PKB and PBR, formed the so called Koalisi Kebangsaan (Nationhood Coalition). Other parties, including SBY’s Partai Demokrat formed Koalisi Kerakyatan (People’s Coalition). The distribution of seats for the two groups is relatively balanced. In the election for the DPR leadership for 2004-2009, the Nationhood Coalition won the contest and took all five positions in the DPR leadership. This grouping was no longer relevant when Vice President JK managed to be elected as Golkar Party Chairman in 2005.
be found in some parts of the legislative – executive relations as shown by the cases in Chapter Six, particularly the case of budget politics.

It is now important to clarify the difference between collusion and compromise in order to understand the cooperation between the legislature and the executive branch in Indonesia. Both collusion and compromise are forms of cooperation (Macy, 1991; Nyberg & Sewell, 2012). Therefore, it is possible that cooperation between two parties/sides is in the form of collusion or compromise or both.

Compromise is something inevitable in politics and/or public policy making. Students of politics are very familiar with the saying that politics is the “art of compromise.” It is difficult to imagine the working of politics without the willingness of the politicians or public policy makers to compromise (Baudreaux & Lee, 1997; Gutmann & Thompson, 2010). In general, the nature of compromise is giving up something to achieve a common goal or to find middle ground. Seltser (1984, p.7) describes it as: “we may be faced with a choice between something I want and something you want; unable to achieve our goals, we consider a compromise, whereby we find some middle ground.” Compromise, therefore, is necessary because there are different positions or conflict between two or more parties. To compromise, according to Seltser, is “to seek some alternative path, third solution, middle ground position or mutual concession. In so doing, the parties to the conflict give up their insistence on their original demands, and alter what they are willing to accept” (pp.7-8).

In legislative politics and/or legislative – executive relations, compromise must be made all the time. In Baudreaux and Lee’s description,
Elected officials representing different voters meet in legislative chambers to hammer out policies that all constituents can live with. Of course, no politicians or voters receive everything they want in the final legislative package: the need to assemble at least a simple majority to implement any policy almost invariably means that supporters of some policy must sacrifice something of value to others active in the political process. (p.365)

To make political compromise possible, according to Gutmann and Thompson, we need two things. The first is the mindset of political compromise. This mindset is basically the willingness to cooperate with others out of recognition that each party has its own position and/or goal. This willingness is also out of recognition that there is mutual respect among parties involved in the process of political compromise. The second is the institutions that support and/or do not constrain political compromise. In their case study on the gridlock in American politics, particularly on the relationship between the president and Congress, Gutmann and Thompson found that the increasing gridlock is not only related to the increasing ideological polarization between the two political parties (Republican and Democrat), but also, more importantly because of the intrusion of the election mode into the governing arena (permanent campaigning).

The nature of elections is to contrast as sharply as possible with one’s opponent in order to make a clear choice for the electorate. In other words, elections or campaigns are not about making compromise. They are about differentiating one’s positions/goals from his/her opponents. When this mode of permanent campaigning enters the arena of legislative politics and legislative – executive relations, the compromise, which is a necessity in public policy making in order to govern becomes more difficult. When there is divided governance in the American presidential system, compromise in the era of permanent campaigning becomes even more difficult.
In the Indonesian case, as I am arguing throughout this dissertation, the institutions that govern day to day legislative–executive relations (governing arena) require both branches to work together. The consensual politics or the tendency of both the president and political elites to consensus makes them able to work out compromises despite the possibilities of having gridlock as a consequence of fragmented multiparty presidentialism.

The differences among political parties and between the president and DPR on many issues in the Indonesian case are actually mounting. As described in cases in Chapter Six, in the case of the bill on the Social Security Agency, for instance, it was clear that the president had little interest in making the bill move forward. The president did not even try to initiate the bill. Because the bill was then initiated by the DPR and it was viewed by the public as something good for the “wong cilik” (little people), the president had no option other than to compromise and join the deliberation process. During the course of the bill deliberation, the president, through his team, especially the Ministry of State Owned Companies, was able to make compromises on many items in the bill which in the end were in favor of the existing social security providers run by the government.

Collusion or collusive action, like compromise, is actually a form of cooperation too. Differing from compromise, collusion is a kind of tacit or even secret agreement to benefit the parties involved without paying attention to the differences among them (Macy, 1991; Nyberg & Sewell, 2012). In collusion, deviant behavior, such as corruption, is tolerated. Differing from compromise, the parties involved in collusion have known from the beginning that they have set up a common goal: to reap the benefit
(particularly financial) for each of them. In the cartel form, collusion exists at the system level or as Indonesians call it “korupsi berjamaah” (orchestrated corruption).

While at the individual level, collusion can be a common phenomenon, collusive action at the system level as implied by the cartel thesis is actually difficult to achieve and sustain. Woodal (1993), for instance, argues that in order for collusive behavior to be successful and sustained, there must be at least five specific conditions:

First, it is necessary to delineate the membership composition of the conspiratorial ring. Second, barriers must be erected to prevent opportunistic outsiders attracted by the large profits generated by the collusive accord from undercutting the arrangement. Third, since the informal terms of conspiratorial accords are not legally enforceable, informal devices must be found to elicit compliance. Fourth, it is essential that some mechanism for dividing the spoils be created. Finally, and particularly if the collusive cartel is to be maintained over an extended period of time, it is necessary to have means of evading or coopting government watchdog. (p.297)

If we apply these criteria of collusive action in the cases on legislative – executive relations in Indonesia, it is clear that collusive action in the form of a cartel is difficult to achieve. As presented in nine cases in Chapter Six, most of the cooperation between the legislature and the president is in the form of compromise. There are some parts of the cooperation, especially in the annual state budget making, that indicate the existence of collusion, but overall, compromise is more common. Thus, once again, the cartel thesis accounts for some parts of the working of legislative – executive relations, but not all of it.
Chapter Three
Institutional Legacies

This chapter looks back to the institutions that Indonesia has experienced since its independence, particularly related to executive – legislative relations. Doing so is important in order for us to understand how both formal and informal institutions that currently exist take their forms and practice over this period of time. As we will find in the next chapter, some of these institutions still play an important role in the politics of executive – legislative relations in Indonesia today.

Since its independence on August 17, 1945, Indonesia has experienced several governmental systems. The Indonesian Constitution was officially enacted on August 18, 1945, by the Panitia Persiapan Persiapan Kemerdekaan Indonesia (PPKI, The Committee for the Preparation of Indonesian Independence) that was established by the occupying power at the time, the Japanese Empire. The independence of Indonesia, however, was not a peaceful transition from the colonizer to the colony, but through a revolution without any consent from Japan. The PPKI’s enactment of the Constitution was a follow up by the Indonesian leaders at the time, led by Sukarno and Mohammad Hatta (then the first president and vice-president) to the declaration of independence the day before. This constitution was then widely known as UUD 1945 (the 1945 Constitution). It was a very short document comprised of 37 articles, four articles of transitional provisions, and two
additional provisions. The document was complemented by the introduction (preambule) and elucidation of each article. This constitution was meant to be an interim one for the sake of running the newly declared independent state.

The 1945 Constitution adopted a presidential system of government. It stipulates that the president is the head of the state as well as the head of the government. The state is based on the people’s sovereignty which is manifested in the state’s highest body called the Majelis Permusyawaratan Rakyat (MPR, the People Consultative Assembly). The MPR has three main powers i.e constitution making and amendment, electing the president and vice-president, and determining the Garis-Garis Besar Haluan Negara (GBHN, the General Guidelines of State Policies). The MPR members consist of the Dewan Perwakilan Rakyat (DPR, the House of Representatives) members and other members representing regions and functional groups (societal groups). The president’s term of office is five years and after that he/she can be re-elected. There is no clear provision about term limits for the re-election of the president. The GBHN is reviewed and re-enacted by the MPR also every five years because the GBHN must be implemented by the president in that five year term. The official legislative body is the DPR whose members are elected through general election also every five years. Although the name sounds like a legislative body, the lawmaking power, according to the Constitution lies in the hand of the president. However, every legislation or law must be jointly approved by the DPR. The president and the DPR are not subordinate to one another, they are equal. The president cannot dissolve the DPR and vice versa. However, the DPR members are also MPR members.
In the early days of Indonesia, the 1945 Constitution was not given the time to be implemented properly. Soon after the official establishment of the Indonesian government led by Sukarno and Mohammad Hatta as the president and vice-president respectively, in October 1945, Vice-President Hatta announced the so called Maklumat X (Announcement X) by which the government became a parliamentary instead of a presidential system (Manan, 2003). This announcement changed the status of the Komite Nasional Indonesia Pusat (KNIP, the Central Indonesian National Committee)—an adhoc institution assigned to assist the president in legislative matters—became the temporary DPR, but with powers that included the power of the MPR.

After that, because of the political transition in which Indonesia had to defend its declaration of independence through an independence war against the Dutch who tried to get back to Indonesia after Japan was defeated in the Second World War, the Indonesian governmental system changed several times. Through the Konferensi Meja Bundar (KMB, the Round Table Conference), Indonesia and the Dutch agreed to make peace in 1949 in which the Dutch acknowledged Indonesian independence, but the Indonesian state became a federal state called Republik Indonesia Serikat (RIS, the Republic of the United States of Indonesia) in which the Indonesian state based on the 1945 Constitution was only part of RIS. This RIS, however, did not last long and was dissolved on August 17, 1950, replaced by the Negara Kesatuan Republik Indonesia (NKRI, the Unitary State of the Republic of Indonesia) with the constitution called Undang Undang Dasar Sementara 1950 (UUDS 1950, the Interim Constitution of 1950). The governmental system in the UUDS 1950 was still a parliamentary system.
In 1955, Indonesia held the first democratic general election for parliament, which resulted in three main political parties as the winners—Partai Komunis Indonesia (PKI, the Indonesian Communist Party), Majelis Syura Muslimin (Masyumi, Islamic Consultative Council), and Partai Nasional Indonesia (PNI, the Indonesian Nationalist Party)—none of which was the majority winner. There were also more than a dozen political parties that made their way to the parliament. Part of the result of this election was the Badan Konstituante (Constituent Assembly) which was assigned to draft the constitution for the Republic of Indonesia. Four years later, this assembly had not finished its main task because of the heated debates about the foundation of the state, especially between the nationalist camp and the Islamic camp, making the military and the president at the time, Sukarno, see the need to intervene. Sukarno, backed by the military, then declared the Dekrit President 5 Juli 1959 (Presidential Decree of July 5, 1959) in which the Indonesian constitution from then on went back to the 1945 Constitution. Indonesia then entered the period of Demokrasi Terpimpin (Guided Democracy) under Sukarno which was later followed by Demokrasi Pancasila (Pancasila Democracy) during the Suharto era.

Sukarno’s and Suharto’s governments marked the periods of authoritarianism in Indonesia that lasted for about four decades until Suharto stepped down in 1998. With respect to the legislative – executive interaction, there are at least three main characteristics of the Indonesian governmental system during these periods of authoritarianism. They are the executive dominance (including the bureaucracy), a limited degree of institutionalization of political institutions, and the development of musyawarah mufakat (consensus) as a political norm or institution.
The Making of the Presidency: Executive Dominance

Sukarno’s presidency: guided democracy. In terms of legislative-executive interaction, the story of Sukarno’s presidency after the fall of parliamentary democracy in 1959 is the story of hostility toward the noisy process of political parties’ role in parliament or the “liberal democracy” as Sukarno called it. The reasons behind the hostility are the combination of the objective problems that existed during the parliamentary democracy period, the leadership rivalries in parliament (political party leaders), and the conviction of Sukarno that parliamentary democracy is alien to Indonesia, or as something that is not part of “kepribadian Indonesia” (Indonesian identity) which is based on collectiveness and family values.

Sukarno was the first Indonesian President whose independence was declared in 1945. He, however, was not a dominant figure in the government system until 1959, because of the parliamentary system that was adopted right away in 1945. Sukarno’s presidential decree of July 5, 1959 ended parliamentary government and parliamentary democracy. For some Indonesian observers like Feith (1962) and Gaffar (1999), this presidential decree has also meant the end or the failure of constitutional democracy in Indonesia. The role of the Indonesian parliament or legislature had taken a back seat since then.

Constitutional democracy or parliamentary democracy lasted from 1950 through 1959. The constitution at the time was the UUDS 1950 which was used following the

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10 The term “liberal democracy” was used by Sukarno to mock Western democratic practices such as voting, which was practiced during the era of parliamentary democracy in Indonesia in the period of 1945-1959. Sukarno called this voting practice as “fifty percent plus one democracy.” Liberal democracy, for Sukarno, valued individual freedom too much, making it harmful to societal harmony. For more discussion on this, see, for instance, Bhakti (2004).
dissolution of the United States of the Republic of Indonesia (RIS). This parliamentary democracy had several characteristics (Gaffar, 1999). First, the parliament played a significant role. The parliament exercised its vote of non-confidence several times resulting in changes of the cabinet. During this period of time, there were six cabinets that came after another because of the vote of non-confidence by the parliament (Feith, 1962). Second, the accountability of public and elected officials was high, not only because of the functioning parliament but also because of the functioning of the mass media as social control. The dissolution of cabinets also showed this accountability.

The third characteristic is that political parties had the opportunity to grow and develop. The party system at the time was a multiparty system with no less than 40 political parties. In most cases, each of the political parties had its own autonomy and democratic process. Fourth, during this period, in 1955, the Indonesian parliamentary democracy was able to successfully and democratically hold a general election. This election was praised by many international observers as the only democratic election in Indonesia since independence before 1999. Fifth, civil and political rights were generally upheld. The people were free to form any association and to express their opinions including criticizing the government. Sixth, local governance was relatively autonomous. The decentralization law No. 1/1957 for instance stipulated that the local governments had the authority to find their financial resources and to recruit local public officials based on the local political situation.

For some, parliamentary democracy was all about the positive development of constitutional democracy. From a more negative point of view however, this period of time was not that great. As noted by Feith (1962; 1994), there were, objectively, indeed
several problems in parliamentary democracy during this period. First, several cabinets (Natsir, Sukiman & Wilopo) were short-lived. The three cabinets lasted for less than three years between 1950 and 1953. As a result, many of their policies were not implemented. Feith wrote: “The Hatta-ish policies of economic stabilization and administrative regularization which each of them pursued were unacceptable to a political public in which populist anti-imperialist passions ran high, a public which looked back nostalgically to the Revolution as a time of spirit, purpose and symbolically satisfying leadership” (1994, p.18).

Second, the country was on the brink of civil war when the abortive half-coup of the army on October 17, 1952 divided the army into the bloc of Wilopo (the prime minister) and the bloc of Sukarno. Third, there was a heated polemic between Sukarno and a Masyumi leader (Isa Anshary) about replacing Pancasila\textsuperscript{11} with something more Islamic in which Sukarno was portrayed as the opponent of Islam. This undermined the consensus about the state purpose. Fourth, the heated campaigning in the 1955 election aggravated the “aliran” (stream) politics\textsuperscript{12} especially between the “abangan” (nominal muslims) and “santri” (the pious muslims) which triggered ethnic and religious conflicts especially in Javanese communities. Fifth, there was a politicization of the bureaucracy toward during the election of 1955 not only in terms of election funding but also kicking out the officials who were sympathizers of rival political parties. The PNI cabinet at the time sacked officials from Masyumi and the Socialist Party, which were then retaliated

\textsuperscript{11} Pancasila (the Five Principles) is a formal Indonesian state ideology.
\textsuperscript{12} The “politik aliran” (stream politics) basically means the politics that is played along the lines of primordial relations such as religion, regionalism, and ethnicity. This kind of politics made it difficult to resolve conflict, especially in a new state like Indonesia during the 1940s and 1950s. For more discussion, see for instance Geertz (1960) and Ufen (2006).
by the Masyumi cabinet afterwards. Sixth, there were growing challenges from the locals especially from the outer islands (outside Java) poised by the sentiment of anti Jakarta-ism and anti Javanism, mixed with anti-communism and anti-Sukarnoism.

For people like President Sukarno, parliamentary democracy was not more than a “liberal democracy.” It did not result in anything but instability to the country. The army, which had been on the sideline, viewed it the same way. Following the political crisis after the fall of the sixth cabinet—the Second Ali Cabinet—on March 1957 because of the inability of the parliament to form a new cabinet, Sukarno started his intervention by appointing his own cabinet. Exacerbated by the inability of the Council of Constituents (Badan Konstituante) to come up with a new constitution because of the stalemate on the state ideology debate, Sukarno, backed by the army, made the Presidential Decree of July 5, 1959, which ended the parliamentary democracy.

According to Feith (1962) the main reason behind this failure was because of the unresolved conflict between two competing views of Indonesian leadership. On the one hand, there was a group of Indonesian leaders called solidarity makers. This group was prominent in the revolutionary era and had “…integrative skills, skills in cultural mediation, symbol manipulation, and mass organization” (Feith, 1962, p. 24). On the other hand, there was a group called administrators who had “…administrative, legal, technical, and foreign language skills” (Feith, 1962, p.24), who fit the need for running a modern state and were mostly Western educated.

The administrators were the main drivers behind the functioning of parliamentary democracy. This group had failed to solve the problems of the country—marked by widespread political unrest—by using its approach through “…administrative and
military reorganization and economic restoration, stimulation, and development” (Feith, 1962, p. 604) while at the same time committed to constitutional democracy, and modern administrative and economic structure. The solidarity makers group then replaced the administrators. Solidarity makers were a group of men who “were not only far less fully committed to parliamentary democracy but also less inclined to grapple with the manifestly difficult tasks of strengthening controls, orders, rules, and functional differentiation in a situation dominated by political unrest, exhortation, messianic ferment and expressive politics” (Feith, 1962, p. 605). Sukarno’s government that followed the presidential decree then was a government that “concerned themselves less with the control of political ferment and more with its manipulation, less with the enforcement of law and more with fashioning of ideology” (Feith, 1962, p.606).

Another reason is advanced by Adnan Buyung Nasution (1993). He argued that parliamentary democracy failed because of the convergence of President Sukarno’s interest and the Army’s interest in which both were not happy with the political process that was underway. This argument looks similar to part of Feith’s argument that a group of Indonesian elites (the solidarity makers) at the time who viewed that the political and economic dissatisfaction during this period was related to if not caused by the “liberal democracy” as they saw it.

The army had been playing the power balance against the president during this era. The army was anti-communist and suspicious of the closeness of the president to the PKI. However, in 1955, the army chief of staff was Colonel Abdul Haris Nasution who was willing to cooperate more with the President. On this, Feith argued: “after the reappointment of Colonel Nasution to the post of Army Chief of Staff in October 1955,
the central army leadership was prepared to co-operate with the President. Here existed an alignment of forces which could conceivably change the whole political order” (1962, p. 602). According to Gaffar (1999), there is one more reason: the weak social and economic bases of politics. The very low level of social and economic bases at the time such as per-capita income, literacy, urbanization, and media exposure did not fit the needs of a modern democracy. Included in this is the social structure of Javanese society that still very hierarchical and feudalistic which also was not compatible with parliamentary democracy.

With all these backdrops, the Sukarno’s government, later called “Demokrasi Terpimpin” (Guided Democracy), was for the most part based on the hostility to political parties and the parliament. The first things that Sukarno did was to make sure that the parliament was tamed or at least under his control. Sukarno’s hostility was based on the view that political parties were very self-oriented toward their ideology without considering national unity as a whole. What he saw as liberal democracy, according to him, did not fit with Indonesian national identity which is based on family values and collectivism. Another important reason could be that Sukarno believed that the political party based political process did not provide him with a dominant role despite the fact that he was a revolutionary leader and a founding father of Indonesia.

Because of this hostility, it was not surprising that after the presidential decree of 1959, Sukarno used all the powers he never had before to establish a regime that was in general absolutely contradictory to the parliamentary democracy. He appointed himself prime minister and formed a cabinet. PKI became part of the government, which to a great extent was used to balance the power of the army. Sukarno, the PKI, and the Army
were the most important and powerful political actors with Sukarno at the apex of the pyramid (Feith, 1963; McIntyre, 2005). He also created his own version of parliament called the DPR Gotong Royong (DPR-GR, Mutual Aid DPR), many of whose members were appointed by him. He selected the members of the MPR(S) which, according to the 1945 Constitution, was supposed to elect the president. In 1963, this MPRS appointed Sukarno president for life.

Several main characteristics of this regime can be summarized as follows (Gaffar, 1999). First, the party system was not clear. The existence of political parties was not for elections (there were no elections) but to support the pyramid of power controlled by Sukarno by balancing power between the Communist Party and the Army. Second, because of being a subordinate to the president, the legislative body (DPR-GR) had no role other than following the president’s orders. Third, press freedom was almost absent. During this period, many newspapers such as “Abadi” of Masyumi and “Pedoman” daily of PSI (Indonesian Socialist Party) were banned. Fourth, the centralization of power in Jakarta was a dominant characteristic of the relationship between the central and local governments. The decentralization Law No. 1/1957 was nullified and replaced by a regulation concentrating power in the center, the Presidential Decision (Penetapan Presiden/Penpres) which was later ratified by the DPR-GR as a Law No. 18/1965.
Figure 5. The political institutions of Guided Democracy
In a nutshell, Sukarno’s Guided Democracy placed the legislative body under the control of the president almost entirely. The legislature indeed still existed but its function was no more than the legitimating body for the executive.

**Suharto’s personal rule: the domination of a strong presidency.** General Suharto came to power after the bloody conflict involving the communists, the army, and other groups in Indonesian society that led to the massacre of between five hundred thousand to one million of Indonesians who were mostly alleged communists. Suharto took power after the so called Gerakan Tigapuluh September (G 30S/PKI, the Movement of September 30) which was, according to official accounts, conducted by the Indonesian Communist Party (PKI).

Just like Sukarno, Suharto, and the military in general, viewed political parties and their leaders as trouble makers. Thus, Suharto’s government was actually the continuation of Sukarno in terms of its hostility toward political parties and hence the parliament or legislature. In the perspective of legislative-executive relations, Suharto and his supporters had a strong desire to continue the strong position of the executive against the legislature similar to the era of Sukarno (Prawira, 1993).

However, Suharto came to power under the mantra or premise that his regime was committed to the implementation of the Pancasila and the 1945 Constitution purely and responsibly. As a consequence, it was impossible for him to simply position the legislature under his subordinate as Sukarno did. The appointment of Sukarno by the MPRS as president for life for instance, was regarded by Suharto—and part of Suharto’s public propaganda for Sukarno’s removal—as an abuse of power. Therefore, Suharto had to find a way to make sure that political party leaders and parliament did not create more
trouble but at the same time the parliament and other political processes could be utilized to legitimize his government.

The hostility toward political parties and its leaders had been underway for decades before Suharto took power. Liddle (1973) wrote:

within the military…anti party ideas have had wide support for well over a decade. To those officers who subscribe to the developmental formula of army-economists-bureaucracts as well as to those committed to personal or institutional power than a social betterment, the parties and their leaders have been a persistent thorn—rival claimants to power, purveyors of alternative world views, fomenters of popular unrest. Time and time again, in the military view, party affiliated extremists of the “right” (i.e., Islam) and of the left (communism) have threatened the security and stability of the Republic and subverted the integrity of the armed forces, forcing the military to act to restore order both within itself and in the country as whole. (p. 289)

As one of the generals of the army during that period, Suharto also adhered to this view.

Suharto’s and or the military’s view about political party leaders was also the view of many civilian intellectuals at the time who were mostly committed to developmental ideas and economic recovery. This group also believed that economic development would not be able to be successful without political stability. This group of intellectuals or activists came from the universities and the Jakarta press circle (Liddle, 1973). Therefore, “convinced that the party leaders are tainted with Sukarnoism, personally corrupt, and enmeshed in a destructive anti-modern network of loyalties based on traditional status relationships, ethnicity and religion, civilian intellectuals offered a number of proposals for the creation of new party structures capable of a more creative linkage between government and people” (Liddle, 1973, p. 289). Suharto then welcomed this group to advise him directly or indirectly with economic and political development plans.
Suharto however, had faced the problem of legitimacy from the very beginning, “both of his own and that of the military as a political force” (Liddle, 1973, p. 289). Nevertheless, the first years of Suharto’s presidency could be viewed as the transitional or even emergency period following the bloody massacre of mostly alleged Indonesian communists. Sukarno’s legacy in the economy was also dreadful. The end of the Sukarno era was a period of economic decline with hyperinflation, very low income percapita, and unemployment (Paauw, 1963; Feith, 1963). The inflation rate reached 635%, the economic growth was below zero, there was a deficit in the trade balance, and the foreign debt was mounting (Masoed, 1989).

Given this dismal situation, despite their suspicion of the military political force, many political party leaders, including Islamic paties, had an expectation that Suharto would not only bring economic recovery but also help revive their existence. Therefore, Suharto during this time could skip the normal political process. The idea of him being in power seemed to be still justifiable at the time. Moreover, his political gesture by quickly announcing that he was bound to the 1945 Constitution looked promising. His own presidency was based on the election by the MPRS. He also sought MPRS ratification for each decision, including the official banning of the Indonesian Communist Party (PKI) in 1966.

As the political situation was getting normal, the justification based on the emergency situation was also getting less convincing. Thus the need for conducting an election as part of the normal political process and legitimacy became inevitable. Suharto in this regard faced the challenges of how to make sure that political parties and parliament did not become trouble makers anymore and at the same time he needed the
political parties and democratic processes for his legitimacy. Suharto then came up with the idea to restructure the political institutions and processes in a way that served his need to be in power and conduct development as well as assure political stability. This process of restructuring needed to be done before he held the first election during his regime.

This process of restructuring in order to be in line with Suharto’s claim about the constitutionality of his government should be based on the formal authorities, processes and institutions stipulated in the original 1945 Constitution. The 1945 Constitution gave strong power to the president. Several powers of the President are as follows:

a. Article 5(1), the power of legislation making.

b. Article 5(2), the power of government regulation making.

c. Article 10, the military power, i.e as the commander in chief

d. Article 11, the power to declare war, the power to make peace with other countries, and the power to make treaties with other countries.

e. Article 12, the power to declare a state of emergency.

f. Article 13, the power to appoint ambassadors and to receive ambassadors from other countries.

g. Article 14, the power to grant pardons, amnesty, abolition, and rehabilitation.

h. Article 15, the power to grant honorary titles.

i. Article 16, the power of the budget, i.e to initiate annual budget bill, the power of taxation, and the power to determine the currency system.

j. Article 22, the power to make government regulation in lieu of law.

Besides all of these powers, one of the major weaknesses of the 1945 Constitution from a democratic perspective is its vagueness in stipulating how many times a president
can serve or can be re-elected. The 1945 Constitution only stipulates that “President and Vice-President shall serve his/her term for five years, and can be re-elected after that” (Article 7). In other words, this constitution does not have a clear provision on the term limit. This vagueness then became one of the main constitutional justifications for Suharto to serve as president for about three decades.

In order to implement all these powers, the president must put himself or the presidency as one of the formal political institutions of the republic, consisting of the MPR as the highest state institution which has the power to elect the president every five years, the DPR which serves as the main legislative body, and the Mahkamah Agung (MA, Supreme Court) that serves as a judicial institution. In order for the MPR and the DPR to exercise their powers, the president must hold an election.

The first general election was held in 1971 after being delayed for about two years (it was originally planned, or promised, to be held in 1969). This election served as the first step of formal restructuring of the New Order regime. The holding of this general election was driven by a fundamentally anti party motivation behind it (Liddle, 1973). A more detailed version of the legal basis for the election was the Law on General Election of 1969 which was passed by the DPR. This law stipulated that the contestants in the election should be the political parties or organizations already represented in the parliament. With this provision, the party leaders in the parliament “felt that control of the new parliament was within their grasp” (Liddle, 1973, p. 291).

Since Suharto could not rely on the existing political parties in the general election, he created his own version of a political party, Golongan Karya (Golkar, functional group), supported by the civilian intellectuals in the so called Sekber Golkar
(joint secretariat of Golkar), fully backed by the military. The creation of this kind of political party was also to serve the need of legitimizing the political role of the military through a doctrine called dwi-fungsi (dual function). The doctrine basically says that the military serves not only as a security force but also as a domestic socio-political force in which the military while still being active could hold political and administrative positions in many government posts.

Golkar was basically the reorganization of Sekber Golkar into a quasi-political party which was not called a political party by Suharto. It was, instead, called a political force and it had the same right of existence as political parties including to contest the election. Sekber Golkar was originally formed during the Sukarno era. According to Liddle (1973), this group was “created in an atmosphere of army-communist party rivalry in late 1964 as a means of exercising military control in Parliament and the National Front over a multiplicity of organizations representing labor, farmers, women, youth, intellectuals, the armed forces, and so on...” (p. 290). Since Sekber Golkar had been in the Parliament since then, it was not difficult for Suharto to make use of it as his political vehicle to contest in the election against political parties.

By using the mobilization of government and military structure across the country, Suharto’s Golkar won the election by gaining 68.2% of the votes. The other major political parties, the Nahdatul Ulama (NU, the Awakening of Islamic Scholars) gained 18.7%, while PNI and Partai Muslimin Indonesia (Parmusi, the Indonesian Muslims Party) got 6.9% and 5.3% of the votes respectively. The key to Golkar’s win was the massive mobilization by the bureaucracy especially through Korps Karyawan Kementerian Dalam Negeri (KOKARMENDAGRI, Corps of the Functionaries of the
Ministry of Home Affairs) and through the operations of the military territorial commands which had their roots all the way down to the village levels. This characteristic of operations or political mobilization became the main feature of the elections during the Suharto era which guaranteed the winning of Golkar until the end of the regime in 1998.

With the gaining of formal legitimacy, Suharto moved forward with his political restructuring while continuing to advance development, especially economic development. Throughout his tenure in the regime, Suharto had been able to utilize formal constitutional powers to maintain his grip as the main power holder and political player in Indonesian politics. Suharto’s political restructuring resulted in almost unlimited power in his hands to the extent that for some political analysts, Suharto’s regime was actually an example of a personal rule.

Some of the main characteristics of the New Order presidency can be summarized as follows (Gaffar, 1999). First, the president controlled political recruitment. According to the 1945 Constitution, there are several high state institutions i.e the presidency, DPR, Dewan Pertimbangan Agung (DPA, Supreme Advisory Council), Badan Pemeriksa Keuangan (BPK, Supreme Audit Body), and MA in which the president is equal to the others. The president is elected by the MPR whose members are the DPR members plus the members from functional groups. Around 70% of DPR members were from Golkar and because the president was the chair of the Dewan Pembina (Guiding Council) of Golkar, which controlled all the processes in Golkar, that means the president controlled about 70% of DPR members. Besides that there were appointed members who represented the military. The president controlled these appointments because he was the
commander in chief. In making sure of his re-election as president, Suharto also controlled the MPR membership. Additional members of the MPR were appointed members from functional groups which were also controlled by the president.

Besides that, the president also appointed the members of the DPA, BPK, and MA. Moreover, as the head of the government, president also controlled recruitment in the executive bodies. All ministries and non-ministerial positions were virtually controlled by Suharto. The recruitment power does not end there. The president controlled the recruitment of political organizations and to some extent social organizations as well. During this era there was the so called Pembina Politik (Political Guiding Body) which was the Minister of Home Affairs. All political party leaders had to be endorsed and approved by the Pembina Politik before they could be formally inaugurated by their organization as leaders. A political party which just elected its chairman through a congress for instance had to seek endorsement for the elected leaders before continuing with their tenure. In his early years, especially from 1968 to the election of 1971, the control of Suharto was more direct as was indicated by the cases of the establishment of Parmusi and the recruitment of the leaders of PNI. When the congress of Parmusi in 1968 elected Mohammad Roem, a former leader of Masyumi, as the chair of the party, the personal assistant (Aspri) of the president sent a telegram “reminding” Parmusi to elect other non-Masyumi leaders (Gaffar, 1999).

Second, the president had a wide financial resource base. In the Suharto era, there were two kinds of funding or finance. The first one was called budgetary funding, i.e the funding that is formally stated and derived from the official annual budget. This official budget was initiated as a bill by the president annually and then formally approved by the
parliament. In drafting this budget, which was conducted behind closed doors, only executive bodies involved led by Badan Perencanaan Pembangunan Nasional (Bappenas, National Development Planning Board) and Department of Finance. During his three decades or so in power, all annual budget bills of the government were approved by the DPR without any modification. Included in this budget were the budgets for the MPR and other high state institutions.

Besides the budgetary funding, there were also non-budgetary funds. These funds came from the revenues that directly flow to the president’s office through the ministry of the state secretariat. The amounts were unknown. The utilization of this fund was fully at the discretion of the president. A famous example of a source of this fund was the revenues from the Pertambangan Minyak Nasional (Pertamina, the National Oil Company). This fund was used by Suharto for a variety of programs. Famous among others were Inpres (Presidential Instructions) which consisted of Inpres for education, for villages, for health, for reforestation, and so on. One of the good results of these inpres programs was the availability of elementary schools in almost all villages across the country. Another famous program was called Bantuan Presiden (Banpres, Presidential Assistance). Any group in society could send its proposals to the presidential office to get this Banpres. The projects or proposals could be for various activities such as the establishment of mosques, programs for youth, and so on.

Third, the president had several personal powers. Suharto seemed to not like the personal grandiosity of Sukarno with titles such as Great Leader of the Revolution. However, in practice, he had his own kind of personal grandiosity or symbolic titles which could be used for political legitimacy and power. Thus Suharto was known as the
Bearer of Surat Perintah Sebelas Maret (Supersemar, Order of March the Eleventh), the Father of Development, and the Mandataris MPR (the Holder of the MPR Mandate).

Supersemar was a letter given by Sukarno to Suharto to take any necessary steps and processes to restore security and order in the aftermath of the killings of several army generals which brought the country to chaos in September-October 1965. This letter was used as a powerful legitimation that Suharto was the only person that was given the authority from Sukarno. As the Father of Development, Suharto had the legitimacy and therefore power to claim all the credit for the social and economic transformation that was underway during his era. Indeed one of the praises given both by the international community and observers of Indonesian politics during this era was that Suharto’s economic development had been able to transform Indonesia from the brink of becoming a pariah country in the 1960s into part of a group called the countries of the Asian Miracle, and now the G-20. As the Mandataris MPR, Suharto sent a message to the public that there was nothing wrong with him becoming president over and over again because it was the MPR, the embodiment of the Indonesian people sovereignty, which gave him such power. What he was doing, according to this logic, was nothing other than obeying the constitution and exercising the MPR mandate to run the government and development for the betterment of the Indonesian people.

Thus this story of the presidential institution during the Suharto era clearly describes that the legislature was practically a subordinate of the executive. All policy making processes and implementation started and ended actually in the hands of the executive. The elections were conducted regularly every five years and the legislative body conducted its formal functions regularly also. The legislature, the DPR, could not
also say that the president bypassed it, because the president had given it every formal chance to exercise its powers. Suharto’s domination over the public policy making and over the DPR was not done through the violation of normal procedures. He instead, always made sure that the legal basis for any aspect of his actions had been provided before the actions were taken. This type of authoritarian domination was clearly different from the operations of other authoritarian regimes like Marcos’ regime in the Philippines which governed that country by using martial law or emergency laws (Boudreau, 1999).

**Legislative Body: Limited Institutionalization and Institutional Capacity**

Institutionalization can be conceptualized as “the process by which organizations and procedures acquire value and stability” (Huntington, 1968, pp.12-24). Following Huntington, according to Liddle (1985), this process is operationalized as “the level of institutionalization of an organization or procedure can be determined by its adaptability, complexity, autonomy, and coherence” (p. 74). The story of institutionalization during the Suharto regime is the story of a relatively increasingly institutionalized bureaucracy or the executive body and the very limited institutionalization of the parliament or legislature, not to mention the political parties.

Among the structures of his cabinet, four ministries or departments became the focal points of his policy making operations. Those are the Department of Finance for the economic policy making and budget, the Bappenas for development in general, the Ministry of the State Secretariat for the coordination of all policy making processes, and the Department of Home Affairs which made sure that political stability was always maintained at the level that was safe for continuing development. All of the operations were of course backed by the military territorial structure which existed from the national level all the way down to the sub-district and village levels.
Suharto’s bureaucracy was therefore a powerful body which was able to plan and execute policies effectively. Because there were other bodies of high state institutions that had formal powers in the policy making process and whose decision had to be respected, especially the DPR, Suharto first made sure that these other bodies did not have enough capacities to counter his bureaucracy. Figure 6 describes the Indonesian political institutions during Suharto era.
Figure 6. Indonesia’s political system during Suharto era.
Source: Kawamura (2010, p. 5)
One illustration of how dominant was the presidency over the DPR can be described by the data on how many bills were approved by the DPR as laws. Evaluating the performance of the DPR in its three functions (bill initiative, budget, and oversight), Imawan (1993) described it in the following table:

Table 5

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<th>Period</th>
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<th>Become Laws</th>
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<td></td>
<td>DPR</td>
<td>25</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1971-1977</td>
<td>Government</td>
<td>43</td>
<td>43</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>DPR</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>DPR</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1982-1987</td>
<td>Government</td>
<td>46</td>
<td>46</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>DPR</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DPR</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Modified from Imawan (1993).

This data shows that bill initiative rights were only exercised by the DPR of 1966-1971. This DPR was the interim DPR formed by Sukarno in which many political party leaders from the previous era were still there. However, starting from 1971, an election that was orchestrated by Suharto, the process of political restructuring and executive domination became much more clear. The DPR during Suharto era initiated zero bills. Besides that the number of laws that was made was also very small which means that most of the public policies were made without the necessity of seeking legitimacy from the DPR. This also indicated that policy making during this era was dominated by the
executive. The public policy making and implementation started and ended in the hands of the executive. When they deemed it necessary, the executive came to the DPR to have it given the endorsement or legitimacy.

Table 6

DPR Oversight Function during Sukarno and Suharto Era

<table>
<thead>
<tr>
<th>Period</th>
<th>Type/Rights</th>
<th>Proposed</th>
<th>Approved</th>
<th>Rejected/Ignored</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966-1971</td>
<td>Question</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Interpellation</td>
<td>8</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Opinion</td>
<td>31</td>
<td>20</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Investigation</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>40</td>
<td>28</td>
<td>22</td>
</tr>
<tr>
<td>1971-1977</td>
<td>Question</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Interpellation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Opinion</td>
<td>7</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Investigation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>7</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>1977-1982</td>
<td>Question</td>
<td>7</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Interpellation</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Opinion</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Investigation</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>9</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>1982-1987</td>
<td>Question</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Interpellation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Opinion</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Investigation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1987-1992</td>
<td>Question</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Interpellation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Opinion</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Inquiry</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The data in this table reveals that the exercise of oversight functions by the DPR during the Suharto era was almost absent, except for the period of 1966-1971 in which the DPR was still the one that was appointed by Sukarno.

Both of these figures also show that Suharto’s political structuring made it possible for the executive to absolutely dominate the legislature and the policy making process as well as policy implementation. During the Sukarno era, although the president was dominant, the political parties and parliament were still able to some extent to exert some control over the government. The reason was not because Sukarno was less hostile to political parties and parliament. Rather, during the Sukarno era: “the guided democracy was primarily characterized by a competitive alliance between Sukarno and the Army, and the relationship between these two actors was the determinant factor of the political parties’ destiny. Although political party politics during the 1950s disappointed Sukarno, he could not let those political parties die while he had to face the increasingly stronger challenges from the Army” (Masoed, 1989, p. 43). Political parties, for Sukarno, were still used as the political balance against the Army. On the contrary, Suharto did not face this challenge because he himself controlled the Army and the military in general (Liddle, 1985). Thus Suharto was able to restructure the political parties and parliament to the extent where the political parties and parliament could only play legitimating roles for Suharto or exist as a mere symbol of the existence of democracy.

While Suharto’s technocracy-based economic development led to an increasingly stronger and more institutionalized bureaucracy, the need for political order or stability led to less institutionalized and less institutional capacities of the parliament.
The power of bureaucracy can be depicted as follows (Liddle, 1985):

…the bureaucracy pervades society. In every city, town and village it is the largest employer. Its schools unlock the door to modern, supra-village world. Its health centers, banks, agricultural extension services and marketing agencies, religious affairs offices, and requirement of personal identity cards make it for better or worse a daily reality which most Indonesian cannot escape. The scope and weight of this presence are comparable to Communist countries,… The bureaucracy also dominates government, in the sense that bureaucrats are the most powerful actors in most policy conflicts… (p.71)

The bureaucracy was therefore staffed with and attracted the best minds and the most skillful experts in all areas of expertise. The bureaucracy was also equipped with the best possible modern facilities.

The parliament, on the other hand, was institutionally incapacitated. It did not even have support staffs such as researchers or legal drafters who could assist the parliamentarians for their substantive work. The only support system the parliament had was the secretariat general, a structure which was part of the executive which provided mostly administrative/clerical support. The existence of this secretariat general often served more as the spy for the executive rather than the true assistant of the parliament.
Table 7
Support Staff of DPR during Sukarno and Suharto Era

<table>
<thead>
<tr>
<th>Period</th>
<th>Number of DPR Members</th>
<th>Number of Staffs</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966-1971 (DPR-GR)</td>
<td>414</td>
<td>534</td>
<td>461 (86%) = high school graduates or under</td>
</tr>
<tr>
<td>1971-1977</td>
<td>460</td>
<td>575</td>
<td>459 (80%) = high school graduates or under</td>
</tr>
<tr>
<td>1977-1982</td>
<td>460</td>
<td>929</td>
<td>765 (82%) = high school graduates or under</td>
</tr>
<tr>
<td>1982-1987</td>
<td>500</td>
<td>997</td>
<td>792 (79%) = high school graduates or under</td>
</tr>
<tr>
<td>1987-1992</td>
<td>500</td>
<td>1161</td>
<td>849 (73%) = high school graduates or under</td>
</tr>
<tr>
<td>1992-1997</td>
<td>500</td>
<td>No data available</td>
<td></td>
</tr>
</tbody>
</table>

Source: DPR Secretariat General. Data on education is a proxy from the number of officials who were at the Second Ranking (Gol II) or under.

The data in this table clearly shows us that the parliament during the New Order era had a very low level of institutional support. If we use the proxy of education as indicator, the support that the DPR was provided was only administrative support at the low level. The limited higher ranking officials, i.e the Third Rank (Golongan III) or above did not provide substantive and expert support either. They provided instead administrative support although at the higher level. The provision for the organizational structure and job description of the secretariat general for the period 1971-1977, for instance, stated that the secretariat general is divided into six bureaus, units for personal secretaries of the DPR leadership, and committee secretariats. All of these divisions conducted administrative work such as administration of the bills, preparation of
meetings, preparation of documents, typing, archiving, preparing press-releases (location and audience invitations), documentation, and so on. There was no job for experts or research based activities that could support the members. This means that even if some members really wanted to substantively add something to their jobs, the support for them was just not there.

The increase of the number of staffs as shown in the table for the later DPR did not also mean that there was more expertise or research based capacities attached to the secretariat general. According to the secretariat general’s report on the DPR of 1987-1992, for instance, there were three types of work that were related to the services provided by the secretariat general for DPR: (1) technical-administrative work which included financial administration, finance and goods supervision, personnel management, treasury, and job analyst; (2) technical-functional works which included library, stenography, archiving, security and order, computer, news writing, legal drafting techniques, legal expertise, medical and para-medical, foreign language, and installation maintenance; and (3) managerial work which included managerial skills related to the work of high and middle ranking officials in the secretariat general such as vice secretary general, the head of bureaus, head units, etc. If we look at all these types of work, there was very limited, if any, expertise based support that this secretariat general provided for the DPR members. In an ordinary democratic legislative body such as the Congress in the United States, one will find this very strange given that the work of legislators is always related to information and expertise which requires them to be always well supported by sufficient and updated information so that they can make good and well informed decisions.
As mentioned above, Indonesian legislative body or parliament, based on the 1945 Constitution, was peculiar. The Suharto regime was built on the premise that the 1945 Constitution had to be implemented purely and responsibly (konsekuen). It consisted of two bodies: the DPR or the House of Representative and the MPR or People Consultative Assembly. The DPR had functions similar to other legislative bodies—as basically a law-making body. Its position was constitutionally balanced to the executive. The MPR was in principle an extension of the DPR plus the appointed members from the so called functional groups (utusan golongan) and representatives of the regions/provinces. The main power of this body was to elect the president and to set up the GBHN. The president had to implement this GBHN and provide an accountability report in the MPR General Session which was held at least once in five years.

This institutional arrangement, formally, made the system somewhat like a parliamentary system and put the parliament in a strong position vis-a-vis the president. In practice however, as the president, Suharto set up mechanisms which positioned the parliament totally under his control (Gaffar, 1996). In other words, the powerful parliament, during the Suharto era was excessively controlled through these institutional mechanisms.

Nevertheless, during the authoritarian era, there was evidence of, to a certain degree, institutionalization (Liddle, 1996). The Indonesian parliament was part of the area where this institutionalization occurred. The reason for this probably was because of its importance as symbolic legitimacy for the regime, which claimed that the system was a kind of democracy (Demokrasi Pancasila). Rules and procedures and other necessary mechanisms that regulate the conduct of the daily parliamentary business such as
commissioning, political groupings, the process of deliberation of bills had been put into place and practiced since the 1971-1977 session (Marbun, 1992; Boboy, 1994). In the decision making process, one essential feature was the strong emphasis on the consensual nature of the deliberation where everybody should be included in the process and agree upon the decision made. Voting was formally allowed but almost never practiced. Parliament relations with other state institutions, such as the president, were formally in the spirit of partnership, meaning that they had to work together for the good of the country.

The only obstacle to the exercise of the relatively powerful authority by this parliament, institutionally, was the control by Suharto. Therefore it was understandable that when Suharto resigned, this parliament could be constitutionally the central arena of the negotiation of the transition process. This could be seen clearly during the parliament of the Habibie era which was relatively successful in introducing the “political pluralism leading to the establishment of a party system, and the first post authoritarian election” (Ziegenhain, 2008, p. 78) by reforming the political laws especially on political parties, elections, and decentralization. Besides that, the MPR was also successful in getting rid of the most important potential impediment to democracy at that time, the presidency, by limiting future president to two terms. This was possible because of the power of parliament to amend the constitution was still in place.

Consensus as an Informal Political Norm

Consensus has been associated with the Indonesian term “musyawarah-mufakat” (deliberation-agreement) in the political process since independence. In its development it has been associated with a unanimous consent decision as the opposite of decision by
voting or majority rule. Anthropologists like Koentjaraningrat (1967) and Kartohadikoesoemo (1953) argued that the idea and practice of consensus dated back to the traditional social life of Indonesians in the villages.

The broad concept of consensus in this regard is defined by Logsdon (1978) as follows:

Decision making by unanimous consent is only reached when all sides are in agreement. Thus, it usually implies considerable discussion and compromise. But the compromise involved here is frequently viewed differently from the need to build a coalition in the majority-rule systems. The basic assumption is that there is a common interest in society—rather than competing interests—which all sides will learn to recognize through discussion. There are no “losers” in this form of decision making, which results in the good of the whole rather than the good of the greater number. (p. 95)

Koentjaraningrat (1967) argued that unanimous consent decision making is actually indigenous to Indonesian people. The process is known as musyawarah-mufakat and based on the traditional value of “gotong royong” (mutual help/aid). Consensus is based on the cooperative spirits of the sense of community of Indonesians in the life of the village. Koentjaraningrat (1967) wrote that musyawarah is:

an important manifestation of the gotong royong ethos in most Indonesian village communities is the institution of *musyawarah*. The concept involves the processes that develop general agreement and consensus in village assemblies, which emerge as the unanimous decision or mufakat. This unanimous decision can be reached by a process in which the majority and minorities approach each other by making necessary readjustments in their respective viewpoints, or by an integration of the contrasting standpoints into a new conceptual synthesis. Musyawarah and mufakat thus exclude the possibility that the majority will impose its views on the minorities. (p.397)

Musyawarah and mufakat, however, imply the existence of personalities who, by virtue of their leadership, are able to bring together contrasting viewpoints or who have enough imagination to arrive at a synthesis integrating the contrasting viewpoints into a
new conception” (Koentjaraningrat, 1967, p. 397). This argument was in line with the earlier argument proposed by Kartohadikoesoemo (1953), which said “according to original Indonesian law, every decision, whether accepted or rejected, has to be taken with unanimous consent” (p. 102). The majority-rule system like voting, for Kartohadikoesoemo, is not familiar to Indonesians.

In its practice, the *musyawarah-mufakat* decision making system requires intensive lobbying which is “conducted behind the scenes to find an agreeable point between those who proposed and opposed. Therefore, the official meeting to vote for a final decision is only ceremonial after all the behind-the-scene maneuvers were completed” (Kawamura, 2011, pp. 4-5). The reason for such decision making practice, according to Koentjaraningrat, is because such a process is a manifestation of “a corresponding element in the attitudes of the Javanese, which is to avoid at all costs controversy in public” (1967, footnote 2). Supporting this assertion, Logsdon (1978) argued: “as an ideal, musyawarah-mufakat is presumed to be possible because even when conflict is present, a village has a cooperative spirit and basic unity, a shared value of harmony in the public interest that might mitigate the demands of particular interests” (p. 96).

Gotong royong and musyawarah mufakat had also been part of the basis of the formal criticism by Sukarno against the practice of parliamentary democracy in the 1950s. Liberal democracy, which is based on the majority rule system (implemented mainly through voting), for Sukarno, was not compatible with kepribadian Indonesia (Indonesian identity). Sukarno had also been long attached to the idea of gotong royong and consensus or harmony. In his speech about the Indonesian state ideology, Pancasila
(the five principles), Sukarno said that when all five principles of Pancasila summed up into one term, it should be gotong royong. Later, when Pancasila was adopted as the formal national state ideology, musyawarah became part of the Indonesian formal national political system as this term is indeed one of the five principles. In Pancasila’s formulation, musyawarah is the main ingredient of the fourth principle that says “democracy guided by the inner wisdom of deliberations (permusyawaratan) amongst representatives.”

Although the 1945 Constitution actually adopted the decision making by majority rule (article 2) especially in the decision making process in the MPR, Sukarno’s Guided Democracy adopted the mufakat (the unanimous consent) as the most important process of decision making in the parliament. Suharto then continued this practice as he viewed it as important part of the process of assuring the stability and harmony in Indonesian national politics. Thus, the MPR and DPR during the Suharto era, has adopted this practice. The use of such a process has been part of the law of the land since it was stipulated in the MPR Decision No. 2/1978 on the Guidance for Understanding and Implementation of Pancasila. This decision stipulates that decisions should be made only after musyawarah has reached consensus and that the Indonesian nation has to respect decisions made through musyawarah and has the responsibility to accept and implement such decisions. This decision was formally bound to all Indonesians since during the Suharto era, the MPR decision is the second sumber hukum (source of law) after the 1945 Constitution.

Thus, musyawarah-mufakat became not only the political instrument of Suharto to ensure the harmony in legislative related political processes, but also became the
institutional mechanism in decision making in the legislature. Since 1971, the DPR Standing Orders has adopted this consensus as the main institution of decision making. In other words this process of decision making was increasingly institutionalized in the Indonesian legislature and viewed as an inherent part of the institution.

According to the DPR of 1987-1992 Standing Orders, musyawarah mufakat is defined as: “a way of implementing Pancasila Democracy to formulate and/or decide something with unanimous consensus (kebulatan pendapat), which derives from the essence of the principle of democracy guided by the wisdom of deliberation/representation, based on the will of the people, good intention, sound mind, honesty, and full responsibility for the sake of the unity and unitary nation and the people’s interest” (article 151). Article 152 further stipulates that the decision based on unanimous consensus is valid when it is taken in a meeting in which the attendance list has been signed by more than half of the members of the meeting and attended by all representatives of parliamentary caucuses. The decision based on mufakat is taken after all members of the meeting are given opportunities to express their opinions and suggestions in which the meeting views that all those opinions and suggestions have been enough to be accepted as the contribution for solving the problems that are deliberated [article 153(1)]. The final decision is then formulated and taken by the chair of the meeting or a committee that is appointed to prepare the draft of the decision which should reflect all opinions in the meeting [article 153(2)].

The musyawarah and mufakat process in practice is translated into several stages and conducted in all processes of decision making inside the DPR as well as between the DPR and other institutions especially the president. According to the DPR Standing
Orders of 1971, 1977, 1982, 1987, 1992, and 1997, the decision making process of the DPR can be described as follows.

In the case of legislation, there are four stages of bill reading and discussion or deliberation. The bill can be initiated by the government or by the DPR. Stage one takes place in the plenary meeting. This stage contains the general explanation about the bill from the government (if the bill is initiated by the government) or from the DPR (if the bill is initiated by the DPR). Stage two takes place also in the plenary session. If the bill is initiated by the government, in stage two all caucuses, through their representatives, give their general views about the bill. The government then replies with its answers or comments over the caucuses’ general views. If the bill is initiated by the DPR, stage two contains the reading of the government’s general view of the bill which is then replied back by the DPR with its answers or comments. The substance of the bill is then deliberated by komisi (committee) or combination of committees (ad hoc committee) assigned by the DPR leadership to deliberate the bill. In each stage the government representatives and all caucuses must be involved. Stage four or the final stage takes place in the plenary session again containing the report from the committee or adhoc committee and final approval by the DPR. After that the bill is sent to the president to be signed and enacted as a law.

In the case of Anggaran Pendapatan dan Belanja Negara (APBN, Annual State Budget) the musyawarah-mufakat process also takes several stages. According to article 138 of DPR 1987-1992 Standing Order, the process of annual state budget making is as follows:
a. Preliminary discussion between the DPR and president in order to draft the Bill of Annual State Budget (RAPBN). This consists of the discussion between DPR committees with their government partners and between the Komisi APBN (Committee of APBN) with the government.

b. The official introduction of the bill by the president to the DPR followed by deliberation of the bill by the Komisi APBN and government, which ends with final approval in the plenary session.

c. In the middle of the fiscal year the president provides the report of the implementation of the APBN and the DPR discusses the report. Included in the report is the proposal of APBN changes from the government, if any.

d. The DPR provides its approval or disapproval (jointly with the executive) to the report as part of the DPR exercise of its oversight function in the area of the state budget.

This consensus norm, however, had been interpreted more strictly during the authoritarian era, giving it the meaning of agreeing with the entire proposal of the government in any formal process of the DPR.

The practice of decision making, especially in the area of legislative – executive interactions during the Suharto era, seems to continue during the democratization era, including in the era of a multiparty presidential system. These practices are mostly in terms of informal institutions. A research by SMERU (2011) has identified some of the practices of decision making during the Suharto era which still continue until today. Those practices are:
• The executive appeared incredibly dominant, with the president seemingly positioned at the top of a steep hierarchy.

• Considerable emphasis seemed to be placed on economic policy making, which appeared top down with a strong role for technocratic officials.

• As ministries took the lead in sectoral planning, competition over resources from the development budget seemed to increase, especially since basic civil service salaries seemed to be limited.

• The influence of ministers was often dependent on the persona and character of its minister and their relationship with the president.

• As civil servant salaries were considered relatively low there appeared to be a high level of bureaucratic corruption. Attempts at civil service reform had been made, but were seen to be unsuccessful.

The observation about the continuation of some of the institutional legacies of the authoritarian regime has also been spelled out by some political analysts/observers. When SBY and JK were elected in 2004, Syahrir, the Chairman of Partai Indonesia Baru (PIB, the New Indonesia Party)—a new small party which participated in the legislative election—commented that the election of the pair sent a signal that Indonesian people want change that is gradual and has continuities with the past/authoritarian era ( Tempo, 2004, October 31). Both SBY and JK are part of not only the previous government after Reformasi but also when Suharto was still in power. This is confirmed by research by SMERU: “… while the country has made progress towards a democratic polity, the accommodative nature of the reformasi has meant that a number of features of policy
making under New-Order are likely to persist today” (2011, p.16). An Indonesianist from Australia, Aspinal (2010) also agreed and wrote:

Now, more than a decade after its democratic transition began, Indonesia has dealt effectively with these challenges to democracy. … There is, however, an underside to Indonesia’s democratic accomplishments. The country has dealt with key challenges in ways that have come with costs. Spoilers have been accommodated and absorbed into the system rather than excluded from it, producing a trade-off between democratic success and democratic quality. This trade-off has not been an unfortunate side-effect of Indonesia’s democratic transition; rather, it has been central to its dynamics, and even an important ingredient in its success. (pp. 20-21)
Chapter Four

Current Institutions: Formal and Informal

In this chapter I argue that despite the relatively high possibility of being dysfunctional because of difficulties in making relations between executive and legislative work, the institutions that govern the relationship between the DPR and the president make the relationship in general work, thus offsetting the potential for gridlock or deadlock. To see what kind of rules of the game govern the relationship and how it is practiced, this chapter discusses both formal and informal institutions which currently exist in the Indonesian multiparty presidential system.

As will be described below, based on their formal constitutional powers, both the Indonesian president and the DPR are relatively strong.\(^3\) The Indonesian president is directly elected by the people every five years. Members of the legislatures (DPR, DPD, and DPRD)\(^4\) are elected in the same year but a few months before the presidential election. The candidates (president and vice president as a set) are proposed by a political party or a group of parties which have a certain share of legislative seats or popular votes

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\(^3\) There is an assumption that after being amended in 1999-2002, the Indonesian constitution (UUD 1945) grants few powers to the president and shifted many powers to the legislature (DPR). This is, however, not the case. The comparative analysis by Ghoffar (2009) for instance finds that the power of the Indonesian president is no less than the power of the president/executive of the United States, Russia, Germany, South Africa, Japan, China, and Australia.

\(^4\) In theory, the Indonesian national legislature consists of the DPR and the DPD. However, the DPD does not have any legislative power. The Constitution only grants it advisory powers in which DPD can provide and advise the DPR in the legislative matters related to local governance. The DPRD is local legislature, consisting of DPRD at the province and DPRD at the district/municipality levels.
gained from the legislative election. Although not as strong as the president in the New Order, Indonesia’s president under the new amended constitution holds significant powers. According to SMERU (2011, p. 28): “The president, directly elected by the people since 2004, is seen as the country’s most powerful policymaker with the capacity to block the progress of legislation and considerable discretion in the formulation of implementation guidelines.”

The president’s legislative powers include budgetary power, decree power, bill initiatives, cabinet formation, cabinet dismissal, and no possibility of censure from the legislature. Meanwhile, the legislature (DPR), besides having the power of legislation, budget amendment, and oversight, also has approval/confirmation over the president’s nomination of many state commissions such as the Election Commission and the Human Rights Commission, the appointment of the armed forces commander, central bank governor, and many others. Equally important, the legislature cannot be dissolved by the president/executive. Using the typology from Cox and Morgenstern (2002) the Indonesian legislature and president are both proactive and reactive.

These two bodies must work together in order to ensure effective government. An institutional bridge has been set up to deal with this issue. The Constitution does not give clear veto power to the president. However, the president and legislature must have joint approval for legislation to move forward or to be enacted as law. In practice this provision is interpreted as a joint process of moving the legislation forward from the very beginning of the submission of bills. The Constitution also states that although the formal power of legislation making is in the hands of the legislature, both president and legislature can initiate bills.
Especially in the arena of legislation and budget, the practice of executive–
legislative interaction in Indonesia is structured in a way that requires both to always
cooperate if they aim at making progress on legislative and non-legislative agendas. One
e.example is the process of turning a bill into a law. A bill can be initiated by the
legislature or by the president. When initiated by the legislature, the bill must be sent to
the president first before being deliberated. When the president agrees, he must assign
one or more of the ministers or other executive bodies to partner with the DPR to
deliberate the bills. This is called “amanah presiden” (ampres, presidential mandate) or
“surat presiden” (supres, presidential letter). If the president does not provide his ampres,
the bill cannot be deliberated. On the other side, when initiated by the president, the bill
must be sent to the DPR first. The leadership of the DPR will discuss the bill and then
decide to agree or not to deliberate it. When they agree the DPR leaders will assign a
related committee or other body in the DPR to partner with the president’s team to
deliberate the bill. There is also a possibility that a particular bill is initiated both by the
president and by the DPR—in which case there would be two versions of it. In this case,
both institutions can agree to reconcile the bill through the process of deliberation. When
the bill is deliberated, both the DPR and the president’s team are involved in all steps of
the process until it reaches the final step of being agreed to on the floor of the DPR
plenary session and sent to the president to be signed into law.

This shared process and multi-track negotiation has enabled both institutions to
step by step overcome disagreements over agendas and in the end makes the interaction
of both works. The process is run up and down, starting from the agreement to put the bill
into the agenda, to the process of deliberation, and finally the process of reaching
agreement. Both president and legislature have enough room and time to choose negotiating strategies in moving their agendas forward. This enables both parties to solve their disagreements piece by piece from the beginning and anticipate the issues which will come up from the other party. The consensus method then closes this process by the final agreement among the caucus leaders. Moreover, this centralized and consensus-based decision making process simplifies the process of negotiations for the president, who needs only to negotiate with the leaders of the caucus instead of with each member of the legislature. This institutional feature creates more room to cooperate instead of leading to gridlock between the two.

This process makes each side able to anticipate the reaction of the other from the first stage. It is logical to assume that only agendas that have the potential for agreement will be initiated by both sides. In other words, it provides a kind of interlocking mechanism between the two. It is different from what Cox and Morgenstern (2001) find in Latin America, in which in the back and forth interaction between the two, it is the president who always moves first, to whom the legislature then reacts. In the Indonesian case, the process is two-way. Both institutions have to move first on one occasion and second on others. This is one of the main reasons why Indonesian presidentialism does not end up with immobilism or gridlock.

The concept of legislative-executive integration can be used to understand one of the characteristics of Indonesian legislative-executive relations. As described above, the integration of the two branches in Indonesia occurs not only informally at the level of staffs/bureaucracy, but even more importantly, formally at the level of legislators and cabinet members. This framework enables the two branches to have multi-track
negotiations in all processes and issues related to the agendas both of the president and the legislature. This interlocking structure and mechanism increases dramatically the possibility for the legislative and executive branches to interact more in a cooperative than a rivalrous manner.

Another factor related to this cooperative mood of legislative-executive interaction is the organization of the legislature, including the main characteristic of its decision-making process. The structure of DPR organization is actually centralized. In a simplified way, the structure can be described as centered around Badan Musyawarah (Bamus, the steering committee) responsible for all agenda-setting in the body, the standing committees, especially the commissions, where the real deliberation process of the bills is located, and the “fraksi” or caucus of each party whose leaders are the main decision makers. Because the main method of decision making is consensus, not voting, the real decision makers are the leaders of the fraksi. The method of consensus is properly described by Sherlock (2007) as: “What this means in practice is that decisions are made by agreement amongst the party leaders through the mechanism of the Fraksi. Each Fraksi puts its position and final agreement is reached through discussion in general meetings or in closed lobbying and negotiation sessions” (pp.13-14).

The main site of the process of deliberation is in the komisi (commission) which is the standing committee. When the bill has been agreed to by the office of the president and the DPR leadership (Bamus), for instance, the related commission will deliberate it so that the president’s team and the commission members discuss all related issues. At the beginning stage the president’s team is usually led by a minister or an official at the same level. More detailed discussion is then undertaken by the directorate general (a kind
of under-secretary) or official at the same level. Once in a while, when necessary, the minister will be summoned by the commission to come and directly involve himself or herself in the deliberation. When the final decision is about to be reached the minister leads the team again.

The following figure can describe the current Indonesian political system in which interaction between the legislature and the president occurs.
Figure 7. Indonesia’s political system after the fourth constitutional amendment in 2002
Source: Kawamura (2010, p.9).
President’s versus DPR’s Constitutional Powers

The constitutional powers of the president can be categorized into legislative powers and non-legislative powers. The legislative powers include veto, decree, budgetary, and legislation/bill initiative powers. The non-legislative powers consist of cabinet formation and dismissal, no censure, and appointment powers.

Veto power. There is no formal veto power and/or partial veto power given to the Indonesian president. The constitution stipulates that the power of lawmaking is in the hands of the DPR. However, any draft legislation or bill needs approval from both the DPR and the president. Without presidential approval, the legislation draft cannot become the law of the land. Therefore, the president in practice can veto a bill by simply not granting his approval before the bill becomes law. Equally important, the president can also practically veto a bill by refusing to deliberate it, because deliberation can only proceed if both the DPR and president agree to deliberate it. The constitution in this case stipulates that should draft legislation, though passed by the House of Representatives, not be ratified by the president, said bill will not be submitted again during the same session of the House of Representatives (the 1945 Constitution, Article 20). Besides that, during this deliberation the president can ask to drop or to add any piece of legislation to the bill and the DPR can agree or disagree until both reach agreement. Thus, in practice, we can also say that this type of institutional arrangement makes the president able to exercise a kind of partial veto power.

Although rarely done previously, SBY has used this type of veto several times. When deliberating the Bill on Freedom of Information in 2005, for instance, the president refused to negotiate several times by not sending his team to process the bill in the DPR.
The president’s ostensible reason was that the government was still studying the bill in detail to decide whether or not deliberating it would be a good thing. The government even used the tactic of introducing a bill in substance opposing the freedom of information bill, i.e. the bill on state secrets. Because of this, the bill was subsequently modified in a way that made the government agree to jointly approve it.

Another type of veto power is partial veto or override power. Again, there is no formal partial veto power of the Indonesian president. However, the joint approval mechanism, again, requires both the DPR and the president to deliberate bills together from the start all the way up to the final decision. Article 20(2) of the Constitution stipulates that each legislative draft is deliberated by the DPR and the president in order to reach joint approval. During this deliberation the president can ask to drop or to add any piece of legislation to the bill and the DPR can agree or disagree until both reach agreement. Thus, in practice, we can say that this type of institutional arrangement makes the president able to exercise a kind of partial veto power.

Most of the bills, through deliberation, accommodate the kind of revisions or amendments asked for by the president before they are approved. This is confirmed by one DPR member, A. Rahmat (personal communication, September 12, 2011):

It is not mentioned explicitly. However, the president actually uses the veto every day, because our process is joint approval, it creates the situation when the president does not agree on something he can say that and ask for changes, otherwise the process will not move forward. So, unlike the United States system, in our system the president has a kind of partial veto on the bill that is being deliberated. He can agree to some aspects while disagreeing on other parts of the bill, and in order for the bill to move forward, the disagreement has to be resolved first until both the DPR and the president reach a consensus.
One good example is the Bill on Freedom of Information. This bill was initiated by the DPR and formally introduced for deliberation in July 2005. The government believed that the bill went too far in terms of making state information publicly available. According to Minister of Communication and Information Sofyan Djalil, the bill was too driven by the interests of the NGOs and was potentially harmful to the state. Thus the government tried to amend articles that they believed went too far in the direction of openness. S. Djalil said: “that bill was drafted in a way that would make the government totally disclose information and we are not ready yet, our bureaucracy is not ready, this country is not yet ready for such things. Therefore we, the government, fought point by point, article by article” (personal communication, August 12, 2011).

Another example is the Bill on State Ministries. The DPR had initiated the bill during Megawati’s administration (2001-2004). However, it did not make it into the reading and discussion stages at that time because of government resistance. In June 2005, the DPR reintroduced the bill as part of the Prolegnas (the National Legislative Program) to be deliberated during the 2004-2009 period. The government did not agree with the substance of the bill and viewed it as an intrusion on the prerogatives of the president. Besides that the government also wanted the president to initiate the bill. This difference made the journey of the bill very long, taking more than two years until it was finally approved. The president, through his team, during that long process, asked the DPR to revise every piece of the legislation until the government felt comfortable and ensured that the bill did not intrude on the president’s prerogatives.

**Decree power.** The decree power of the Indonesian president is limited. The president can enact a decree during so called emergency situations only. This decree has
the same standing as a law and is called Peraturan Pemerintah Pengganti Undang-Undang (Perpu, the Government Regulation in Lieu of Law). This Perpu can be enacted without DPR consent and take effect immediately. However, it has to be approved or disapproved by the DPR no later than thirty days after it is decreed by the president. When the DPR in the deliberation later decides not to approve it, the Perpu must be cancelled. If otherwise the Perpu continues to be in effect and is listed as part of the law of the land.

The interpretation of what constitutes an emergency is not clearly stated in the Constitution. Thus the President has a lot of room for maneuver in using this power in his favor. Although the definition of an emergency situation can be broad, Indonesian presidents, especially SBY, have rarely used this power. From 2004 until 2012, SBY only issued 16 presidential decrees. Only one of these decrees was later not approved by the DPR.

**Budgetary power.** The president has the exclusive right to initiate the bill on the annual national budget. Article 23 (b,c) of the Constitution stipulates that “the bill of the annual state budget is proposed by the president to be jointly deliberated with the DPR… if the DPR does not approve the proposed bill, the government shall use the last year’s budget.” Every year, during a speech before the DPR on August 16 (a kind of State of the Union address before celebrating Indonesian independence day on August 17) the president formally introduces the bill on the national budget for the next year. Although bill initiation is the exclusive right of the president, the DPR has unrestricted authority to amend the budget. Other than that, the process of budget deliberation and approval are the same as the process that must be followed by other bills (legislation). In general, all
budget bills during SBY’s presidency have been approved by the DPR by a consensus vote.

**Introduction of legislation/bill.** While the Constitution stipulates that the law-making power is in the hands of the DPR, the president reserves the right to initiate legislation too. There is no detail or restriction on what kind of bill the president can initiate. Any legislation the president thinks he needs can be proposed to be deliberated in the DPR. The current practice shows that approximately half of the bills that are deliberated in the DPR come from the executive. During the 2004-2009 period of SBY’s presidency, for instance, 96 of 193 laws enacted were initiated by the president.

Table 8
*Bill Initiator (2004-2009)*

<table>
<thead>
<tr>
<th>Bill Initiator</th>
<th>Bill Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPR</td>
<td>97</td>
</tr>
<tr>
<td>President</td>
<td>96</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>193</strong></td>
</tr>
</tbody>
</table>

Source: DPR General Secretariat (2010)

Thus the president can be more powerful in terms of bill initiation because he can directly initiate it. In addition, the president can also initiate a bill that accommodates his agenda through his political party in the DPR. Combined with the president’s exclusive right to initiate the budget bill, the president’s power in bill initiation is even stronger.

Another important aspect of the president’s right that is relevant to legislation is the authority of the president to establish government regulations as part of the implementation of laws which have been approved. A considerable number of policy
decisions, although coming within the broad framework of existing laws, did not require parliamentary approval, leaving significant discretion for the president. These government regulations are usually not yet ready when the bill is jointly approved as a law by the president and the DPR. It is within the discretionary powers of the president to follow up a law immediately with the government regulations or to postpone use of his regulatory power.

**Cabinet formation and dismissal.** The president, according to the Constitution, can form a cabinet without formal involvement of the DPR or other state bodies. The president can also fire or hire a minister at will, whenever he needs to do so. In practice, however, cabinet formation and dismissal have involved the political parties in the DPR. This is a deliberate choice by President SBY, made in recognition of the fact that he is a minority president without a clear majority of partisan power in parliament.

Since he was elected president in 2004, President SBY has always involved the leaders of political parties, especially those that become part of his coalition, both in the formation and in the reshuffling of his cabinet. As a result we do not have evidence yet as to what will happen when the president uses his power to form and dismiss the cabinet without DPR involvement. In the past we did have experience with President Abdurrahman Wahid (Gus Dur) who hired and fired his ministers without much consultation with the supporting political parties. The Gus Dur experience shows that the effect is destabilizing to the government. The difference with the current framework, however, is that the president cannot be easily impeached by parliament, while in the previous era the president was still elected by the MPR or super-Parliament.
Censure and assembly dissolution. In the Indonesian system, parliament has no authority to censure the president. The president, constitutionally, is in full control of his/her cabinet. The DPR can summon any minister to be questioned, not to censure, but as part of the exercise of the DPR’s oversight function. On the other hand, the president has no power or authority to dissolve the DPR. President Gus Dur made an attempt toward the end of his administration to dissolve the parliament but he failed. Not only because he had no constitutional ground to do so, but also because the military did not back him at the time. During the era of President SBY, under a pure presidential system albeit multiparty, the issue of parliament dissolution has of course not come up.

The power of appointment and others. Another type of presidential non-legislative power is the power of appointment for various high posts in the government. The Indonesian president is granted by the Constitution the power to appoint ambassadors, consuls, and members of independent administrative organizations such as the central bank and the election commission with the agreement of and/or consultation with the DPR. The president also needs consultation and/or agreement with the DPR when granting titles, decorations, and other honors. Besides that, the president, with the agreement and/or after consultation with the DPR, also has the authority to declare a state of emergency, to declare war and make peace with other states, and to grant amnesty and abolition.

DPR constitutional powers. After four sets of constitutional amendments adopted between 1999 and 2002, the Indonesian legislature (DPR) shifted its role and position from being merely a rubber stamp to the executive to becoming a more functional legislative body. The 1945 Constitution explicitly names the DPR as a
lawmaking institution. The existence of a free press and the introduction of an open list proportional representation electoral system, among others, have increased the public attention and scrutiny toward the DPR. The demand for the DPR to hold the government (the executive) more accountable is also increasing, resulting in growing DPR assertiveness toward the executive (SMERU, 2011).

Under the presidential system since 2004, the DPR is granted by the Constitution the power to initiate, deliberate, and approve all legislation, to modify and/or amend the budget proposed by the president, and the power to approve appointments made by the president of various posts in the government.

One of the most important powers of the DPR is the power to be involved in all stages of the annual national budget making process. During the Suharto era, the DPR had this power formally, but in practice it was only asked to formally approve the budget without any substantive discussion whatsoever. Under the new framework, each DPR member can question each line of the budget and hold the executive accountable. Some people even think that the DPR’s power in budget deliberation is too much because the discussion can reach to the most detailed items in the budget. Members, for instance, can insist in the discussion with the executive that certain projects go directly to build bridges, or schools, or roads in their districts.

This increasing power of the DPR is for some believed to give too much power to the legislature vis a vis the executive. The members are often seen as potential veto players who can block or obstruct the substance of good legislation proposed by the executive. Constrained by growing media coverage, pressure from the public and the political parties, members of the DPR, according to this view, often sacrifice constructive
engagement in exchange for a more adversarial relationship with the representatives of the executive.

However, as mentioned above, the executive has in practice an effective veto power in bill deliberations. The president can block the bills initiated by the DPR, for instance, by simply not naming the minister(s) who will lead the president’s team in deliberating any bill with DPR. So far this type of power has been able to prevent DPR members from excessively using their power to confront the executive. Moreover, the obstruction of a bill’s substance or proposed amendment usually occurs without public notice or attention, thus reducing the political risk for a president who refuses to pass or delays legislation (Sherlock, 2010b).

Besides that, the nature of reform that occurred after 1998 is mainly accommodative, making prominent executive political players during the previous era (New Order) such as the military and the police able to retain a certain amount of the power they had before. One well-known example is that the military was able to prevent the Military Court Bill (under which members of the military would be tried in civilian court for any criminal activity) from being passed (Media Indonesia, 2012, April 12). Thus this analysis suggests that while the legislature in the new constitutional framework is granted more power and clear legislative roles, the executive retains considerable powers too.

Another important power that the DPR has is various rights to implement its functions such as the right of interpellation, the right to express opinions, investigative rights and others. Since the Constitution does not provide detailed provisions on these rights, their practice is governed by a Law on the MPR, DPR, DPD, and DPRD (the MD3
Law, the Law on Legislative Bodies). These rights have been widely used by the members of the DPR especially in exercising their oversight function over the executive. There was even a view that the DPR has been focusing mostly on its oversight function compared to legislative and budget functions (Ziegenhain, 2008).

The new Law on Legislative Bodies of 2009 which was enacted during SBY’s first term contained provisions that seemed to limit some of these rights in practice. For example, the right to express opinions according to this law can be accepted if the DPR plenary session approves by a vote of at least 75 percent of the members attending the session. The origin of this rule, not surprisingly, came from the executive during the deliberation of the bill in 2009. This provision, for some DPR members, was an attempt at indirectly controlling or limiting their right of expressing opinions. The common practice in the DPR has been that the minimal support required was two thirds of the members in attendance.

Several members of the DPR (Bambang Soesatyo-Golkar, Lily Wahid-PKB, and Akbar Faisal-Hanura) then filed a judicial review in 2010 to the Constitutional Court (MK) to repeal the rule and return it to the two-thirds provision. The Constitutional Court in its decision in early January 2011 approved the review and made a ruling that Article 184 verse 4 of Law No. 27/2009 must be cancelled and replaced by a new provision stating that DPR members’ right to express opinions only requires two thirds of the members’ approval in order to move forward. Although even this requirement is very difficult to meet, some politicians see this as a window of opportunity for the DPR to express more opinions regarding many government policies.
Bambang Soesatyo, one of the plaintiffs, in his reaction to the Constitutional Court ruling said: “…the president must now be more careful after this MK ruling which makes the requirements for the right for expressing opinion easier in Law No 27/2009 on MD3. The opportunity for DPR members to exercise this right is now more open, including related to the case of Century Bank” (Kompas, 2011, January 14). Some even see it as a way to facilitate the political maneuvering of some DPR members who are thinking about impeaching the president for his involvement in the case of the Century Bank bailout.\(^{15}\)

Meanwhile, the supporters of the president in the DPR, especially from the Partai Demokrat and PPP viewed the ruling as something not to be feared. According to the Partai Demokrat Chair Anas Urbaningrum, it is not something that is extraordinary since the Constitutional Court ruled it that way in order to make the law in line with the Constitution. Hasrul Azwar, from PPP added: “the president does not need to worry about the ruling, as long as the DPR’s right to express opinions is implemented properly” (Kompas, 2011, January 14). The ruling, according to Pramono Anung of PDIP, an opposition party, will help make interaction between the president and the DPR more dynamic but will not open the door to presidential impeachment. Some political actors might see the ruling as an opening for further progress in controversial issues such as the Century Bank bailout case. According to Cahyo Kumolo, also from PDIP, his party does not want to get trapped into political maneuvering of other political parties to use the ruling for an attempt to impeach the president (Kompas, 2011, January 15).

\(^{15}\) The Century Bank bailout case was a hot and controversial issue during the first months of DPR of 2009-2014. This case attracted public attention and involved some central figures in SBY administration.
The legal framework for the budget process has also been completed with successive laws passed unanimously by the DPR and the president. The Law No. 17/2003 on State Finance contains detailed provisions on the budget process, specific dates and milestones for the preparation and adoption of the budget, principles and powers of the government in management and accountability of state finance, and provisions on financial relationships between central and local government.

**Legislative – Executive Integration**

**Joint deliberation and approval process.** Unlike most presidential systems such as in the United States or several Latin American countries in which the lawmaking process does not provide a direct connection between the president and the legislature, the Indonesian presidential system provides that the executive and legislative must get involved from the beginning (i.e. the initiation of a bill) until a bill is approved and ready to be enacted as a law.

The lawmaking process requires close involvement of the executive and legislative branches from the start of the process all the way up until both president and DPR achieve (or fail to achieve) joint approval. The bill can be initiated by the president, the DPR, or by both. Most economy-related bills, however, originate from the executive. The bill on the annual state budget always comes from the executive. To start the process of a law the two bodies must agree from the beginning to put the bill into the agenda.

There are two levels of bill deliberation, which is also the process of lawmaking in general. Level one (pembicaraan tingkat satu) is the deliberation on the bill conducted by a commission (komisi/standing committee), a combination of commissions, deliberation in the legislative council (baleg), the special committee (pansus) meetings, or
the budget committee (banggar) meetings together with the minister/ministers representing the president. Level two (pembicaraan tingkat dua) is the deliberation of the bill in the plenary session of the DPR which formally approves or disapproves the level one bill. The decision on whether a bill will be deliberated by a commission, combination of commission, the legislative council, or budget committee is determined by the deliberation council (bamus)—a kind of steering committee in the DPR whose members are representatives of all the parties. Sometimes this steering committee is considered a “mini DPR.”

The substance of the deliberation is based on the Daftar Inventaris Masalah (DIM, Problems Inventory List). The Problem Inventory List consists of basically all items in the bill. It can start with the title of the bill and go all the way to the closing clause. Therefore the Problem Inventory List can be a very long list of items that will be discussed.

The process of legislation-making involves a multiple-stage process. The multiple stage process involves deliberation from the commission or combination of commissions (special committee) all the way down to the so called formulation and synchronization teams (timmus and timsin). In the commission or in the special committee meetings all proposals from members/party caucuses are discussed and filtered. The ones that can be resolved will be resolved at the time, others that cannot be resolved are brought to smaller meetings in sub-committees called working committees.

The working committee will deal with the remaining issues with the same method used in commission or special committee, except that the number of participants has been reduced to only the representatives of each caucus. This makes the discussion and
agreement process easier. The government is also represented by a smaller number of people. Nonetheless, the government position in the discussion typically is represented by half of the people in the room, while the other half is divided among the caucuses in the DPR represented in the committee/sub-committee.

The remaining issues that cannot be resolved by this stage are usually given to a smaller team called the formulation team (timmus). In the deliberation of the Bill on the General Election of 2009, for instance, there was disagreement about the requirements for political parties to be the participants of general election. The problem was whether there should be differentiation between new parties and old parties. Some caucuses, including the government’s, said there must be differentiation and therefore there had to be general requirements and special requirements, while some other caucuses said that the requirements must be the same. This issue was then given to the formulation team to be formulated in a manner considered accommodative to all proposals. The formulation team in turn can delegate the resolutions of the issues to a synchronization team when those issues are considered to be something in which the DPR and the government only have non-substantive disagreements.

This process of joint deliberation and approval create a situation where the power of the executive and legislative branches is relatively the same if not in the executive’s favor. According to H. A. Azis (personal communication, October 11, 2011):

This is something that is very often misunderstood or mischaracterized by the public as if we in the DPR are absolutely dominant over the executive. I dare to say that the executive and legislative authorities are fifty-fifty. If a bill is not approved by one it will fail or be dead on arrival. One example is the bill that was initiated by the DPR to amend the Law no. 17, 2003 on State Finance which we

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consider as problematic, but because the president does not agree, that bill just failed to reach the DPR floor.

This process also makes the executive more powerful because the minister, working on behalf of government, can also veto bills, even if the bills have been approved in the working committee or special committee deliberations. Another member of the DPR states that: “a bill has been deliberated in the working committee, and then when in the special committee or commission meeting for some reason the minister of finance is not satisfied, she could just block the process by simply not attending the plenary” (H. Naja, personal communication, September 12, 2011).

Overall, however, according to most members of the DPR and the executive officials interviewed for this research, the joint deliberation and approval process is a good thing because it makes the process between the DPR and the president more cooperative. One main reason is that because both institutions are involved from the beginning, regardless of whether the bill is initiated by the president or the DPR, the main differences have already been resolved, otherwise the bill could not move to the deliberation stage. Later, when other differences come out during the deliberation, both parties can resolve them item by item until the bill is deliberated in its entirety. S. Mustofa, a high ranking member of the DPR from Partai Demokrat (personal communication, September 29, 2011) argues:

I think the process is a good thing because all things have been discussed since the very beginning so that we have early understanding. So, when a bill is deliberated, it is not only the DPR’s process then the government can veto it. Regardless whose initiative a bill is, in the end it is owned by both the President and the DPR. The existence of this early understanding makes relations between the government and the legislature work.
Pramono Anung from PDIP also agrees and claims that this kind of process makes it possible for both president and DPR to influence each other from early on. According to him, when a bill is initiated by the DPR, the president can make his agenda accommodated in the draft too, especially through his political party in DPR. In the case of SBY, he can always coordinate with his Partai Demokrat in the DPR. Pramono also said that the government bureaucracy is so big and complex with a lot of policy-making instruments. Its agenda can be accommodated by DPR-initiated bills through various means such as the legislation body, caucuses, and others. By doing so, the potential for disagreements has been detected since the very beginning of the drafting of the bill. In the case of government-initiated bills, added Pramono, “in practice, the process is mostly smooth, because before the draft becomes a bill, the academic document of the bill has been socialized to all fraksis [political parties in the DPR] first. And the formal process will not start until most, if not all fraksis, do not indicate any rejection anymore” (personal communication, September 20, 2011).

**Structural coordination.** In the executive branch, there is a specific coordinating body to maintain day to day relations with the DPR. These activities are led by the Ministry of the State Secretariat. As mentioned by Y. I. Mahendra, a former Minister of the State Secretariat and Minister of Justice (personal communication, October 17, 2011):

So for instance in bill deliberation, in the Presidential Letter (Supres) the DPR sends the bill. Then two letters are given primarily to the Minister of Justice and Minister of the State Secretariat to represent the president in deliberating the bill. For instance when I was Minister of Justice and assigned to represent the president in deliberating the bill on Aceh governance, the letter from the president stated that if there were issues in the process, I had to report to the president through the Minister of the State Secretariat.
The existence of a specific structure that deals with day to day relations with the DPR has been there since Suharto’s era. In the current democratic system this structure has changed several times. According to one director in the Ministry of the State Secretariat (Lagiman, personal communication, October 27, 2011):

in the past in the state secretariat, there was an assistant for liaison officer who was called the assistant for highest and high state bodies’ relations. This post is currently tackled by the deputy for institutional and society relations which was transformed from deputy for institutional relations. … The relations between the president and/or Minister of the State Secretariat with the DPR is specifically taken care of by the assistant deputy for state institutions and non-structural institutions relations.

On the DPR side, this structural or administrative coordination is handled by the secretariat general. Lagiman further said: “as echelon one in the government, the main partner of this deputy for state institutions relations is the secretariat general of the DPR” (personal communication, October 27, 2011). Each department on the executive side has its own secretariat general which manages relations with each of its partners in the DPR. For instance, the secretariat general of the Ministry of the State Apparatus manages its relations with Commission Two of the DPR, the Ministry of Home Affairs also with Commission Two, and so on. The Ministry of the State Secretariat, on the other hand, has to manage its relations not only with Commission Two of the DPR, but also with the secretariat general of the DPR to coordinate the relationship between the president/the executive in general and the DPR. Lagiman added: “in Commission One for example, the Ministry of Foreign Affairs and the military commander have to maintain their relations with Commission One through their secretariats general. However, in the case of the
Ministry of the State Secretariat, our partners are actually all commissions other than the DPR secretariat general” (Lagiman, personal communication, October 27, 2011).

The office of the secretary general of the DPR also indicates that because of their function and relations with executive staffs, they can play a helpful role. N. I. Saleh, the current secretary general of the DPR, (personal communication, November 7, 2011) said:

I think, other than formal/administrative roles, there is always the possibility that we can make the process better. For example when there are difficulties with the Ministry of Home Affairs, I or my team can go there and ask the staffs there so that they can also help with the process, it is possible, it is something not unusual. However, formally, what we do is basically what the DPR wants us to do.

One researcher in the DPR provides an example about this related to the deliberation of the Bill on General Election Organization (RUU Penyelenggara Pemilu). When the deliberation was still on-going, there were several occasions when discussions were stuck. The assistance team from the DPR, together with the staff from the Ministry of Home Affairs, helped move the agenda forward by providing some expertise in the lobbying process (Indra, personal communication, September 23, 2011).

The role of liaison officers or staff in smoothing the process between the government and the DPR can also be seen during the deliberation of the Bill on State Ministries. To follow up the result of the meeting between pansus and the government on January 20, 2008, the chair of the pansus at the end of the meeting said: “… we asked the staff of the secretariat to always maintain the intensive communications with the secretariat general and the government’s staff so that we can always update the processes” (Risalah Raker Pansus RUUKN, January 30, 2008). Riris Katarina and Partogi Nainggolan, two senior researchers in the DPR research center (P3DI), also
confirm this kind of informal role. R. Katarina, for instance, said that she had been assigned by DPR members during the deliberations on the Bill on the General Election of 2009 to prepare the materials for various lobi meetings together with staff from the executive (personal communication, October 3, 2011).

**Legislative Organization and Decision Making Process**

The structure and decision making process in the DPR, which also for the most part requires intensive involvement of the executive, makes the government almost always able to compromise with the legislature. The main characteristic of the DPR decision-making process is a decision that is based on fraksi, commission and consensus. It is not the process of decision making based on individual members as in the United States’ Congress. Hence, although there are multiple actors and processes that exist in the DPR, the work that the government must perform to interact successfully with the DPR is still not as complex as when the process is based on individual members. In other words, the main actors who are always interacting and making the decisions are only a few, such as the leaders of the fraksi and commissions. Moreover, the consensus mechanism means that the process can always be simplified from involving as many actors as possible at the beginning and then reducing the number of actors over and over in the multiple stages of decision making process that are existing. Therefore the legislative organization creates a situation where the interaction between the executive and legislative is working reasonably well so far.

The DPR comprises several components. According to the Law on Legislative Bodies, the organization of the DPR is divided into leadership (chair and vice chairs), the steering committee, komisi or commissions (standing committees), badan legislasi
(legislation body), badan anggaran or budget committee, the Badan Akuntabilitas Keuangan Negara (BAKN, Public Finance Accountability Committee), badan kehormatan (ethics committee), the Badan Kerjasama Antar-Parlemen (BKSAP, Interparliamentary Cooperation Body), the Badan Urusan Rumah Tangga (BURT, Household Affairs Committee), panitia khusus (pansus, adhoc committee), and other necessary organs that can be established by the plenary session of the DPR.

**The role of fraksi versus commission.** In presidential systems, the significant role of the fraksi or party caucus in the legislature is debatable. There are at least two competing perspectives on this subject (Cox & McCubbins, 2007). First, the party in the legislature has a very limited role. It is viewed primarily as a floor voting coalition. The free voting coalition where most of the real work in the legislature takes place (such as bill deliberation) is not the domain of fraksi but the committee. The most significant role of the fraksi in this view is merely in structuring the committees in the legislature.

Besides that, the fraksi is also considered a procedural coalition with minor if any influence on the substance of legislation. According to Jones (1964), for example, “the political party functions to organize a conflict resolution process. The party willingly assumes the responsibility for organizing the process – providing personnel (including leadership), making rules, establishing committees – without assuming either responsibility for results or the power to control them” (p. 5).

Another view related to this is that the fraksi, especially the leaders’ actions in the legislature, is conditional on a case by case basis. In general, the fraksi will take action when there is a widespread agreement about certain issues. In other words, the Fraksi will have influence only on certain issues rather than all issues. This view of the limited role
of party in government is in line with the dominant view in political science of the role of committee government in legislatures. According to this view, the committee is the heart of the legislature because of its autonomy, expertise, the sanctity of its decisions, and the power of committee chairpersons.

The second perspective argues that parties in legislatures are still important. The fraksi in this view is considered “a kind of legislative cartel that seizes the structural power of the House” (Cox & McCubbins, 2007, p. 15).

What about the multiparty presidential system? Since the parties in the legislature must form a coalition to advance their agenda, it is more difficult for the fraksi to be organized as in a parliamentary system or in two party presidential systems. Evidence from Latin America, for example, reveals that the overwhelming majority of decisions are made by party leaders or in party meetings, and most committee chairpersons and members rotate on a yearly basis, giving them little opportunity to develop substantive expertise in the committee’s area.

In the Indonesian system, the fraksi is a political caucus which organizes members of the DPR from one or more political parties into one group. According to the Law on Legislative Bodies, each DPR member is obliged to join a fraksi. Each political party that passed the electoral threshold to have seats in DPR can form a fraksi. So, in theory, fraksi can consist of more than one party. In practice, however, the fraksi can be regarded as identical to a political party in the DPR because each political party that holds seats in the DPR forms its own fraksi. There were eleven fraksis during the DPR of 2004-2009 and are today nine fraksis for the DPR of 2009-2014.
The function of a fraksi is similar to that of parliamentary parties in other multiparty countries. Its primary role is to prepare the party’s legislative agenda, give voice to and organize its members. It is responsible to nominate its members to sit on the 11 standing commissions and 4 working bodies of the DPR. All members must hold a seat in at least one standing commission or working body (with the exception of the legislative leadership) but must be nominated by their fraksi to obtain a position. Fraksi must have enough members to obtain at least one seat in each of the standing commissions and working bodies, meaning that at any given point in time a fraksi must have 15 members.

The reason for the size requirement is technical and representative: despite the lack of an electoral threshold prior to the 2009 elections, the DPR always boasted the Fraksi internal mechanism for prioritizing adequately large parliamentary parties through the commission-based division of labor. Fraksi size is based on the idea that since each commission covers largely distinct issues of national policy-making then groups able to obtain legislative seats should be able to have a voice in each of those policy competencies. While parties too small to obtain enough seats to sit on each and every commission could enter the DPR prior to 2009, in order for their voice to carry weight in a balanced way on national policy-making they were forced to join into parliamentary coalitions (aka fraksi) so that each coalition would have a voice at every table that introduced and discussed pending legislation. As such, fraksi size is both a way to control the number of parliamentary groups (maximum of 10) as well as the functional capacity of each.
Thus we can refer to fraksi as part functional coalition, part practical interest representation. The two aspects determine a good deal of the ability of any individual political party to have a real impact on national policy-making. The larger the fraksi the more commissions and working bodies on which it can help set the legislative agenda and force or win floor votes. The more cohesive the fraksi the fewer instances of incongruence where individual members push policy positions that will not eventually be supported by the rest of their fraksi in the event of a vote.

Fraksis have been playing such a role in coordinating the members of the DPR from each party. It also provides guidelines for its members. To members, the most obvious function is the role of the fraksi as the extension of the party, especially the party leaders. The fraksi leaders have played roles in linking the fraksi to other fraksi as well as to the executive.

In the DPR, the site of decision-making is the commission or other internal legislative organ. The final decision, which takes place in the plenary session, is usually only a formal process except in the limiting case that the commission cannot reach agreement (which is rare). Fraksi take proactive roles only when they think they need to. This means that the fraksi has a very important if not central role in DPR decision-making. However, because of its capacity, the fraksi just takes a more reactive role in most of the cases. It is also possible that when the fraksi has the capacity to provide guidelines and policy details to their members, it can potentially do so. According to S. Mustafa, for instance: “in practice, when the komisi is going to make a final decision about for example bills, or about who will be nominated as supreme court justice, …, in that case, the fraksi will call the komisi members, and we will discuss it” (personal
communication, September 29, 2011). In line with this view, P. Anung from PDIP said: “… so, the fraksi is where decision-making takes place, but the execution is in the komisi, and this is often when it is related to sensitive, quote unquote, or controversial bills. … or something related to the existence of the party,…, so the main place of decision making is in the fraksi” (personal communication, September 20, 2011).

The members of the DPR interviewed for this research also supported this assessment. Most of them said that the final decision about legislation is mostly determined in the fraksi. The same thing applies when it is about the final decision on the oversight function. In the case of the annual budget, the fraksi does not take a dominant role. The budget committee instead takes a larger role. The reason for this, according to members, is because it is the budget committee that has the most legitimacy for deciding the annual state budget. However, as mentioned by leaders in interviews, in the case of the annual state budget, because of its crucial status, the coordination among members of the budget committee with their own fraksi is conducted intensively and often on an issue or item basis. Because of this, the fraksi does not need to formally dominate the final decision about the budget.

Members of the DPR who have been interviewed confirm that the role of the fraksi is actually dominant in the DPR decision-making process. According to them, the fraksi is the decisive actor in the DPR (A. Muzani, personal communication, September 13, 2011; A. Rahmat, personal communication, September 12, 2011; H. Naja, personal communication, September 12, 2011). Although the formal decision-making can take place in the commission, how the members of the commission take the decision is decided by the Fraksi. A. Muzani illustrates: “for example, when a commission is going
to vote on KPK [Corruption Eradication Commission] members, the fraksi summons the members of the relevant commission. We discuss with them and give them guidelines on how and for whom to vote. In the discussion we also try to look at who will win or lose. Usually we decide to vote for someone who will win” (personal communication, September 13, 2011). This is also confirmed by Secretary of the Partai Demokrat fraksi S. Mustafa: “in practice, when the commission is going to make a decision, whether it is about a bill or about a figure such as a candidate for the supreme court in Commission Three, we will listen to the members of commission from our fraksi first, we get their inputs, and we decide” (personal communication, September 29, 2011).

Fraksis are dominant in the DPR because all decision making there is fraksi-based, not individual-member-based. Since the process is not individual member based, every individual speaks as a representative of his or her party, with almost no individual opinion expression. There is a rare moment when an individual speaks on behalf of him/herself, but usually it is not regarded as something that needs to be discussed. As an example, from the deliberation of General Election of 2009 Bill, Ryaas Rasyid from Bintang Pelopor Demokrasi (BPD, Star of Democracy Pioneer) Fraksi talked about the need to switch to district system of election (first past the post/majoritarian system) instead of using electoral threshold in the current proportional system in order to simplify the multiparty system. The speaker, Ryaas Rasyid, immediately acknowledged that this was his personal opinion, a cue to others that it actually did not matter much in the official deliberation of this bill. The fraksi can also take back a position that has been voiced by a member with the explanation that it was not the voice of the fraksi but the voice of the member as individual.
Alvin Lie, a former member of the DPR from PAN, describes this fraksi based process as follows: “if we study the DPR rules and procedures and even the Law on MD3, we know that the fraksi is actually not an internal organ of the DPR. A fraksi is actually an internal mechanism of a political party in the DPR. However, in the process of decision making the voice is given to fraksi” (A. Lie, personal communication, November 10, 2011). Alvin’s opinion is confirmed by other members such as N. Nasution who says “…in my opinion, in most of the process, the political party is still dominant. So, the members of DPR cannot express their own voice, it has to be the voice of the party” (personal communication, November 8, 2011).

Fraksis are also dominant because when a decision is about to be taken, either by consensus or by voting, it is also a fraksi-based process. In the case of decision by consensus—which is the main feature of DPR decision making—the leader(s) of the meeting will ask each fraksi one by one if there is something that the fraksi still does not agree to or has some doubts about. Or the leader(s) of the meeting can ask each fraksi to voice its stance one by one until everyone gets a turn. The fraksi must always have someone to speak on its behalf, so there is one voice for each fraksi.

In the case of decision by voting—which is rare—the process is again by fraksi. In other words it is block voting. There are voting processes in the commission and other bodies that look like a member-based process. This type of decision is usually related to the power of appointment or confirmation that the DPR has such as the election of the members of the KPK or Corruption Eradication Commission, the confirmation of ambassadors, the election of the central bank governor and senior deputy governor, et
cetera. However, as confirmed by the members of the DPR interviewed in this research, the members will not take a stance before they coordinate with the fraksi.

Because of this dominant role of the fraksi, the government or the executive does not necessarily have to deal with each member in trying to pass its agenda or negotiate. The executive can go directly to the fraksi leaders and make compromises before, during, and toward the end of a process of decision making. This makes the process simpler for the government. N. Nasution, a former member from PKS, confirmed this: “each fraksi seems to have its own interest and the government knows this. So, based on my observation, this situation is utilized by the government. Each fraksi is approached by the government, and often fraksis debate each other. In the end all of them follow what the government wants” (personal communication, November 8, 2011). Alvin Lie agrees with this assertion. He said: “the decision making system we are using now is basically the same as the one used by the New Order. Why were there fraksi in the past? In order to make a “room half-full lobby” (lobi setengah kamar) possible. It is sufficient if the government just talks to the leaders of the fraksi, then everything is done. There is no need to talk to individual members” (A. Lie, personal communication, November 10, 2011).

Meanwhile, the commission (komisi) is basically a standing committee as in the US Congress. There are eleven komisi in the DPR. Each komisi has a broad subject area and is assigned relevant government agencies as counterparts. Because of this broad subject area, the komisi does not have a specific name, as in the US Congress. Instead, the komisi are numbered, from Commission One to Commission Eleven. Commission One, for instance, deals with issues of defense, intelligence, foreign affairs, and

Each komisi has 50 members with proportional representation of each fraksi in the DPR. As mentioned above, in terms of procedures, the commission is the main place where deliberation occurs and decisions take place in the DPR. In most cases, the decision made by the commission on certain issues or bills are final. The plenary session where the result of a commission’s work is reported is in most cases a formal process for approval. A. Muzani from Commission One (personal communication, September 13, 2011), for instance, stated:

…each deliberation must be resolved in the komisi or combination of komisi…. All results of deliberation should be considered final. In my case, for example, we deliberated the Bill on Intelligence, and when it is done, we reported it to the plenary, the plenary gives its final approval… because in the komisi all views from fraksis have been stated. When there is disagreement in the komisi that cannot be resolved, we bring it to the plenary and we vote. In general all bills are done at the komisi level, there is almost no bill that is brought to the plenary for voting for final approval.

The role of the leadership. Other than fraksi and commissions, the process of decision making between the executive and legislative branches in Indonesia is clouded by the multiplicity of actors in the DPR. These actors are the leadership of the DPR, the leaders of political parties, and the chairs of the commissions.
The leadership of the DPR plays various significant roles in the process of executive-legislative relations. These include, first, to coordinate agenda setting and implementation of the activities of all internal bodies of the DPR, including the committees. Second, they represent the DPR in dealing with other bodies, including the president. Third, they conduct consultation meetings with the president on behalf of the DPR any time it is needed, including during the process of policy making especially when there is an issue that needs to be resolved because of some obstacle in the regular process. Fourth, they plan and control the annual operating budget of the DPR including its implementation.

Political party leaders sometimes are also members of the DPR. They are also sometimes the leaders of the parties in the DPR (fraksi). The role of political party leader is significant, especially when dealing with the decisions that directly relate to the existence of a political party or when the issue is highly controversial or has received much attention from the public. The label political party leader does not necessarily mean only the chair of a political party. The leader can be someone who is not in the executive structure of the party but plays a dominant and/or decisive role. In the case of the Partai Demokrat of President SBY, for instance, the leader is SBY whose formal position is only as the chairman of Dewan Pembina (the Party Advisory Council). The leader of the fraksi is the leader of the political party caucus in the DPR. Each member of the DPR must join a fraksi. Usually each party forms its own fraksi. Small parties can join other political parties to form a fraksi to meet the minimum requirement of the number of fraksi members. The current framework requires a fraksi minimum of 13 members.
The commissions in practice play major roles in the DPR. In fact, almost all decisions of the DPR are made in commissions. Only issues that cannot be resolved in commissions or a combination of commissions will be brought to the plenary session for substantive debate. The leaders of the DPR commissions play significant roles because they are the ones who control the process in the commission.

**Consensus versus voting.** Except as determined otherwise, all deliberation in the DPR is based on consensus. Thus this consensus process is basically a process to actively seek compromise and to avoid differences among the participants as far as possible. The underlying principle is to include everybody in the room in the final decision. Therefore, division between coalition and opposition will not explicitly come up during the debates. The process starts with an effort to find broad compromise among all participants. If compromise cannot be achieved at this first stage, the discussion moves to the second stage by reducing the number of participants to the representatives, making it more possible to find common ground.

Consensus-based deliberation seems to favor minorities. At the same time, it can be an effective tool for the majority to include the opposition in a decision. In this case, it is like the filibuster mechanism in the U. S. Senate. All small parties talk at great length in the deliberation process. The big parties seem to be afraid of being accused of not being tolerant of small parties which are valued as an integral part of the family of Indonesian political parties. When the issues seem unresolvable, there is usually agreement to move the contentious items for further discussion in smaller groups such as working committee or through the so-called “lobi” (lobby) or “consultation” mechanism.
The consensus-based mechanism is also very sensitive to disagreement even if only one party has a different opinion while others have agreed upon something. When this is the case, the solution is either that the dissenter voluntarily takes back its position or the deliberation process is prolonged or moved to smaller group deliberation and lobbying. Every individual speaks as a representative of party. There is almost no individual expression of opinion.

To adopt and implement the consensus principles, the deliberation process in the DPR is a multi-stage process. From the plenary meeting, the process goes to a commission or pansus (special committee—a combination of representatives of several committees) then to the working committee (panja), then to the formulation team (timmus), then to the synchronization team (timsin). Along the way, the process can be interrupted by the lobbying process where the meeting tries to find ways of resolving disagreement that cannot be resolved through regular/formal meetings/deliberation. Given the nature of this process, the discussion can usually reach only general agreement. Except for several highly controversial issues such as fuel prices, the specifics are usually given to the executive as they are viewed as part of the implementation, not part of the policy making.

In a nutshell, consensus is a process of making compromise by all necessary means. The trade off is obvious: consensus takes a very long time. Several bills deliberated in the DPR such as the Bill on Freedom of Information took several years before being jointly approved by the government and the DPR. According to members of the DPR interviewed in this research, the point of the process in the DPR is to find a way
to get to compromise. A. Muzani, a member of the DPR and also secretary general of Gerindra party, (personal communication, September 13, 2011) stated:

So the possibility of having a deadlock between the government and the DPR is actually small. It is difficult to have deadlock. If we are in a situation of potential deadlock, such as in the deliberation of the bill on the BPJS (Social Insurance Bill Organization), we can delay the process and take more time. So we do not call it deadlock, it just needs more time to reach the compromise. Rules in the DPR make compromise very possible.

A. Rahmat, another PKS member, supports Muzani’s claim: “Most of the laws are approved by consensus… almost all of them. This is the reason why the process of a law can be very long, when there is one political party does not agree, we will make every attempt to make that party agree with the rest” (personal communication, September 12, 2011). According to Sutan Bathoegana, a member from Partai Demokrat, mufakat or consensus is a better way because everybody is included proportionally in the decision, while voting makes the winner take all (Tempo, 2001, October 25, p. 50). Y. Zaini from Golkar added: “… consensus way is always offered. So that we get something and they get something. As a consequence, the session/discussion becomes cumbersome” (Tempo, 2004, October 25, p. 50).

Another aspect of this process is that the nature of consensus-building can be oligarchic. Only leaders of the fraksi or commission get involved directly. This means that the executive can bypass members in reaching out for compromise with the DPR/commission/committee. The consensus result can overrule possible dissenting opinions from members of the fraksi who have given their agreement (by expressing the pandangan or view of the fraksi). One example is on the issue of whether political party
members can be members of the Election Commission (KPU) and Election Supervisory Body (Bawaslu) when the DPR deliberated this bill in 2011.

When a deal was struck concerning the provision that allows members of political parties to apply for the members of the KPU and Bawaslu, one member of PAN, Ahmad Rubahi, interrupted the plenary session, stating that he proposed that there must be a certain period of time elapsed before a political party member can register to join the KPU and Bawaslu (Gatra, 2011, October 12, p. 26). In that plenary session that was held on September 20, 2011, the leader of the plenary at the time, Pramono Anung, in responding to Rubahi’s interruption, said that Rubahi’s objection was no longer valid because PAN in the stage one of the deliberation in the Commission Two has yielded the decision on this matter to the plenary and PAN has given its note (Gatra, 2011, October 12, p. 26). That member’s interruption was then overruled.

Voting in the DPR is actually a part of the standard rules of procedure. However, because consensus is considered as something that needs to be striven for first, voting in the DPR seems to be treated only as a last ditch alternative or even emergency exit.

The DPR Standing Order (article 272) stipulates that all decisions shall be taken by using “musyawarah-mufakat” (discussion leading to consensus) in which unanimous consent or approval from all parties must be taken. If all efforts that have been done to achieve consensus fail, majority voting can be taken. In practice, most of the decisions in the DPR in the area of budget, legislation (bill deliberation), and oversight are taken in the form of consensus. Voting is usually taken for various executive appointments that need confirmation and/or approval from the DPR. One example is in the process of the appointment of the governor of the central bank (BI). The president nominates two
candidates and then sends them to the DPR. The DPR, through its Finance Committee, then examines the two nominees, and finally conducts voting. The candidate who gets the most votes will be named by the president as the governor of the central bank.

**Legislative Institutional Capacity**

Institutional capacity is related to both the overall capacity of DPR members and their supporting system. Institutional support is both administrative and technical/expert/substantive support that must be provided to the policy makers in order for them to make well informed policies. The institutional support for the executive in general is the bureaucracy. For the DPR as a legislative body, its institutional support is mainly provided by the secretariat general. Institutional support is crucial to the work of the DPR because as a politician, the member of the DPR is essentially a generalist. The demands of the DPR members’ work however, can include specific policy making aspects such as certain bills on healthcare, or on insurance, bills related to bridges, roads, and so on. Besides that, the nature of the workload of legislators does not provide them with enough time to think specifically about certain laws or regulations or policies.

In their analysis about public budgeting in Indonesia, Blondal et al. (2009) state:

In terms of overall resourcing of Parliament, it is striking that it is largely similar to the previous era when Parliament had no effective role. In fact, Parliament is subordinate to the government when it comes to resourcing. The government must agree to the Parliament’s own budget. The staffs of Parliament are government employees, hired according to traditional civil service procedures. All organisational changes and staff actions need to be approved by the government. Staff are generally hired in their youth and hired for life. New hires are essentially trained “on the job” rather than bringing in needed specialised knowledge. (p.28)

Compared to the executive branch, the institutional capacity of the DPR is still weak. P. Anung described it as “honestly, it might be not fair, our institution, in terms of budget is
treated like one small ministry of the government” (personal communication, September 20, 2011).

**Members capacity.** Members’ individual capacity, according to one assessment from a research institute, is still very low, particularly when compared to the responsibilities and formal authority of the DPR. According to PSHK (2011), for the DPR of 2009-2014, for instance, their capacities can be described as follows:

It is not surprising that most new DPR members feel at home in Senayan. 63.7% of the members domicile in Jakarta, Bogor, Depok, Tangerang, and Bekasi (Jabodetabek) or around Jakarta. 45.5% of them even live in Jakarta. However, residing in the capital does not guarantee good political skills. More than 60% of them lack political experience at the national and local level. (p.11)

As relatively new democratic legislators, DPR members’ cannot rely very much yet on the expertise developed by other members. Moreover, the re-election rate of the members is very low.

**Figure 8.** DPR members’ re-election rate.
Source: Modified from Renstra DPR RI 2010-2014.
The figure shows that most of the DPR members are new; many of them have no political experience at all. This situation means that the need for outside expertise support for the DPR is a must if it is expected to function properly in a democratic era.

In more developed legislatures, the old members can transfer knowledge to the new members. Another way of coping with this problem is by conducting elections several times for one term. For example, half of the members could be elected in an election held at the same time as the presidential election, and half could be elected in a mid-term election. Under the current arrangement, all legislators are elected together. This means that when a new term begins, a great many members start their jobs from scratch. Again, this situation requires even more significant expert support, especially from non-partisan staffs to support the proper functions of the DPR. As will be shown in the data below, however, institutional support of the DPR is still weak. If we compare it to the old DPR, the change is actually not that much. This is one of the reasons why, in practice, the executive is still playing a leading role in executive-legislative relations in the Indonesian multiparty presidential system.
Figure 9. DPR members’ domicile before elected.
Source: Modified from Renstra DPR RI 2010-2014.

Members of the DPR are connected to the people/constituents based on the following framework. The data in the figure above show that most members live in Jakarta or West Java. This means that their connection to their own constituency is almost certainly weak. There is a requirement for each member to go to his/her constituency four times a year during the DPR’s recess period. Each recess period is 10 to 14 days long. However, members’ visits are divided into two parts: komisi-based visits and district-based visits. In the komisi-based visits, members have to travel together to a certain area or examine objects or visit government agencies relevant to their komisi’s subject area. This takes around five to seven days. In the district based visit, the member can go to his/her constituents with the remaining of the time (five to seven days). With this schedule, it is very difficult for members to adequately gauge and address their districts’ problems.

Another DPR weakness is the lack of capacity in political communications. Its’ collective relationship with the public has been bad and its public approval rating has
plummeted. In 2005, the DPR’s approval rating was 44.2%; in 2011 it plummeted to 23.4% (Vivanews, 2011, October 2). The DPR, according to many observers, is not able to properly communicate with the society/constituents. As a result many DPR activities are perceived negatively by the public, making it difficult to get public support in its relations with the government. “It is often that the DPR is negatively perceived by the public because of bad communications” said Sebastian Salang from The Concerned Society Forum for the Parliament or Formappi (Kompas, 2010, December 24). According to Sebastian, the proposal from the DPR about the establishment of “rumah aspirasi” (aspiration house—a kind of constituency office) in the district, for example, was not a bad idea. However this proposal was not properly communicated to the public, making it negatively perceived and as a result easily rejected by the executive.

In many developed countries, the members of legislatures can maintain their relationship with their constituency on a daily basis through their constituency office. This kind of relationship does not exist in the DPR. There is a possibility for each member to establish his/her own aspiration house, but there is no clear provision and funding for the operation of such an office. At present, all depends on the member’s personal capability. So far, only a very few members have the capability to run such an office in their districts.

Actually, each DPR member is provided with funding for constituent communication. However, this funding is so small and it is disbursed directly to the DPR member together with his or her salary, making it difficult to manage and monitor. The following table shows DPR members’ salary and allowances as of the period 2009-2014.
Table 9

*DPR Member Salary and Allowances (2009-2014) per Month (in Indonesian Rupiah)*

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Basic salary</td>
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<tr>
<td>Allowance for wife</td>
<td>420000</td>
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<tr>
<td>Child allowance</td>
<td>168000</td>
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<tr>
<td>Session allowance</td>
<td>2000000</td>
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<tr>
<td>Position allowance</td>
<td>9700000</td>
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<tr>
<td>Rice allowance</td>
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<tr>
<td>Communication allowance</td>
<td>1400000</td>
</tr>
<tr>
<td>Oversight and budget function allowance</td>
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</tr>
<tr>
<td>Electricity and phone allowance</td>
<td>5500000</td>
</tr>
<tr>
<td>People’s aspiration gauging allowance</td>
<td>8500000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>50886000</td>
</tr>
</tbody>
</table>


Thus the total combined salary and allowances is Rp 50,886,000 equivalent to US$ 5,531. The amount to be used for daily contact with the constituents is Rp 8,500,000 or US$ 924. According to Budiman Sudjatmiko, a DPR member from PDIP, he needs at least US$1,500 per month to run a small constituency office in the rural areas in his district. Thus, if used properly, the available funding is far from adequate. Moreover, some members also used their salary and allowances to recruit more support staff, making it difficult for them to rely only on the formal funding provided for them. This creates a possibility of the executive, whenever necessary providing the DPR with some kind of “non-institutional” funding support (otherwise known as as pork) in exchange for support in the decision making process related to legislative – executive interactions.

**Institutional support.** The operating budget of the DPR is also relatively small, especially when compared to the total spending of the national budget deliberated in the
DPR every fiscal year. Table 10 below compares the DPR Operating Budget and the total spending of the annual national budget (APBN).

Table 10

<table>
<thead>
<tr>
<th>Year</th>
<th>DPR Budget (% of Total Spending)</th>
<th>National Total Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>673.7 (0.13%)</td>
<td>509,632.4</td>
</tr>
<tr>
<td>2006</td>
<td>939.9 (0.14%)</td>
<td>667,128.7</td>
</tr>
<tr>
<td>2007</td>
<td>1,068.7 (0.14%)</td>
<td>757,649.9</td>
</tr>
<tr>
<td>2008</td>
<td>1,283.4 (0.13%)</td>
<td>985,730.7</td>
</tr>
<tr>
<td>2009</td>
<td>1,538.7 (0.16%)</td>
<td>937,382.1</td>
</tr>
<tr>
<td>2010</td>
<td>2,376.2 (0.21%)</td>
<td>1,126,146.5</td>
</tr>
<tr>
<td>2011</td>
<td>2,775.6 (0.23%)</td>
<td>1,202,046.2</td>
</tr>
</tbody>
</table>

Source: Author’s calculation based on data from Ministry of Finance.

As shown by this table, the DPR’s operating budget is quite small, making it difficult to carry out the functions already assigned to it. This fact has been part of the reason why many DPR activities are funded by the executive, especially when those activities are closely related to its relations with the executive. When the DPR working committee conducts certain activities related to bill deliberation, for instance, it has been a common practice for the executive to provide the expenses, which often include a lump sum payment to each of the members involved. This practice of course can create a certain degree of dependence of the legislature on the executive. In fact, a large amount of the DPR’s operating budget is used for the salary and allowance of DPR members and secretariat general staffs.

Given its high authority as the national lawmaking body, the DPR does not match its heavy responsibilities with sufficient staff capacity. The supporting system of the DPR
has still not changed much since 1999 or even before the democratization era. A good legislature must be supported by a good support system. The secretariat general of the DPR is supposed to play this role.

The secretariat general has more than two thousand staff members. The details are as follows: 560 personal assistants, 1637 administrative staff members, 636 expert staff members (partisan), 123 non-partisan experts, 81 non-partisan researchers, and 27 legal drafters. For comparison, as of 2005 the composition was 550 personal assistants, 1172 administrative staff members, 119 non-partisan experts, 80 technical experts, 55 researchers, and 33 legal drafters (this includes young legal drafters and several administrative staff members).

Table 11
**DPR Support Staff Members**

<table>
<thead>
<tr>
<th>No.</th>
<th>Type of Staff</th>
<th>2005</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Administrative</td>
<td>1172</td>
<td>1637</td>
</tr>
<tr>
<td>2</td>
<td>Personal Assistant</td>
<td>550</td>
<td>560</td>
</tr>
<tr>
<td>3</td>
<td>Expert Staff (partisan)</td>
<td>-</td>
<td>636</td>
</tr>
<tr>
<td>4</td>
<td>Expert Staff (non-partisan)</td>
<td>199</td>
<td>123</td>
</tr>
<tr>
<td>5</td>
<td>Researcher (non-partisan)</td>
<td>55</td>
<td>81</td>
</tr>
<tr>
<td>6</td>
<td>Legal Drafter</td>
<td>33</td>
<td>27</td>
</tr>
</tbody>
</table>

Source: Modified from DPR General Secretariat (2010).

Table 10 tells us that the DPR’s work is not supported by enough technical staff and other kinds of expertise. Personal assistants and administrative staff members basically do the same thing: only administrative support. The following figure tells us how lacking technical and expert support in the DPR is.
In other words, the staff members who provide substantive services, badly needed by the DPR, are proportionally tiny compared to the administrative staffers. The staff for substantive work includes 636 political (partisan) expert staff members, 123 non-partisan expert staffers, 81 non-partisan researchers, and 27 legal drafters, while the rest work on administrative matters. With this low level of support for substantive matters, the work of DPR members is inadequately supported. At the same time the high number of administrative staffers imposes a burden on the operating budget of the DPR.
The qualifications of non partisan expert staffs and researchers are also low. In fact working in the DPR is not the first career one chooses, especially if one is highly qualified. The salary for this kind of expert staffs is based on the scheme for Pegawai Negeri Sipil (PNS, Civil Servant) which is very low. The non-partisan researcher’s work, interestingly, is evaluated not by the DPR itself, but by Lembaga Ilmu Pengetahuan Indonesia (LIPI, the Indonesian Institute of Science) which uses academic research-related standards in its evaluation. As a result, these researchers are busy producing long, technical research reports and activities which of course are not responsive to the needs of DPR members. The legal drafters, because they are recruited as civil servant, are mostly young, some even fresh graduates of Indonesian law school (an undergraduate program in Indonesia, so their qualifications are at most at the B.A. level).

The partisan expert staff members are low in qualification as well. Their recruitment is mostly based on their value as political appointees. It is not surprising if they are mostly the relatives or close friends of DPR members without much competence related to their job descriptions. And again, because of the very low salary and equally
low status, these jobs do not attract the best minds. A person with a Ph.D, if recruited as an expert staff member, will be paid less than US$ 700 per month, while a comparable job elsewhere may earn US$ 2000 or more. To be sure, there are some highly qualified and highly respected PhDs recruited as partisan expert staffers. However, when this is the case, the person usually treats this work as a side job for additional income. This means that his/her work for the DPR is less than the highest priority.

With very low support system capacities, DPR members have great difficulty in getting meaningful and well-informed substantive analysis on the subjects and processes of policy making. When dealing with very substantive and sometime technocratic policies like economic growth in the budget deliberation, this lack of institutional capacity clearly affects the process and the quality of the policy making and lawmaking in which they engage.

A coherent policy requires well-informed analysis based on good technical and expertise capacity. One example of such a need is how to reconcile the demand for subsidies to lower fuel prices with the efficiency of the national budget so that the country-wide development of infrastructure can be prioritized too. DPR members who do not get enough input based on the relevant expertise will base their judgment and analysis on mostly political positioning. This will make the substantive compromise in policy making difficult given that political positions are very often not reconcilable.

Another example of how the DPR cannot get enough support is told by Nursanita Nasution, a former member of DPR (2004-2009) from PKS. She said: “The example is from our experience in the PKS fraksi. There were 20 civil servants assigned to help our fraksi and only three of them could operate a computer properly. As a result, we had to
handle the job by ourselves, especially when there was a deadline” (N. Nasution, personal communication, November 8, 2011). This lack of institutional support, according to her, resulted in the inability of DPR members to match the capacity of the executive. N. Nasution (personal communication, November 8, 2012) gave another example:

…in general, for the deliberation on the National State Budget (APBN) we usually just accepted the proposal. We basically do not have substantive arguments to match the studies done by the government. … we do not have a body that seriously studies those things, while the government has. Our source of information for instance is the internet. Or we follow the issues from the media. We do not have our own studies for APBN. Of course this is not enough to match the government’s capacity.

Another consequence of this lack of institutional support is the dependence of the legislature on the executive. N. Nasution (personal communication, November 8, 2011) gave another example:

On one occasion, my commission, i.e Commission Eleven, went to Washington DC to check on the branch of the Indonesian central bank (BI) there. When we were there, all services, including accommodation and transportation, were provided by BI, because the budget provided by the secretariat general for us is far from adequate. Of course this affects our independence as DPR members. Therefore I myself agree if we increase the operating budget of the DPR. However this proposal is difficult to push right now because it will be rejected by the executive. Moreover, the public still perceives that the DPR is provided with a lot of budget by the APBN, making any proposal to increase the budget suspected as the DPR’s desire for corruption.

All members of the DPR interviewed in this research confirm Nasution’s assertion that DPR institutional capacities, especially in term of a supporting analytical system, are much weaker than the executive. Alvin Lie, for instance, said: “If we look at the management of the DPR, the secretariat general is actually still part of the
executive. Our operating budget is still determined and managed by the executive, thus in reality we are still dependent on the executive” (A. Lie, personal communication, November 10, 2011). Nasution further added that it is true that the DPR constitutionally has more power now. However, that power cannot be realized in practice because of the lack of institutional capacity to implement it. “So, basically, when the government decides to have deadlock, there will be deadlock. We do not have strong arguments against the government. The government has a lot of qualified staff members, while we only have a staff without experience” (N. Nasution, personal communication, November 8, 2011).

The DPR has actually tried to improve its institutional support. For instance, in the deliberation of the Bill on the Legislative Bodies (MD3), the DPR proposed the establishment of a parliamentary budget office to support its work on the budget. However, this proposal was rejected by the government. The current vice chair of Commission Eleven, H. A. Azis (personal communication, October 11, 2011), said:

I have proposed the establishment of a parliamentary budget office but it was rejected by the government during the deliberation of the bill on MD3. …. This office is really needed by the DPR because the budget competency should be provided by a specific body. … the government did not want it because they are afraid that it will be more difficult for them to face the DPR if its budget analysis capacity is increased.

The result of this, according to Azis, is that the DPR can be more easily outmaneuvered by the government. The budget process is one good example of that.

17 The DPR secretariat general, according to the Indonesian Law on Personnel (UU Kepegawaian) is administratively part of the Ministry of the State Secretariat.
18 More detail about the deliberation of this law is in Chapter Six.
The lack of resources of the DPR is also described by a former high ranking bureaucrat who was also a former DPR member from Partai Persatuan Demokrasi Kebangsaan (PDK, United Democratic and Nation Party), Rafiuddin Hamarung (Risalah Rapat Pansus RUU MD3, 2008, October 23):

…in the Constitution we acknowledge three branches of power (the power of governance by the president, the power of law making by the DPR, and the power of judiciary by the Supreme Court/MA). However, in practice, the finance regulation or financial independency does not exist for the two branches, except for the president, not for the DPR, not for the MA. Therefore, it is often that uncomfortable things happen to the DPR. For example, in our official travels, we are equal to echelon one bureaucrats in a ministry. So when we travel to the regions, we have to chase after the regional secretary of local government to get his signature for our financial accountability. Officially, we are elected officials, but we are treated like a bureaucrat…. (p. 5)

S. Mustafa, a member from Partai Demokrat, confirmed this: “Yes, resources are a part of our problem. We really need more support in terms of expertise” (personal communication, September 29, 2011).

Another consequence of the lack of institutional capacity of the DPR is the lack of ability to draft good substantive laws. To overcome this, the DPR relies on outside resources to draft the bills. One good example was the case of the anti-pornography bill. This bill originated early in the DPR’s 2004-2009 term. Because of its lack of capacity, “… the DPR relies on outside sources of policy ideas and legislative drafting, but procedures for making connections are unsystematic and ad hoc. … At the secretariat level, there is little capacity to check the quality of draft bills from a political, policy or technical drafting point of view” (Sherlock, 2008, pp.3-4). Therefore, the quality of the bill is usually difficult to be ensured. The bill on anti-pornography, for instance, was so
poorly drafted that it become the object of criticism and forced the government to complement it with its own version. Part of the reason, according to Sherlock (2008), is:

… Having been drafted without widespread public consultation, the bill reflected just a partial view of community opinions on the issue of pornography and was then used to introduce a wider range of strictures on public behaviour that were acceptable to only a minority current in Indonesian society. Even preliminary consultations with stakeholders and sources of expert opinion at an early stage of drafting would have quickly revealed the deep problems with the bill. Had wider public input been received during the initial conceptual stage, it might have been possible to avoid the consternation and panic that seemed to grip some parts of the country, particularly in places such as Bali and Papua, on the appearance of a draft that seemed to be on the verge of being made law. (p.17)

This outsourcing phenomenon is acknowledged by Pramono Anung, a vice chair of the DPR from PDIP. He (personal communication, September 20, 2011) said:

[A] support system is still lacking. Therefore, all academic documents that must accompany all bills initiated by the DPR are usually outsourced to outside research institutes or universities. When we draft the bill on agriculture we ask Bogor Institute of Agriculture (IPB), when we draft the bill on Higher Education we ask the University of Gadjah Mada (UGM) and the University of Indonesia (UI). Many DPR members, when they approve any bill in deliberation with the government, do not know the substance of the bill.

It is also possible that although the bill is initiated by the DPR, in practice it actually comes from the executive. N. Nasution (personal communication, November 8, 2011) provided one example:

As an example, the bill on Bank Syari’ah [Sharia Banking] was actually from the executive namely from the Indonesian central bank (BI). It was proposed through the DPR because it would be faster than if the bill was initiated by the executive. The requirement to propose a bill according to MD3 Law is not that hard. It requires thirteen members of the DPR to propose a bill, so, the government thought it would be faster to propose it that way. So the government uses the lack of capacity in DPR bill-drafting to propose its own agenda.

The dependence of the DPR in terms of resources, especially the financial or operational budget, is something that the DPR is aware of. They also know that this is
part of the legacy of the authoritarian regime. One member of the DPR from PKB, Saifullah Maksum, in one raker or working meeting with the government when deliberating the Bill on Legislative Bodies (Risalah Raker RUU MD3, 2008, October 23), said:

… I learned that the construction of the management of the DPR’s operational budget up to this point can be viewed as the legacy of the government hegemony which at the time coopted and hegemonized the DPR, and in fact it was successful… part of this power hegemony was through the management of the DPR’s operational budget in a way that was just like executive bodies. If we want to be freed from that kind of hegemony, there must be an absolute commitment to change it…. (p. 6)

Politically, however, this lack of institutional capacity on the side of the DPR can be a good thing for the executive, at least in its short-run interests, because it will not face balanced substantive scrutiny from the DPR. The executive’s agenda is more likely to pass easily. This is acknowledged by a former minister in SBY’s first term: “In my opinion, democracy cannot be properly established overnight. It takes time to develop a high quality democracy. … with the limitation of the national budget that we have today, it would be better if we prioritized the budget allocation to the executive. We can allocate more budget to the DPR anytime, but not right now” (S. Djalil, personal communication, August 12, 2011).

At least in the short term, it is clear that the executive has an interest in making the DPR not so powerful as to threaten the executive. The DPR’s effort to reform the secretariat general for instance has always been challenged by the government. When the proposal to restructure the DPR secretariat general was included in the deliberation of the Bill on Legislative Bodies, some political parties proposed that the secretary general of the DPR can be a non-civil servant. This idea was rejected by the government ab initio.
In the working meeting of the special committee on the Bill on Legislative Bodies on October 13, 2008, in reacting to this idea, the government (Risalah Raker 3 Pansus RUU MD3, 2008, October 13) stated:

… then there was a discourse and talk that the secretary general can be a non-civil servant. In the government’s draft, because the secretary general manages the budget, it is related to the laws and regulations of personnel and administration of state governance … so the best way is that he/she should be a civil servant, so that there is also the career path/ranking. … if the non-civil servant is allowed, then it would depend on the party that wins the election, then the friend of that party will become secretary general. If that is the case, what about the long line of civil servants that has been here, how unfortunate they are….

Alvin Lie also claims that the effort to increase the institutional capacity of the DPR is usually obstructed by the government. He (personal communication, November 10, 2011) said that many DPR members imagine a DPR with:

first, financial autonomy which means that the DPR drafts and manages its own budget and is accountable to the public. Second, a reformed secretariat general in which the secretary general is accountable to the DPR not to the Ministry of the State Secretariat, and the secretary general must not be a bureaucrat, he/she can be a professional. We had proposed it on many occasions, including in the Bill on MD3. However, the government always adamantly rejected it.

The reason, according to Sohibul Iman, another DPR member from PKS, is because with this lack of institutional support, the executive can always have the upper hand against the DPR (S. Iman, personal communication, September 14, 2011).

Informal Institutions

“Lobi.” In all stages of the decision making process in the DPR, when the participants feel that they need to resolve issues that they do not want to delegate to the next stage in order to reach consensus, they can go to the “lobi” (lobbying) process. This process is like the other smaller meetings but is conducted in a much more relaxed and informal way. The representatives of government and the DPR are usually also much
fewer. Lobi is not described in the DPR standing orders. In practice, it is widely used in the DPR decision-making process to overcome deadlock or potential deadlock (Katarina & Rahardjo, 2009).

In many cases the participants in the lobby are only one or two representatives from the government and only the leaders of the commission or special committee or sub-committee. The result of the lobi process is then reported back to the larger meeting at that stage of deliberation. Perhaps the best description about lobbying is captured in the statement of the former chairman of the working committee of the State Ministry Bill, Permadi, in one of the meetings with Minister Hatta Radjasa: “…I think the lobby can be done anytime, Sir, … whenever Mr. Hatta has time, just call, Sir, … because the lobby is between the leaders, and not all five leaders must be involved” (Risalah Raker RUU Kementerian Negara, 2008, January 30).

One senior researcher of the DPR’s research unit (P3DI), Riris Katarina, who has accompanied DPR members in several lobbies said that the lobby is one informal mechanism which can be very effective in resolving differences between the executive and the DPR. R. Katarina said: “The lobi mechanism is not stated in the DPR standing order but is conducted often and usually very effectively. In the process of deliberation of the Bill on the General Election of 2009, there were a lot of lobi conducted. It was considered secret but the result was reported in the formal forum of the DPR” (personal communication, October 3, 2011).

Many issues can be resolved through this process. However, it is not always recorded. Usually it is reported in the transcript of bill deliberations or other meetings as “deliberation or meeting is pending for lobi.” In the case of deliberation of Bill on the
General Election of 2009, for instance, there were at least 15 issues resolved through this mechanism. The lobi itself can be conducted as many times as needed. The same thing occurred during the deliberation of the Bill on the Social Security Agency (RUU BPJS). To deal with the objection of the Ministry of State Owned Enterprise (BUMN), the DPR leaders, including the chair and vice chair of the DPR special committee deliberating the bill, conducted a number of lobi(s) to find a compromise (C. Surapaty, personal communication, August 11, 2011).

**Consultation meeting.** There is another way of working out the compromise if the regular consensus mechanism process does not move forward. This mechanism is called pertemuan konsultasi (consultation meeting). This consultation meeting is basically the same as a lobi, except that the meeting involves a higher level of participants. Thus, for instance, the consultation mechanism at the commission/special committee level can involve meetings between the leaders of the commission with the ministers, or the leaders of the DPR and the president/vice president. The consultation mechanism can also involve the highest leader of each of the political parties involved. The result of this consultation meeting usually becomes guidance for the participants when they continue the meetings in the commissions/special committees or sub-committees.

The consultation meeting was originally practiced during the Suharto regime. The meeting was usually between the president and the leaders of the MPR/DPR. The meetings were always conducted in Suharto’s presidential palace or Suharto’s house in Cendana Street, Jakarta. The meeting was mostly Suharto’s way of informing the MPR/DPR leaders about his plans that needed to be discussed with the MPR/DPR before
they were formally processed in the DPR chambers. In other words, during the Suharto era, the consultation meeting was one of the regime’s instruments to make sure that the DPR was not critical of the government (Haris, 2008).

Since the fall of Suharto, this kind of informal mechanism has been used by both the president and the DPR to find solutions related to the deadlock or potential conflict that cannot be resolved through the regular DPR process (R. Katarina & P. Nainggolan, personal communication, October 3, 2011). The place for the meeting can be the president’s choice or the DPR’s choice. The consultation meeting can also be conducted between the leaders of commission or caucus with their government counterparts such as ministry or other agencies with the same reason.

The chair of the Indonesian Regional Representative Council (DPD), Irman Gusman, also views the consultation mechanism as a way to resolve the possibility of deadlock between legislative and executive, including in the case of the Century Bank bailout. He stated that a consultation meeting is needed when there is a stark difference between the DPR and government such as in the case of the Century Bank bailout (Kompas, 2010, March 18). In this case, according to Irman Gusman, the DPR believed that there was something wrong with the policy, while the government saw it otherwise. There were also some strong reactions about it from DPR members such as the appeal to boycott the testimony of Minister of Finance Sri Mulyani who was one of the policy makers in charge of the policy.

One example of consultation meeting during the second term of SBY’s presidency is the meeting between DPR leaders and Minister of Finance in October 2012. After being questioned by the Corruption Eradication Commission regarding the so
called “mafia anggaran” (budget mafia) case in October, several budget committee leaders of the DPR postponed deliberation on the annual budget bills for 2012. To look for the solution to this problem, the DPR leaders, accompanied by the leaders of the budget committee, conducted a consultation meeting with the Minister of Finance (Gatra, 2011, October 12, p. 24). The result of the consultation meeting was that the budget committee resumed the deliberation. One of the agreements resulting from the meeting was that in deliberating the issue of the so called “dana optimalisasi” (optimalization fund), the executive will also take responsibility so that not only the DPR will be blamed but also the executive, given that that fund is deliberated and decided jointly by the legislative and the executive branches.

During the SBY presidency, the number of consultation meetings conducted is much higher than during Megawati’s presidency (Haris, 2008). This indicates that the potential conflict and deadlock between the executive and legislative is much higher. During the 2004-2009 period, there were at least 14 consultation meetings between the president and DPR leadership alone. This number is higher if we also count the number of consultation meetings at the lower level. Meanwhile, during the 2009-2014 period (until 2012) there have been 154 consultation meetings between the executive and the DPR.

The following table can describe the type of issues discussed between the president and the DPR in the consultation meetings.
<table>
<thead>
<tr>
<th>Date</th>
<th>Issue</th>
<th>Venue</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/17/2004</td>
<td>The resolution of the Aceh conflict related to the end of Civil Emergency Status on November 18, 2004</td>
<td>Presidential palace</td>
<td>The government and DPR agreed to extend the duration of Civil Emergency Status in Aceh for six months</td>
</tr>
<tr>
<td>01/18/2005</td>
<td>The controversy on the letter from the vice president’s office that the ministers do not need to consider the working meeting with the DPR as important</td>
<td>DPR building</td>
<td>President promised to internally resolve the problem</td>
</tr>
<tr>
<td>03/15/2005</td>
<td>Government’s response to the interpellation and investigative rights exercised by the DPR on the government’s policy to increase the subsidized fuel price</td>
<td>DPR building</td>
<td>Several leaders of fraksis viewed the agenda as unclear, and PDIP fraksi walked out from the meeting</td>
</tr>
<tr>
<td>04/29/2005</td>
<td>Discussed the dispute with Malaysia on the Ambalat island at the Indonesian border</td>
<td>Presidential palace</td>
<td>The government will improve diplomatic efforts</td>
</tr>
<tr>
<td>05/16/2005</td>
<td>The resolution of the Aceh conflict and the development of the peace negotiations between Indonesia and the Free Aceh Movement (GAM)</td>
<td>DPR building</td>
<td>The government and the DPR agreed to end the status of civilian emergency in Aceh and changed it with the normal status</td>
</tr>
<tr>
<td>08/09/2005</td>
<td>On further development of the peace negotiations between Indonesia and GAM and the preparation for the signing of the Peace Accord (MoU Helsinki)</td>
<td>Presidential palace</td>
<td>DPR leaders supported the government efforts to end the Aceh conflict through the Peace Accord</td>
</tr>
<tr>
<td>05/10/2006</td>
<td>The solution to the case of former President Suharto</td>
<td>Presidential palace</td>
<td>The meeting agreed that the solution must not ignore justice and law enforcement</td>
</tr>
<tr>
<td>06/05/2007</td>
<td>Responding to the decision</td>
<td>Presidential palace</td>
<td>President and DPR</td>
</tr>
</tbody>
</table>
Table 12 continued

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Location</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/18/2007</td>
<td>Responding to the disappointment of the DPR because of the absence of the President in the DPR Plenary session with the agenda of DPR interpellation on the case of the government support on the UN Resolution about Iranian Nuclear program</td>
<td>Presidential palace</td>
<td>There was no agreement. Most fraksi wanted the president to attend the next plenary meeting, but SBY still refused</td>
</tr>
<tr>
<td>07/3-4/2007</td>
<td>Continued consultation about the interpellation right of DPR on the government’s support of the UN Resolution on the Iranian Nuclear program</td>
<td>DPR building</td>
<td>The DPR could understand the government’s decision</td>
</tr>
<tr>
<td>08/22/2007</td>
<td>Responding to the MK’s decision about the eligibility of independent candidates to participate in local government executive election (Pilkada)</td>
<td>Presidential palace</td>
<td>President agreed that DPR would initiate the bill on the revision of Law No. 32/2004 on Local Governance</td>
</tr>
<tr>
<td>06/2008</td>
<td>Early response of the government related to the rejection by the DPR on the government policy/decision to increase the subsidized fuel price</td>
<td></td>
<td>The meeting was cancelled</td>
</tr>
</tbody>
</table>


As described in the Table 11 above, the consultation meeting is used by the executive to respond to critical positions taken by the DPR or DPR members against the government’s policies or government decisions. Consultation meetings can also be
conducted to find solutions to issues in which the government and the DPR need to agree on such as the need to allocate 20 percent of the national budget to the education sector.

In the case of Aceh, for instance, the consultation meeting was conducted several times to respond to the criticism of DPR members on how the government handled the issue. Many members, especially from PDIP, PKB, and PAN, claimed that the government took too weak a position against Free Aceh Movement (GAM) in the peace negotiation process and gave too many concessions to the separatist movement. Members of PDIP and PKB even asked the government to halt the negotiation process (Kompas, 2005, June 7). Related to the controversy on the letter from the office of the vice president which leaked to some DPR members, the president also conducted a consultation meeting in which he tried to explain that internal letter and calm down the DPR members. One of the results of this was that the secretary of the vice president’s office resigned from his post.

In 2007, the government delegation in the United Nations decided to support a resolution on the case of the Iranian nuclear program which made many members of the DPR, supported by the public, question the government’s stance. The tension was created because the president refused to attend the plenary session of the DPR with the agenda of listening to the government’s explanation of the issue. The president stood by his position this time that the government’s explanation was sufficient and there was no need for him to physically attend the plenary. The issue seemed to resolve itself although there was no clear agreement during the consultation meeting.
As an informal mechanism, in general, consultation meetings are not meant to take any decisions. It is more an effort to reduce the tension of the relationship between the executive and legislative bodies so that the relationship can move forward. One expert in Indonesian politics, Syamsuddin Harris, argues that consultation meetings are part of the mechanism that saves the Indonesian multiparty presidential system from deadlock. He (Kompas, 2010, March 18) wrote:

Through the consultation meeting, the president and the DPR leadership can listen to the position of each other,…, and try to look at some alternatives for the compromise. Equally important, through this mechanism, both parties can respect the different positions they take without being trapped by the conflictual relationship. … the experience from the period of 2004-2009 shows that the conflict between the president and the DPR can always be eased through consultation meetings between the president and the DPR.
Chapter Five

Coalition: How and Why Does It Work?

In this chapter I argue that SBY’s lack of partisan power both in his first and second term is potentially destabilizing to the Indonesian presidential system because it can lead to gridlock/deadlock in executive and legislative interaction. However, the existence of a coalition has been able so far to offset this potential instability. Further, the coalition in general has worked both because of the willingness of the president to hold with it and because of the accommodative nature of political elites’ behavior. The coalition also works because both the available formal and informal institutions provide multiple tools (in presidential toolbox) for the president to use in different situations when dealing with the DPR.

Given his institutional constraints and opportunities, forming coalitions for the Indonesian president is more of a choice than a necessity. Not only is the president granted a lot of constitutional power, the institutional framework that requires the legislature to cooperate with him, and others, but also, in practice, he has executive institutional capacity that is much greater than legislative institutional capacity. My analysis of the DPR’s institutional support in Chapter Four shows that despite its very strong constitutional powers and authority, the DPR is lacking in many aspects of its capacity to perform, including legal drafting capacity and research support. The
consequence is that although the main responsibility of making law is in the hands of the DPR, most bill initiatives still come from the executive. These institutional factors provide more room for the president to circumvent the legislature when necessary, even if there is no formal coalition among legislative political parties with the president. However, this type of choice leads to a more tense relationship between the executive and legislative branches, something that is not compatible with the style of SBY, the first Indonesian president in the multiparty presidentialism era.

The president chose to make a kind of grand coalition with the inclusion of several major parties in the legislature. SBY, the president, has been well-known for his accommodating and consensual tendency (Kompas, 2010, April 26). The president knows that with a coalition, it will be easier for him to have a working relationship with the legislature. He also knows that, although the institutional characteristics and mechanism inside the legislature and between the two branches can be in his favor, without a coalition, these institutions can be used by the political party leaders to create tension. The willingness to form a coalition is seen as a signal by the other caucuses and political party leaders as a willingness to cooperate.

There are two general views about the role of coalitions in Indonesian politics among both political observers and politicians. One common view sees it as something alien to the presidential system because coalitions are more common in parliamentary systems. The second view, a minority one, understands the coalition in a presidential system, especially a multiparty one, as something usual. Both agree, however, that in the Indonesian context, reality requires such a coalition. One former DPR member who said that coalitions are alien to presidentialism stated: “for the first period, I can still
understand the choice of SBY to have a coalition because of the very small size of his party in parliament, which is under ten percent. He may be worried that his proposals will be easily rejected by the parliament. However, for the second period, I do not see any necessity of him forming a coalition” (A. Lie, personal communication, November 10, 2011). The vice president of SBY’s first term, Jusuf Kalla (JK) also points to the need for a coalition so that the government can do its job properly. He (personal communication, November 12, 2011) said:

> For me, regardless of the number of parties, the presidential system can still run as long as the president does what he is supposed to do … because the DPR cannot impeach the president. However, do not forget that, during the presidential election our supporters are only ten percent. But the ones who lost in the end also joined us, making the coalition much bigger. I think, in order for the government to work, political stability is very essential.

The current coalition, despite being criticized as not solid, is viewed as something useful as SBY’s effort to make the DPR more supportive of most of his policies. Alvin Lie said: “with this coalition, what happens now is that the DPR becomes the supporter of government in advancing its agenda. I can see that SBY actually wants the DPR to function as the endorser of the government’s policies” (personal communication, November 10, 2011). JK also agrees with this assessment noting that because of the number of political parties, negotiation for the compromise becomes more difficult. JK (personal communication, November 12, 2011) stated:

> as you know, politics is negotiation to reach certain goals or a mean to get to the common objective. However, because there are many political parties, it is more difficult to reach consensus, it requires lots of discussions, deliberations, and debates, which take a lot of time. When Golkar party was still a majority, during my term as vice president, it is easier to reach a compromise.
Achmad Mubarok, one of the high ranking members of SBY’s Partai Demokrat also agrees that a coalition is something necessary so that the president can move his agenda forward without being blocked by the legislature. According to him (Kompas, 2011, October 23),

our governmental system is actually presidential, but the practice requires some adoption of parliamentary-like qualities, because in governing the president needs DPR support. To some extent, the DPR can even obstruct the government’s agenda and try to make the president fail in mid-course. In this kind of situation, any president must develop cooperation with the legislature.

Yusril Ihza Mahendra added that in the presidential system there is supposed to be no coalition. However, political support in the DPR is still a must. Therefore, the establishment of a coalition, albeit more like a parliamentary system, is still understandable as long as it is not formalized. According to him: “referring to the system of presidentialism, I think there should not be a formal coalitional institution or Setgab (joint secretariat of coalition) like in SBY’s second presidency” (personal communication, October 17, 2011).

Both camps also agree that despite the logical necessity of a coalition, at the same time it does not mean that it is something that cannot be avoided by the president. In other words, the fact that there is a coalition in this system is mostly because of the president chooses to do so. A. Lie (personal communication, November 10, 2011), for example, said:

He saw that as an ease because his party in DPR was not only small but also minority. I can still understand his worry, although he should not be as long as he as a the head of the government has clear programs, and he has mandate from the people, and a good team for lobby in DPR. So, it was a political choice. There is no necessity to form a coalition because the system is presidential and the president is directly elected by the people. Although all political parties in DPR
do not support the president, for instance, he cannot be expelled. This is different from parliamentary system.

Therefore it is more about the strategy of presidential leadership in making sure that his government can be stable and supported by the parliament.

One example of how a coalition works, according to A. Lie (personal communication, November 10, 2011):

the effect of the coalition to us, the legislative members from the parties in the coalition, is obvious. Because we have ministers inside the government, it is often that the minister(s) call us asking us to not be harsh to the government. Actually we are in the DPR more independent than a minister. We can pick up any issue and develop that issue into something useful in performing our function such as the oversight function. The minister does not always follow the issues like us, and can be surprised by the development of certain issues, which for them can be like a sudden controversy. Therefore it is often that we, the members in the DPR, take position A but in the end we take position B because of the influence of the coalition, especially through the ministers that we have in the government.
Table 13
Relationship between the President and the DPR

<table>
<thead>
<tr>
<th>President</th>
<th>Period</th>
<th>Constitution</th>
<th>Presidentialism</th>
<th>General Election</th>
<th>1945 Constitution</th>
<th>Parliamentary Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>B.J. Habibie</td>
<td>(5/20/98 – 10/19/99)</td>
<td>1945 Constitution</td>
<td>Executive - Superior</td>
<td>1997 general Election</td>
<td>1 st</td>
<td>% of a Ruling Party</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Legislative – Superior</td>
<td>Predominant</td>
<td>2 nd</td>
<td>40.8 %</td>
</tr>
<tr>
<td>Abdurrahman Wahid</td>
<td>(10/20/99 – 7/22/01)</td>
<td></td>
<td>Balance of Three Powers</td>
<td></td>
<td>3 rd</td>
<td>30.6 %</td>
</tr>
<tr>
<td>Megawati Sukarnoputri</td>
<td>(7/23/01 – 10/19/04)</td>
<td></td>
<td></td>
<td>Pluralism</td>
<td>4 th</td>
<td>42.2 %</td>
</tr>
<tr>
<td>1st S.Bambang Yudhoyono</td>
<td>(10/20/04 – 10/19/09)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>83.2 %</td>
</tr>
<tr>
<td>2nd S. Bambang Yudhoyono</td>
<td>(10/19/09 – 10/19/14)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30.6 %</td>
</tr>
</tbody>
</table>

Source: Kawamura (2010, p. 17)
Presidential Leadership

Having been democratic since 1998, the Indonesian governmental system, in practice, has experienced a type of coalition in each presidential term since President Habibie (1998-1999) to President Wahid (1999-2001) to President Megawati (2001-2004) to President SBY (2004 – now). Table 12 above summarizes the characteristics of the types of coalition that have existed.

As a choice by the president, a coalition is a part of the president’s leadership both in terms of how it is established and how it is maintained. Based on the history of executive-legislative interaction since 1998, any president will logically choose to establish and maintain a coalition to make sure his/her administration can function properly. The need for a coalition can also be understood from the fact that there has been an effort to oust a president while he was in office. The example of the impeachment of President Wahid seems to be considered a precedent by SBY. He knows that in the presidential system, impeachment is difficult. However, he seems to also know that given the transitional period that has just been experienced by Indonesia, and the fluid nature of political party issue positions, impeachment is still politically possible. This is also supported by the political reality that the Indonesian presidential system is combined with a very fragmented political party system, which can be used by some actors to oust or obstruct the president’s agenda.

Accommodative yet strategic leadership. The main characteristic of SBY’s leadership is a very accommodative approach. Greg Fealy, a political expert on Indonesia, in BIES (2011) describes SBY’s leadership style as follows:
Although SBY’s cautious and increasingly courtly approach to politics does not lead to daring or innovative decision making, it has nonetheless produced settled and stable conditions that are conducive to rapid economic growth. By instinct and personality, SBY is a politician of the ‘middle.’ Whenever possible he seeks to avoid conflict with major political or economic forces and tries not to push against the tide of public opinion. Before making important decisions, he or his staff will take soundings from powerful stakeholders in an effort to calculate the political risks. … On many contentious issues, SBY has been prepared to decide on a matter only after seeing polling data and has chosen a course of action exactly in accord with the majority view. … this pattern of behaviour allows him to defuse potentially divisive issues… (p. 335).

Douglas Ramage, another expert on Indonesia, in BIES (2011) confirms this as well:

“SBY pursues an extreme form of consensus and inclusivity, even though contentious policy matters rarely lend themselves to unanimity in a democracy. … Repeatedly in public statements, SBY has made clear his preference for gradualism, conflict avoidance and compromise over strong policy or performance, regardless of the issue” (p. 353).

The decision of SBY to form a coalition in support of his government, in addition to being based on strategic thinking, can be viewed as part of the president’s inclination for an accommodative approach or style in his leadership. A coalition is also viewed as a means for a political breakthrough or an emergency exit (A. Mubarok, personal communication, December 1, 2011) or in the phrase of several other Partai Demokrat activists as an “ijtihad politik” (an Islamic reference, connoting political innovation): “it is part of the political breakthrough, he is aware that to be able to implement his programs and policies he needs a coalition. It is an accommodative way of getting support from the parliament. The fact that there are a few cases where the members of a coalition misbehave a little, … that can be fixed” said S. Mustofa (personal communication, September 29, 2011). SBY, according to Saan Mustofa, is fully aware that although he got full popular support during the presidential election, he must also be
aware that the Indonesian presidential system is a multiparty one. Therefore, as a sophisticated politician SBY cannot ignore the DPR, although in principle he could do so if he so choose.

All informants interviewed in this research also claim that an accommodative approach has been the hallmark of SBY’s leadership. One of SBY’s closest staff members, A. Mallarangeng (personal communication, August 4, 2011), the president’s spokesperson during his first term and Minister of Youth and Sport during the current term, describes SBY personality as a president:

he has to make a broad coalition for support if he wants a stable executive government. And this is dependent on the behavior, personality of the president. If the president is like Gus Dur,¹⁹ there must be deadlock, and the president can fail. … Thank God we have a president who knows when to be embracing and accommodating but at the same time can stick to his agenda and vision. He is a pragmatic but visionary person….

The former close friend and ally of SBY during the first term, Yusril Ihza Mahendra, also confirms SBY’s tendency to be accommodative. According to Yusril, SBY is always afraid of the existence of political forces that he thinks can be a problem for his presidency (Y. I. Mahendra, personal communication, October 17, 2011). Therefore SBY has a tendency to approach everybody including his political opponents to be part of his circle. Another inner circle member also agrees that accommodative and middle pathway are important characteristics of SBY presidential leadership (A. Mubarok, personal communication, December 1, 2011).

¹⁹ Gus Dur or Abdurrahman Wahid was the second Indonesian president in the post authoritarian era. He was impeached by the parliament in the second year of his presidency. The main reason for the impeachment was his inability to maintaining the broad coalition which had supported his election as president. Unfortunately his main leadership style was confrontation with his own allies in the legislature, making him lose their support one by one during only one and a half years of his presidency.
Sometimes, according to some people, the tendency of SBY to be accommodative goes too far. A former political activist said: “besides being very cautious, SBY also has a tendency to please everyone. During the first year of his presidency his leadership style could be labelled consensus mongering. Although this is not necessarily bad, it can delay a lot of decisions, especially in situations that require quick responses and decisions such as the lifting of the fuel price subsidy or the increase of the fuel price” (Tolleng in Tempo, 2005, October 9, pp. 54-55).

One important example of this accommodative approach during his first term was the decision to put the Golkar Party in his coalition. The Golkar Party was the winner of the legislative election in 2004 with a DPR seat share of 23%. In the presidential election following the legislative election that year, Golkar decided to run with its own candidate, General Wiranto, SBY’s previous commanding officer in the military. SBY then decided to help his vice president, JK, who is also a Golkar leader, to become the chairman of Golkar at its convention in 2005. He was successful. As a result, Golkar changed its position from membership in the opposition to become a member of the governing coalition with JK as the chairman. Of course the price of this inclusion was more power sharing with the Golkar Party.

The inclusion of Golkar contributed to the stability of SBY’s government during the first term. A former member of the DPR and a national board member of Golkar (D. Siska, personal communication, December 7, 2011) described how Golkar’s existence in the coalition has helped SBY to stay in power until the end of his first term:

JK as a chairman was an important factor at the time. As a chairman he had the capability to ask the Golkar Party in the DPR to support his agenda. And because he was the vice president, it was his interest too to move the government’s agenda
forward. Therefore during this first period we, the Golkar Fraksi in the DPR, became the government’s bumper [protector] for the most part. JK was also able to guarantee that ministers from Golkar would implement an agenda that had been supported by the DPR because as vice president, he is above all ministers. On the other hand, when we in the DPR were a little bit harsh to the ministers, they went to JK and usually JK would call us and tried to make a compromise. One example was when we were having a fight with Minister of Finance Sri Mulyani, she told JK and JK summoned us to meet him. Because he was our chairman, we had to come to him, otherwise, we would not care. So, during SBY’s first term, JK has been able to make sure that Golkar supported the government or at least did not stand in the way when the government advanced its agenda.

The process of including Golkar in SBY’s coalition in the second term was similar. However, the chairman in this term is not part of the government as was JK. Another important difference is that if in the first term it was SBY who was more active in approaching Golkar, in the second term, Golkar is also actively seeking membership in SBY’s coalition. As in the first term, Golkar decided to run its own candidate in the presidential election, this time, JK, the former vice president. This time he lost in the first round to SBY. In Golkar, JK was soon replaced by Aburizal Bakrie as chairman of Golkar. It was Bakrie who subsequently negotiated for Golkar’s return to SBY’s coalition.

As the winner of both the legislative and presidential elections of 2009, SBY and his party, Partai Demokrat, could choose not to include Golkar in the coalition. Moreover, SBY had had at the time support from PKS, PKB, PPP, and PAN, enough for a minimum winning coalition. SBY’s inclination for accommodation led him to decide to embrace Golkar as part of a broad, oversized coalition encompassing about 75% of the seats in the DPR. Thus, once again, Golkar became part of the governing coalition with a share in cabinet membership despite the fact that Golkar was SBY’s opponent during the presidential election.
When SBY formed his Kabinet Indonesia Bersatu I (KIB I, United Indonesia Cabinet I), the process took a very long time. This is also a sign of his very accommodative style (Tempo, 2004, October 31, pp. 28-37). The same thing happened when he decided to reshuffle his cabinet at the end of 2005. Tempo magazine (2005, December 11, p. 23) commented on the process as follows:

It is not easy to be a president from a minority party. This is shown by the way President SBY fixed his cabinet which seemed to be too cautious. Although he won the presidential election, he still felt the need to consider the interests of the political parties that supported him in recomposing his cabinet. Theoretically, based on the constitution, the formation and reformation of cabinet is fully his presidential prerogative right.

An accommodative approach was also shown by SBY not only toward the political parties and/or the DPR. In managing his cabinet, the president always tried to balance professionalism, political power sharing with the parties, and sometimes, when necessary, by accommodating public pressures. All three considerations again appeared when SBY, for the second time in his first period, reshuffled his cabinet. In early 2007, he replaced five of his ministers with new ones, and changed two ministers to other posts. Tempo (2005, May 20, p. 25) reported:

The two most importance changes in this reshuffle are the replacement of Minister of the State Secretariat Yusril Ihza Mahendra and Minister of Law and Human Rights Hamid Awaludin. SBY’s decision to reshuffle the two showed that the president considered the public demand. The two were allegedly involved in helping Tommy Suharto withdraw 100 billion rupiah from Paribas Bank of London. The attorney general’s office suspected that the money was from a corruption scandal. Although the two were not proven to have gotten money from the withdrawal, it was clear that the two opened the path for money laundering.

In trying to fix his not-so-warm relationship with former President Megawati, SBY also tried even to reach Megawati as one of his first moves after his inauguration. He tried to reach her in various ways, including using Megawati’s younger brother Guruh
Sukarnoputra (Tempo, 2004, October 31, pp. 52-55). This effort has not been successful so far.

Thus, the tendency of SBY to be accommodative and to make as big a tent as possible is not only related to political party accommodation. He extended his accommodation style to include religious organization representation, race representation, regional representation, age/generation representation, and so on. The complicated process of the formation of his second cabinet, Kabinet Indonesia Bersatu II (KIB II, The United Indonesia Cabinet II) displays very well this broad based accommodative tendency. On this issue, Tempo (2009, November 1) wrote: “In short, everybody is embraced in the name of political harmonization to make the president’s programs safe. Even the Golkar Party, which was his staunch opponent in the legislative and presidential elections, got cabinet positions (ministerial posts) after declaring its support for the government” (p. 23).

While being accommodative, however, SBY does not want someone else to be dominant either. Probably his experience with JK in his first term affected him strongly in this regard. One example is how he hesitantly accommodated the team of his running mate (now vice president) Budiono. In preparing for their campaign as well as for running the government, Budiono put together a team called Tim Jambu 51 (Tempo, 2009, November 1). Headed by Kuntoro Mangkusubroto, this team prepared programs for the government for the first 100 days, the first year, and the whole five year term. To monitor the program the team suggested that the president establish the so called Presidential Delivery Unit. SBY seemed to be ambiguous about this because he did not want Budiono and his team to be dominant. Kuntoro also was proposed to be the
Coordinating Minister of the Economy but in the end he was pushed out. “The problems in Kuntoro’s candidacy, were partly because SBY’s attitude toward the Jambu Team was ambiguous. He needed Budiono, Kuntoro, and their team on the one hand, but on the other he did not want this team to be dominant,” wrote Tempo (2009, November 1, p. 37). Kuntoro in the end was appointed Head of the Presidential Working Unit for Development Control and Management—a kind of Presidential Delivery Unit with much less authority.

Another part of SBY’s leadership style is to keep everybody around him believing that they have special access or influence. In reality, only a few and perhaps no one actually does have influence. This, according to Yahya Ombara, his biographer, keeps him independent, while he can keep in his circle everyone he wants while expelling those whom he does not want to be around him. A few people, for instance, always accompany him playing golf, one of his hobbies (Tempo, 2010, October 31). During this time they usually also chat about politics. He frequently plays golf with the members of his age cohort in the military academy, including Marshall Djoko Suyanto, Marshall Herman Prayitno, Admiral Imam Zaki, and General Sutanto. Minister of the State Secretariat Sudi Silalahi often accompanies him too, although he is not an academy graduate from the same class. They are among the few people close to SBY and from whom SBY often asks for advice about various issues.

According to Yahya Ombara, SBY knows very well when to be close to someone and when to abandon him or her (Tempo, 2010, October 31). There are three criteria for closeness to SBY: loyalty, capacity, and willingness to sacrifice. Sudi Silalahi is one example of a person who meets these criteria. Other figures such as Hatta Radjasa and
Muhaimin Iskandar are still in his circle merely because they are from political parties which are the members of the coalition. Confirming Yahya’s opinion, Daniel Sparingga, special staff for communication in the president’s office, said that all steps taken by SBY are done with cautiousness: “he does not want to hurt anybody. All is put proportionally” (Tempo, 2010, October 31, p. 30).

Most of the president’s men are people he has known for a long time. One good example is Andi Arief, special staff for social aid and natural disaster. According to Tempo (2010, October 31), Andi Arief has been connected to SBY since he was a student at Gadjah Mada University in Yogyakarta 15 years before, when SBY was the territorial military commander of Yogyakarta. Andi was one of the student activists who were often invited by SBY for political discussion. After a long absence from political activism, Andi appeared again in 2004 to lead the Nusantara Network as secretary general. This organization is the wing of SBY’s Partai Demokrat headed by Sudi Silalahi to help SBY win election. After that, Andi entered the palace as a staff member in the presidential office.

Most of the president’s special staff members are people like Andi Arief in terms of their connection to SBY. Velix Wanggai, another special staff member, said: “Most of them had known SBY in the past and were close to his aides. After their names were listed, at the end of November 2009, President SBY brought them all to Cipanas Presidential Palace, West Java. SBY at that time told us that he chose his staff from people he has known so that we have the same understanding. He also said that we should be like a family” (Tempo, 2010, October 31, p. 32).
Cabinet formation: between political accommodation and professional expertise. In staffing his cabinet, SBY chose to combine political accommodation and merit-professional-based appointments. In addition, in his second 2009-2014 cabinet, he put vice ministers in almost all ministerial posts, particularly after the second reshuffle of October 2011, in order to maintain a broad political coalition and at the same time move the substantive agenda of his cabinet forward. Despite many criticisms about this decision, it seems that SBY was trying to find a breakthrough by combining political and professional appointees. So far this approach has made the presidential cabinet durable, in the sense that there has not been any significant attempt by the DPR to obstruct the administration.

Coalitional politics as the hallmark of SBY’s presidency characterizes cabinet formation. Thus technical ability is only one of the factors considered. Other factors can be ethnic background, geography, gender, and most importantly, political party affiliation. This approach is translated into cabinet formation as the distribution of cabinet posts, so that the process of appointment is in close consultation with political party leaders (Pamungkas, 2009; Blondal, 2009).

This approach however is combined with a meritocratic one for certain posts, especially concerning the economy, making them have less direct political influence. In managing the economy, the president has been more determinative on his own by giving positions, especially the ministry of finance, to non-politician ministers (Basri, 2011; C. Basri, personal communication, September 8, 2011). One example is the appointment of Budiono as Coordinating Minister of the Economy replacing Aburizal Bakrie from the Golkar Party in the United Indonesia Cabinet I reshuffle in 2005 (Tempo, 2005,
Thus ministries and agencies such as finance, trade, the central bank (Bank Indonesia), and public works have been filled with people selected on meritocratic grounds. This approach also means that SBY’s policy focus continues to be on economic policies, which can provide clearer indicators of the progress of the government’s performance. The following table shows the combination of political party and non-political party-based appointments for cabinet posts.

Table 14

<table>
<thead>
<tr>
<th>President/Cabinet</th>
<th>Political Party</th>
<th>Non-Political Party</th>
<th>Total</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abdurrahman Wahid</td>
<td>20</td>
<td>16</td>
<td>36</td>
<td>Three times reshuffled</td>
</tr>
<tr>
<td>Megawati Sukarno Putri</td>
<td>14</td>
<td>20</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>Susilo Bambang Yudhoyono (I)</td>
<td>19</td>
<td>19</td>
<td>38</td>
<td>Two times reshuffled</td>
</tr>
<tr>
<td>Susilo Bambang Yudhoyono (II)</td>
<td>20</td>
<td>20</td>
<td>40</td>
<td>Two times reshuffled (until 2011)</td>
</tr>
</tbody>
</table>

Source: Tempo (November 2009, p. 31).

The United Indonesia Cabinet I is characterized as “Konsiliasi, Konsolidasi, dan Aksi” (abbreviated as a slogan to K2A, Conciliation, Consolidation, and Action) to describe the president’s very accommodative approach since the beginning of his presidency (Tempo, 2004, October 31, p. 25). This cabinet was a combination not only of most major political powers/parties, but also a combination of the people who have experience in government and newcomers. The economic team, for instance, includes personnel from various economic backgrounds and ideologies. Some people who are...
considered non-reformers were also part of the team. The distribution of cabinet posts can be seen in the following table.

Table 15
*Cabinet Post Distribution during the First SBY Presidency*

<table>
<thead>
<tr>
<th>Party</th>
<th>Number of Posts (Percentage to the Total)</th>
<th>Percentage to Coalition Posts</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Golkar</td>
<td>5 (12.5%)</td>
<td>25%</td>
<td>Including 1 VP and 1 Coordinating Minister</td>
</tr>
<tr>
<td>PPP</td>
<td>3 (7.5%)</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Partai Demokrat</td>
<td>4 (10%)</td>
<td>20%</td>
<td>Including the President</td>
</tr>
<tr>
<td>PAN</td>
<td>2 (5%)</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>PKB</td>
<td>1 (2.5%)</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>PKS</td>
<td>3 (7.5%)</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>PBB</td>
<td>2 (5%)</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>PDIP</td>
<td>0 (0%)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Non-Party</td>
<td>20 (50%)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s calculation based on various sources.

When this cabinet was reshuffled at the end of 2005, the broad coalition approach continued to be the basis for the cabinet formation. In this reshuffle, SBY appointed Erman Soeparno as Minister of Manpower and Transmigration. This can be regarded as an accommodation to a faction of the PKB led by former President Abdurrahman Wahid.
PKB has been a close ally of SBY. In 2005 it experienced internal conflict which resulted in the split of the party into two, with one faction led by Muhaimin Iskandar and the other by Abdurrahman Wahid. The inclusion of Paskah Suzetta from Golkar at the last minute was also an accommodation to the Golkar Party because its chairman, Aburizal Bakrie, had to be moved from Coordinating Minister of the Economy to a less prestigious post as Coordinating Minister of People Welfare. Golkar requested an additional post in exchange for giving up the post of Coordinating Minister of the Economy (Tempo, 2005, December 18).

Table 16
Cabinet Post Distribution during the Second SBY Presidency

<table>
<thead>
<tr>
<th>Party</th>
<th>Number of Posts (Percentage to the Total)</th>
<th>Percentage to Coalition Posts</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partai Demokrat</td>
<td>7 (16.7%)</td>
<td>33.3%</td>
<td>Including the president</td>
</tr>
<tr>
<td>Golkar</td>
<td>3 (7.15%)</td>
<td>14.3%</td>
<td>Including one coordinating minister</td>
</tr>
<tr>
<td>PKS</td>
<td>4 (9.5%)</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>PAN</td>
<td>3 (7.15%)</td>
<td>14.3%</td>
<td></td>
</tr>
<tr>
<td>PPP</td>
<td>2 (4.8%)</td>
<td>9.5%</td>
<td></td>
</tr>
<tr>
<td>PKB</td>
<td>2 (4.8%)</td>
<td>9.5%</td>
<td></td>
</tr>
<tr>
<td>PDIP</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gerindra</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hanura</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-party</td>
<td>21 (50%)</td>
<td></td>
<td>Including the vice-president</td>
</tr>
<tr>
<td>Total</td>
<td>42</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s calculation based on various sources.
In addition to political party affiliation, SBY also considered other representational characteristics in this cabinet formation. His ministers represent geography, province, gender, religion, and mass organizations. Thus in the second-term cabinet, Minister of Research and Technology Gusti Muhammad Hatta represents the geography of Kalimantan (Borneo), Minister of State Owned Enterprises Mustafa Abubakar represents the province of Aceh, Minister of Transportation Freddy Numberi represents the province of Papua. SBY even tried to appoint the governor of Central Kalimantan, Teras Narang, who could represent not only the territory but could also be the bridge to PDIP, the main opposition party. However, PDIP did not signal its agreement with the appointment (Tempo, 2009, November 1).

Finding the right person for any post, given these various criteria, is not easy. Minister of Research and Technology Gusti Muhammad Hatta, for instance, was appointed at the last minute, just before the cabinet announcement, because the president was looking for someone to represent the island of Kalimantan (the Indonesian name for Borneo). Hatta was recommended by Hatta Rajasa—the president’s main aide in selecting ministers—at the last minute because SBY could not find anybody else (Tempo, 2009, November 1). Another example is Minister of Health Nila Djuwita Moeloek. In reporting about this appointment, Tempo (2009, November 1, p. 40) wrote:

Nobody thought that Nila would be a minister. Her name never came up in the talks. People talked more about the name of the chair of the Indonesian Doctors’ Association (IDI), Fahmi Idris, and the chair of the Education Council of IDI, Biran Effendi. Nila’s name stood out because of the president’s accommodation politics. SBY wanted his minister of health to be a woman from Ambon. However, because the person from Ambon could not be found, Nila’s name was finally proposed.
Another example of SBY’s management style toward his cabinet is that, in his first term, he gave Vice-President JK a clearly differentiated role. This does not imply that it was a good choice, as subsequently became clear, at least to the president himself. Nevertheless it is another example how SBY is willing to use any accommodative approach available to ensure that his partisan support, especially in the DPR, is well maintained. It is widely believed that there was a written agreement between SBY and JK concerning division of labor between the two top office holders in terms of cabinet management and government program implementation. Basri, an economist from the University of Indonesia, in Tempo (2005, October 30) for instance, wrote:

> It is no longer secret that there is written agreement between SBY and JK regarding their job description. That agreement approximately says that the president will take care of the issues of diplomacy and security and defense, while the vice president will take care of the issues of the economy. … when the value of the rupiah plummeted last month, and the vice president was still abroad, the president emphasized that he took command of the economy from that time on. This is an indication that the existence of such a written agreement was not only a rumor. (p. 66)

The last thing that the president has done to manage his cabinet is shadowing the ministers with vice ministers. In his second term, as Budiono has not been able to play JK’s role in making sure the ministers from the political parties always back all of the government’s agenda, SBY experienced difficulties dealing with ministers from political parties, especially the ones from PKS and Golkar. Thus, in the cabinet reshuffle of October 2011, he used the strategy of combining the political party-based ministers and the professionally- based vice ministers. The president also wanted to make sure that all political parties that have been close to him remain so. At the same time he wanted to respond to the critics who say that he is not willing to create a more professional cabinet
that can focus more on the government’s program rather than answer excessively to the political needs and or agendas of political parties.

Not surprisingly, this triggered mounting criticism. The critics quickly pointed out that marrying political and professionally based appointees in order to make the cabinet more effective in its performance is absurd. Ganjar Pranowo from PDIP criticizes the president for creating a political anomaly. The president, according to him, has a strong position and cannot be impeached by the DPR. “The Indonesian system is presidential, but the cabinet is formed with a parliamentary system flavor. In this reshuffle, the president tried to have two legs in each ministry, the minister as a political leg and the vice minister as a professional leg” said Pranowo in Kompas (2011, October 23).

**Reaching the DPR and political parties.** During his presidency, President SBY has acted strategically to create and maintain his stable government by holding regular informal meetings with all political parties, especially his coalition members (A. Mallarangeng, personal communication, August 4, 2011). He also has been willing to regularly meet with the DPR leadership. These two things are among the ways that have enabled him to maintain a working relationship with the DPR and avoid any deadlock. It is also difficult to attack the president personally because of his, until this moment, relatively clean record in terms of corruption (A. Mallarangeng, personal communication, August 4, 2011).

The story of how SBY chose his running mate for the 2009 presidential election and the reaction of political parties from his coalition is an example of the way SBY maintains his relationship with the political parties. SBY chose Budiono, a technocrat/economist, who comes from the non-political party camp. Besides thinking
about the possibility of winning the election, this choice was also based on the consideration that if he chose a vice president from one political party, it would complicate the relations with other parties in the coalition. So, again, his main attitude was to make sure that he maintains a good climate for his relations with political parties and the DPR. The vice chairman of Partai Demokrat, Ahmad Mubarok, said at the time that Budiono could be neutral and objective toward the political parties, a necessary element that is needed in making his coalition stable. “Yudhoyono chose Budiono because if the vice president comes from one party, other parties will be envious” said Mubarok in Tempo (2009, May 24, p. 29).

As predicted, members of the coalition, especially PKB, PKS, PAN, PPP, were not happy with this decision. They felt ignored. Therefore, they tried to “rebel.” They met right after they knew that SBY had chosen Budiono as his running mate. Tempo (2009, May 24) reported the meeting as follows:

The information about the selection of Indonesian Central Bank Governor Budiono as a candidate for vice president by the chair of the Partai Demokrat’s Advisory Council Susilo Bambang Yudhoyono the night before made them restless. That decision was not communicated to coalition parties before. They then made a calculation on how strong are the political parties of the coalition. After being counted they found that the number of their seats in the DPR is 164, more than the minimum number to be eligible to nominate their own candidate for the presidential election. Alternatively, these coalition members could reallocate their support to Jusuf Kalla, SBY’s competitor. These political parties felt that they had been ignored, said Farhan from PAN, one of the attendees of the meeting. In their opinion, SBY-Budiono set did not reflect the usual pattern of coalition i.e. Java and Non-Java, and Nationalist and Islam. SBY and Budiono are both from Java and nationalist in their ideological affiliation. (p. 32)

Realizing the disappointment of their presumptive partners in the coalition, SBY and the Partai Demokrat tried to respond quickly (Tempo, 2009, May 24, pp. 32-33). Those political parties were invited to the presidential residence to be given an
explanation about the selection of Budiono. All parties attended the meeting except PKS. Those disappointed political parties were supposed to meet again, but after the meeting in the presidential residence, further meetings were cancelled, a signal that SBY had been able to calm them down.

PPP was the first to say that it never had a problem with the selection. SBY also directly approached PAN and PKS. To Amien Rais, the founder and most influential figure in PAN, not only did he send three letters explaining his choice, but he also met face to face with him. To PKS, in the communication and meetings with its leaders, SBY promised a significant role for PKS in his new administration. For instance, he promised to give more ministerial portfolios to PKS. Interestingly, none of the portfolios was ministry of finance. With all of these efforts to reach the political parties, SBY was then able to reestablish a working coalition in the second term of his presidency.

After the presidential election of 2009, SBY showed once again his tendency to be eclectic and embrace all powers. He tried to make a grand coalition, if not a truly grand coalition including all the political parties in the DPR. He even tried to approach his main opposition, the PDIP: “This power sharing attempt was clear when Yudhoyono’s camp tried to get PDIP on board. As the third winner of the 2009 legislative election, PDIP was offered several positions. Among others, those offers included a position for Taufik Kiemas, the chair of the Advisory Council of PDIP as the chairman of the People’s Consultative Assembly (MPR), and three ministerial posts” reported by Tempo (2009, September 6, p. 23).

As mentioned above, from the perspective of securing partisan power, SBY did not actually need Golkar or PDIP. With his presidential election coalition, he had more
than a simple winning coalition for advancing his agenda during the next 2009-2014 governmental term. Without Golkar and PDIP, his Partai Demokrat and other members of the coalition have no fewer than 60 percent of the DPR seats. However, SBY’s tendency to have everybody on board made him also try to get those political parties. He got Golkar, while PDIP decided to stay as an opposition party.

**Critiques of presidential leadership.** Not surprisingly, this very accommodative and consensus-based presidential leadership approach drew a lot of criticism. Anies Baswedan, a political analyst from Paramadina University, criticized the president for valuing the political constellation more highly than the substance of his government’s agenda. In Tempo (2005, December 18), Baswedan wrote:

> The cabinet composition reflects more political equilibrium than the government’s agenda and policies. This is not necessarily wrong but the priorities are upside down. It is true that the resident must always consider the political constellation. However, since we are now in the presidential system and the resident has made his promises in the campaign, the cabinet composition should be a reflection of those promises and the president’s agenda to implement them. (p. 130)

SBY’s approach also resulted in the very large cabinet size. Another critique is that the big number of ministerial posts is not a guarantee of solid support from the political parties in the DPR. In its report Tempo (2005, December 11) voiced this critique:

> “The problem is whether there is a correlation between the big number of ministers from a political party and the support of the members from that political party in the DPR. Evidence from the first year of the SBY-JK administration shows that that correlation is not always positive. Political parties’ discipline is still weak. There were, for instance, members of the DPR from parties in the coalition that took positions against the government’s programs. (p. 23)
Another problem that President SBY faced was his relationship with Vice President JK. An example is Unit Kerja Presiden untuk Pemantauan Pembangunan dan Reformasi (UKP3R, the Presidential Working Unit for Development Monitoring and Reform). JK had been against the existence of this unit since the beginning because it overlapped with his authority. However, this unit seems to be a way for SBY to make sure that he still controls all the government’s business, without being circumvented by JK. At the same time, he did not want to directly intervene in JK’s work which had allegedly been based on their agreement before running for election (Tempo, 2006, November 19; J. Kalla, personal communication, November 12, 2011). A number of JK’s close aides thought that this unit would cut the vice president’s authority so that the vice president would only a “spare tire” without a significant substantive role.

The conflict between SBY and JK, particularly on UKP3R, enraged JK’s Golkar Party. Many members of its central board threatened to withdraw from the coalition. However, with the promise of more power sharing, especially on more portfolios of ministers for Golkar, this party, again, cancelled its intention to withdraw from the coalition (Tempo, 2006, November 19, pp. 34-35).

Of the many critiques of the president’s leadership, the most commonly heard point concerns his indecisiveness. Broad based accommodation and consensus require a long, drawn-out process and to some extent can be seen as inability or unwillingness to make a decision. One leading political observer, Eep Saefullah Fattah in Kompas (2010, February 9), sums up the critiques into one phrase: “the problem of communication.”

This critique is ironic because for the international community or audience, SBY is one of the best communicators in the world. In fact he was awarded the Gold Standard
Award for Political Communication from *Public Affairs Quarterly. Public Affairs Asia* cited in Jakarta Globe (2010, February 5) stated: “Through his election victories and his work both domestically and internationally, SBY has shown himself to be a formidable communicator and a highly effective modern politician.” According to Fattah in Kompas (2010, February 9), the SBY phenomenon is a paradox: “Now we meet the paradox: viewed successful by foreign nations and thought himself as thriving, but suffered a negative evaluation from his own public. These paradoxes highlight the acute problem of Yudhoyono’s leadership, i.e. incorrectness and failure of political communication.”

There are several problems in SBY’s communication style, according to Fattah. The first one is incorrectness in substance. The substance or message in SBY’s political communication is problematic. When the public waits for his decisiveness as the head of the government in which he is supposed to take charge of all government decisions under his administration, he avoids acting. The next one is incorrectness in timing. SBY often acts reactively and impulsively. He seems not to be able to effectively manage his time, rushing to respond to issues he thinks sensitive. The third one is incorrectness in impact. Because of the first two problems, his attempts at communicating with the public result in decreasing public support. The last thing is incorrectness in style. With public support of more than 60% when he took office, he should have communicated with the public as a more confident president, not as someone who is frequently victimized by his political opponents.

Despite this criticism, the leadership style of the president still makes him the most popular leader in Indonesia until today. The president’s public appeal is much better than other leaders. For example, although his popularity was declining after the first three
years of his presidency, the public still thought that he is much better than other political leaders (Tempo, 2007, November 7). One well-known political observer, Saiful Mujani for instance wrote in Tempo (2007, November 7):

… SBY won not because of the strength of his political party, the strength of mass organizations, advantages in funding, the use of military networks, and not because of government networks either, but more because of his personal character which is perceived better than others by the voters. He looks more presidential. This evaluation grew from a complex perception based on information from mass media, particularly television. (p. 51)

**Elite Behavior**

The very accommodative style of SBY’s leadership fits with the pragmatic and accommodative tendency of elite behavior, especially that of the leaders of political parties. As mentioned above, in the case of the president’s choice of his running mate in 2009, many political party leaders in the coalition were disappointed. But in the end they could be “tamed” by SBY by an accommodative approach, promising them more roles in the upcoming government. The elites’ behavior in this instance, again, is not less accommodative than the president’s, making it more possible to the president to safely advance his agenda.

Pragmatism is one of the main explanations of the political elites’ behavior. The tendency of a political party to be non-ideological makes political elites able to maneuver in any direction. That direction is related to the desire to be part of the executive because of the perception that being in power means having executive positions. These two tendencies are part of the legacy of the New Order, where power was centralized in the president/executive. This was, for instance, shown clearly by various maneuvers by
political party leaders, indeed virtually all of them, in forming coalitions prior to the presidential election of 2009. Tempo (2009, May 31) wrote:

Those political parties make maneuvers here and there almost without pattern. Sometimes they go North, sometimes South, suddenly they can make a turn to the East or other directions. Their position does not stay at one point. The PAN party, which officially was behind SBY-Budiono, maneuvered to support JK-Wiranto too. The failure of SBY to select Hatta Radjasa, the chair of PAN, as his running mate, made this party open communication with another party. Golkar officially supports its chairman, JK, but it suffers acute internal conflicts. A number of its politicians prepare for the convention to oust JK before election day. Their plan was to oust JK soon so that it would be easy for them to change their support to the winner. The same case also applies to Prabowo, who has to run everywhere to secure his eligibility to run for president. (p. 27)

Still in the process of the preparation of the general and presidential election of 2009, even the Islamist party, PKS, can talk seriously about joining in a coalition with PDIP, a party that is considered far on the other side of the isle from PKS. On one occasion in a PKS seminar about nationalism and change, Taufik Kiemas, the leader of PDIP, was one of the speakers.

In reporting this story, Tempo (2008, October 26) wrote:

… Zulkifliemansyah was on his way from Taufik Kiemas’s house on Teuku Umar street to Sahid Hotel Jakarta, together with that high ranking official of PDIP. Zulkifliemansyah said that they talked relaxed, with a lot of humor, without any clumsiness because of the big age difference. Zulkifliemansyah at that time was the chair of the committee in charge of conducting the seminar entitled Nationalism in the Era of Change. His job was to pick up Taufik, the husband of Megawati, the chair of PDIP. There was no serious political talk, but that trip described how close Taufik was with politicians from PKS. (p. 48)

Taufik Kiemas and the leaders of PKS were described as having a close relationship. He often met with Hilmi Aminuddin, the supreme/spiritual leader of PKS as well as with Tifatul Sembiring, the party president at the time. In his interview with Tempo, Hilmi acknowledged this relationship. Hilmi said: “It’s true, I meet Kiemas
often”, as reported by Tempo (2008, October 26, p. 48). Kiemas (Tempo, 2008, October 26) on the other hand also admitted such a relationship, especially in his effort to boost the image of Megawati, his wife, as the candidate for president in the 2009 election:

Taufik admitted that his maneuver was to find partners. He wanted the coalition to be established before the end of the year. He ignored ideological factors in coalition establishment. He said that in the end the parties with left and right leanings will move to the middle. Therefore he saw the possibility that the alliance with PKS was open. Zulkifliemansyah also agreed that ideology is no longer part of the discussion. For him, the parties programs are more important. (p. 48)

Gerindra, one of the current opposition parties, was also rumored to become part of the cabinet, especially when SBY was about to reshuffle his cabinet in 2010. Secretary General Ahmad Muzani of the Gerindra party (and also a DPR member) confirms that rumor. But he said that it was not Gerindra that took the initiative. A. Muzani said: “They offered it to us. We were willing to accept the offer but we wanted the posts of Ministry of State Enterprise and Ministry of Agriculture. We also wanted SBY to no longer sell the state owned enterprises and provide land for new rice fields” (personal communication, September 13, 2011). In the end Gerindra did not become part of the cabinet. The reason, however, is more because SBY cancelled his plan to expell PKS from the coalition rather than the rejection of Gerindra.

Being part of the power, for many elites, still means becoming part of the executive or presidential circle. Being in parliament is regarded as not really in power. Probably this is part of the authoritarian legacy which put the parliament as second, if not nothing, to the executive. The behavior of political elites, especially political party leaders after the election of the president in 2009, once again proved this point. So far, only PDIP clearly declares its position as an opposition party. During the second term of
SBY’s presidency, two other small parties, Gerindra and Hanura, also take an opposition position. Being in opposition means that a party is not part of the coalition or not having any position in the executive especially in the cabinet.

The tendency of considering the position in the executive as more valuable is not unique to Indonesia. In many Latin American countries whose governmental system is mostly multiparty presidentialism like Indonesia, a career in the executive is still more desirable than in the legislative branch. Carey (1997), for instance, wrote:

… Costa Rican politicians cannot expect Assembly careers. Although Costa Rican term limits formally allow staggered re-election, this is the exception rather than the rule. Thus Costa Rican legislators aspiring to build political careers need to look elsewhere besides the Assembly. The most desirable path to a post-Assembly position is through executive appointments. Of 33 deputies asked: “If you serve your party well in the Assembly, what compensation can you expect?” fully 30 (91%) mentioned appointments to executive ministries, the Foreign Service, or posts as directors of the country’s autonomous institutions. (p. 207)

In Indonesia, one obvious example is the behavior of Golkar’s elites. As a party that had been the backbone of Suharto’s government since the beginning, Golkar has no experience at all to be a party outside the executive power. In democratic Indonesia, Golkar has shown its tendency to always be part of the executive. Golkar’s candidates for president in 2004 and 2009 were defeated by SBY. After the presidential election of 2004, this party allowed itself to be incorporated into SBY’s administration by electing JK as its chairman. In 2009, it also immediately sought a place in the executive by ousting JK, the competitor of SBY, from the chairmanship, and elected Aburizal Bakrie as the party chairman.
Right after the loss of JK to SBY in the 2009 presidential election, a group of Golkar leaders tried to approach SBY to talk about cabinet formation. Tempo (2009, September 6) wrote:

Another political opponent of Yudhoyono, the Golkar Party, was expected to join the coalition too, especially if Aburizal Bakrie is elected as the chairman in its national conference in October. Thus, only Gerindra and Hanura Party are left in the DPR as the challengers of the government. Both have only 7 percent of the seats in the DPR, a very unbalanced power compared to the coalition, if the “koalisi sapu bersih” (coalition of everybody) attempted by the Partai Demokrat materializes. (p. 23)

As an old political player, the Golkar Party houses the most experienced politicians in Indonesia and can be a significant obstacle to SBY’s policies and programs should it choose to become the opposition. Therefore Golkar’s decision, to some extent, helps SBY in creating a stable government.

Harry Azhar Azis, one senior member of Golkar who is also a leader in the DPR Finance Commission admitted that Golkar has a strong tendency to want to be part of the executive. H. A. Azis (personal communication, October 11, 2011) said:

My personal opinion is that it is a fact that Golkar until today has the tendency to always be part of the executive. Of course the decision to be part of the executive is also based on strategic calculation of Golkar’s elites. When JK became vice-president, Golkar did not support the government in the beginning, however, we then elected JK as the chairman, which logically made Golkar part of the government. The same thing happened after 2009 when we elected Aburizal Bakrie, we reversed our political position to be the supporter of the government. Thus, depending on the elite’s decision, we might be someday willing to be outside of the government, but not now.

Elites from other parties have the same attitudes. According to Ahmad Yani, a member of the DPR from PPP, members of the DPR in general dream of becoming ministers, especially when they see that the legislature is a recruitment channel. Most
politicians, according to him (personal communication, November 23, 2011), see the executive position as more valuable:

The fact is that people are more eager to be ministers, compared to being legislators. For me the truth is that the status and role of legislator are higher than minister. DPR members are the real state officials because they are elected by the people while the minister is actually no more than the president’s aides/helpers. This mindset has been stuck in the mind of everybody since the New Order era and has not changed until today, resulting in the endless pursuit of ministerial posts.

This tendency also applies to PAN, a political party that claims to be the house of the reformers. Its former chairman, Soetrisno Bachir (SB), who used to be very close to SBY, admitted this behavior on the part of legislative members. According to SB (personal communication, August 17, 2011):

Political parties in Indonesia will always try to find an equilibrium in which they can realize their dream of becoming part of the executive. All of them want to be part of the executive: to become governors, ministers, ministers in any field as long as minister. We cannot find a new situation yet because for instance the facilities for parliament members are so much less than officials in the executive, not to mention the ministers.

When PAN decided to leave the coalition in 2006, PAN did not declare its position as a member of the opposition, only as a critical party. The reason, according to SB: “Because we saw at the time that the government was still not that bad with their mistakes. Compared to the current situation it was much different. The communication between the government and political parties at the time could still be handled by JK. Until 2009, the government could still have political communication even with the opposition or half-opposition parties” (S. Bachir, personal communication, August 17, 2011).
Even the most oppositional party, PDIP, had this tendency, at least among some of its political leaders. It is publicly known that Taufik Kiemas, Megawati’s husband, has been trying hard to move PDIP closer to the power, especially to SBY. Some of the leaders in Partai Demokrat also have positive perception about this party (A. Mubarok, personal communication, December 1, 2011; S. Mustofa, personal communication, September 29, 2011). They consider PDIP as more clear and consistent in its political attitudes and political stance, not wishy-washy like the political parties in the coalition.

In the process of ministerial recruitment for SBY’s second term cabinet, the Taufik Kiemas group tried to place their cadres in the cabinet. The mass media reported that having had Taufik Kiemas as the chair of the MPR, Kiemas’ group requested at least three ministerial posts in SBY’s cabinet as the requirement to be part of the government coalition and abandoning PDIP’s oppositional stance. According to Tempo (2009, September 6):

Since the beginning of July, after the presidential election, the special team of the PDIP consisting of Puan Maharani, Pramono Anung, and Tjahjo Kumolo had met Yudhoyono several times…. Those meetings resulted in SBY’s offer of three ministries i.e. Ministry of Communication and Information for Puan Maharani, Ministry of Energy and Mineral Resources for Pramono Anung, and Ministry of Cooperatives and Small and Medium Enterprise for Tjahyo Kumolo. (p. 29)

The effort of this group had started actually right after the legislative election of April 2009. Knowing that they had lost, the PDIP elites, specifically the Kiemas faction tried to approach SBY to be part of his coalition. Megawati, at the time, was against the move, however.

The possibility of having a coalition with PDIP was mentioned by SBY after his speech in delivering the bill of the national budget of 2010 in August 2009: “… The sign
of good relations with PDIP had been seen. After delivering his speech to introduce the 2010 National Budget Bill in the DPR Plenary Session, President Yudhoyono stepped toward Taufik Kiemas who sat in the front row. With big smiles they embraced each other. Taufik then praised Yudhoyono’s speech as the attitude of a pro-people leader” (Tempo, 2009, September 6, p. 28).

The behavior of Partai Demokrat elites (other than SBY) is also in line with the accommodative tendency and the spirit of having a big tent. For example, in responding to the effort by PDIP to approach SBY after the 2009 presidential election, Marzuki Ali, the secretary general of the Partai Demokrat, said that he did not know anything about the move related to sharing cabinet portfolios since the Indonesian system is presidential and ministerial posting is the prerogative of the president. To Tempo magazine he said: “That is the prerogative right of the president. The fact is… that we Partai Demokrat are in the position of waiting. We do not want to send a signal that we are greedy for power, and want all parties to be in the coalition. But we do not want to send a signal that rejects someone who wanted to be together with us either” (Tempo, 2009, September 6, p. 29).

Taufik Kiemas himself felt that there was nothing wrong with his effort. When asked about the PDIP’s move, Taufik Kiemas said: “Well, we had been in power, we lost. We had been in opposition too, and we also lost. But, we have never been in the coalition yet……” (Tempo, 2009, September 6, p. 29).

From a pragmatic point of view, the move of Kiemas’ faction in the PDIP is politically understandable. As Kiemas mentioned, to that point they had nott gotten political advantage by being in the opposition. As shown by the 2009 result both in the general (legislative) election and in the presidential election, PDIP lost. Perhaps what was
in Kiemas’ mind was that by being part of the executive (or coalition) they could get more access to the government if not electoral benefits. It is a reality that since they have been outside of government and in opposition, PDIP is getting short in funding. “Since becoming opposition, PDIP is short of finance. Many of its cadres are not able to do much,” wrote Tempo (2009, September 6, p. 32).

According to Tempo’s report: “Because of being outside of power, one influential leader of the Bull Party (PDIP) complained. He said that party finances are getting worse. Compared to the 1999-2004 period, the situation was much different. When Megawati was vice president, then president, according to him the business people came endlessly. To attract sources of income it is much better to be the ruling party” (2009, September 6, p. 32).

Some members of the Central Board (DPP) of PDIP who are not satisfied with the party’s stance then quit or established a new political party. By the end of 2005, for instance, after the PDIP Congress which re-elected Megawati as chairman and reemphasized the position of the party as an opposition, a number of important figures decided to quit and established Partai Demokrasi Pembaruan (PDP, Reformed Democratic Party). Among them are Arifin Panigoro, Laksamana Sukardi, Sophan Sophiaan, and Abdul Madjid (Tempo, 2009, September 6, p. 33).

There are actually some PDIP leaders in the executive, especially at the local levels (province and city/district). However, their attitudes seem to be ambiguous at best. There is still a perception that they are part of the executive and therefore it is difficult to disclose their political party affiliation as opposition. “Having participated in local
elections for five years, PDIP won around 120 district heads and mayors, and six
governorships. However, the position of the party as an opposition makes it difficult for
these local leaders to finance the party. They are even afraid of inviting Megawati to their
official residences,” wrote Tempo (2009, September 6, p. 33). If we compare this to for
instance the United States, many differences will be clear. The Republican Governor Jan
Brewer of Arizona, for example, can be publicly very critical of President Barack Obama.
The same thing applies to other Republican Governors such as Scott Walker of
Wisconsin, or Mitch Daniel of Indiana, or John Kasich of Ohio.

In general, political party elites see that the incentives to cooperate with the
executive are much higher than not. Therefore, most of the political parties and
politicians will be eager to do so. The incentive, according to Soetrisno Bachir, the
former chair of PAN, is in the end money. It can be in the form of a lucrative position, or
programs/projects.

Another important aspect is that all parties seem to agree that forcing the
president to step down in the middle of his term is not a viable option. Andi Rahmat
(personal communication, September 12, 2011), a DPR member from PKS which is
sometimes critical of the government, said:

We in the political parties have come to the conclusion that there is no way to end
the president’s term in the middle of his tenure. The main reason is that the
benefit of making the president step down in the middle of the term is too low
compared to the cost. Our cost and benefit calculation, both by using idealistic
and pragmatic approaches, pointed to the fact that there is no benefit to us to oust
the president in the middle of his period in office.
Given this situation, it is politically logical if most of the political parties’ elites seek more cooperation with SBY’s government rather than taking the oppositional approach. This in the end helps the president in making his government more stable.

In the second term of SBY’s presidency, most parties feel that the incentive to be in the coalition is even higher. One of the vice chairs of PAN, Bima Arya Sugiarto (personal communication, August 3, 2011) confirms this:

We calculate everything. For instance, according to many surveys, the benchmark for the ruling party is Partai Demokrat, while the benchmark for opposition party is PDIP. Where is our place then? We cannot play in between. To be out of the coalition, that place has been taken by PDIP. So, there is no better choice than staying inside the coalition. That is based on political calculations. …. Another reason is we also have to calculate the possibilities in the 2014 election, both legislative and presidential. To win or to get more parliamentary seats, we need access to resources and networks. You know why a party like PKS fights to be inside the coalition: because of this reason. If you are inside the government, having ministerial posts for instance, you have access to people, your special staffs are everywhere. You can also claim credit for the government programs run by your ministers. Being in the coalition is the best choice as preparation for the 2014 legislative and presidential elections.

PKS’s reason to remain part of the coalition, was also basically pragmatic. PKS, according to S. Iman (personal communication, September 14, 2011), is in the coalition because:

We, the PKS is in the coalition, actually not because of the similarity in ideology, but more because of the similarities in strategic issues. So, our main umbrella is reformist, nationalist, and religious. Our communication with the Partai Demokrat is based on this platform. We wanted to still be together via this coalition because we were both born from the reform movement. The second reason is of course related to the religious issue. We as a party to a great extent have a religious basis and we see that the Partai Demokrat is relatively more accommodative to religious matters. Besides that, PKS also wanted to show to the public that we are also nationalist.

Legal protection is another incentive for political leaders to be part of the coalition. Indonesia is well known for bad law enforcement, despite the declared
commitment of the government to combat corruption for instance. Legal protection for someone/party tends to be better if he/she/the party is part of the coalition or the executive in general. Many mayors or heads of districts from PDIP, for example, have been prosecuted by law enforcement authorities, mostly for corruption charges. Many PDIP leaders and members believe that if they are part of the coalition their destiny will not be that bad.

Related to this issue, Tempo (2009, September 6, p. 33) wrote:

Another problem that (the opposition party) faces and makes its functionaries suffer is that there are many mayors and district heads affiliated with the party who face legal problems. Most of them allegedly got involved in corruption scandals such as the district head of Sleman, Ibnu Subiyanto. He was prosecuted for corruption in the project of school textbooks procurement in the amount of 12.1 billion rupiah (US$ 1.2 million). Had the district head come from the party affiliated with the government, this type of case can usually be resolved "among friends, such as making the case more of an administrative than a corruption scandal.

Although the coalition is the main partisan support base and safety belt for the president, on several issues/events one or two member parties from the coalition cross the aisle. Examples are the case of the Century Bank bail-out and the so called Mafia Pajak (Tax Mafia) case. This phenomenon seems to be one of the characteristics of coalitions in presidential systems. However, this is not the end of the world in the Indonesian case. Some parties that consider themselves opposition parties, on the other hand, could also cross the aisle. In the case of Mafia Pajak, the coalition (minus Golkar and PKS) could still defeat the opposition by a small margin (266-264) because one party in the opposition, Gerindra, sided with the coalition.

20 The Mafia Pajak case was an attempt by some DPR members to exercise their investigative rights concerning the practice of tax fraud in the government, especially in the Ministry of Finance in early 2011. More detail about this story is in the last part of Chapter Six.
All in all, in government’s view, the political elites, including in the DPR, are more open to compromise. Therefore a deal is always possible there. Andi Mallarangeng, the spoke-person of the president during the first term and currently the Minister of Youth and Sport said that political parties in the DPR are less ideological. In his opinion (A. Mallarangeng, personal communication, August 4, 2011):

In principle, negotiation with the DPR is not very ideological. This is, I think, the difference with the Republican and Democratic Parties in the United States, which are very ideological. In Indonesia, political parties do not have clear ideological positions on various issues like the economy. There is a bit of an ideological stance when dealing with a number of issues like religious issues. Thus in the United States there is a high possibility of having budget deadlock. In Indonesia there is no budget deadlock, until today. Dealing with the DPR is more open to compromise. Here, the possibility of budget not being approved because of differences between executive and legislative is small.

Joint Secretariat of the Coalition (Setgab)

The start of SBY’s second term was a little shaky. Right after inaugurating his 2009-2014 cabinet, the president must face a harsh examination by the DPR regarding the case of the ailing Century Bank bailout. It actually started on August 27, 2009 when the DPR Finance Committee scrutinized the ballooning of the bailout from 632 billion to 6.7 trillion rupiah. Pusat Penelitian dan Analisa Transaksi Keuangan (PPATK, The Center for Financial Transaction Report and Analyses) found that there were at least 50 suspicious financial transactions related to the Century Bank. The audit report from the Supreme Audit Body (BPK) also indicated irregularities. Thus, on December 1, 2009, a DPR plenary session decided to pursue this case further through the DPR’s right to investigate. This case sparked high controversy and political maneuvering among the political parties in the DPR particularly because the main targets of the investigation are
the newly elected Vice President Budiono and the high profile Minister of Finance Sri Mulyani Indrawati. This case will be discussed in more detail in Chapter Six.

The Century case created more internal problems among coalition members. In the investigation, Golkar and PKS sided with the opposition and voted with them to say that Budiono (who was the Governor of the Central Bank at the time of the bailout) and Sri Mulyani (the Minister of Finance at that time) was guilty of making the wrong decision in offering the bailout. For SBY, the Century case indicated that he needed more tools to maintain the internal solidity of his coalition. He then decided to establish a more coordinated internal mechanism and communication in his coalition by forming a Joint Secretariat of the Coalition (Setgab).

There were competing reactions to the establishment of the Setgab. The proponents said that it was a brilliant breakthrough for SBY in consolidating the coalition. Anas Urbaningrum, the chair of the PD fraksi in the DPR, said: “This is a smart political initiative of Yudhoyono in the history of the institutionalization of a coalition in Indonesia” (Kompas, 2010, May 8). Anas explained that in the Setgab there will be discussions and agreements about various issues and the strategic agenda to be implemented by all parties in the coalition. It is expected that there will be political cooperation in developing a strong, stable, and effective government.

Another supporter is PPP politician Romahurmuzi. According to him, in their cooperation, political parties in the coalition will deal with issues such as “the selection/election of public officials and policy discussions both in the DPR and in the government” (Kompas, 2010, May 8). The appointment of Aburizal Bakrie, the chairman of Golkar, was also viewed as a positive thing.
Aburizal Bakrie was appointed the Ketua Harian (Managing Chair) because he was the most senior leader among the parties in the coalition besides chairing the second largest party in the coalition. Some analysts suggest that this was SBY’s strategy to control the Golkar chair more closely by giving him the responsibility of maintaining the solidarity of the coalition on a day to day basis. For other political parties like PKS, Setgab is a kind of mechanism for a more coordinated communication. Andi Rahmat from PKS, for instance, said: “The Setgab is only a conductor, to make the coalition mechanism smoother and to make sure that the differences inside the coalition are minimal” (personal communication, September 12, 2011).

The opponents of Setgab (Kompas, 2010, May 8), on the other hand, saw it as an indication that the political parties are colluding to divide up the state resources that they can extract through their political access and control for their own purposes. Another reaction came from Taufik Kiemas, the Chair of the MPR and the Chair of PDIP’s Advisory Council. PDIP took the lead in investigating the government in the Century Case. According to Kiemas, this Setgab is anti-democratic.

To these negative reactions, Setgab Secretary Syarif Hassan (Detik, 2010, December 29) said:

Where is the proof that it is against democracy? The existence of Setgab is in fact evidence of the existence of democratic spirit in organization-building. Setgab is a form of mutual aid (gotong royong) making the government successful. An organization with good objectives is not against the principle of Pancasila democracy. As long as it is to strengthen the government for the sake of the people’s interest, it is good.

PKB, one of the coalition members, also agreed with Syarif Hasan. “According to PKB, Setgab is a creative political act to save the nation and to support the government;
there is no reason to say that it is against democracy or the constitution,” said Marwan Jafar, one of the chairs of PKB (Detik, 2010, December 29).

Theoretically, Setgab is incredibly powerful as the major implementor of all aspects of the government agenda they decide to pursue. The group is led by the president himself with Aburizal Bakrie, the chair of Golkar, as the managing chair who is in charge of the day to day business of the coalition. With six parties as its members i.e. Demokrat, Golkar, PKS, PAN, PPP, and PKB, Setgab holds 423 or 75.5 percent of 560 DPR seats.

A number of Setgab decisions were known to have been brought to the DPR. An example: after the Setgab meeting on September 21, 2010, the Setgab Secretary announced that Setgab supported the candidates for Kepala Kepolisian Republik Indonesia (Kapolri, the Head of the National Police) and Panglima TNI (the Commander the Indonesian Military) proposed by the president to be confirmed by the DPR.

At the time, Setgab also supported Busyro Muqoddas for KPK Chair who was still being selected by DPR at the time. All of these statements were indeed accepted by the DPR. The president’s candidates for Military Commander, Agus Suhartono, and the Head of the National Police, Timur Pradopo, were all confirmed without any hurdle from the DPR. The DPR also decided to select Busyro Muqoddas as the Chair of KPK, defeating another candidate, Bambang Widjojanto. As indicated by the Secretary of Setgab, all of those issues and others were discussed in the Setgab, before being brought to the DPR.

Another example of how the coalition works through Setgab was in speeding up of deliberation of RUU Pengadaan Tanah (the Bill on Land Acquisition). Tempo (2010, August 29) reported:
According to a number of Tempo sources, in the draft of the new regulation, a project can be immediately implemented although the land acquisition is still being disputed in the court. In the new regulation, the ownership of the land is automatically invalidated if on that land there will be a government project. To solve the problems of land acquisition, the government actually did not consider drafting a new law, because it would take a long time to pass in the DPR, while the government needs the law soon and the investors have been waiting. To revise the Law on the Principles of Land Management (UU Pokok Agraria) is too complicated, because it is related to many other regulations. … therefore the option is to enact the Government Regulation in lieu of Law on the Cancellation of Land and Good Ownership. However, this option was risky, because if the DPR does not give its post pactum approval, the regulation is automatically invalidated. (p. 38)

To overcome this problem, the Setgab came up with an idea at their meeting in early July 2010 (Tempo, 2010, August 29):

A better way came out at the beginning of July 2010 from the meeting of the coalition in Setgab. … the meeting was led by Aburizal Bakrie, who discussed the issue that was attracting public attention i.e. about the definition of projects for public needs and the mechanism of land price determination. Aburizal Bakrie raised the importance of the Bill on Land Acquisition from the government. He said that this bill needs to be passed as soon as possible. There was no debate. The meeting was concluded with an agreement from all chairs of the fraksis of the members of the coalition. All fraksis supported the Law on Land Acquisition although the bill itself was not drafted yet. So, the Setgab was able to prepare the toll road for the bill to be passed as a law. (p. 40)

The government moved quickly after having this “green light” from the coalition. One week after that Setgab meeting, President SBY held a consultation meeting with the leaders of DPR at the presidential palace. After the meeting, SBY stated that the government and DPR will discuss the Bill on Land Acquisition for Infrastructure.

From that time on, the drafting of the bill was handed over to the government, no longer a DPR initiative. All parties in the coalition gave no objection to the move. Agoes Poernomo from PKS, who was a member of the Commission on Land, said that his caucus had no objection to letting the government initiate the bill. His caucus will support
the passing of the law because it will solve a lot of problems in infrastructure
development obstructed by the land acquisition problems. PDIP on the other hand
opposed the plan. A member of the DPR Legislation Committee from PDIP, Arif
Wibowo, said that the government and the DPR had agreed that this bill will be initiated
by the DPR, and the government had never said it would take it over. He suspected that
the coalition parties had colluded. “It is strange, the government suddenly wanted to draft

Nevertheless, deliberation on this bill went on and took less than a year to be
passed by the DPR, despite strong opposition from the PDIP. On December 16, 2011, the
DPR and the government enacted the Law on Land Acquisition.

Many investors had been waiting for the passage of this law. The inavailability of
a up-to-date regulation on land acquisition has long been a hurdle to the development of
infrastructure such as roads, airports, seaports, and electricity generators. The new law
was considered better in terms of providing a clear time limit to the court should the court
have to decide land disputes for development. The new law is also praised because it
guarantees the right of people especially the people who own the land by providing
information on land usage and price (Tempo, 2012, January 1, p. 73).

Meanwhile, Setgab looks not very effective when dealing with highly
controversial issues and with issues that attract wide public attention. However, we can
also say that without Setgab or the existence of the coalition in general, the effect of these
kinds of issues can be more serious for the stability of the government or the president’s
ability to control it.
Earlier in 2011, the DPR was trying to exercise its investigative rights, again related to the case of the so called Mafia Pajak (Tax Mafia). Setgab had been trying from the beginning to prevent this issue from arising. It was reported that Setgab had decided not to support the proposal for exercising the DPR’s investigative rights related to the case of the Tax Mafia (Tempo, 2011, March 6). Setgab, through its secretary Sariefuddin Hasan, reasoned that the case of the Tax Mafia had been resolved by the working committee (panja) established by the DPR’s Commission Two (Law) and Commission Eleven (Finance). Thus the proposal for further investigation was redundant.

The proposal itself was sponsored by 114 members of the DPR from almost all parties in the DPR, including, interestingly, from President SBY’s Partai Demokrat. The right to investigate the government was then discussed by the DPR’s deliberation council, after which it would be brought to the plenary session for final decision as to whether or not it would move forward. Setgab expected that its agreement would be accepted by all coalition parties. However, in the end, Golkar and PKS once again deviated from Setgab’s main position. Golkar, according to its secretary general, Idrus Marham, wanted to fix the problems in the Indonesian tax system through the use of this investigative right. Meanwhile, PKS thought that among the 114 members who sponsored the use of the right, only Partai Demokrat members withdrew from the proposal while others were still committed, and PKS had to respect that (Tempo, 2011, March 6, p. 38).

Having seen the signs of split among coalition parties on this issue, a few days before the plenary session of the DPR to decide on the proposal, SBY met with the chair
of Partai Demokrat caucus, Jakfar Hafsah, and another member, Sutan Batughana, in early March 2011. Tempo (2011, March 13) reported:

The topic was about the political constellation in the DPR in connection with the taking of a decision on the Tax Mafia Investigative right. Two members of the coalition that support the government are being scrutinized, i.e. Golkar and PKS. Batughana suggested that SBY had to be firm to expel them from the coalition. …

a few days after that meeting, SBY met again with Marzuki Ali, Jakfar Hafsah, and Anas Urbaningrum, all from Partai Demokrat. Their decision was clear: that the destiny of Golkar and PKS would be decided after the DPR plenary session. …in the plenary, Golkar and PKS indeed supported the proposal, but the vote against it was supported by more members from Demokrat, PAN, PKB, PPP, and Gerindra. (pp. 30-31)

The proposal was killed in the plenary. Thus, this coalition, despite the split by Golkar and PKS, could still maintain support for the government on this issue.

Following the deviation of Golkar and PKS, SBY publicly stated his disappointment with the members who were not committed to the agreement. The demand to punish Golkar and PKS was increasingly voiced by other members of the coalition, especially from Partai Demokrat. SBY threatened to reshuffle the cabinet and expel Golkar and PKS. After sending his messengers to Golkar chairman Aburizal Bakrie and PKS’ President Luthfi Hassan, mass media speculated that SBY had been determined to expel PKS because he saw no way negotiate further (Tempo, 2011, March 13, p. 31).

Golkar, according to this speculation, was still in the coalition because Aburizal Bakrie gave a sign to discipline his party besides the fact that SBY also calculated the big size of Golkar as a party in the DPR. This speculation, however, ended up not entirely accurate. PKS was indeed punished by SBY in the cabinet reshuffle of 2011 by replacing one of its four ministers. But both Golkar and PKS are still in the coalition today. This is
evidence, once again, that SBY’s accommodative approach and commitment to coalition-building is stronger than his desire to reduce the size of his coalition.

The split seems to be not a problem either when it is related to an issue that does not directly threaten the president’s political position. Before introducing the Bill on the Special Status of Yogyakarta Province on December 16, 2010, the Setgab had discussed the bill with Minister of Home Affairs Gamawan Fauzi on December 9, 2010 (Kompas, 2010, December 10). In the case of this bill on Yogyakarta’s Special Status, the Setgab members were split. Kompas (2010, December 11) reported:

The six political parties which are the members of Setgab had different positions regarding the Bill on the Special Status of Yogyakarta Province. After the meetings among them, each political party made a political statement separately. … the member of the Advisory Council of Partai Demokrat, Syarifuddin Hasan, stated that there were three issues discussed in the Setgab meeting about this. First, Setgab respects the special status of Yogyakarta and its people’s aspirations. Second, based on the constitution, each of the heads of local government must be elected democratically. Third, the communication with Yogyakarta’s people must be improved.

Thus, Partai Demokrat in this case took the position of supporting any government decision related to the Bill on Special Status of Yogyakarta. PKS on the other hand stated that they would lean more to the demands of the Yogyakarta people. PKS supported endorsement of the gubernatorial candidate by the unelected Sultan of Yogyakarta, which was against the government’s position. Golkar supported the continuation of the special status of Yogyakarta, which was also not entirely in line with the government’s position.

Meanwhile one of the Golkar party leaders, Priyo Budi Santoso, who is also one of the vice-chairs of the DPR, stated on behalf of his party: “as the general chairman of
Golkar, Aburizal has given his guidance about the party’s stance on the issue of Yogyakarta’s special status. He said that in his opinion, my fellow members from Golkar had to take a position that is in line with the government” (Kompas, 2010, December 21).

To overcome this disagreement, the Setgab conducted several meetings. On December 9, 2010, Setgab held a closed meeting which was attended not only by political parties as coalition members, but also by Minister of Home Affairs Gamawan Fauzi, who is in charge of leading the executive team in deliberating the bill with DPR. Like the previous meetings, the meeting on December 9 was closed. After the meeting adjourned, all the attendees left directly. The main decision of Setgab was that they will form a small team to look more closely at the issue which would be led by Aburizal Bakrie as the chair of the team (Kompas, 2010, December 24).

The effectiveness of coalition as the reward and punishment mechanism tool for the president is usually apparent when there is an issue of reshuffling the cabinet. It is clear that the political parties will always back the president (such as PKS and Golkar in the case of Mafia Pajak) when the president uses the coalition membership as his weapon to pressure them. Koran Tempo (2011, October 17), for instance, reported: “The cabinet reshuffle is indeed the president’s prerogative right. However political parties in the coalition are very nervous whether or not the number of their ministers will be reduced. When the president decides to add more ministers to a certain party it will also change the internal dynamic of that political party. Each party has its own problems.”

**Opposition?**

The term opposition has been in Indonesian political discourse since the era of multiparty presidentialism began. However the understanding about this issue seems to
be varied. Most political observers tend to associate opposition with a parliamentary system, thus regard it as alien to a presidential system. Most politicians interviewed in this research, however, regard opposition as something not really typical of Indonesian culture. But all of them agree that in the current multiparty presidential system, the existence of a opposition is unavoidable both because of the fragmented party system and for the need to have more balanced relations between executive and legislative. In the end, however, the opposition in Indonesia still reflects the accommodative and pragmatic nature of the politicians, making it possible for the president in the end to always be able to make compromises with the DPR. On issues that are controversial and/or attract wide public attention, the opposition usually takes relatively more consistent positions against the government.

What is the meaning of opposition in the Indonesian context? PDIP, the main opposition party in the DPR, through its DPR members interviewed in this research, tells us that opposition for them does not mean they are against everything that the government does or does not do. The DPR members from the PDIP, in their opinion, are also ready to side with the government when they have the same substantive position. According to B. Sudjatmiko, a former student activist during the Suharto era (personal communication, November 9, 2011), opposition means:

… First, we define opposition as being outside of the national (central) government. … Second, we have nothing to do with all matters related to positions and or posts in the ministries particularly political deals with the government. If there are such things, just let it become their business. Our critiques are about ideas, I am not saying that there is no idea when we are inside the government, it is still possible that critical ideas can still come up inside the government itself.
This understanding is in line with other DPR members from PDIP, for example Eva Kusuma Sundari, who is also known for being always critical of the government. E. K. Sundari (personal communication, November 22, 2011) said:

Actually it is not far from the concept of balancing and the actual substantive function of parliament is supposed to balance. The problem is that in practice everything that comes from the government is blindly supported by its supporters in the parliament. For me that is ridiculous. In a simple way I posit PDIP as having a substantive function in the parliament… however, my framework is clear, that is I am representing the little people (wong cilik), or the representatives of marginalized people. … therefore in the budget process I always scrutinize and question why for instance the budget allocation marginalizes poor people and women. In the process of oversight, I am always meticulously questioning for instance, why there are only 2.5 percent women in the police although crime has been growing in such a sophisticated way, and so on…

This kind of concept is also in line with the widespread perception among the public about the role of opposition. In representing this public opinion, Tempo for instance stated that good opposition does not have to be always against the government (2005, March 27). Good opposition is critical of the government, oversees the government, but must be supportive when it is about the improvement of people’s lives.

Eva Kusuma Sundari implied that when the government proposes policies that promote the interests of the groups that she represents, i.e. “the little people,” she will support the policies, regardless of her position as a member of the opposition party. She (personal communication, November 22, 2011) said:

For example, my concern is on women’s issues, so in the budget I question why there is no budget to deal with human trafficking. I was finally able to make the government put 30 billion rupiah into this when I was still on the budget committee for the national budget of 2008. When I was on the Finance Committee I was able to put into the budget for Papua, especially for human development programs and HIV prevention. I strongly proposed that to Sri Mulyani, the minister of finance at the time, and she agreed with my proposal.
The Partai Demokrat believes that the PDIP opposition is to a great extent related to the personal attitude of Megawati, its chairman, toward SBY. Therefore they claim that the possibility of working with the opposition is still open, as has been shown by several cases during SBY’s government. The vice chair of Partai Demokrat’s Advisory Council Ahmad Mubarok said: “… we know that PDIP will always be an opposition as long as its chairman is Megawati. There are many PDIP board members who want to be closer to SBY, therefore we can play with that possibility a little bit. One example is when we had a presidential event to which Megawati was invited, only Taufik Kiemas, her husband, came, and she did not. So, it is basically their internal problem” (A. Mubarak, personal communication, December 1, 2011).

Despite these different views about the opposition, some members of the DPR thought that the opposition should be something that is appreciated. Opposition for them in reality exists and is needed. Alvin Lie said: “regardless of what people say, I respect the decision of PDIP to be an opposition party. We know that inside PDIP itself there is a split in this respect between Megawati and her husband, Taufik Kiemas. We however have to appreciate their braveness to declare as opposition party (A. Lie, personal communication, November 10, 2011).

Opposition is acknowledged and in fact exists, but it is also viewed as soft by all political actors including in the opposition camp itself. According to S. Mustofa (personal communication, September 29, 2011):

There are opposition parties, but actually, PDIP for instance, they might say that their opposition is ideological, but in reality it is not based on an ideological stance, it is more about the personality of its general chairman. She is still not able to accept the fact that she has been defeated by SBY for two times consecutively.
Just like the internal situation in the coalition, in the opposition camp there is also an internal problem. There are groups that want to be part of the coalition, because they are more rational. Others still want to be in opposition because they are still emotional…

PKS also acknowledges that opposition does exist, but not as something that should be a threat to the stability of the government. Sohibul Iman, one high ranking member of the DPR from PKS, admits that opposition exists, like the PDIP, but it does not have much political power: “they are the opposition because they are brave enough to declare as the opposition. However, you know that the power of the PDIP in parliament, although important, is not so big” (S. Iman, personal communication, September 14, 2011). But again, he believes that in PDIP, the opposition is still soft, partly because there are two camps inside: one wants to be genuinely an opposition while the other wants to get closer to the current government (the president). This situation is an advantage to the government because at the internal level of opposition itself, they need some kind of moderation between the two camps, before dealing with the government.

One leader of PDIP, Pramono Anung, admits the kind of soft and more accommodative nature of the opposition, including his own party as the main opposition force. According to him (P. Anung, personal communication, September 20, 2011):

Actually, the presidential system does not recognize opposition, theoretically, …, however, if everybody is inside the government, how could we expect checks and balances between the government and the legislature? So we need the existence of an opposition party as a controlling force. So opposition in this context is more about the balancer, to control. We also understand that in the presidential system, the opposition cannot have a shadow cabinet like in the parliamentary system. However, we have been outside the government twice, and we see that public trust in us is getting better. In the first term of this presidency, people regarded us as an opposition party because of the disappointment of not winning the presidency, so we still did not get more votes in the 2009 election. As time passes, you know that people are getting more aware about our genuine position. And
because our parliament is constitutionally strong, the president must take account of the opposition, whether he likes it or not. Therefore, the president now has been calculating not only his support from the people but also political calculation in the parliament, especially between coalition and opposition.

However, Pramono added, in many instances, the difference between coalition and opposition is not really apparent. He (P. Anung, personal communication, September 20, 2011) said:

Why may we say now that in the DPR we do not really see the division between opposition and government? The answer is because the issues we are talking about in the DPR are common issues, so there is not a substantial difference among parties, except for several things directly related to people’s interests such as the fuel price hike (BBM), Century case, Tax Mafia investigative rights, and so on. So in general I can say that this parliament is too compromising (kompromistis) on most of the issues.

In agreement with Pramono Anung, another member from Gerindra, also an opposition party (A. Muzani, personal communication, September 13, 2011), said:

In practice we often find there is no opposition and there is no government loyalist party either. It is true that several parties are inside the government, but they do not always support the government. On the other hand, there is no party that is always against the government. The practice of decision making in the DPR is really based on calculation, sometimes short term, and sometimes long term calculations. … when we voted for the selection of the members of the KPK in Commission Three, we did not differentiate between opposition and coalition. Demokrat and PDIP’s choices could be the same. So, opposition and coalition could be seen only in certain cases such as the Century case.

A member from PKS, Andi Rahmat, also agreed with this. He (A. Rahmat, personal communication, September 12, 2011) said:

…our constitution does not say anything about opposition and coalition. What we have is that the president should hire ministers, and it is then the president’s behavior to reach consensus by inviting political parties to get involved… so it is the president who established the coalition, and when the president distributes ministerial posts, it does not mean that when you are not part of the government you are not allowed to get in.
Another thing that needs to be considered, according to Ahmad Muzani from Gerindra, is that the people do not continuously scrutinize the DPR members or the political parties in the DPR. They will pick and choose issues that matter the most to them. So, there is no need to stick with only one position such as always being in the opposition: “with regard to DPR decisions, the people will watch only certain strategic issues. For example in Commission Six we fought so that the government becomes more serious in revitalizing fertilizer companies by stopping the flow of our natural gas overseas. This issue, however, is not important in the eyes of the public, although it is truly an important and strategic issue” (A. Muzani, personal communication, September 13, 2011). Ahmad Muzani, in this case, implied that opposition parties must choose the issues on which they can show the public that they are against the government when the government or coalition is not in favor of issues that matter the most in the eyes of the public. This is the reason why an opposition party like Gerindra never officially declares its position as opposition although it has been outside of the government all the time.

The fact that opposition parties are still embracing and calculating their own accommodative approach toward the government makes the government always try to utilize any opportunity to get closer to them, especially to PDIP. The existence of a coalition-leaning camp in PDIP led by Taufik Kiemas, for instance, has been capitalized on by SBY on several occasions. To some extent, according to Yusril Ihza Mahendra, a former close ally of SBY, the president maintains the existence of this camp through his various political moves such as offering some concessions to Kiemas’ group. The fact that Taufik Kiemas is the chair of the MPR whose selection was supported by SBY and
his party, according to Yusril, has made the PDIP’s oppositional stand less threatening to SBY (Y. I. Mahendra, personal communication, October 17, 2011).

Coupled with the tendency of elites to want to be part of the executive in order to feel that they are in power, being an opposition is also still considered an unfortunate if not bad thing. One PDIP leader complained: “The chair of PDIP of the city of Surabaya, Ismail Mukadar, knows best what it is like to manage an opposition party. He said that PDIP is often viewed and treated like the least desirable member of the society. He also has to sell his Toyota Fortuner car to make up the shortage of funding to cover the cost of PDIP witnesses in the polling station during general elections” (Tempo, 2009, September 6, p. 33).

Other than PDIP, the big party that actually has the potential to be in the opposition, is Golkar. However, as mentioned above, Golkar never chooses this path. This party has always ousted any leader who has the tendency to be in the opposition, such as Akbar Tandjung during SBY’s first term and JK during the second term.

The tendency among elites to perceive the executive power as more important than merely having legislative power makes the opposition culture in DPR not really develop. Several political observers call this the “kultur berkuasa” (being in power culture). In one of his opinion pieces related to Golkar and PKS’s position in the coalition during the issue of the Bank Century bailout, Sukardi Rinakit stated: “When the Golkar Party lately voiced criticism, it does not mean that it intended to quit the coalition. The culture of this party is the culture of being in power. It will be difficult to be far from executive power. They know that being outside means less funding and access for
political moves and constituency outreach” (Kompas, 2010, February 16). The decision of Golkar and PKS to side with the opposition in the Century Bank bailout must be understood from the perspective that they wanted to show the public that they are with them. On the other hand, they also knew that SBY’s accommodative tendency will keep them from being kicked out of the government’s power circle.

**Critiques of Coalition Behavior**

What is coalition in the Indonesian context? The concept and practice of the coalition is still in the development process. This is one of the reasons why there is still some lack of clarity, even among the coalition members themselves. Some members of the coalition like in the Partai Demokrat regard it as full support for any government action or agenda item. Others, especially in Golkar and PKS, still consider the possibility of crossing the aisle when it comes to certain policies. Coupled with the rather loose nature of coalitions in the presidential system, this lack of clarity on what coalition is actually all about means that the coalition gets criticism from many sides. Nevertheless, the fact remains that the coalition still exists from the beginning of SBY’s presidency until today without any changes in its membership and without any event where the government shows some instability.

Some members of the coalition introduced the term “koalisi konstruktif” (constructive coalition). This issue came up during the controversial position taken by Golkar and PKS who are members of the coalition but criticized the government in the Century Bank bailout case. “The accusation of Partai Demokrat toward Golkar and PKS as having betrayed the coalition commitment sparked reactions. Vice secretary general of
Golkar Lalu Mara emphasized that his party is still in the coalition. But Golkar is a constructive coalition party. As a coalition member, Golkar will always constructively criticize the government” (Detik, 2010, January 20).

A clearer definition was stated by Hatta Radjasa, the chairman of the National Mandate Party (PAN). When explaining the coalition that PAN joined with Partai Demokrat in 2009, Hatta said that PAN joined the coalition in an effort to form a credible and dignified government: “The coalition must be defined as to support the government in establishing clean, credible, based on the truth, and pro-people governance. …so,…, let’s focus on the similarities among us instead of the differences, unity instead of division, and looking forward rather than looking backward” said Hatta in one of his political speeches in September 2010 (Detik, 2010, February 9).

Critics argue that coalition behavior in the Indonesian presidential system suffers from a number of problems. Tanuwidjaya, for instance, advances several arguments (Kompas, 2010, March 27). First, there is no clarity with regard to the meaning of coalition parties and opposition parties. Second, the basis of the coalition supporting the government is more for narrow partisan purposes than due to similarities in vision and policies. Third, the sanction mechanism for the member of a coalition who deviates is not clear. Some coalition members are difficult to be differentiated from opposition parties because they take the position of critical coalition members. Thus the only difference between coalition and opposition parties, according to Tanuwidjaya, is their access to governmental posts.
Another more widespread understanding about coalitions in Indonesia adhered to by both academics and policy makers is that coalition is an exclusive characteristic of a parliamentary system. There is an assumption that coalition is a variable that differentiates the presidential from the parliamentary system. Thus according to Sukardi Rinakit (Kompas, 2010, February 16) and Hanta Yuda AR (Kompas, 2010, April 13), for instance, because of the existence of the coalition, the Indonesian system is a half-hearted presidential system or a semi parliamentary government.

Yusril Ihza Mahendra, a former minister of the state secretariat who was fired by SBY in 2006, also criticized SBY’s coalition. He (Suara Merdeka, 2011) said that coalition only exists in parliamentary systems and SBY is the only president in the whole world who has a coalition in his government:

In forming his cabinet, SBY has been thinking as though he is in a parliamentary system. In doing so, he carefully calculated political forces in the DPR: how many of them have been in the coalition and how many have been in the opposition. Therefore he ended up making a coalition. Indonesia is the only presidential system in the world that has a coalition government. You can check which presidential system has a coalition. There is no coalition in the Philippines, in Brazil, not to mention the United States. Coalition is in the parliamentary system and when the presidential system has it, it is strange. SBY forms the coalition because he is afraid of the DPR. He worries that the DPR can at any moment exercise its investigative right, question right, or even impeachment power, while he does not have enough political back up in the parliament to deal with it.21

In fact, however, Mahendra’s critique justifies the need for a coalition by a president like SBY. His statement that only in Indonesia among presidential systems in the world is there a coalition is also not based on fact, as coalition (as will be mentioned at the end of

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this chapter) has been empirically a common phenomenon in presidential systems just as in parliamentary ones.

Another critique that is in line with this by Geradi Yudhistira (Koran Tempo, 2011, October 15) is:

… In my opinion, in the case of the threat from PKS to quit the coalition, there are two fundamental mistakes in our understanding about opposition. First, the presidential system that we have does not recognize the terms coalition and opposition. Second, the characteristics of political parties in Indonesia are very diverse. Our system does not recognize the terms opposition and coalition because it is the manifestations of the separation of power between legislative, executive, and judicative. This is the reason why the president is directly elected by the people so that the presidency is not a shadow of the parliament.

Interestingly, all of the critiques of coalitions acknowledge the importance of the coalition itself in the Indonesian context. When the parties in the coalition have disagreements among themselves the critics will say that they are supposed to be disciplined. However when analyzing the possibility of the coalition being dissolved, the critics do not see it as a real possibility. When contemplating presidential government without coalition they seem to see it as not feasible. One example is that when talking about the possibility of Golkar and PKS being kicked out of the coalition the analysts said that if that happens, SBY would need to look for support from another party, such as Gerindra or even PDIP. Or the observers said that the possibility of Golkar and PKS to stay in coalition was still a positive good for the country. After both parties siding with the opposition in the case of the Tax Mafia Investigative right in early 2011, Republika (2011, February 24) wrote:

Political analysts from Charta Politika predicted that the position of PKS in the coalition is the most vulnerable. The possibility of their being expelled from the coalition is greater than Golkar. Quantitatively, Golkar’s position is stronger because of having 106 seats in the DPR. The loss of Golkar’s support will have a
direct impact on the political constellation that has been established by SBY. Qualitatively, Golkar is the only party whose ideology is nationalist other than Demokrat. … thus PKS’s position according to him is not safe. However, Yunarto does not see that PKS will be totally expelled from the coalition.

In a nutshell, the need for coalition is actually acknowledged both by the proponents and the opponents of the idea of coalition in presidential government with a multiparty system like Indonesia.

Most of the criticism in fact seems to bring out the wrong point. Coalition for many critics such as Hanta Yuda AR and Sukardi Rinakit is the problem itself. When Mainwaring stated in his famous piece about the bad combination of presidentialism and multipartyism, his main concern was on the possibility of having a minority president without enough support in the parliament. The nature of multipartyism is coalition, and in a presidential system, by definition, the incentive to form a coalition is low. Therefore, the coalition is difficult to be formed in a presidential system. However, in the case of Indonesia, and increasingly elsewhere (such as in Latin America), coalitions can be formed and can be durable. So the coalition is indeed the solution, not the problem. The fact that coalition members sometimes engage in political maneuvering should be viewed as something natural, because not every policy can be broadly agreed to. So, the better way to look at coalitions in a presidential system is that coalition behavior is not a part of government formation but rather a part of government maintenance. As such, we have to see the coalition in presidential system in a little bit different way compared to parliamentary system.

SBY’s worry about the stability of his government if he does not maintain the coalition he has formed is actually reasonable. The move of Partai Demokrat to pressure
SBY to kick out Golkar and PKS from the coalition as a consequence of their support of the Mafia Pajak Investigative Case was in fact responded to by Golkar with their own threat of engaging in political moves in parliament. Having faced the possibility of being kicked out, Golkar prepared new political moves as counter action (Republika, 2011, February 26). The elites of this party, while waiting for the action of SBY regarding their fate, were actively monitoring the work of the Governance Commission (Commission Three) of the DPR which was assigned to handle the Tax Mafia case. Golkar was preparing to organize another effort to propose the use of the DPR’s investigative right regarding the same issues. Thus, they were threatening the coalition leader with the possibility of obstructing the government’s agenda with more and more investigative rights. Given the significance of Golkar’s size in the DPR plus the inability of Partai Demokrat to bring PDIP into the coalition, kicking Golkar out would have very likely created new political problems for the president in moving his government and legislation agenda forward.

The assumption that coalitions are not a part of the presidential system tradition actually comes from the theoretical assumption that this system does not have enough incentive to form a coalition when the elected president does not have majority support in the legislature. Since the president and the legislature are both elected by the people for a fixed term, the president’s position is not dependent on the legislature. The elected president has by himself the power to form the cabinet. The president also has various constitutional powers such as decree and veto power to implement the government’s agenda and/or policies. Thus, the incentive to form a coalition, despite the president’s lacking partisan support in the legislature, is still not that high.
Empirical studies however, show that coalitions in presidential systems are the phenomena that occur as frequently as in the parliamentary system. Analyzing all democratic countries during the period 1970-2004, Cheibub (2007), for instance, found that coalition government occurred in 39 percent of parliamentary governments and 36.3 percent of presidential systems. Using data from the period 1949-1999, Cheibub, Przeworski, dan Saiegh (2004) also found that in both systems coalitions occurred in more than 50 percent of each when the political party of the president did not have majority support in parliament. Thus, the facts say, contrary to the general assumption, that the existence of a coalition is not the differentiator between presidential and parliamentary government.

Nevertheless, coalitions in presidential government are indeed a little bit different from coalitions in the parliamentary system. The need for a coalition in the presidential system is not related to the formation of government as in the parliamentary system. It is more about anticipation for difficulties in the implementation of the government’s agenda and policies for which the government needs legislative support. Therefore, the leader of the coalition, i.e. the president, must be aware that the incentive of coalition partners to always support the government in every policy/agenda is not as high as in the parliamentary system. The deviation of coalition partners on specific will not result in the dissolution of the government. So, as shown in the Indonesian case, the risk of losing ministerial posts when a party takes a different position than the government, is not that high. Besides that, support for the government’s agenda on some issues can also be obtained from opposition parties, which is also the case in Indonesia.
In the Indonesian case, as in multiparty presidentialism in Latin America, coalition is a political reality. It is up to the leader of the coalition (the president) and the elites in the political parties to use it and make it work. In the Indonesian case, the leadership of the president and the behavior of other members of the elite reflect their effort to work it out most of the time.
Chapter Six

Cases

In this chapter, I present a number of cases of the relationship between the DPR and the president which show how the institutions that govern the interaction between the two work and make the relationship more stable than unstable. The cases also show that coalition politics complements the institutions in supporting the working of executive and legislative relations. The cases are categorized into the main functions of the DPR in the areas of budget making, legislation, and oversight.

The section on budget politics cannot present evidence from budget deliberations mainly because the transcripts are not yet available. They are still not accessible to the public. The section on the non-budget legislations’ deliberation is mainly based on the transcripts of the deliberations. Thus, this section uses first hand data. The oversight section is mainly based on interviews and secondary accounts from the media, especially from Tempo magazine.

The cases are selected based on the following considerations. First, they can be considered examples of major bill deliberations which attracted public attention. Second, they are cases that have the potential of creating tension and even gridlock between the executive and legislative branches. The Bill on General Elections, for instance, can
potentially be deliberated in a conflictual manner because it is directly related to the fate of the political parties in the next election. Third, with regard to the oversight function, I discuss several major and controversial issues which show that even in a situation with a high gridlock/deadlock potential, the institutional mechanism and coalition can resolve the problems.

**Budget Politics**

The old definition of politics as the authoritative allocation of values or resources (Easton, 1965) or “who gets what, when, and how” (Laswell, 1958), to a great extent, is reflected in budget making. One of the most important parts of the budget is the determination of the state annual budget or in Indonesian terms, Anggaran Pendapatan dan Belanja Negara (APBN, State Annual Budget). Therefore, budget politics is also one of the most important aspects of politics as a whole.

There are at least four issues in budget politics with respect to legislative–executive relations. First, who holds power over the budget? Is it the legislature, the executive, or both? Second, how is the budget itself determined? Third, how capable are the legislative and executive branches in terms of budget making? And fourth, do available political incentives encourage more rivalry or cooperation between the legislative and the executive bodies?

Theoretically, the possibility of budget politics becoming contentious is not something unusual in a presidential system which separates the power of the legislature and the executive. On the one hand, a legislature with significant budget making capacity can provide better external scrutiny and mitigate the risk of excessive executive discretion in public budgeting (Santiso, 2006). On the other, the legacy of parliamentary
weakness and incapacity in most developing countries, including in post authoritarian democracies, has convinced the policy makers to centralize the budget process within the executive. In presidential systems as in Latin America, when legislatures with weak institutional support are granted strong budgetary power, those legislatures can be “sources of financial management and fiscal corruption, as a result of patronage politics, pork barreling and electoral clientelism” (Santiso, 2006, p. 5) or budget gridlock. In the Indonesian case, a legislature with the power of budget modification has been able to exert some influence on the budget process. However, with the power of budget initiation and budget capacity still in the hands of the executive, complemented by the process and structure of decision making in the legislature, budget making has not been in gridlock. The use of several informal institutions such as pork-barreling, however, can be found as the executive utilizes them as instruments for moving the budget agenda forward.

This section on the budget function of the DPR shows that both the institutions that govern the relationship between executive and legislative bodies and the coalition politics make the process of budget determination and/or allocation every year between the DPR and the president run relatively well. During the presidency of SBY, from 2004 until today, there has been no budget deadlock. Moreover, the process of deciding the annual budget has been always by consensus, never by voting.

The president’s versus the DPR’s powers in budget making. As mentioned in Chapter Four of this dissertation, the Indonesian president is granted by the constitution the right to initiate Rancangan Anggaran Pendapatan dan Belanja Negara (RAPBN, the State Annual Budget Bill). Article 23 (2) of the 1945 Constitution stipulates that the state budget bill is proposed by the president. The DPR on the other hand holds the right to
amend, deliberate with the executive, and approve (or disapprove) it in the end. The positions of the president and the DPR in this case are equal, although the initiative comes from the president. In the implementation, the authority to manage the state budget is delegated by the president to the minister of finance as regulated by Law No. 17/2003 on State Finance. The spending ministries are then authorized to use the budget as stated in the approved APBN each fiscal year (Abimanyu in Kompas, 2011, October 5). Therefore, it is in the interest of the president to make sure that the budget that the government proposes can be passed by the DPR.

There are two general characteristics of the budget politics of the executive. First, the president keeps the appointment of his economic team, especially the Ministry of Finance, out of the hands of the politicians (Basri, 2011). By doing so, according to Basri, the government can “… insulate key economic policy areas from political interference, or at least … expose vested interests seeking preferential treatment to some sort of public scrutiny process” (2011, p. 102).

Since his first cabinet, SBY has appointed non-political party affiliated figures for the post of Minister of Finance. In 2005, when reshuffling his cabinet, SBY made Budiono and Sri Mulyani central figures in his economic team. Sri Mulyani was re-appointed as Minister of Finance in 2009. After her resignation in May 2011, SBY chose another technocrat, Agus Martowardoyo, who was the president director of the state-owned Mandiri Bank before his appointment as Minister of Finance. To many observers, SBY has always appointed technocrats to his economic team. According to Standard Chartered Bank economist, Fauzi Ichsan, the appointment of such a team reflects SBY’s
economic priority to maintain the Indonesian economy in a more conservative and careful way (Tempo, 2005, December 18). To do so the team must be filled with non-partisan people. This also makes SBY’s economic policies and team capable of distancing themselves from all political fractions in the DPR.

Second, the executive utilizes all necessary processes and incentives to avoid deadlock with the legislature. This means, from the executive side, that the government has to be careful in dealing with the DPR, especially because the government wants to avoid deadlock. One former minister from SBY’s first cabinet stated: “If the government is not tactical in dealing with them, there could be deadlock, because the budget right is in the hands of the DPR. There is no deadlock so far because we have been able to maintain our good relationship” (S. Djalil, personal communication, August 12, 2011).

The annual budget formulation process. The annual budget formulation cycle can be divided into several stages. The first stage is establishing the level of resources available for the next budget. The leading actor in the budget making from the executive side is the Ministry of Finance (MoF). At this first stage, Badan Kebijakan Fiskal (the Fiscal Policy Office) of the MoF takes the leading role. The Fiscal Policy Office prepares the macroeconomic assumptions and revenue forecasts for the budget. This step means that the maximum level of expenditure has been set under the government’s deficit target.

In doing this, the fiscal team consists of a committee of technical experts whose members represent the Ministry of Finance, the National Planning Agency, the National Statistical Agency, the Central Bank, the Ministry of Energy and Mineral Resources, and the Coordinating Minister of the Economy. Chaired by the Ministry of Finance
representative, this committee submits its analyses concerning various macro-economic assumptions needed by the Ministry of Finance which has final responsibility for the economic assumptions and revenue forecasts. This committee “will meet on numerous occasions. … Interestingly, this committee proposes a range – albeit a narrow one – rather than fixed points for each variable: economic growth, foreign exchange, interest, inflation, oil price and crude oil production. Fixing the exact variables within the range is subject to negotiations between the government and Parliament” (Blondal, 2009, pp.14-15).

Setting the limit of each these macro-economic variables by using a range can politically be the government’s way of providing room for the DPR to play its role. By providing a range the government sets the limit, which means that it can still be controlled by the government, but at the same time the DPR still has a role. In other words, it is part of the budget politics of the government in advancing its budget making agenda while at the same time giving indirect concessions (a form of political negotiation) to the legislature, thus setting the tone in the early stages for a more cooperative relationship in the whole process of the budget deliberation.

One example of a macroeconomic assumption in the annual budget is illustrated by the following table:
Table 17
Macro-Economic Assumptions of the 2010 APBN

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>APBN 2010</th>
<th>RAPBNP 2010</th>
<th>Agreement with DPR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Growth</td>
<td>5.5</td>
<td>5.5</td>
<td>5.8</td>
</tr>
<tr>
<td>Inflation</td>
<td>5</td>
<td>5.7</td>
<td>5.3</td>
</tr>
<tr>
<td>Rupiah Exchange Rates (with US$)</td>
<td>10,000</td>
<td>9,500</td>
<td>9,300</td>
</tr>
<tr>
<td>Interest rate (3 months)</td>
<td>6.5</td>
<td>7</td>
<td>6.5</td>
</tr>
<tr>
<td>Indonesia Crude Oil Price (ICP)</td>
<td>65</td>
<td>77</td>
<td>77</td>
</tr>
<tr>
<td>Oil Production</td>
<td>0.965</td>
<td>0.965</td>
<td>0.965</td>
</tr>
</tbody>
</table>

Source: Tempo (2010, April 25).

Another example is from the adjusted national budget of 2012. After finishing its deliberations with the government in March 2012, the DPR Budget Committee agreed to set the assumption for economic growth at the level of 6.5% which was originally in the range of 6.3% – 6.7%, at a rupiah exchange rate Rp 9000 = USD 1, which was originally in the range of Rp 8900 – 9100. The level of oil production was calculated at 930,000 barrel per day and the Central Bank interest rate at 5% (the original proposal was 4.5 – 5.5%), while the Indonesian crude oil price was agreed at US4105/barrel. As will be mentioned below, there is no clear basis to determine the details of each of these macroeconomic assumptions. Therefore, setting limits is one important tool for the government to make sure that the next budget is not wildly politicized without a clear economic basis.

It is difficult for the DPR to scrutinize the details of the range since it is not equipped with enough capacity and expertise to do so. The DPR also does not have any basis for comparison, for instance from independent bodies that scrutinize the
government’s forecast and analysis, because the underlying macroeconomic models for the budget documentation are not publicly available (Blondal, 2009). Given that DPR members, just like legislators in other countries, are generalists, they need information and expertise-based support when scrutinizing and deliberating very technical and long bills like the annual budget bill. The DPR not only does not have an institution like the Congressional Budget Office of the US Congress, but also lacks individual expert staff members or researchers who have expertise on public budgeting.

The DPR’s budget-making capacity therefore is not reliable. Blondal’s (2009) research argues that:

The capacity of the Indonesian Parliament in its review of the budget proposal is weak. This weakness manifests itself on several levels. First, there is great turnover of Members of Parliament. Second, the overall resources of Parliament have not increased in line with its new responsibilities. Third, there is not a sufficient specialised analytical capacity in Parliament despite recent reorganisations of the functions of the Parliamentary Secretariat-General. (p. 27)

The problem of DPR capacity in the budget is acknowledged by DPR members, including when they have official meetings with the government. In a working meeting (formally referred to as a rapat kerja, or raker) of the special committee (formally referred to as a panitia khusus or pansus) on the Bill on Legislative Bodies on October 15, 2008, for instance, one of the issues that was discussed was the timing of the state’s annual budget initiation because under current procedures, the DPR has a very limited time to deliberate the bill properly. Another reason was the problem of the DPR’s budget capacity. Hajriyanto Thohari, a member of Golkar, stated: “…of course the government knows exactly about the human resources in the DPR, the government is where the smart and experienced people are concentrated, while in the DPR, the qualified human
resources are lacking, including the number of expert staffers…” (Risalah Raker Pansus RUU MD3, 2008, October 15).

In general, this lack of technical and expertise support means that most of the budget item proposals from the government are easily passed. Another consequence is that members of the DPR focus more on the political needs of their parties and themselves by pragmatically seeking possible rents from the budget they are deliberating (Farhan in Kompas, 2011, September 30). More details about this will be offered in the next section on pork barrel type politics below.

The next step is to establish priorities for new programs. Like the first step, this one is still under the control of the executive. At this stage, the National Planning Board takes the lead. The government next submits the fiscal policies and budget priorities document to parliament for pre-budget discussions. There are two parallel discussions. The Ministry of Finance and the Budget Committee of the DPR discuss the broad macroeconomic and fiscal policy objectives, especially the key economic assumptions and revenue forecasts.

Meanwhile, spending ministries discuss their detailed work plan with their DPR commission partners. This discussion is usually about specific items and programs. The general ceiling for each ministry is usually not changed from year to year while the specifics can be. After this discussion, the government prepares the detailed budget implementation guidance which makes the document ready for the formal process of budget deliberation between the government and the DPR.

The next step, the budget deliberation, follows several stages. First, the bill is sent to the DPR at its plenary session on August 15 or 16. The bill is then deliberated by the
Budget Committee and each commission for the substance related to the scope of works of that commission together with its government partners. When each commission has finished and approved the budget for its sector, the bill is then sent to the Budget Committee to be reconciled and finalized. Once the budget committee is done with reconciliation and finalization, the bill is sent to the plenary session (level two of the deliberation process) for final approval.

In the Budget Committee, the DPR scrutinizes the budget proposal of the government by focusing on its macroeconomic assumptions. In this process, according to Blondal (2009):

The Budget Committee focuses on reviewing the macroeconomic assumptions and revenue forecasts on which the budget is based, government expenditure priorities for different sectors, and the financing of the budget deficit. The Budget Committee is guided by the deficit target agreed with the government during the preceding months (June-August). During its scrutiny, the committee focuses especially on revising the macroeconomic assumptions and revenue forecasts upwards, thus adding resources to fund additional expenditures. The analytical basis for such revisions is not clear, but is likely in response to the government’s (past) practice of underestimating revenue, especially oil revenue. Each faction may produce a specific list of issues in this regard. The Budget Committee usually forms several smaller working groups to focus on specific subjects. Most notably, the meetings of the Budget Committee are not open to the public and no record is made available of its proceedings. (p. 26)

Because of its structure, several parts of the budget are usually less scrutinized or entirely ignored. In Blondal’s description: “Civil servants are also generally tenured for life once appointed. This protection has the effect of largely insulating them from fiscal adjustments and from critical scrutiny during the budget formulation process. More generally, the traditional split of budgeting into development and routine budgets left the latter largely on “auto pilot” and not subject to critical scrutiny” (2009, p. 14).
The budget bill deliberation, both in the commission and in the Budget Committee, can be very detailed. The DPR members can ask the government, as the initiator of the bill, very specific questions related to certain programs. If they do not agree and no compromise is reached, the DPR members can put a star on the program/project which means that the budget for that item is not yet authorized for release. So it is very possible that the budget allocation in general has been agreed to and approved but because of for instance some members in a commission still see some details as problematic (for political and/or substantive reasons), funds for a program cannot be allocated. Finally, the budget is sent to level two of the lawmaking process for final joint approval at the plenary session of the DPR.

So far, budget deliberation and approval have never stalemate. Budgets are usually approved by consensus. There is no history of voting on approving the national budget so far. According to Blondal (2009):

The second – and final – reading of the budget takes place in plenary session by the end of October. The leadership of the Budget Committee will report on its deliberations, the parties (factions) will deliver their final opinion on the budget, and the government (Minister of Finance) will respond. This final reading is largely a formality, as the House in plenary session always endorses the conclusions reached by its commissions. It is most noteworthy that the budget – as amended by the Budget Committee – is enacted by consensus, rather than by majority voting. (p. 27)

Why is this so? This phenomenon is very much in line with the process in the DPR which emphasizes continuous deliberations and negotiations among parties (caucuses) until a satisfactory agreement is reached by all. As part of this emphasis on consensus, the government itself must be in agreement with the final proposal as well” (Blondal, 2009, p. 27). Besides that, this process of joint deliberation and approval makes
the DPR and the executive able to negotiate piece by piece the budget allocation, especially on how to arrive at a kind of win-win scheme. P. Anung, the vice-chairman of the DPR who deals with the economy and development (personal communication, September 20, 2011), confirmed:

What happens is that they have to please each other. 78 percent of the budget does not need to be debated, because it has been fixed every year. The debate is about the 22 percent, how we use it for development, how and how much is allocated to the ministries, so the pie is there. Inside the government itself, there is a battle, among the ministries, and usually it does not resolve itself until the process reaches the DPR. Out of this 22 percent, 12 percent is for local government. So, in the end, only 10 percent needs to be debated, that is why it is not so difficult to reach a consensus. 10 percent is small, although the nominal amount looks big, i.e. around Rp 140 trillion.

One former member of the DPR Budget Committee confirmed Pramono’s description. He also felt that the joint deliberation process makes both the executive and legislative branches think about what kind of things would be in the interest of the other side so that the process of negotiation can run more smoothly. He (R. Pratama, personal communication, September 7, 2011) said:

Let’s say the government proposes a budget revenue of 80, but they know that the DPR will probably increase it to 100. To get the remaining 20, the rationality of the budget must be justified, and this is the duty of the Minister of Finance and the chair of the Fiscal Body, during the discussion about the so called assumptions for next year’s budget between the DPR and the Ministry of Finance. In other words, when this is done, each side has its own domain in which to play, i.e. the executive with the 80 and the DPR with the 20. In terms of budget allocation, for instance, on local government spending, the Ministry of Finance will not handle certain allocations. Thus when a mayor comes to them and asks about the budget they will say that it is handled by the DPR, not by the Ministry of Finance. So they know each other’s place.
Despite this kind of mutual understanding between the executive and the legislature, the government has strict rules concerning certain aspects of the proposed budget. The government will fight to stick with the rules and related proposals, such as the budget assumptions. According to R. Pratama (personal communication, September 7, 2011):

In the assumption part for instance, because the assumption is the responsibility of the Fiscal Policy Body, which was headed by Anggito Abimanyu before, the government will try hard to stick to the original proposal because if there is a fundamental change, it will be difficult for the Fiscal Body to justify it in its academic document. If the change cannot be avoided the government will just allow the change only within the ceiling that has been proposed in the bill.

The story about the budget process mentioned above also reveals that this process is actually still executive-driven. The government steers this process from very early on after the initiation of the bill every year. H. A. Azis, a former vice chair of the Budget Committee and currently a vice chair of the DPR’s Finance Commission, confirms that despite the general assumption that executive-legislative relations are currently legislative-heavy, the practice, especially in budget policy making, shows the domination of the executive (personal communication, October 11, 2011). This is part of the reason why the proposed budget is always approved although with some changes here and there. A former member of the Budget Committee from PDIP, Hasto Kristiyanto, also confirms this: “most of the APBN is in the hand of the government. That is because the government has not only the budget initiative, but also the infrastructure and the implementation of all programs and projects” (Kompas, 2011, October 5).

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22 Naskah akademik (academic document) is a document that should be attached to a bill proposed to be deliberated in the DPR. This document contains theoretical and objective background regarding why the subject in the bill needs to be regulated by law.
The domination of the executive is shown, for instance, by the fact that the planning and proposing parts of the budget are fully controlled by the government. Later, when the government sends the bill to the DPR, according to Harry Azhar Azis, the DPR does not have enough capacity to scrutinize it in every detail. “When a few members know some details of the budget they can ask the government in the deliberation process. However, even if the minister’s argument can be defeated, the government can always ask for the lobbying process, which usually makes compromise easier” (H. A. Azis, personal communication, October 11, 2011).

Actually, the DPR is able to play a role later on in the oversight process, which is often more legitimating than scrutinizing. There is evidence, however, about substantive oversight in the budget implementation stage, but only on issues that are controversial or attract more public attention.

Since this process is in practice more in favor of the executive, the government always tries hard to stick to the current legal framework, which becomes the basis for the process of budget negotiation between the government and the DPR. One important related law is Law No. 17/2003, which puts the power to manage state finance heavily on the executive branch, especially the Minister of Finance. The DPR has tried several times to amend or even replace the law but the executive so far has always been able to block the effort by refusing to start the deliberation process. H. Naja, a member of the DPR (personal communication, September 12, 2011), said:

…when the DPR took the initiative to replace the law, Minister Sri Mulyani did not agree to discuss the bill on the ground that it was the Ministry of Finance’s domain, not the DPR’s. Should there be any changes, they should come from the executive. So, it is clear that the government actually vetoed it. If someone said
that the relationship is legislative-heavy, the fact shows that in the context of finance, the DPR is actually weak because the law stipulates that budget proposals can come only from the executive.

Another part of budget politics is the effort of the executive to make sure that the budget is not criticized that much. One aspect of this is the capacity of the DPR—the Budget Committee—which until now has not been equipped with enough capacity to compete with the capacity of the government budget team. The Budget Committee needs enormous expertise support to scrutinize the items line by line in the budget bills proposed by the government. The proposal by the DPR to add more expertise support has been always rejected by the government. According to Salang in Mimbar Politik (2011, October 16): “… This is part of budget politics. The executive does not want the budget bill scrutinized in detail. They do not want the DPR to be capable of scrutinizing the budget” (p. 49).

Salang said that it is difficult for the budget committee members to work properly on the budget proposal because they are also members of commissions, which means that they do not have enough time to do so. The very limited time available to deliberate the budget in the Budget Committee (sometimes no more than two weeks) is also problematic. Therefore the only way the budget committee can catch up with the government in this matter is by having a kind of parliamentary budget office which can make the DPR able to follow the budget closely on an everyday basis. However, this proposal for a parliamentary budget office has been rejected by the executive lately (Djadijono & Efriza, 2011).  

23 See also Mimbar Politik, 2011, October 16.
Pork for policy politics. A kind of pork barrel politics, albeit covertly, is also actually played by the executive to make sure that the proposed national budget is always passed. Proportional logic is used. The bigger a political party’s size, the bigger pork barrel it will get. Of course this is done through negotiation, especially among the members of the president’s coalition. According to R. Pratama: “that is the most acceptable and logical thing, because this is a proportional politics. This practice of a kind of pork barrel politics actually has been there for a long time, albeit not official” (personal communication, September 7, 2011).

That the budget politics includes the so called “deal” is also confirmed by a former minister during SBY’s first administration (S. Djalil, personal communication, August 12, 2011). According to him, when the deal with a certain commission or the Budget Committee is related to program and budget allocation to certain sectors and/or regions, the bureaucrats under the ministers will take care of them. Another time that can involve the executive and legislative branches in pork barrel politics is the middle of the fiscal year, when the government proposes amendments to the ongoing national budget. According to Sofyan Djalil, during this period, the DPR members, especially from the Budget Committee, can ask to change certain posts.

The most famous is the so-called Fund for Local Infrastructure Development Acceleration, in which the DPR can ask the government to allocate a certain amount of the budget for certain regions whose mayors or heads usually have ties to DPR members. In exchange, the government will not be challenged if it proposes, for instance, to change
the world fuel price assumption which will affect the revenues and/or subsidies that the
government must provide for certain sectors.

The use of money and other facilities in budget politics is also confirmed by
Yusril Ihza Mahendra, although indirectly. When asked for his opinion on use of the
lobbying mechanism of providing money so that the DPR can be more easily encouraged
to compromise, Y. I. Mahendra (personal communication, October 17, 2011) answered:

… I did not know whether others did that or not, especially in the meetings for
budget deliberation. I myself tried to be strict, because my experience when I was
Minister of Justice tells me that it is better for us not to provide money or other
facilities. However, when we have meetings with the DPR and we want to do it
outside Jakarta or outside the DPR building, for instance in the Bogor State
Palace, it is logical to provide them with transportation money. About others, I do
not know, especially when it is related to budget deliberation.

Basri also confirms this: “It is widely believed that large sums of money are a
prerequisite for the successful passage of major bills, especially the budget” (2011, p.
101).

The story about how the executive branch is getting around the power of the DPR,
especially on budgetary matters, is described by the story of the stimulus package in 2009
which, among other things, caused Abdul Hadi Jamal, a member of parliament from PAN
and on the Budget Committee, to be convicted on a charge of corruption. In its report,
Tempo (2009, March 29, pp. 82-83) wrote that in the process of providing a larger budget
for infrastructure for the Ministry of Transportation in the 2009 budget, some DPR
members from the Budget Committee conducted informal meetings with representatives
from the Ministry of Finance. Their goal was to agree on the increase of the stimulus
budget for infrastructure development from Rp 10.2 (as proposed by the government) to
Rp 12.2 trillion.
The meeting also agreed to use the Rp 2 trillion increase to be given to several leaders and members of the DPR to be funneled to their regions as infrastructure projects that are managed by the Ministry of Transportation. The representative of the Ministry of Finance who was present admitted that such a meeting had occurred. The problem with Abdul Hadi Jamal was that later in the implementation of the project he requested some kickbacks from the region where his projects were implemented, making him vulnerable to the accusation of corruption.

Another story that reveals the existence of pork barrel politics in the budget is the story from the case of the so-called mafia anggaran (budget mafia). As stipulated by the amended constitution, the DPR holds the authority to modify and/or reject the budget proposal from the executive. It is called the budget mafia because this authority can be used by members of the DPR to allocate certain parts of the budget as they wish, with the concurrence of the executive agencies (or ministries) to which the budgetary allotment is made. Again, several members of the DPR were charged with corruption related to this issue, not because of distributing projects to certain regions, rather because in the process of the projects, these members asked for kickbacks from the regions where the projects took place.

In the 2005 budget, for example, there was a fund for natural disaster management in the Department of Public Works for 174 districts and municipalities in the amount of Rp 609 billion (Tempo, 2005, October 9, p. 24). The allocation of this fund must be agreed to by the DPR Budget Committee, thus encouraging many of the heads of the regions and municipalities to lobby the members of the Budget Committee in order for them to get the fund. In this process several members of the DPR asked for a
kickback. The rumor said that the kickback that they wanted was around 4% of the budget allocated to them. Several members who got caught by Komisi Pemberantasan Korupsi (KPK, Corruption Eradication Commission) were then charged with corruption. Despite the corruption charge, this story clearly tells us that the pork for policy practice is well underway.

The allegations and rumors about the practices of the budget mafia, where the DPR members help to funnel certain parts of the budget to certain regions and/or groups and demand kickbacks for such activities have been there for quite a while. The allegation that there is a kind of budget mafia in the DPR attracted public attention again when the secretary of the Ministry of Youth and Sport, Wafid Muharram, was caught by the KPK on April 21, 2011 (Tempo, 2011, May 22, p. 28). He allegedly took a bribe in the form of a check amounting to Rp 3.2 billion from the director of PT Duta Graha Indah Mohammad el-Idris, the construction company that was implementing the athlete housing construction project for the Southeast Asian Games XXVI in Palembang.

Mindo Rosalina Manulang, the partner of el-Idris from PT Anak Negeri, who was also caught, said that the money given to Wafid was for several members of the DPR’s Sports Commission as a kickback for giving them the construction project. Manulang was on the staff of Nazaruddin, the Treasurer of the Partai Demokrat in the DPR. The budgeting process has been an important place for the practice of such pork barrel politics. Several members of the DPR also used it to line their own pockets. Here is the modus of such practices according to Tempo (2011, May 22):

24 PT (Perseroan Terbatas) is roughly the same as Limited Liability Company (Ltd.) or Incorporated (Inc.).
the members of the DPR use their rights for budget modification and approval to get the benefit. Some of them, for instance, contacted the head of regions/municipalities and offered them some of the budget items and then asked for fees around 5 to 10% of the approved budget. This kind of deal is also used to decide several crucial articles in the process of bill deliberation, especially on the budget. (p. 28)

Since this type of pork barrel politics is not yet clearly regulated in the DPR, the possibility of being corrupted by members and their partners in the executive is high.

Violations occur in all party caucuses. On this, Tempo (2011, May 22) reported:

This dark transaction was conducted by several politicians from almost all caucuses. One businessman admitted that he met several times with members from the Democrat Party to talk about budget allocations for certain posts in the Adjusted National Budget. For each budget item there is a kickback of around 4% … a mining businessman said that dealing with the Democrat Party is most attractive because of its position as the ruling and biggest party in the DPR. This caucus can help them get large budget projects from the APBN… (pp. 28-29)

Other parties do the same thing. Tempo (2011, May 22) added:

One head of a region said that when meeting each other, the heads of the regions/municipalities will exchange stories about which DPR members they can ask for certain items in the national budget. They tend to use the channel of the political parties that supported them in the local elections. One former member of the Budget Committee said that each party usually has certain members who are collecting money. These members are usually posted in the Budget Committee. Here the process of budgeting is played out so that it can be passed easily. Members of the Budget Committee who are not able to collect enough money for their political parties will usually be posted to other DPR organs and replaced by other members. (p. 29)

A member of the DPR from PDIP, Aria Bima, admitted that such practices of pork-barrel politics exist. The problem with members who were charged with corruption according to him was because they asked for money for the projects they channeled to certain regions or groups. He said that there are not many of this kind of member in the DPR. This practice of pork barrel politics for him is not something wrong. “What is
wrong is when you asked or got money for such projects you have helped channel, not the pork barrel politics itself” added Aria Bima in Tempo (2011, May 22).

This practice of pork politics in the budgeting in the DPR is related to the way the annual budget is deliberated and decided. There is a kind of “informal understanding” on this issue between the government and the DPR, that when there is “dana optimalisasi” (optimalization funds; i.e. the funds that are available because DPR members of the Budget Committee change the macro assumption a little bit) it is a domain for the legislature to play with (R. Pratama, personal communication, September 7, 2011; H. A. Azis, personal communication, October 11, 2011). This then becomes the area the DPR members can use to either find some “additional income” or as a way of re-routing the budget to his/her electoral district. The issue of the so called calo anggaran (budget middle-man) is very much related to this.

One of the very important sources of this type of pork-barrel fund is the so-called Dana Percepatan Pembangunan Infrastruktur Daerah (Fund for Regional Infrastructure Development Acceleration). This fund to some extent overlaps with Dana Alokasi Khusus (DAK, the Special Allocation Fund) stipulated in the Law on Central and Regional Fiscal Balance. In practice, however, this fund is still deliberated on and allocated separately. The executive seems to just let this happen since it can be something for the DPR to play with.

According to Farhan, secretary general of FITRA (Indonesian Forum for Budget Transparency), “The Budget Committee of the DPR actually has no technical capacity to determine the amount of the allocation and the location/region where it should be disbursed. …However, the DPR Standing Orders do not provide a clear procedure for
this. As a result it is then subject to negotiation between the executive and the DPR” (Kompas, 2011, September 30).

According to Anggito Abimanyu, a former head of the Fiscal Policy Office of the Ministry of Finance, who usually represented the Minister of Finance when discussing the annual budget submission, it is true that there are some loopholes in the DPR’s budget process. One important example is that because of the changes in the macroeconomic assumptions, there is a possibility of the emergence of new spending posts not previously proposed by the government. This is then subject to the negotiation among the DPR members especially the Budget Committee. Abimanyu in Kompas (2011, October 5) wrote:

In practice, there are several weaknesses in the budget planning and process. First, the emergence of spending items outside the government proposal. Second, the very detailed discussion/deliberation that includes where a certain project should be allocated. This can make the process slow, and in some instances, delay the budget disbursement. Third, there is a possibility of disharmony in the result of the budget deliberation in the commission and in the Budget Committee which can create internal tension inside the DPR.

Several DPR members, in their interviews with the media, publicly acknowledged the existence of such practices. Andi Rahmat from PKS and Setya Novanto from Golkar for instance said that this is true but they rejected to be considered “calo” (brokers, intermediaries, fixers). Instead, they consider what they do as “mengawal anggaran” (guarding the budget) for the regions and local people, especially in their own districts.

In one interview with Tempo (2011, May 29), a member of the Budget Committee, Andi Rahmat, said that he also protects the budget for certain regions, especially his own district. He said that he often contacts and meets with the heads of regions to introduce them to the state budget that might be accessed by them. Most of the
regional heads he meets are from his district. He then tries to help those regions get certain projects through his work in the Budget Committee. The practice of trying to get more funds for certain regions or groups in one’s district, for Andi is something usual. Nevertheless, he also admitted that it is possible that some members try to use this opportunity to gain personal benefit. In his words: “You know, we deliberate and determine a budget in the amount of more than Rp 1,200 trillion in only three months time. It is very possible to have some budget leaks or violations” (Tempo, 2011, May 29, p. 36).

Similarly, Setya Novanto, the chair of the Golkar caucus, confirmed that there are such practices (Tempo, 2011, May 29). He said that his party has never used the state budget for funding its activities. However, he admitted that his party always tries to funnel several budget items for the districts where Golkar is dominant. “It is a usual practice” he (Tempo, 2011, May 29, p. 36) added. Bambang Soesatyo, a member of the DPR from the Golkar Party, also confirms the practice. He (Kompas, 2011, September 29) said:

Members of the Budget Committee can ask for certain projects for certain ministries or other state institutions. In exchange, the budget proposals from those executive agencies are approved by the DPR. … Each member of the DPR can also propose certain budget allocations for his/her district when he/she is in the process of budget deliberation in the commission. The ministers, to a certain extent, also have some discretion to allocate or re-allocate certain projects to the regions intended by a DPR member, thus making the budget easier to be jointly approved by the executive and the DPR.

However, according to Soesatyo, it will be difficult to prove that such practices occur if we consider them illegal, because engaging in pork barrel politics is something like farting. Everybody can smell it but nobody knows who did it.
Romahurmuziy, the chair of Commission Four of the DPR from PPP, added that one of the challenges the DPR member faces is how to deal with the demands/proposals from constituents. He said: “When there are proposals such as to repair or to construct roads or ports, we have to think about it. … These demands push a number of DPR members to try to allocate projects that have been planned by the government to meet their constituents’ needs. They have to compete because the number of such projects is very limited” (Kompas, 2011, October 6).

The DPR has actually been trying to legally insert a new type of spending line into the annual budget to be used by each member as a kind of pork-barrel fund. The member can also take credit for such fund allocations for political career maintenance purposes. This proposal, however, has been rejected so far by the executive.

**Legislation**

This second part presents the deliberations on several bills that I consider examples of bills where the executive and the DPR have been in a situation of potential for deadlock. Not only have these bills attracted public attention, hence become controversial to a certain degree, but they have also been related directly to the existence of the political parties. Thus the political parties have had to pay close attention to every detail of these bills. This part shows that the institutions and the process through which each bill has had to go make the executive and the legislature able to achieve compromises and avoid deadlock.

**The Bill on the General Election of 2009 (RUU Pemilu 2009).** There were no fewer than sixteen main issues debated in this deliberation (Katarina & Rahardjo, 2008). Several of them are worth discussing to show how the variables that explain legislative-
executive relations work. These issues are the name of the electoral system, the number of DPR members, electoral district and district magnitude, the pre-candidacy process, the letter of endorsement, the calculation of the seats for the remaining votes, requirements for participation, electoral threshold, candidacy process, materials and equipment for the voting process, the voting process, women’s representation, members of Dewan Perwakilan Daerah (DPD, Regional Representative Council) from political parties, the residency rule for DPD members, media regulation, and regulation of the quick count.

Regarding the name of the electoral system, the government as the initiator of the bill proposed that the system be an open proportional representation system. All parties in the DPR agreed that the system should remain proportional representation but several parties proposed some variation. The Golkar Party wanted a PR system with limited open list (daftar calon terbuka terbatas). PAN proposed open PR. PDIP wanted limited open PR like Golkar. This disagreement could not be resolved during the debate even after the issue was brought to the working committee. The working committee then decided that it should be brought to the lobbying process. In the end all parties agreed to stick to the proposal from the government, i.e., an open PR system.

About the number of DPR members, there were three alternatives: first, just like the DPR of 2004-2009, the total number would remain 550, all provinces would have the same number of seats, but the provinces that have been divided into two or more provinces (pemekaran or blossoming, a movement that threatened to get out of hand a few years ago but now seems to be under control) would have a reduced number of seats. Second, under the principle that every province should have the same number of seats,
and new provinces should have their own seat allocation, the DPR members would become 553 (there is one new province and 3 seats to be allocated).

Third, every province would have the same number of seats, but several provinces would have additional seats to narrow the gap between high density and low density populations. In this proposal, the number of DPR members would be between 560 and 576. The government proposed the number of 560, using the third criteria (Risalah RUU Pileg, 2007, September 17). An additional 10 seats came from 3 additional seats for Aceh, 4 additional seats for Papua, and 3 additional seats for West Papua. Parties that agreed with the government were PDS, PKS, and PAN. Partai Demokrat, PDIP, and PPP wanted it to be 550, just as in 2004-2009. The Bintang Pelopor Demokrasi (BPD, The Star of Democracy Pioneer)25 caucus proposed 600 seats. PKB proposed 576. After hearing the government’s explanation, followed by the process in the working committee and continued in the lobby process, it was finally decided that the third principle would be adopted, making the number of DPR members 560.

The deliberative process related to this issue of the number of DPR members shows how the presence of the government as a part of the bill’s discussion process made it possible for the disagreement between the DPR and the government to be worked out piece by piece. When most of the political parties did not agree with the government on this issue, the chair of the deliberation part of the process gave the government the opportunity to explain its position. The government could quickly see whether it has to

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25 BPD (Bintang Pelopor Demokrasi, The Star of Democracy Pioneer) is a political caucus comprised of several small parties i.e. PDK (Partai Demokrasi Kebangsaan, National Democratic Party), PBB (Partai Bulan Bintang, Crescent and Star Party), PPDI (Partai Penegak Demokrasi Indonesia, The Pioneer of Indonesian Democracy Party), and Masyumi Party.
modify or stick to its original stance regarding certain issues depending on the
development of the process. This also minimizes the possibility of having deadlock.

The requirement for political parties to be eligible to participate in the general
election is another issue that was debated heatedly. This debate was considered the most
contested issue in the bill. The main issue was the so-called electoral threshold, under
which parties that received below a certain national vote percentage would not be
permitted to contest the subsequent election. With the rationale of making the party
system more simple (multipartai sederhana), big parties like Golkar wanted a high
threshold. They proposed a threshold of 5%. PDIP and middle parties like PAN and PKS
and PKB wanted a threshold of 3% or 4%. Small parties like PDS and parties in BPD
wanted no threshold or no more than 2%. Ryaas Rasyid from BPD said that an electoral
threshold would favor the majority (big parties) while disadvantaging the minority (small

Simplifying the party system, according to Ryaas, should not be forced by using
an electoral threshold, because the PR system that we use is a system that provides room
for minorities. Therefore if we really wanted to simplify the party system we would have
to switch to a plurality or district system. Ahmad Muqowam from PPP said that the
implementation of the electoral threshold should not eliminate certain political parties. In
line with this voice, another small party, PBR, through its representative Bahrum Siregar,
agreed with Ryaas Rasyid and stated that the electoral threshold concept should be erased
from the law (Media Indonesia, 2007, September 12). The government proposed an
electoral threshold of 5% but for the election of 2014 (not for 2009).
Through the lobbying process via the working committee, it was then agreed that the political party that has 3% of the votes in the 2004 election could be automatically participants in the 2009 general election. However, for the parties that have seats in the DPR regardless of their vote percentage, they could also automatically be participants in the 2009 general election.

Besides this electoral threshold, Golkar and PDIP also proposed a parliamentary threshold, which means that only parties with a certain percentage of the vote could send their representatives to the DPR. The parliamentary threshold was set at 2.5%, meaning that only political parties that gain at least 2.5% of the vote nationally can send their representatives to the DPR or become part of the seat calculations for the DPR.

All of these heated disagreements were solved in a multi-stage process in the DPR. They were deliberated in general in the special committee, then brought down to the working committee, then to the lobby mechanism and finally to the formulation team. From the special committee through the lobby and the formulation team, the participants in the debates become fewer and fewer, but the government representative is always there. This kind of consensus process/mechanism makes the DPR able to solve disagreements piece by piece, and therefore avoid deadlock.

Another issue was related to the district magnitude. The government proposed that the province as a whole or part of the province be treated as an electoral district, depending on population. Each electoral district, according to the government, would have a district magnitude between 3 and 12. Several parties wanted some modification. Golkar, PPP, and PDS stated that when the electoral district is part of the province, it must be in the form of the already established kabupaten (district) or kota (municipality).
or some combination of districts and municipalities. Currently, the district and municipality have directly elected legislatures and executives, and are the lowest level of government to do so.

PAN and BPD wanted to stipulate that provincial and sub-provincial boundaries should be applied only to the national election for the DPR. With regard to district magnitude, Golkar wanted a smaller number, between 3 and 6 seats. PDIP’s proposal was similar to Golkar’s, between 3 and 6 or 7. PKB said it wanted between 3 and 10 seats. This issue was not resolved in the working committee and again was brought to the lobby process before going to the formulation team stage.

Another part of the debate dealt with requirements for characteristics of the parties that would make them eligible to run in the election. The government proposed that in order to be eligible as a contestant, a political party must have chapters, along with board members, in all provinces, and in at least 75% of the districts/municipalities in each province. In addition there was also a membership requirement of at least one thousand members or one per thousand population, as proven by the membership card.

Political parties had different stances regarding this issue. Partai Demokrat wanted the membership requirement to be eliminated. BPD had a similar stance to Partai Demokrat but wanted to reduce the requirement of having chapters in all provinces. According to Ryaas Rasyid, a representative from BPD, the law should make it easier for the parties to participate instead of making it harder. The fact that we have decided (in the law on the Aceh government) to allow the establishment of local political parties, according to Ryaas, should be a precedent to make the requirements easier. Therefore
there should be less than 100 percent of the provinces required to have chapters namely only about 75% of the provinces and 50% of the districts in each province.

The requirement to have at least 1000 members, added Ryaas, should be eliminated because membership lists can be made up. Ryaas said that it is better to use other measures such as the party office which can be more easily verified than membership. PBR and PDS had a similar position to BPD. This issue was then delegated by the working committee to the lobbying process and the formulation team. In the end it was agreed that parties must have chapters, along with board members, in at least two thirds of provinces nationally, two third of municipalities/districts in each province and at least one thousand members or one per thousand of the population as proven by the membership card.

There were two issues that could not be resolved through the multiple stages of the consensus mechanism and the lobbying process at level one of this bill deliberation. First, all parties agreed that the winning candidate is the one who gains at least 30% of the quota (the number of votes equal to one seat at the national level and local level). The problem is how to determine who gets the seat when there is more than one person in a political party who has won at least 30% while the number of seats gained by that political party is less than the number of people who got at least 30% of the quota. Several political parties or party caucuses like Golkar and BPD proposed that it be determined based on the order on the list of the candidates.

Other parties like PAN, PPP, and Partai Demokrat wanted it simple: just allocate the seat to whoever gets the most votes. The initial proposal from government was similar to PAN, PPP, and Partai Demokrat’s position. Since this issue could not be
resolved at the first level of deliberation, it was then sent to level two or the plenary level. After two lobbying processes at the plenary level, and consultation meetings between the parties and the government (the executive), this issue was resolved consensually. The decision was that the determination of the allocation would be based on the list order of the candidates.

The second issue was about the calculation of the remaining seats after the seats related to the quota for every party have been counted at the level of the electoral district. Parties like Golkar, PDIP, PKB, PKS, and BPD argued that the remaining seats must be counted for the parties that gain at least 50% of the quota. If there are still remaining seats, all remaining votes will be combined at the province level to be translated into the remaining seats by using a new quota.

Other parties like Partai Demokrat, PPP, PAN, and PDS proposed that the remaining seats must be allocated for the parties that gain at least 30% of the quota. If there are still remaining seats, all remaining votes of the political parties will be combined at the province level to be translated into the remaining seats by using a new quota. After two times of lobbying process at the second level of deliberation (the plenary session) this issue was still not resolved. The decision was then made by voting, with the result that the first option (Golkar, PDIP, PKB, PKS, and BPD) won by 320 to 167.

This general election bill was jointly approved by the government and all parties in the DPR through a plenary session on March 3, 2008. In his report representing the special committee, Chair Ferry Mursydan Baldan reported that the committee had
conducted 13 working meetings with the executive starting on July 10, 2007.\textsuperscript{26} Included in these meetings were the meeting with the DPD and ten meetings that specifically deliberated the 626 questions posed by the government in its formal Daftar Inventarisasi Masalah (DIM, Problem Inventory List). The special committee then established the working committee which had deliberated all issues in the inventory list in its 16 meetings. The work of the special committee was then finalized in the formulation team and the synchronization team before it was returned to the special committee as the end of level one deliberation.

For the general election of 2014, the DPR discussed the bill again with several proposed amendments. This time the bill was initiated by the DPR. After the drafting of the bill, there were several issues that were debated heatedly. There were five proposals on the magnitude of the parliamentary threshold. The parliamentary threshold, as explained above, is the lowest percentage of votes that a political party must win in order to be included in the calculation of the votes to be translated into legislative seats.

PDIP and Golkar proposed that the parliamentary threshold must be five percent. Partai Demokrat wanted four percent. PKS took the position that it must be somewhere between three and four percent. Other political parties (PAN, PPP, PKB, Gerindra, and Hanura) stuck to the current provision of two and a-half percent. The political parties that proposed the larger number reasoned that it was necessary to make sure that the Indonesian presidential system is moving toward a simple multiparty presidential system.

The other political parties, especially the ones that stuck to the current provision, reasoned that the large threshold will violate the principle of proportionality because the

\textsuperscript{26}See Pansus Report in Katarina & Rahardjo, 2008, pp. 331-335
larger the threshold the larger the number of votes that will be not be counted in the distribution of seats. If the threshold is around four percent, for instance, the number of votes that will not be counted—based on the result of the 2009 general election—is about 22 million (Kompas, 2011, November 10). An additional issue was whether the threshold must be nationally applied or there must be a different threshold for national and local legislatures. Partai Demokrat, Golkar, PPP, PKB, Hanura, and Gerindra took the position that the threshold had to be applied nationally. In other words, there is only one threshold for all legislatures both for DPR and DPRDs. Meanwhile PDIP, PKS, and PAN wanted a different threshold for each level of legislature at the national, provincial, and district/municipality levels.

On the issue of district magnitude, there were also several proposals. The official proposal in the bill initiated by the DPR was between 3 to 10 seats per electoral district. The Partai Demokrat however proposed that a magnitude of 3 to 8 seats per district would be better. Other big parties agreed on smaller magnitudes such as 3 to 6 seats per district. The debate revolved around the need to strengthen the presidential system through reducing the number of political parties in parliament.

Thus, besides using a parliamentary threshold, DPR members believed that making a smaller district magnitude would also help reduce the number of political parties in parliament. Just like the debates on the parliamentary threshold, reducing the district magnitude was seen by the smaller parties as the way for big parties to kick them out of the political arena. Therefore, most middle and small parties agreed with the official proposal in the bill which is 3 to 10 seats per district (Kompas, 2011, November 1). Those parties were PAN, PKS, PPP, PKB, Hanura, and Gerindra. Together these
parties tried to consolidate and conduct intensive lobbying with the big parties to find the compromise.

The election system was another contentious issue. PDIP and PKS wanted a closed PR system, while the others want an open PR system like the current one. All of these are issues had been on the table before (when the DPR discussed the election bill for the 2009 elections). With the system of deliberation in the DPR, we can predict that these issues will be finally resolved through the consensus mechanism and multiple stages of deliberation, including the lobbying and consultation mechanisms.

On the issue of the electoral system, Golkar Party and PKB supported maintaining the current system which is open party list proportional representation. According to Priyo Budi Santoso, a deputy speaker of the DPR from Golkar, the open proportional system that was used in the general election of 2009 is ideal for Indonesia and also a middle way (Kompas, 2011, October 8). With an open proportional system, according to him, everybody has the same opportunity to be directly elected. In addition, the system is more democratic.

A member of the special committee from PKB, Malik Haramain, agreed with Priyo and stated: “…the open proportional system is the most ideal one for the election. The reason is because that system guarantees the voters’ sovereignty. With that system, political parties must put their best cadres on the list in order to make their way to the parliament. The candidates are also forced to be more active in reaching the voters” (Kompas, 2011, October 8). PDIP on the other hand wanted the system to be changed back to the closed proportional system.
The main reason for this was political party strengthening. The chair of the special committee of the proposed election law, Arif Wibowo, who is a member of the DPR from PDIP argued: “...the basic value that we adhere to is collectivism, and its strengthening is at the level of the political party. The open proportional system is complicated and costly. The closed proportional system on the other hand is less expensive. Besides that, this system can strengthen the multiparty presidential system” (Kompas, 2011, October 8). The proposal from PDIP was supported mainly by PKS, while others preferred the open proportional system.

Another part of the process was the rapat dengar pendapat (RDP) or hearing. There are two types of hearing, i.e the RDP in which the DPR invites the related government institutions to its meeting to hear suggestions or discuss issues generally and the rapat dengar pendapat umum (RDPU, public hearing) in which the DPR invites civil society organizations or the public in general to consider any suggestions or concerns from the public. The special committee for this bill had conducted a hearing with five government institutions: the Indonesian Commission for Broadcasting, the Press Council, the General Election Commission and two others. The special committee also conducted a public hearing with civil society organizations such as the Center for Electoral Reform, the Center for Law and Policy Studies, The People’s Election Watch Network, Indo Barometer (a political pollster), and several universities such as the University of Indonesia, the University of North Sumatra, and Hasanuddin University. The special committee also conducted a hearing with the DPD.

All these invited institutions seemed to be appropriately chosen given that all of them are related and committed to better elections. To what extent their suggestions have
influenced the process and decision of the special committee is another issue. Some political analysts have argued that hearings are usually only part of the DPR as ceremony because that step or process has been stipulated in the DPR’s standing orders. Katarina and Raharjo (2008), for instance, reported that the level of attendance of DPR members in hearings is usually much less than a quorum. Many DPR members also regard the hearing as only a very broad introduction to the legislative topic.

Another issue concerned the type of calculation to be used to transform the votes gained by political parties into legislative seats. Again, there were two main proposals. Most of the parties favored the so called pure quota method which is familiar to most of them. This method is not significantly different from the current system adopted for the 2009 elections. Two big parties, Golkar and PDIP, wanted a new method of conversion. This method is widely known internationally as the divisor method with several variants. Golkar and PDIP wanted to use the Webster variant which is used for instance by Germany. The PDIP’s position on this issue was confusing given the complexity of the method while the PDIP in general favored a more simple election system.

These four main issues had been debated heatedly by the special committee. However, they could not make a compromise or consensus until the committee decided to bring the matter to the second level or reading of the bill in the plenary session. The committee had tried all methods of achieving consensus, including the establishment of a working committee, conducting consultation meetings among the parties and with the government, followed by the establishment of a formulation team and a synchronization team. All efforts to achieve consensus failed.
The plenary session decided that the lobbying and consultation meetings had to be tried again at the level of the DPR and with the president’s team. After a series of lobbying and consultation meetings involving all leaders of political parties and the president’s team, three issues were compromised and became consensus. On the issue of the parliamentary threshold, all agreed that the threshold would be 3.5 percent. However, whether or not this is the only threshold that is nationally applied, all parties agreed to decide through voting.

On the issue of district magnitude, a consensus was reached that the magnitude would be 3 to 10 seats per district for the DPR and 3 to 12 seats per-district for the DPRD. On the issue of the electoral system, all parties also agreed to stick with the open proportional representation system. The parties could not reach a consensus on the method of conversion of the votes to parliamentary seats, but did agree to decide it through voting in the plenary session.

In the final plenary session on April 12, 2012, the voting result was that the 2014 election will use the method of pure quota. This option was supported by 324 votes from Partai Demokrat, PKS, PAN, PKB, PPP, Gerindra, and Hanura. The option of using the divisor method was only supported by 188 votes from PDIP and the Golkar Party. The plenary session also decided that the threshold of 3.5 percent would be applied nationally. This decision was voted for by 343 members from Partai Demokrat, Golkar, PPP, PKB, Hanura, and Gerindra. The other option, to apply a different parliamentary threshold for each level of the DPR, including the provincial and district/municipality legislatures, was only supported by PDIP, PKS, and PAN with 187 votes. The bill was then officially
jointly approved by the DPR and government and became the law of the land for the 2014 general election.

The Bill on Kebebasan Memperoleh Informasi Publik (KMIP, Public Information Freedom). The deliberation process on this bill and the enacting process is another example of how institutional and non-institutional factors make Indonesian multiparty presidentialism work. This bill was initiated by the DPR. Its drafting had been driven by civil society groups. The proposal was initiated by non-governmental organization activists particularly from the Indonesian Center for Environmental Law. Later, the idea was supported by a coalition of NGOs called the Coalition for Freedom for Acquiring Information, which was established in November 2000 and includes 30 NGOs.

The chair of the coalition, Mas Ahmad Santosa, was of the opinion that this was important because open government will encourage the realization of clean government free from collusion, corruption and nepotism. Transparency and openness, according to him, prevent the abuse of power and corruption (Kompas, 2000, August 31). Supporting this idea, Andi Mallarangeng, a politician from Partai Demokrasi Kebangsaan (PDK, the National Democracy Party), at that time, said that “the citizens’ freedom to acquire information from public institutions is absolutely needed. It is not only related to transparency but also it is part of the citizens’ counter-intelligence against the abuse of power by the state” (Kompas, 2002, February 5).

Making this law took a very long time. It required much discussion because of the numerous competing interests from various actors especially related to the parties that
have the public information. After being debated for two years, in 2002 the coalition was able to come up with a draft of a bill called RUU Kebebasan Memperoleh Informasi (RUU KMIP, Freedom to Acquire Information Bill). It was adopted by the DPR in March 2002. The draft was then approved in the DPR as a submitted bill on July 5, 2005 but the process of deliberation with the government did not start until March 7, 2006.

The official process for this bill actually had started on October 19, 2005, when the president sent a letter to the DPR assigning the Minister of Law and Human Rights and the Minister of Communication and Information to represent the government in deliberating the bill with the DPR. The Steering Committee of the DPR then assigned Commission One to be responsible for conducting level one of the bill’s deliberation. The problem inventory list of the bill consisted of 543 items out of which 340 items are the list for the bill and 203 items are for the elucidation.

The first official deliberation featuring the general view of the government was conducted in the working meeting between the government and the DPR on March 7, 2006. After that the deliberation process included several meetings, working committee meetings, lobbying, formulation team meetings and synchronization team meetings, followed by a plenary session and joint approval of the bill in April 2008.

The law was officially signed by the president and enacted on April 30, 2008. It took about three years for it to be completed since the official process started in 2005. This long process is an indication of how heatedly the law was debated, especially between the government and most of the political parties in the DPR. However, in the end the potential gridlock that hovered over the debate was finally avoided, indicating that the mechanism of executive and legislative relations in the Indonesian presidential
system works despite speculation from several analysts who said that the bill would end in stalemate (Braun, 2008; Yudha, 2010).

In its first general reaction to the bill, the government stated that substantive materials related to a citizen’s right to access public information are needed because they are in line with Article 28f of the Constitution of 1945. Besides that, the government stated it is also aware of the importance of transparency and accountability in governance which requires a public control mechanism through information openness in various sectors and institutions of the executive, legislative, and judicial branches, political parties and non-government/societal organizations. However, according to the government:

the regulations on this matter should be formulated accurately so that the implementation of Article 28f of the Constitution can be implemented without harming the rights for privacy and human rights in general by considering the effectiveness of government and public agencies, the unity of the Indonesian unitary state, and the global threats that come from the excess of information openness because of the lack of readiness resulting from the unavailability of other regulations which are needed to exist hand in hand with the regulation on freedom to access public information.27

The government laid out five main deficiencies that needed to be changed in the bill initiated by the DPR. First, the title of the bill was proposed to be changed to RUU Mengenai Hak Warga Negara Untuk Memperoleh Informasi (Bill on a Citizen’s Right to Obtain Information), arguing that this title is in line with Article 28f of the Constitution. Second, the definition of public agency should also include non-governmental organizations and political parties, not only executive, legislative, and judicial agencies.

Third, the government proposed a five year transitional period for putting this law into effect after it is passed. Fourth, the government believed that the existence of a Komisi Informasi (Information Commission) is not important. In other countries like the United States, according to the government, bodies such as an Information Commission do not exist. The function of this commission can be executed by the Ombudsman Commission. And fifth, related to the information that is exempted from the label public information, the government argued that the existence of regulations and laws that regulate that type of information must exist first before the law on public information freedom is itself passed.

From the beginning, the government, as stated by the former Minister of Communication and Information who is also the former Minister of State Owned Enterprises, S. Djalil, in an interview, had been reluctant to deliberate the bill (personal communication, August 12, 2012). Part of the reason was that the bill was designed to regulate a very wide and overarching range of government information. To a certain extent, this could be problematic for state security. Other government agencies that objected to the bill included: the National Cryptology Agency, the National Intelligence Body, and the Ministry of State Owned Enterprises. There were also concerns from the banking community such as BCA (Bank Central Asia) and Bank Mandiri, two of the most important banks in the country.

The National Cryptology Agency in its hearing with the DPR stated that the principle of access to information should be accompanied by appropriate limitations and exceptions. This means that other laws such as the State Secrets Law must also be drafted
and passed along with this freedom of information bill.\textsuperscript{28} The Bank Central Asia in its reaction to the bill pointed to the definition of public agency and public information in the bill which seemed to them likely to have an impact even on private publicly-listed banks like BCA. BCA pointed out the need to clarify what the bill means by “public agency” and “private companies whose activities are based on contract agreements with public agencies,” a clause that was stated in Article 1(3) of the bill.\textsuperscript{29} Bank Mandiri, one of the state owned banks, in its presentation in a DPR hearing on January 2, 2006 stated: “although public information is open and accessible to everyone in a timely, uncostly, and simple manner, that information should still refer to the regulation on public information in the Law on Limited Liability Companies, the Stock Market Law, the Banking Law, the State Owned Enterprise Law, and other related laws and regulations.”\textsuperscript{30}

There were at least seven objections or concerns from the opponents of this bill according to civil society groups. They included: 1) that the bill was about the unlimited openness of public information; 2) that the scope of public information in the bill is too broad and can cause anarchy; 3) that the bill was driven by foreign interests; 4) that the bill would add more bureaucracy; 5) that the bill was not ready to be enacted as a law because the public agencies were not ready; 6) that the government actually did not need the bill; 7) that the bill was only a press and civil society organization agenda.\textsuperscript{31}

These concerns had been rebutted by several civil society groups who were the strong proponents of the bill at the time. In their presentation in a public hearing with

\textsuperscript{28} See Penjelasan Kepala Lembaga Sandi Negara, 2005, December 2.
\textsuperscript{29} See Komentar BCA Tentang RUU Kebebasan Memperoleh Informasi.
DPR Commission One on December 6, 2004, the Coalition for Public Information Freedom argued that the allegation that the proponents of the Freedom of Information Bill wanted an unlimited freedom of information was totally wrong. In their view, the bill is not about the unlimited transparency of information. Instead it is about: a) legal certainty of what is public information that must be made public and what is not; b) legal certainty on mechanisms for accessing public information at the public bodies/agencies; c) legal certainty on sanctions for the violation of public information principles; d) the bill recognizes that not all information in the public agencies must be accessible to public; e) for several legitimate reasons, some information should be kept secret for the sake of the public interest, state security, intelligence, foreign relations, and so on.

The DPR members had noticed the reluctance of the government after their working meeting on that March 7, 2006. In his reaction to the government’s general view, Abdillah Toha, a member from PAN, stated: “… I noticed here that from the government’s general view of the bill, the government is pessimistic, for instance it is stated that that its enactment into law must be accurate and systematic … preceded by other related laws … and so on…” (Risalah Raker Komisi I, 2006, March 7). Another DPR member from PBR, Ade Nasution, alleged that the government actually wanted the bill to deadlock and started by questioning even the title of the bill.

In the meeting between the DPR and the government on May 15, the deliberation started with the first question on the government’s problems inventory list. The government proposed that the title of the bill should be Bill on the Right of Citizens to

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Obtain Information, thus making it vague. All members of the DPR who spoke representing the parties in the meeting wanted to stick with the initial title which was the Law on Freedom of Information.

Ade Nasution said in his response: “… I know that the government wants this [information bill] to be deadlocked …, while the DPR wants it to move forward… so I demand the government to explain what is actually the government interest and then what about the public interest…” (Risalah Rapat Kerja Komisi I DPR RI dengan Pemerintah, 2006, May 15). Sofyan Djalil, the Minister of Communication and Information who represented the government immediately responded that Nasution’s suspicion was baseless. Since the discussion on this issue did not reach consensus, the government and the DPR agreed to bring the matter to the working committee.

The process of deliberation touched no less than 63 crucial issues consisting of not less than 279 items of discussion. As usual the resolutions of the differences or disagreements between the DPR and the government or among parties were reached through various mechanisms such as working meetings, working committees, formulation teams, synchronization teams, and of course lobbying. From these 279 items for discussion, 42 items or 15% of the final agreements came from the government’s formulation, 80 items or 29% came from the formulations proposed by the DPR, and the rest or about 56% were new formulations.

The issue of the definition of public information was heatedly debated. The DPR-initiated bill defined it as “information that results from, stored, managed, or received from other sources and information that is still in the status of management and composition but has been sent to another public agency so that it is available in a public
agency, including private information, which is related to state apparatuses and/or state governance, and other information that is related to the public interest” (KIP RI, ICEL, & Yayasan Tifa, 2009, p. 27).

The government on the other hand proposed that public information is “information that results from, is stored, managed, or received from other sources including information about state governance, and other information related to the public interest, except that which is exempted and regulated otherwise by laws and regulations. Included in public information is that which is related to activities of fund raising or donations from the society for humanitarian and social objectives” (KIP RI, ICEL, & Yayasan Tifa, 2009, p. 27).

Since the government and the DPR could not reach a conclusion during the deliberation of the bill at the level of Commission One and the working committee, this matter was then brought to a formulation team meeting on September 14, 2007 (KIP RI, ICEL, & Yayasan Tifa, 2009) and a new formulation was jointly agreed upon. The new formulation states that public information is “information that results from, is stored, managed, sent, and/or received by a public agency that is related to the state apparatus and state governance and/or other public agency governance based on this law and other information related to the public interest” (KIP RI, ICEL, & Yayasan Tifa, 2009, p. 27).

Another issue was about the meaning of public agencies (badan publik). The DPR, according to KIP RI, ICEL and Yayasan Tifa (2009), defined public agencies as:

..the state apparatuses that include executive, legislative, and judicial bodies at the national as well as at the local level and other bodies whose functions are related to the state functions implementation, the State Owned Enterprises (BUMN) and Local State Owned Enterprises (BUMD), and non-government organizations whose funds come from the state or local government budget, and the private
enterprises which in conducting their business is based on contracts from public agencies. (p. 31)

The government (KIP RI, ICEL, & Yayasan Tifa, 2009) wanted the definition changed to:

..the executive, legislative and judicial bodies at the national as well as local levels and other institutions whose functions are related to the state functions and whose funds derive from state or local government budgets, and also included in the public agencies are non-governmental organizations, mass organizations, political parties and/or social institutions whose funds come from the society and/or foreign funding. (p. 31)

The main objections of the government were about two things. First, the government wanted state-owned enterprises to be excluded from the category of public agencies. The main reason seemed to be the government’s worry of the possibility of political intervention in the enterprises especially from the political parties. Sofyan Djalil, who was a non-political party member in the cabinet, wanted to keep the state enterprises away from political parties’ intervention. Sofyan Djalil (Risalah Raker RUU KMIP, 2006, May 15) stated this objection explicitly in the working meeting with Commission One on May 15, 2006:

… in principle, the government does not disagree that BUMN’s [state enterprises] information should be accessible. It is important that BUMN must comply with good corporate governance, however, its regulation regime is different. The regulation regimes for BUMN and for Public Agencies are different. This public information law is more in the political realm, while the BUMN and other business corporations are in the private domain. The motive of the public agency is not profit, while the motive of business corporation is for profit…

Sofyan Djalil added that the transparency of the state enterprise has been regulated in other laws such as the Law on the Stock Market. The second concern that the government raised was that civil society organizations and other organizations that use and/or collect funds from the public must be included in the definition of public agency.
While being accommodative to the government’s proposal about the civil society organizations, most of the working meeting’s participants at the time took a position against the government when it came to the issue of excluding state enterprises from the definition of public agency. Antarini Malik from Golkar, in the working meeting on May 22, 2006 (Risalah Raker, 2006, May 22), reacted to the government’s explanation this way:

… here, Golkar Party views that this must be open to the public, including BUMN and BUMD [Regional State Enterprises], because they are part of agencies that use funds from the national budget and the local budget. I think, Mr. Minister, this must be something made public because they use public money and what we demand is not something unusual, because what is asked is only something like a balance statement, about profit and loss, … so, it is something ordinary…

Abdillah Toha, another DPR member from PAN (Risalah Raker, 2006, May 22), also reacted against the government’s proposal:

… I want to comment on the fact that Mister Minister has several times differentiated this BUMN in the political regulation regime and corporation regulations regime. Actually that differentiation is not accurate, Mister Minister, in my opinion, because the BUMN can also be included as a political entity,… why? Because when it is established, it is based on a political decision, when it is dissolved, it is a political decision. When BUMN in general shareholders’ meetings decide to expand, whether it is the assets or the profits that will be used for expansion, or whether the dividend is given to the government, all of those are political decisions…

Most of the other members in this working meeting had similar stance to Antarini Malik and Abdillah Toha. Since there was no consensus yet on the definition of public agency, the working meeting decided to bring the matter to the working committee, where the difference between the government and the DPR can be reconciled.

The working committee then finally could work on an agreed new definition for the public agency. Public agency was then formulated in the law as “… executive,
legislative, judicial, and other bodies whose functions are related to state functions whose funds partly or entirely come from state/local budget, or non-governmental organizations as long as their funds partly or entirely come from the state/local budget, societal donations, and/or foreign funding” (Subagio et al., 2009, p. 31).

Another big governmental concern worth mentioning had to do with the existence of the Information Commission. In the bill initiated by the DPR, the Information Commission was defined as “… an independent body whose function is to resolve disputes in the form of mediation and/or adjudication, related to the right of an individual on information, which is available at the national and provincial level” (Risalah Raker RUU KMIP, 2006, May 22). The government, in the same meeting, proposed to change the definition which actually would have eliminated the Information Commission entirely. In the government’s proposal the article on this issue was formulated as “… the commission for information dispute resolution is an institution whose function is to resolve public information dispute in the forms of mediation and/or adjudication” followed by a note that said: “… based on its function the term used is commission for information dispute, if the commission is non-existent, this provision is eliminated” (Risalah Raker RUU KMIP, 2006, May 22).

In his explanation, Minister Sofyan Djalil stated that there were two considerations from the government with regard to this issue (Risalah Raker RUU KMIP, 2006, May 22). First, the commission was actually not necessary for dispute resolution. If there is indeed a dispute, we can just go to the court or Ombudsman Commission which already exists. Sofyan Djalil made a comparison with the United States where there is no
such commission and when there is a dispute the related parties can just go to the court. There is such a commission in Japan but it is part of the government, not independent.

Second, the government was concerned that this commission could become a superbody, which would be problematic for the government. The commission’s establishment and existence, according to him, would need time, process, institutional support, and budget support. Sofyan Djalil also said that if the DPR could not accept the proposal to not establish this commission, the alternative from government would be to establish a commission of information, but to make it part of the government, similar to the ones in the United States, Japan or Thailand.

The DPR members in the working meeting, most of them, did not agree with the government, and wanted to stick with the initial proposal from the DPR. This matter was then delegated to the working committee to be renegotiated and reformulated. In the meeting of the working committee on May 29, 2007, an agreement was finally reached. The formulation of this provision then became “The Commission of Information is an independent body whose function is to enforce this law and its implementation regulations, to provide technical guidance for the standards of public information service, and to resolve public information disputes through mediation and/or non-litigation adjudication” (Subagio et al, 2009, p. 40).

Another controversial issue related to the deliberation of this bill was the effort of the government to draft and send to the DPR the Bill on State Secrets. Just like the public information bill, the state secret bill had circulated within SBY’s administration around February, 2002. Further processing the bill was put on ice at this time because of irreconcilable differences between the government and the DPR.
One of the main controversies was that the state secret bill was viewed as an anti-public information bill. The two bills were viewed as contradicting each other. According to Djoko Susilo, a DPR member from the Reformasi Caucus at the time, the bill on state secrets is based on a secrecy regime, meaning that the state regulates all things considered secret. On the contrary, the public information bill is based on a transparency regime, which means that all information in principle is accessible to the public, except only that information which is considered secret (Kompas, 2002, March 13). The bill on state secrets was for the first time initiated in 2002 by the State Cryptology Agency, whose main job is related to putting state secrets in code. This bill was then discussed in the Ministry of Defense. Minister of Defense Juwono Soedarsono, stated that the government and the state must be given latitude to keep some of its policies so that it is not dictated to or intervened in by many parties, otherwise, the governance we have will be based on the interest of the mob or mobocracy (Kompas, 2006, June 14).

As the DPR in SBY’s first term reintroduced the public information bill, the government, for its part, also redrafted the state secrets bill. As mentioned above, although the president had named his ministers to represent the government in deliberating the public information bill starting in October 2005, the government did not sent its problem inventory list until March 2006. This time period was in fact used by the government to finish the new version of the state secrets bill to be also introduced to the DPR to pair with the public information bill.

As reflected in the general view of the government on the public information bill, the government was in the position that that bill was not isolated from the state secrets
This state secrets bill moved forward in the deliberation process of the DPR, also in Commission One. However, while the public information bill was passed in April 2008, the state secrets bill was withdrawn by the government in September 2009 because of massive rejection from civil society groups and society leaders. It also seemed that the government believed that the approved public information law had accommodated most of the government’s concerns related to state secrets after long deliberation beginning in early 2006.

The government’s concern about the need for preparation time, especially from public agencies, was also accommodated by the bill. Article 64 stipulates that the law will take effect two years after it is enacted. In that two years according to the law, all preparations related to the making of government regulations, technical guidance, explaining the law to the public, infrastructure, and all other matters needed for the implementation of the law, must be done by the government and ready in two years.

In its final official commentary in the Commission One working meeting on April 2, 2008, before the bill was moved forward to the plenary session for final approval, the government emphasized several main agreements. The government stated, for instance, that the change in the title of the bill from RUU tentang Kebebasan Memperoleh Informasi Publik (RUU KMIP, Bill on the Freedom to Access Public Information) to RUU Keterbukaan Informasi Public (RUU KIP, Bill on the Transparency of Public Information) was a fundamental change. The government also underlined the agreement

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about the timing of the implementation of the law which was to occur two years after being enacted.

Although one party, PKB, did not agree with the provision on Article 64 and proposed that the law must be immediately put into effect after its enactment, the plenary session finally unanimously approved the bill officially.

**The Bill on Kementerian Negara (State Ministries).** The state ministries, according to the amended Constitution of 1945, must be regulated by law. Article 17 (4) of the constitution stipulates that the establishment, changes and dissolution of state ministries shall be regulated by law. To execute this provision and exercise its legislative authority, the DPR had initiated a bill on state ministries during Megawati’s administration (2001-2004). However, the bill at the time did not make it to the reading and discussion stages because of the resistance from the government.

Deliberation on this bill until its final approval shows that the government’s interest was far from the interest of the DPR. In fact, the government actually rather wanted the bill not to be deliberated. However, the mechanism of joint deliberation forced the government to move forward with the bill. Along the way, the government’s proposals, which initially contradicted the DPR’s bill, could finally be adopted through all the process and structure of decision making available. Thus, stalemate was once again avoided.

In June 2005, the DPR reintroduced the bill as part of the legislative program to be deliberated during the 2004-2009 DPR. The Legislation Council of the DPR then re-drafted the bill. Twenty-four members of the Council then sponsored the bill to be listed in the plenary session for June 28, 2005. After being discussed in the Steering Committee
on August 25, 2005, the bill was then adopted as a DPR Initiative Bill in the plenary session on August 30, 2005. Later, the Steering Committee assigned a special committee on September 8 to deliberate the bill as level one of bill discussion.

The special committee was officially formed in the DPR plenary session on September 13, 2005. From there the bill went through the official process, starting with sending it to the government so that the government would assign a team to deliberate it together with the DPR. However, the bill was not sent to the government until September 9, 2006 because the same special committee had to concentrate on deliberating on RUU tentang Dewan Penasehat Presiden (the Bill on the President’s Advisory Council) which was enacted as a law in December 2006. On November 27, 2006 the president sent a letter to the DPR assigning the Minister of the State Secretariat to represent the government in deliberating the bill with the DPR. However, the official process had in fact not started yet. Instead, both the government and the DPR were busy lobbying to discuss their different positions on the bill. The special committee was also busy gauging inputs from civil society groups and other individuals in order to perfect its draft of the bill. The bill was finally approved in the plenary session on October 21, 2008 as a law.

The overall time for the passage of the law is long, taking more than two years before final approval. The main reasons were two. First, the government did not agree with the substance of the law and viewed it as an intrusion on the prerogative right of the president. The government also wanted the president to be the one who initiated the bill. The president’s party in the DPR, Partai Demokrat, through its chair in the DPR, Syarief Hasan, stated that his party would try all out to stop deliberation on the bill. He said, “…It is okay to continue the deliberation, however there should not be any intervention
in the president’s rights. The president’s domain may not be intervened in by other institutions)” (Antaranews online, 2007, March 6).

The special committee also realized that there was a problem. In his final report to the DPR plenary session, the chair of the special committee, Agun Gunanjar Sudarsa, mentioned that at the beginning, the bill and the special committee were viewed negatively, especially by the government, because of the suspicion that the bill was an effort by the DPR to reduce the prerogative rights of the President.\(^35\) The facts, according to Sudarsa, were quite the contrary. This law was something that was needed in order to strengthen an effective and efficient presidential government. Sudarsa also pointed out that in responding to negative reactions, the DPR had been proactively socializing the bill and seeking inputs from many parts of society like non-governmental organizations, political experts, constitutional law experts, universities, and other concerned groups.

The second reason for the length of the process is that there was a cabinet reshuffle in 2007 in which the Minister of the State Secretariat, Yusril Ihza Mahendra, who was the leader of the government team for deliberating on the bill, was replaced by a new minister, Hatta Radjasa. The government team had to regroup before continuing the bill discussion process.

The different positions between the government and the DPR on issues in the bill had captured public attention. The media followed the process very closely. Some observers even thought that the process was going to deadlock (Braun, 2008). Because of the widespread coverage, which in the DPR’s view was misleading, the special committee felt the need to officially clarify several issues with the press corps. This

\(^{35}\) See Laporan Ketua Pansus RUU KN, 2008, October 21.
misleading coverage, in the DPR’s view, had exacerbated the tension not only between the DPR and the government but also among the parties in the DPR. One example that widely circulated was a report that the bill contained a regulation about recruitment and dismissal of ministers, clearly an intrusion in the president’s domain. The special committee retorted that it had never discussed such a thing in the deliberation process of the bill. 36

The chair of the special committee, Agun Gunanjar Sudarsa, in that press conference emphasized eight points of clarification related to the process and substance of the bill. Some of the important points were as follows: (1) The bill was not about intruding on the president’s rights. It was not about limiting the authority of the president; instead it was about providing clearer guidance for the president in dealing with the creation, modification, and dissolution of positions in the government. 2) There was widespread allegation in the media that the DPR had acted unconstitutionally by dividing ministries into several categories. In fact, according to Sudarsa, the special committee was still in the process of seeking and accommodating more input from any part of society. 3) The DPR was also alleged to be violating bureaucratic autonomy by trying to regulate technical details of the ministries like the number of bureaucrats and organizational structures. The DPR in this regard, according to Sudarsa, was only trying to speed up bureaucratic reform by introducing a more structural instead of cultural approach in reforming the bureaucracy. 4) There was also unnecessary concern that the bill when

implemented as a law could create chaos because the government would suddenly have
to restructure the ministries in order to comply with the new law. Again, according to
Sudarsa, this concern was baseless, because the law was to be implemented for the next
government and that government would have ample time to prepare. Besides that, most
of the ministries described in the law were ones that had been there for a long time.

When asked about how to deal with the problems of the different positions of the
DPR and the government, the chair of the special committee answered that he still
believed that the process of deliberation which included piece by piece negotiation (based
on the government’s problems inventory list) with multiple stages of discussion like the
special committee, the working committee, the formulation team, the synchronization
team, and the lobbying process could resolve the contradictions.37 Sudarsa (Risalah
Konferensi Pers, 2007, March 9) stated:

… rules and mechanism for pansus [special committee] deliberation meetings
have been there that the DIM [problems inventory list] will be discussed in two
rounds. So I will ask the minister for instance that in DIM on the title of the bill
why the government wants the changes and how will he explain that. … and after
that the fraksis [party caucuses] will give their reactions. Then we can go back
and forth until we can understand each other’s position and from there we can
look at the solution. This process will go on and on until we reach the conclusion
on the last DIM [problems inventory list], … that is my answer.

The first official meeting on level one of the bill’s discussion was the working
meeting on March 15, 2007, where Minister Yusril Ihza Mahendra and the special
committee met to start the discussion of the first item on the problems inventory list sent
by the government. Minister Mahendra started by emphasizing that the party most related

37 See Risalah Konferensi Pers Pimpinan Pansus RUU Tentang Kementerian Negara DPR RI dengan
Wartawan Media Cetak dan Elektronik, March 9, 2007, especially in the section in response to the question
from the Kompas journalist.
to this bill was the president because it is the president who structures and names the cabinet as well as filling each ministerial post. Therefore the bill was supposed to be initiated by the president.

However, the president respected the agreement in the DPR’s Legislative Council that this bill was to be initiated by the DPR. Mahendra said: “… Therefore, if we look at the point of who directly manages and directs interests related to the law, although others of course could say that they are directly related, actually it is the president who is relevant, because it is the president who will use the ministers or those advisors, and therefore it is also the president who forms the cabinet, not others. In consequence, it would be much better if the president initiated the bill” (Risalah Raker RUU KN, 2007, March 15).

The minister then moved on to the proposal of the government to change the title of the bill to become the Bill on the Establishment, Changes and Dissolution of the Ministries. This reflected the fundamental difference between the government and the DPR. In the government’s view, the bill initiated by the DPR made an assumption that the ministries were not already there, therefore the bill included the regulation about what kind of state ministers must be established, how many posts must be provided, and how the ministries must be run. The government believed that the bill should be only about the mechanism of changing and dissolving of ministries. This was based on the argument that the constitution only speaks about the establishment, changes, and dissolution of ministries. In practice, since the Indonesian government has been established since independence, the ministries have been there. The bill initiated by the DPR also regulated

the details of the names of the ministries that had to exist. With this, according to
Minister Mahendra (Risalah Raker RUU KN, 2007, March 15), if the bill was enacted
into law, it would:

…become a hurdle in implementing the president’s agenda which had been
promised in the presidential campaign in the election, or as had been stated in the
medium term development planning approved by the president, and also because
the president already had programs and formed a cabinet with ministries that
would not necessarily comply with the bill when it was enacted into law.

The reactions from the special committee members, not surprisingly, were mostly
critical of the government. Only Partai Demokrat clearly supported the government
proposal on this matter. Most of the members did not agree with the president and in fact
this first meeting debated only the title of the bill. Each member tried to back his or her
argument with various approaches such as constitutional, political theories on presidential
prerogatives, and even with university lecture-like talk about the separation of powers.
Abdul Gafur, a member of Golkar, said that the government had been very cruel because
in its problem inventory list, it started with an article blasting the DPR-initiated bill as if
there was nothing good in it. He (Risalah Raker RUU KN, 2007, March 15) said:

So, Mr. Minister, from our party, after we read and carefully studied the DIM
[problem inventory list] proposed by the government, we were honestly surprised,
because, …, it was very brutal,… brutal because it almost eliminated the entire
bill. It looked like there was no value at all in it. However, thank God that from
his explanation, the minister seemed to suggest that the government did not reject
the bill, only wanted to fundamentally revise it. … In our opinion, the title
proposed by the government can be part of the bill, it could be part of the
 provision in the bill. … so our fraksi [caucus] was of the opinion that the title was
just like the DPR proposal, therefore we stuck with it.

Yoseph Umarhadi from PDIP (Risalah Raker RUU KN, 2007, March 15) stated:

… so for us in PDIP, I think, with the finishing of this bill, there is no longer a
different interpretation about Article 17 of the Constitution. That means we do not
need to go back to what is actually meant by that article. … It has been translated into the DPR initiated bill. … so, do not go back to the discussion about Article 17 of the Constitution anymore, we have the same perception about it.

After the working meeting on March 15, 2007, there had been several informal meetings or lobbying efforts between the government and the DPR special committee leaders to ease the tension because of the objection of the government to almost the entire substance of the bill. After the press conference on March 9, the coverage of the media was also getting fuller. Therefore the government and the DPR special committee saw this as a conducive environment in which to continue the debate. In his opening remark for the working meeting on March 22, 2007, the chair of the special committee, Agun Gunanjar Sudarsa (Risalah Raker RUU KN, 2007, March 22) stated:

… today we saw that the coverage in the media has been conducive for the process of deliberation of the substance in the bill because it seems that the communication between the President and the DPR through the mechanism of this special committee on the state ministry bill has been getting better. … the latest development related to the main crucial points has also been agreed to be resolved by the lobbying mechanism, so when we continue with the discussion in the working committee it will not make it difficult for us to make formulations. …

The chair of the special committee also reminded the meeting participants that in institutional settings of the president and DPR in terms of making laws, it is impossible for anyone to stick to his or her own position without the willingness to compromise (ngotot-ngototan). According to Sudarsa, the special committee chair (Risalah Raker RUU KN, 2007, March 22):

… this spirit of togetherness which has been expressed by each side is part of the process which we have to go through as a dialogic process, impossible for us to argue with each other without willingness to compromise because Article 20(2) locks us up, it is impossible for a bill to be finished without joint approval. And the government has stated unequivocally that they are ready to make compromise as long as… it is objectively for the sake of strengthening our presidential system.
The Article 20(2) which was mentioned by the special committee chair is from the Constitution of 1945 which stipulates that each bill must be jointly approved by the government and the DPR in order to be enacted as a law. This article is then translated into provisions in the DPR Standing Orders on how to process and deliberate a bill. In that process, both the government and the DPR must be involved in the process in its entirety.

In the meeting of March 22, 2007, they agreed that the title issue should be left for later, and the discussion moved on to the substance of the bill section by section. As mentioned above, the discussion also became heated when the government touched the issue of the prerogative rights of the president. Each party, however, assured the government and agreed that the bill was initiated in the spirit of strengthening the presidential system, not of weakening it. The chair of the meeting also assured the government that the parties in the DPR were ready to work with the government and discuss the differences. In the working meeting of March 22, 2007, for instance, the chair of the special committee said: “…Therefore, we are not in the position of sticking with our own stance without compromise. We have to discuss the issues based on our constitutional understanding that each part of the bill needs joint approval. That joint decision, we expect, will make us find common ground despite our different views or opinions” (Risalah Raker RUU KN, 2007, March 22).

The discussion at many points still triggered stark differences between the government, which was usually supported by Partai Demokrat, and other parties in the special committee. One example was on the issue of the structure and organization of the
state ministries. Because the government wanted it to be taken out from the bill, while most of the parties were against doing so, the meeting agreed to bring the matter to the lobbying mechanism. Minister Mahendra said: “… we agreed that this should be brought to the lobby mechanism. So we can have more intensive discussion… the government is of the opinion that it should be left to the president in the form of a government regulation or presidential regulation, because it can be regulated there. However, in the lobbying process we might be able, for instance, to talk about the size of the structure, and so on” (Risalah Raker RUU KN, 2007, March 22).

Another hot issue were the requirements to be a minister. The main point of the debate, again, was about whether or not regulating this would jeopardize the president’s prerogative rights. Partai Demokrat supported the government, which proposed that the provision of these requirements should be left to the president because it is up to the president to recruit anybody he/she thinks suitable for the job. Many other parties like Golkar, PDIP, PKB, and PAN argued otherwise. Andi Yuliani Paris from PAN (Risalah Raker RUU KN, 2007, March 22) for instance stated:

… we need to realize that this bill is not only for President SBY. So, do not say that because the president knows the requirements then we do not need to regulate it. This bill regulates the establishment of the ministries. Then those ministries are filled with ministers: whoever the persons are who are appointed becomes the president’s right. However, the requirements to be appointed minister are regulated here. We are talking about long term law, it’s not only related to one or two presidents in the near future.

This issue again was not resolved in the special committee meeting, so it was then moved to be deliberated more in the working committee.
Another objection of the government was about the classification of the ministries and the number of ministers. The bill initiated by DPR stipulates that the state ministries are categorized into non-portfolio state ministries and portfolio state ministries. The bill also proposed the names of the ministries and how many ministries will exist. The government reacted against this. It would create, according to the government, many problems because it would require the reorganization of the existing ministries. This would not only take time but also become a financial and administrative burden. In one statement in the special committee meeting, Minister Mahendra (Risalah Raker RUU KN, 2007, March 15) said:

… the government… does not agree with the proposed nomenclature of the ministries, moreover, we do not find here the coordinating ministers. … the problem of coordination is usually our big problem, and sometimes, it is difficult for the president to coordinate by himself all things related to governance matters. And like now, there are three coordinating ministers whose job is to coordinate, …, and the result of this coordination is reported to the president. … Therefore we propose a more moderate formulation that, in order to coordinate the issues of governance, the president is allowed to establish coordinating ministries.

This issue was also subsequently brought to be resolved in the lobbying mechanism.

All of the issues in problems inventory list were discussed in this working meeting on March 22, 2007. Most of the issues discussed, however, were moved to the discussion in the lobbying and working committee meetings. As acknowledged by Minister Mahendra, the process in the lobbying and working committee meetings was to be a difficult task given the substantive matters to be decided. Based on the recap by the government side in the next working meeting on March 28, 2007, 35 items on the problems inventory list had been agreed, 13 items were to be brought to the working committee, and 64 items were pending to be resolved ultimately through lobbying.
To make the lobbying work and the next part of the process run well, both the
government and the DPR special committee agreed to keep close communication
between the team of the Ministry of the State Secretariat and the team of the DPR. The
chair of the special committee, Sudarsa, at the end of the working meeting on March 28,
emphasized: “… so there are staff members of the Ministry of the State Secretariat that
are going to be always together with the special committee, every time we communicate,
we do it to maintain this deliberation process” (Risalah Raker RUU KN, 2007, March
28). This is one piece of evidence that shows how the structural coordination at the level
of the DPR staff and the government staff can help the process of decision making in the
context of the relations between the two.

Most of the lobbying following this working meeting were conducted outside the
DPR building, even outside Jakarta. When the Minister of the State Secretariat was
replaced by Hatta Radjasa, the deliberation of the bill continued on June 21, 2007 with
the establishment of the working committee, the collection of materials needed to make
further decisions in the lobbying process, the formulation team and the synchronization
team. There were at least 64 issues that were brought to the lobbying forum. Nineteen
issues had been generally agreed upon but still needed to be brought to the formulation
team, and the rest continued to be deliberated in the special committee with the new
Minister of the State Secretariat.

Because of the large amount of material that needed to be discussed in the
lobbying and the special committee, the process took a long time. The official working
meeting between the government and the special committee was not held again until
January 30, 2008, or six months after the first meeting with the new Minister Hatta
Radjasa. The main reason for this very long process, as mentioned by the chair of the special committee in the working meeting on January 30, 2008, was that the working committee which had been established previously could not do its job properly because most of the materials or issues for the meeting were part of the agenda for lobbying.

The leaders of the DPR, party caucus leaders, and the government then conducted a consultation meeting before the working meeting. The result was that both government and the DPR agreed to schedule a final resolution for 2008 (Risalah Raker RUU KN, 2008, January 30). This meeting, again, resulted in an agreement to continue finishing the lobbying process. The new ministers also seemed to be more accommodative in responding to various reactions from DPR members, including the willingness of the government to facilitate meetings in several locations outside Jakarta.

The longest part of the lobbying process was about two issues. Permadi, the chair of the working committee, said that there were two sensitive issues which had not been resolved in the lobbying until the working meeting of the special committee on May 28, 2008. The first issue was the concern of the government about undermining the prerogative rights of the president. The second issue was the concern of the DPR about the increase in the budget if the structure and number of state ministries were not limited based on regulations in a law. With regard to this issue, Permadi (Risalah Raker Pansus RUU KN, 2008, May 28) assured the government:

… we want to emphasize that the president’s prerogative is not touched at all. It is clear that the Constitution stipulates the establishment of state ministries. So, the state ministries are regulated by law. The president’s prerogative is to appoint the persons. … So it is not true that regulating the ministry is a prerogative of the president, … it is regulated by the law, not the president. … and then, if we do not limit the number of ministries, the issue of the national budget will be ignored. … therefore we try our best to combine the ministries so that there is balance in the
national budget. So, we will not have for instance one hundred or sixty ministries, although the president is still allowed to add or change as long as it is with the DPR’s approval.

This issue was finally resolved through the next lobbying and consultation meetings between the special committee leaders and the government.

The bill was finally approved jointly on October 16, 2008 and brought to the plenary session of the DPR on October 21, 2008 for official approval by the DPR and the government. In his final report, the chair of the special committee, Agun Gunanjar Sudarsa, mentioned that the bill took a long time to be completed. It had been more than three years since it was officially adopted as a DPR initiative bill on August 30, 2005. In the process of deliberation, the special committee had established the working committee which in turn established a formulation team and a synchronization team. These teams had finished all matters that were brought to the working committee and the lobbying process.

The DPR and the government had also agreed that this law is about strengthening the presidential system. There had been additional provisions in the law as proof of this. One example was that the special committee had approved the provision that authorizes the president to appoint vice ministers for the ministries. This is related to certain issues such as the vice ministry for foreign affairs, a position which already existed. The law, according to Sudarsa, gives the president full authority to establish ministries since it is considered the president’s prerogative right, while changing and dissolving ministries can be done by the president in consultation with the DPR.\(^39\)

The Bill on MPR, DPR, DPD, and DPRD (MD3, National and Regional Legislative Bodies). This bill was an amendment to the previous law regulating the same matter. The Law was Law No. 22/2003 on the Structure and Composition of the MPR (Majelis Permusyawaratan Rakyat, People’s Consultative Assembly), the DPR (Dewan Perwakilan Rakyat, People’s Representative Council), the DPD (Dewan Perwakilan Daerah, Regional Representative Council), and the DPRD (Dewan Perwakilan Rakyat Daerah, Regional People’s Representative Councils).

The MPR is a sort of super parliament or a permanent joint meeting of the DPR or parliament and the DPD. While an upper house based on regional representation like the U.S. Senate, the DPD has only advisory powers. The DPRD are provincial and district/municipality legislatures. Historically, their members have been elected at the same time as the national DPR.

The law encompasses provisions on the membership, leadership, status, powers, obligations, decision making processes, structures, finances, and rules of procedures, immunity rights of members, and other provisions.

Because of its contents, it is obvious that political parties and government had a strong interest in this bill. The government, through this bill, could introduce some proposals that would make it easier to face the DPR or to block efforts by the DPR to create more burdens on the government in executive – legislative relations. Political parties also have an interest in making sure that the bill facilitates their needs in the process and structure of DPR decision making including in the relationship with the
government. As discussed below, final approval of the bill came because of the nature of the structure and process of decision making in the DPR.

In the new bill, which was later called Law No. 27/2009 on MD3 (MPR, DPR, DPD, DPRD, National and Regional Legislative Bodies), the provisions included more detailed stipulations of several crucial issues such as the existence of party caucuses in the MPR, the details of constitutional amendment procedures, the details of president/vice president impeachment procedures, the existence of a new internal organ in the DPR, the Badan Akuntabilitas Keuangan Negara (BAKN, State Finance Accountability Council), additional provisions on Badan Urusan Rumah Tangga (BURT, the DPR Household Committee), more detailed provisions on the mechanism of the relationship between the DPR and the DPD, more detailed prescriptions of presidential and DPR roles in legislation, national budget making, oversight, and various appointments and confirmations, and the new provisions on the support system for the legislatures (i.e., secretariat generals). Because of these more detailed provisions and several new provisions, the number of articles of the law increased dramatically from 114 articles in Law No. 22/2003 to 408 articles in the new Law No. 27/2009.

The very detailed provisions also resulted in a giant sized problem inventory list consisting of 1770 issues (254 for the MPR, 699 for the DPR, 361 for the DPD, 228 for the provincial DPRD, 228 for district/municipality). Because of the enormous length of the list, it was extremely difficult for the DPR to deliberate in its ordinary way, which is by going through the list one by one and deliberating them.

The DPR therefore introduced a kind of modification in deliberating the bill through a method called cluster. What it did is to basically group the issues into several
clusters. Each cluster of issues was then further grouped into smaller sub-clusters based on the substance of the issues. There were five main clusters as stated by Ganjar Pranowo, the chair of the special committee for this bill, in the second working meeting of the special committee. These were clusters for the MPR, DPR, DPD, DPRD, and the supporting system issues (Risalah Raker RUU MD3, 2008, September 28). Deliberations were then conducted by going through the substance of each sub-cluster/cluster. When the substance was agreed upon, the formulations related to the article and or verses were then assigned to the formulation and synchronization teams, assisted by expert staff members from the special committee and from the government.

The national political backdrop for deliberating this bill consisted of two parts. First, the official process started toward the end of 2008, a few months before the legislative election of April 2009 and the presidential election of July 2009. The president was also busily preparing for his re-election. Most of the national surveys predicted that the president was favored for re-election. Since the bill also included a provision on the relationship among the main state structures, especially between the national legislature and the president, the government’s team which drafted the bill had foreseen that the government relationship, which in many parts is structured by this law, would be more beneficial to the government.

In the meeting with the special committee for this bill related to the reactions of the party caucuses, the government stated: “...the government has the same opinion as Partai Demokrat that the effort to strengthen the institutions of the MPR, DPR, DPD, and DPRD should not make those institutions dominant bodies in the state, given that the leadership system in our state is a presidential system, not a parliamentary one” (Risalah
Tanggapan Pemerintah, 2007, September 5). The government, once again, as in the deliberations for the bill on state ministries, tried to remind the DPR not step on the domain of the president/executive.

On the other hand, the DPR had an interest to make sure that its role and authorities were not reduced by the effort for instance to strengthen the DPD” (Risalah Tanggapan Pemerintah, 2007, September 5). The Golkar caucus insisted that the Indonesian legislative system is not a bicameral system, therefore, the MPR does not consist of the DPR and DPD, and is not a joint session between the DPR and the DPD. This position was supported by PDIP caucus, which stated that the structuring of positions, duties, and the institutions of the DPR and the DPD, including how these two bodies are different, must be done properly according to the Constitution of 1945. By this PDIP meant that the role of the DPD should be limited, as has been stipulated in the 1945 Constitution in which the DPD in practice has no legislative power.

The second part of the political backdrop was that deliberations were conducted after the legislative and presidential elections of 2009, at a time when the configuration of political power was clear for the 2009-2014 term. At this point, the DPR and the government had become aware of the context of the politics of that term which to a significant degree were also determined by this bill.

There were several crucial issues debated. First was the name of the law. The government stood by its proposal that the title of the law should be Susunan dan Kedudukan (Structure and Composition) just like the old one. Objecting that the old title reflected the too narrow scope of the law, several party caucuses, especially Golkar,
wanted the title changed to the law on the MPR, DPR, DPD, and DPRD, which is more consistent with the contents of the law as well as with the naming of the laws for other state bodies like the Law on the Constitutional Court, the Law on the Judicial Commission, the Law on the Supreme Audit Body, and so on. Hajriyanto Thohari from Golkar (Risalah Raker 3 Pansus RUU MD3, 2008, October 13) said:

In the previous era, we knew this law as the law on the structure and composition, before we amended the 1945 Constitution. We understood it that way because there was structure among the state bodies. We had the MPR as the highest state body, and then other bodies as the high state bodies. Now we do not have that kind of structure anymore, so it is no longer relevant. … then about the composition. This is also not relevant because this law does not stipulate about the composition only but also about the rights, the obligations, the functions, and even about the secretariat general, and even we also want to strengthen the supporting staffs for the strengthening of the functions of the state bodies that we are talking about here, … so it is better for us to directly point out the state bodies themselves, therefore we should name the law the Law on MPR, DPR, DPD, and DPRD…

Most of the other party caucuses—PDS, PKS, PAN, PPP, and PDIP—agreed with Golkar’s proposal. Partai Demokrat, on the other hand, supported the government.

Some DPR members at the time viewed this law as part of the way to strengthen the institutional capacity of the DPR and MPR. Therefore they saw the government’s proposal as an attempt to limit the scope and the political force of the law in strengthening the institutionalization of the DPR. Before the bill was deliberated, the DPR had been making an effort to strengthen its institutional capacity. The DPR, for instance, established an ad hoc committee called Tim Kajian Peningkatan Kinerja DPR RI (the Study Team for Increasing the DPR RI Performance) in 2006. The team was tasked with the responsibility to analyze how to increase the performance of the DPR
starting with looking at DPR weaknesses in carrying out their three main functions of legislation, budget, and oversight.

Their general recommendation was that the DPR needed to increase its institutional capacity both through the independence of its operational budget from the executive and through establishing a better structure and support system in the secretariat general (Efriza & Rozi, 2010, pp. 128-137). Famous among this team’s recommendations were proposals to establish a public accountability committee, a parliamentary budget office, and to increase the research and information analytical capacities of the secretariat general to improve DPR performance. Another recommendation was to make sure that secretariat general works in a manner that is not subordinate to the executive as was the case in the authoritarian era. This was in fact still the case until the team of performance increase reported its findings and recommendations. The team reported that the secretariat general of DPR was still part of the Ministry of State Secretariat. Eva Kusuma Sundari, a member of the team from PDIP, who was also a member of the special committee for this bill, tried to articulate this view so that it would be adopted into the new law. However, her proposal on a parliamentary budget office was rejected by the government.

A member of the special committee from PDS, Apri Hananto Sukandar (Risalah Raker 3 Pansus RUU MD3, 2008, October 13), made a statement related to the title of the law:

I see … this as the differences in perspectives and interests, perhaps. .. in the DPR, the spirit is for the strengthening of the institution, …, and in our opinion, if the title is only Structure and Composition (Susduk), it does not give any additional institutional power, … and in our note, the title of the law on MPR,
DPR, DPD, and DPRD, makes the strengthening possible… with the title of Susduk, it becomes vague…

Another issue that was brought up by the members as part of this issue of institutional strengthening related to the title was stated by Lukman Hakim from PPP (Risalah Raker 3 Pansus RUU MD3, 2008, October13):

…I think that we also need to clarify the authority of the MPR in presidential impeachment. Until now, this matter is only regulated in the MPR’s Rules of Procedures which according to Law No. 10/2004 on the Establishment of Laws and Regulations, is not considered as part of the official source of laws. So, we want to propose that those impeachment procedures be included as part of this law so that it will be binding to all of us” …

This issue was then brought to the working committee for more discussion and formulation.

The issue of the importance of putting the presidential impeachment procedures in the law came up again from most of the party caucuses, except Partai Demokrat, in the working meeting of the special committee on October 15, 2008. Nursanita Nasution, the vice chair of the special committee, emphasized again the importance of this issue: “…I think the issue of impeachment needs to be included in this law, because if we rely only on the existing laws and the DPR Standing Orders, it is inadequate…” (Risalah Raker Pansus RUU MD3, 2008, October 20). The chair of the special committee, Ganjar Pranowo, also weighed in on this matter and said: “… The MPR will summon other institutions, so we do not want, for instance, when the president was summoned for the process of impeachment, the president just sends his/her representative. I hope not. So, I proposed that the government bring this matter to the discussion in the working committee…” (Risalah Raker Pansus RUU MD3, 2008, October 20).
The government actually had reacted before on this issue. In the previous meeting, when some members brought up the issue, Minister of Home Affairs Mardiyanto had reacted against it. Mardiyanto (Risalah Raker Pansus RUU MD3, 2008, October 15) said:

…If we refer to the elucidation of the 1945 Constitution, the matters related to presidential impeachment can be read clearly, when the impeachment is processed. Then the procedures for this have also been clear, step by step. We are asking to remind us together that our system of government is a presidential system. So, in a presidential system, the president must be protected strongly by the law, …, this impeachment procedure must be carefully regulated, …, involving the Constitutional Court. This impeachment issue if we want to discuss it in more detail, we need to discuss it in another forum in a more detailed context…

Since the issue consistently came up, the government emphasized again its position in the working meeting of the special committee on October 20, 2008. The government (Risalah Raker Pansus RUU MD3, 2008, October 20) stated:

…this issue of impeachment is a big and fundamental issue, and I think, whoever the next president is, he/she must also understand this clearly. In principle, the government agreed that the issue of presidential impeachment becomes part of a law, but it is better in a separate law, not in this structure and composition law. … for the final position, we the government team need to consult with the president…

A member of the DPR from PKB tried to assure the government not to worry about this issue. Masduki Baidowi from PKB stated that there were no hidden politics in this matter, it was not a ploy to impeach somebody. To the benefit of the president, added Baidowi, this provision was proposed to avoid the bad historical experience of the impeachment of the former President Abdurrahman Wahid.

In the deliberation on the cluster of problem inventory list on the DPR, several issues also came up. One important issue was the procedures of the president in
introducing the annual budget bill. The DPR members wanted the timing to be earlier. The current deadline was August 16, which means that the DPR has less than three months to deliberate the budget with the government because the budget must be approved by the end of October. This makes the DPR feel like being in a fait accompli situation with the government. The government reaction to the proposal also seemed vague at the time. The short time for the bill deliberation should be logically more favorable to the executive since that means that the DPR process will only touch a small number of things while others are left to government proposals. These two issues were also then brought to the working committee and the lobbying process for more detailed discussion and formulation.

There was also an issue about the interpellation and investigative rights of the DPR. Until that time these issues were regulated only in the DPR Standing Orders, creating a perception that the issues were more internal matters of the DPR. The problem was that when carried out, those two DPR rights involve other institutions especially the president. As DPR members wanted to strengthen their roles they needed to make the provisions on these issues more binding not only on the DPR but also, especially, the president. Otherwise, the president can ignore it, as had been the precedent in the DPR of 2004-2009.

Nursanita Nasution from PKS stated: “… we in the DPR and also from PKS raise the issue of interpellation and then investigation rights which must be included in this law because they are related to DPR relations with outside institutions…” (Risalah Raker Pansus RUU MD3, 2008, October 20). Most of the party caucuses, including the chair of the special committee, agreed about this proposal, except for Partai Demokrat. Chozin
Chumaidy from PPP (Risalah Raker Pansus RUU MD3, 2008, October 22), supporting Nasution’s argument, stated:

… I agree with my colleagues that in terms of the interpellation right, the investigative right, and also the right to express opinion, those are actually about the relationship between two institutions, the DPR and the executive. So it is very appropriate that the president must be present, does not provide other alternatives because the president is the representative of the executive, ..., for the sake of balanced and harmonious relationship, ..., however, we need to make sure that the presence of the president and the exercise of the interpellation rights are not our effort that will end with presidential impeachment… (p. 5)

A member from PDS, Apri Hananto Sukandar, added: “we have to seriously regulate … with the spirit of not to bluff the executive…. Therefore we have to increase the requirement for proposing the investigative right, it must be proposed by 30 members, not 15 members. …” (Risalah Raker Pansus RUU MD3, 2008, October 22, p. 6).

The government in its reaction showed once again its reluctance to accept the DPR members’ proposal. The reason was the same as the reason to reject the inclusion of the provision on presidential impeachment procedures, that is, that another more comprehensive law is needed to regulate such a complex matter. The government (Risalah Raker Pansus RUU MD3, 2008, October 20) said:

… now about the DPR, the exercise of the rights for interpellation and inquiry to request the presence of the president, the government is of the opinion that the exercise of the interpellation right does not need to regulate a decisive reciprocal relationship between the president and the DPR. As we have said at the beginning of the deliberation of this bill, is that the DPR’s position is regulated in many laws. The government assumes that this law regulates only the structure and composition of the DPR, it is more about the internal nature of the DPR itself. … the mentioning of interpellation, investigation, and other rights which bring consequences to other institutions is better to be regulated in a more comprehensive law.

The government’s proposal was supported by the Partai Demokrat caucus. Soekartono Hadiwarsito from Partai Demokrat stated: “… with regard to DPR rights, I think in the
latest development particularly after 2004, we see that the implementation of this
democracy is very noisy, sometimes it has crossed the appropriate lines. … so I agree
with the government. On these rights we have to see it for the future, for the better ones.
… but the investigative right must be regulated in a separate law. The same thing applies
to the interpellation right. …” (Risalah Raker Pansus RUU MD3, 2008, October 22, p. 5)
These issues were then, like other unresolved issues, brought to the special committee for
further deliberation and formulation.

The issue of DPR financing or its operational budget was also a crucial issue.
Some DPR members like Eva Kusuma Sundari from PDIP wanted the DPR to have more
financial autonomy since up to that point its operational budget depended on the Ministry
of Finance or the government. From the early stage of deliberation, the government has
reminded the DPR that the status of the DPR operational budget must comply with Law
No. 17/2003 which stipulates that the management of state finances is the power of the
government, specifically the Ministry of Finance. As mentioned by Blondal (2009) and
Saefulloh (2007), the DPR’s operational budget depends on the approval of the
government, and in fact the DPR is treated as a spending ministry. In practice, in the
DPR’s operational budget, the chief financial officer is the Secretary General of the DPR,
who is also still a civil servant.

With regard to this matter, Eva Kusuma Sundari (Risalah Raker Pansus RUU
MD3, 2008, October 23) stated:

…when the parliament is authorized to guarantee the accountability of financial
management of the government in the context of a check and balances system, it
makes sense if the DPR itself undergoes substantial changes in the financial
management of the DPR operating budget. Many people complain and I expect
that those complaints are responded to in the law. For example, the accountability
of the DPR secretariat general and Household Affairs Committee in drafting the operational budget of the DPR, why is it not open to the public, why doesn’t every year the DPR report its operational budget to the public as is common practice internationally? That means our demand for financial autonomy will be followed by improvements in operational budget management in the DPR with the principles of good governance, openness, transparency, participation…and accountability. (p. 2)

Sundari’s statement was supported by a PDS member, Apri Hananto Sukandar, who added: “…if we want to strengthen the DPR, it is also related to finances. It is ironic that we have to be financially accountable to the Directorate General of Budget of the Ministry of Finance, …, whenever we do the recess and go to the regions we have to ask for the signature of the District Head for our financial report. … we want the DPR to be managed better” (Risalah Raker Pansus RUU MD3, 2008, October 23, p. 4). This proposal was supported by Golkar, BPD, Partai Demokrat, PAN, PKS, and PPP.

In its reaction, the government showed again its disagreement. Minister of the State Secretariat Hatta Radjasa, who represented the government (Risalah Raker Pansus RUU MD3, 2008, October 23) said carefully:

…the inputs from the party caucuses can be totally understood, that must be something which we have to think carefully and fundamentally because the state budget is not only about spending but also revenue. If all are independent, believe me the deficit will be more than 10 percent because our desire to spend is always bigger… so we propose that this matter be left to another law to be discussed namely the Law on State Finance…(p. 10)

Because of this disagreement, the matter of the financial or operational budget for the DPR was also brought to the working committee for more detailed discussion.

Another issue was about the legislature’s bureaucratic support system: the secretariat general. DPR members in their effort to strengthen DPR institutional capacity proposed that the DPR has a kind of congressional budget office or parliamentary budget office.
The reason for this was best stated by Eva Kusuma Sundari from PDIP. She (Risalah Raker Pansus RUU MD3, 2008, October 23) said:

…related to the improvement of DPR capacity in exercising its budget authority where until today there is no adequate supporting system, such as the availability of a group of economists who can give us alternative views and information so that in making decisions about the budget together with the government we can have well informed and prudent arguments with the data that derives not only from the government side. For that we propose the establishment of an internal structure of the DPR or a support system in the form of a budget office. Its main task would be to support the Budget Committee in the form of expertise and advice from highly qualified economists whose recommendations can be utilized by the DPR. (p. 3)

This proposal was supported by most of the party caucuses such as Golkar, BPD, PAN, PPP, and PKS. The government’s reaction was similar to other proposals on the importance of the autonomy of the operational budget of the DPR. The government proposed that the matter should be regulated elsewhere, especially in the law on state finance. Since the special committee could not reach a conclusion on this matter, the committee agreed to let the working committee discuss it in more detail and decide what could be done.

Support system issues were not only about the financial status and capacity of the DPR, but were also related to the structure or organization. There was a stark difference between the government and the DPR in this regard. When it started deliberating this issue in the working meeting of the special committee on October 27, 2008, the government introduced its proposal to make the organization of the secretariat general of the MPR, DPD, and DPR more efficient. For this the government proposed that the secretariat general for the three bodies should be integrated into one unit and led by one secretary general. It was clear that the government wanted to shrink this supporting unit
for the sake of efficiency. The government, represented by Minister Hatta Radjasa (Risalah Raker Pansus RUU MD3, 2008, October 27), said:

…the government view is that given that the MPR, DPR, and DPD are state institutions, each has a secretariat general. However, for the sake of efficiency and effectiveness of secretarial management, we propose that the secretary general for the three be held by only one official,…. And based on the law on the state treasury, the status of secretary general is the financial officer and therefore it must be held by a civil servant. (p. 22)

DPR members, on the other hand, tried to push the issue in another direction, to expand the support unit. They proposed that the secretariat general be not only under the full control of the DPR but also equipped with enough expertise to support the DPR’s work so that it could balance the institutional capacity of the government. The chair of the special committee, Ganjar Pranowo (Risalah Raker Pansus RUU MD3, 2008, October 27) stated:

… related to the secretariat general, …, there was a simulation among us about the secretariat general supported by the structure which is not like what we have today so there is sort of a deputy whose function is to support the process of oversight, equipped with an investigative institution, …, then we also have a sort of congressional budget office, including a legislation body which is headed by a person who is really an expert,…, we will have better performance if we are supported by a structure like that… (p. 22)

A PKS member, Nursanita Nasution, added: “… some of the complaints we have for instance have to do with the lack of clarity of the position of the secretariat general…. The secretariat staffs still think that they are the subordinate of the executive, and I think this is one of the fundamental problems that we feel. … the support system must be fully under the control of the DPR and their work should be directly related to the need to improve our performance. …” (Risalah Raker Pansus RUU MD3, 2008, October 27, p. 23).
Most of the members did not agree to the integration of three secretariat generals of the MPR, DPR, and DPD into one since it will be make more difficult the strengthening of each of the institutions as well as their independence. These ideas were supported by PDS, Partai Demokrat, PAN, PPP, PDIP and Golkar. The government then proposed that the details of the discussion and formulation should be brought to the working committee. The government also suggested that other related parties be asked for their advice, such as the Ministry of Finance and the Ministry of the State Apparatus. This suggestion was also agreed to by the meeting participants, and these issues, as usual were then discussed more intensively in the working committee.

From the end of November 2008 until mid-June 2009, the bill deliberation took place in the working committee. Included in this phase were the lobbying both among the party caucuses and between the government and the DPR (the special committee). Part of this process was also the synchronization and formulation by a team of a small number of DPR members and representatives of the government, supported by expert staff members and researchers in the DPR to make sure that the agreements about the bill were transformed into a legal document that meets the standard of good writing. On June 28, 2009, the special committee conducted a working meeting again to listen to and in general approve the agreements that had been reached in the working committee.

Based on the detailed deliberation in the working committee, the bill had been formulated into 10 chapters and 408 articles, much different from the original draft of the government which contained 13 chapters and 130 articles. Several issues were resolved both in terms of being incorporated and not incorporated into the law. In her report to the special committee, Nursanita Nasution, the chair of the working committee reported that
there had been nine agreements related to the materials that were adopted as part of the content of the bill.

Those agreements are: the name of the bill, which became the law on MPR, DPR, DPD, and DPRD (MD3), not the law on Structure and Composition as had been proposed by the government; the procedures of presidential impeachment; the appointment of the leadership of the DPR and DPRD based on the number of votes gained by the parties in the general election; and the schedule for early discussion of the annual state budget draft which was moved to May 20 from August 16.

The working committee also agreed on the establishment of a new internal organ of the DPR, namely the State Finance Accountability Body, the rules of procedures for ethics code enforcement, the provision that the president may not be present when being summoned by the DPR in exercising the DPR’s right of interpellation, and an agreement that matters related to the financial status and operational budget of each institution will be regulated further after consultation with the government.

The DPR proposal to have more support for its budget function, namely the establishment of a kind of parliamentary or congressional budget office, was dropped because of strong opposition from the government. One of the main reasons advanced by the government was that the establishment of such an office would have complicated the administration of state institutions because such an office in a state institution like the DPR is not known as far as the law is concerned. It does not fit, according to the government, with other regulations related to the state apparatus in Indonesia (Djadijono & Efriza, 2011; Efriza & Syafuan Razi, 2010).
The DPR proposal for more adequate support and a stronger, more independent secretariat general were also not well accommodated. However, there is one new structure that was agreed to, that is Badan Fungsional Keahlian (BFK, Expertise Functional Body) which seems to be similar to the Congressional Research Service in the United States Congress although the details about it were not addressed in the bill. In fact, this body has still not been established today, when the DPR of 2009-2014 is in the middle of its term. The law states that this body has been established by the DPR but requires government consultation for implementation.

This law was officially approved in the plenary session of the DPR on August 3, 2009. Golkar still had objections at that time, especially on the characteristics of the leadership of the DPR. The plenary session was conducted after the result of the election of 2009 had been officially announced. The provision about the DPR leadership made it clear that it was the Partai Demokrat that had benefited, since it was the winner of the election. However, since the working committee had reached an agreement, which also included Golkar, the latter reluctantly then gave its official approval to the bill.\footnote{See www.parlemen.net, 2009, September 4.} All other political parties as well as the government agreed with the substance and all agreements. The president then signed the bill into law on August 29, 2009.

**The Bill on Penyelenggara Pemilu (Election Organization).** One of the bills related to the general election is RUU Penyelenggara Pemilu (Bill on Election Organization). The DPR initiated this bill in 2005 in preparation for the general election of 2009. The bill was discussed again for amendment in 2011 as the government began to prepare for the 2014 general election. This bill was heatedly debated because political...
parties saw it as a vehicle to influence the election. During the deliberations in 2011, the government and Partai Demokrat tried to block the political parties’ proposal to allow political party members to be elected as members of the Komisi Pemilihan Umum (KPU, Election Commission) and the Badan Pengawas Pemilu (Bawaslu, Election Oversight Body). As described below, the multiple stages of deliberation in the DPR, along with the emphasis on decision by consensus, and informal institutions like lobbying and the consultation mechanisms, could facilitate resolution of the differences between the government and the DPR pertaining to the contents of the bill.

Besides the government in general, the state bodies that are specifically assigned to organize the election are the Election Commission (KPU) and the Election Watch Body (Bawaslu). Until the election of 2004, provisions on these two bodies were part of the general election laws, i.e., Law No. 12/2003 on the Legislative Election, and Law No. 23/2004 on the Presidential Election. There were also provisions on gubernatorial and mayoral elections which were part of Law No. 32/2004 on Local Government. For the election of 2009, the DPR viewed it necessary to make a specific law on KPU and Bawaslu. Therefore, DPR decided on November 14, 2005, through a plenary session, that the bill on this matter had to be initiated by the DPR. A special committee to draft the bill was then established in November 2005 by the DPR Steering Committee. This special committee finished the draft of the bill through its deliberation process on June 3, 2006. The draft was then sent to the DPR leadership to be further processed officially with the president and enter level one of bill deliberation in the DPR.
There were several reasons, according to the DPR, as to why the general election institutions must be regulated in one specific law. One was that because provisions on this matter were scattered into several laws, the possibility of having redundancy, overlapping, and contradictions was high, although in fact the institutions were the same in the previous three successful elections. The second reason was related to the confusion caused by the inclusion of gubernatorial and mayoral election provisions in the local government law. Because of this there was a debate as to whether these local elections are part of the electoral regime or governance (local governance) regime, while in fact, they are elections.

The implication of this confusion was significant. If local elections are considered as part of the local governance regime, that means that the organizer of the elections should not be the KPU and Bawaslu. If otherwise, the KPU and Bawaslu should be the ones who organize the local elections. As will be described in terms of the debates between the government and DPR below, there are also political implications if the local elections are part of the local governance regime. For some parties outside of the government parties, that opens up the possibility of government intervention in the elections because the local government bodies are the ones who will administer the local elections.

The third reason, according to the DPR, was that regulating the general election organizers with provisions scattered into many different laws will create inefficiency. The constitution, according to the DPR, requires general election institutions that can organize

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41 See Naskah Akademik RUU Penyelenggara Pemilu, 2005.
the elections with full accountability. Part of this full accountability is a quality administration that can guarantee a free and fair election.

The naskah akademik (academic document) for this bill stated that the election organizers: “… must execute their functions without any partisanship and effectively assure that the integrity of each process of the election is protected from any incompetent official/officer and from election manipulations…” (Naskah Akademik RUU Penyelenggara Pemilu, 2005, p.9). Another reason was related to an important problem identified during the election of 1999 and 2004. The election organizers, especially KPU, had taken actions beyond their authority. The KPU, according to the DPR, in many instances, had been not only the election organizer but also the regulator. In other words, the KPU had also entered the realm of policy making while it was supposed to be restricted to its responsibilities as specified by law. This problem was caused by the lack of clarity of the provisions in the existing law about the role of the election institutions.

Although the official deliberations on the bill started with a working meeting on January 23, 2006, the discussion of the substance of the bill actually took place in the working meeting of September 28, 2006. There were several crucial issues that came up. One was about the interpretation of the KPU as a body that is national, permanent, and independent. The previous law stated that the meaning of the phrase is that KPU has a hierarchical structure that starts at the national level and goes all the way down to the level of districts/municipalities.

The government, represented by the Minister of Home Affairs and the Minister of Law and Human Rights, proposed that this interpretation should be reevaluated to ensure
the efficiency and effectiveness of the KPU’s performance (Risalah Raker RUU Penyelenggara Pemilu, 2006, September 28, p. 10). According to the government, the phrase “national and independent” is not a problem. However, the word national does not necessarily mean that it has a hierarchical structure from Jakarta all the way down to districts or villages.

The government stated: “… so, KPU as an organizer is indeed national, …, but its subordinate organs, whether in the province or district/municipality, whether they are permanent or not, depends on our consensus. It was at the time based on our consensus that at the province it is permanent while at the district/municipality level it is ad hoc…” (Risalah Raker Pansus RUU Penyelenggara Pemilu, 2006, October 17, p. 4). The government’s main official reason for problematizing this issue was efficiency. For the government, the establishment of a permanent KPU in each of the districts and municipalities will cost a significant amount of money. By making it ad hoc, the KPU at this level will only be needed when there is an election, enabling the government to cut the recurring costs such as the overhead cost of the office, regular salaries for the commissioners and other staff members.

The members of the special committee disagreed with the government’s stance. A member of PDIP, Yasonna Laoly, for instance, stated that although elections are not held very frequently at the local level, it does not mean that between elections there is nothing that needs to be done. One important issue is the correction and updating of voter registration. If there is no local KPU, according to Laoly, that means the work in between elections will be taken over by the secretariat, which, according to the government, must
be a civil servant. This can create a problem of legitimacy. Further, Laoly (Risalah Raker Pansus RUU Penyelenggara Pemilu, 2006, October 17) said:

…this reason of efficiency must be debated. However, in the implementation of democracy, there is a cost that we need to pay, … so if the KPUD (the regional KPU) is ad hoc, in-between election matters will be the job of the secretariat, which is the executive…. If that is the case, what we are concerned about is that those secretariat staff members are appointed by the head of the local government, …, which means that the possibility of executive intervention is very high. (pp. 7-8)

Another crucial issue was whether or not gubernatorial and mayoral elections are part of the election regime or part of the local governance regime. In its version of the bill, the DPR clearly defined general elections to include the local government executive elections. The bill, in the general provision, Article 1(1) defined a general election as: “an instrument for the implementation of people’s sovereignty to elect the members of the DPR, the DPD, the members of the DPRD, and to elect the Head of Local Government and the Vice-Head of Local Government…”

The government, in its first pemandangan umum (general reaction or statement) in the working meeting of September 28, 2006, disagreed with this definition. According to the government, local elections are not part of the general election regime; instead, they are a part of the local government regime. The government (Risalah Raker RUU Penyelenggara Pemilu, 2006, September 28) stated:

The provision in Article 18(4) of the 1945 Constitution stipulates that the Governor, Head of District, and Mayor are the heads of the government of the province, district, and municipality respectively, and are elected democratically. Further, the provision of Article 22E(2) of the 1945 Constitution emphasizes that the general election is held to elect the members of the DPR, DPD, DPRD, President, and Vice President. Based on those provisions, the election of local government head and vice-head are not part of the general elections as stipulated in Article 22E of the 1945 Constitution. Therefore, the electoral institutions for
the local government’s head and vice head elections are regulated separately in the law of local governance. (p. 11)

Considering that the DPR still held to its proposal to include the local elections as part of the election regime, in another working meeting on November 15, 2006, the government tried to come up with the idea to delay the discussion on this issue until the DPR and the government were scheduled to talk about the election of 2014. For the election of 2009, the government proposed to consider it a transition period.

The government stuck to the idea that because the 1945 Constitution stipulates elections for members of the DPR, DPD, and DPRD, and a presidential/vice-presidential election, but describes local elections in separate articles, it means that the regulations governing them should be separated. In this working meeting, the government representative stated: “… we propose a kind of conceptual thinking that for now we can agree that we are in a transition period. On the other hand, it is explicit that the regulation article for local elections in our constitution is separated from the provisions for the other elections. … so may be in the five years ahead we can think of how to solve this problem by looking at better references…” (Risalah Raker RUU Penyelenggara Pemilu, 2006, November 15, p. 4).

Most members of the special committee did not agree with the government’s proposal on this issue. Suharso Monoarfa, a member from PPP (Risalah Raker Pansus RUU Penyelenggara Pemilu, 2006, November 15), stated:

…if we look at the interpretation of the Mahkamah Konstitusi (Constitutional Court) about elections in two articles of the Constitution, …, where the local election will be placed depends on the lawmakers, the legislators. So, how do we understand that for now? The answer is that we want it to be part of the election regime. …so we have a problem here because the government wants a kind of window in which the local election can be part of the government’s task through
the Ministry of Home Affairs, especially for emergency situations. But I do not see that emergencies must be regulated here because it has been a common understanding that the government should take necessary actions when the emergency situation occurs… (p. 8)

Another member of the special committee from Golkar, Ferry Mursyidan Baldan, raised a suspicion about the bottom line of why the government was so eager to keep organization of the local election under its control. Baldan (Risalah Raker Pansus RUU Penyelenggara Pemilu, 2006, November 15) said:

So, I think, my question starts with what is the actual factor or condition perceived by the government, so that it is necessary for the government to intervene or be involved in local elections, … Until 1999, we have been getting used to associate the election with legislative election,…, then when we have a presidential election, we do not see it as just another election…. Then when we have local government head election we do not see it as a normal election either. … Therefore, we are now in the position of putting all of them together as elections, namely, the process of political competition which, in the context of the development of our constitutional amendment, is organized and managed by an institution that is national, permanent, and independent in its nature. (p. 8)

Most other DPR members in the special committee were of the same opinion to make local elections part of the election regime which as a consequence, would become part of the KPU’s job to organize and manage, instead of local government or the Ministry of Home Affairs.

After the back and forth of these arguments, the special committee in its working meeting on November 17, 2006 agreed that the details of the discussion in this matter would be delegated to the working committee and other mechanisms such as the formulation and synchronization teams. The chair of the special committee in the working meeting of November 17, 2006, emphasized that in the committee, the consensus about the KPU as the only organizer of the legislative election, the presidential election, and local government head elections, will be formulated. The details of the
formulation should include the government’s own proposals and concerns regarding the proper role of government in the election process. The permanent versus not permanent nature of the KPU at the provincial and district/municipality levels was also agreed to be deliberated on in more detail in the working committee so that it can be better formulated.

Another crucial issue that was discussed dealt with the accountability of electoral institutions, especially KPU. The government proposed that accountability should follow the hierarchical lines of the KPU itself from the bottom and go all the way up to the national level. The KPU itself as a whole is accountable to the president. The government also reminded the committee members that being accountable to the president did not mean that the KPU can be interfered with by the president.

PDIP disagreed with the government proposal. In terms of administration and financial management, according to Yasonna Laoly, a member from PDIP, it makes sense if the KPU is accountable to the president because the executive is responsible for the use of state finances or the budget. However, particularly in presidential elections, given that the president himself or herself is also part of the election process, it will create the conflict of interest if KPU is accountable to the president.

According to Laoly: “…related to the process of the election itself, regardless of how democratic it is, the KPU cannot be accountable to the president. If we refer to how the Constitutional Court decided about how the local elections should be accounted for, the KPU must be accountable to the public, not to the president. …the KPU cannot be a subordinate of the president in this case…” (Risalah Raker Pansus RUU Penyelenggara Pemilu, 2006, November 17, p. 5). Ferry Mursyidan Baldan from Golkar supported Laoly’s opinion. If the KPU is accountable to the president, according to Baldan, it will
potentially have a problem especially in presidential elections when the incumbent
president is one of the contestants. Members from other political parties such as PAN,
PKS, BPD, and others also supported this opinion and stuck with the proposal from the
DPR that the KPU is accountable to the public not to the president.

Again, after several exchanges and back and forth arguments, the government
proposed to delegate this issue to the working committee and other lesser processes to be
discussed in more detail and then formulated. The government agreed that the concern of
the DPR about potential intervention from the government should be included in the law.
But the government is still concerned about who is going to make sure that elections
process are held properly both in terms of effective administration and in terms of
strengthening democratic institutions. The working meeting then agreed to bring this to
the working committee, like other matters.

The working committee then continued its deliberations. Meetings took place
from November 18, 2006 through March 8, 2007. Part of the process, as usual, was the
establishment of formulation and synchronization teams which further finalized the
details. The last working meeting of the special committee was held on March 12, 2007.
In this meeting, the working committee reported that all crucial issues assigned to it for
deliberation had been resolved. Some were resolved through the lobbying process. The
law was finally approved officially in the plenary session of the DPR on March 20, 2007.
In his report, the chair of the special committee emphasized that the DPR and the
government agreed to define the local government head election as a part of the election
regime. The relevant electoral institution, therefore, is the KPU, whose characteristics are
national, permanent, and independent. The KPU has a hierarchical structure from the national level to the local level of the district/municipality.

The law was discussed again by the 2009-2014 DPR. The bill was deliberated as part of the preparations for the election of 2014. While it did not make many changes, there was one heatedly debated issue, both in the DPR – government forums, as well as in the public, especially among NGOs. That issue was the proposal by the DPR, especially from Golkar and PDIP, to allow members of political parties to be nominated for KPU membership.

During the elections of 2004 and 2009, the KPU members had to be non-partisan, in an effort to keep the KPU away from political intervention. However, Golkar and PDIP, who were defeated by Partai Demokrat in the 2009 election, asserted that this non-partisan provision was actually in favor of the incumbent president and his party (Tempo, 2010, October 3, p. 36). There was a suspicion among the political parties that Partai Demokrat could unfairly influence the KPU for the next election. They pointed out how inferior the conduct of the 2009 election had been and how, in their view, the Partai Demokrat took advantage of its position. The proposal to allow members of political party to be eligible for KPU and Bawaslu is considered one way to offset the alleged problem.

The revised law was passed on September 20, 2011. There are five main changes. First, the old law stipulated that former political party members cannot apply to become members of the KPU or Bawaslu within five years of their resignation from their party. The revised law stipulates that they need only resign before applying. Second, in the old law, the election ethics council is an ad hoc independent body. In the revised one, the
ethics council is permanent. It is comprised of representatives of the government, the public and political parties. Third, previously, the provincial election supervisory committee is not permanent. According to the new law, this committee is permanent. Fourth, the KPU, under the old law, can issue regulations independently while in the new one the KPU must first consult the DPR. Finally, the old law stipulated that the Bawaslu could issue recommendations after finding violations. The revised law stipulates that Bawaslu can impose sanctions for administrative violations.

It is clear that according to the new law, political parties seem to have a bigger role in the organization of elections. This political party influence, although indirect, can be exerted through the involvement of political party members as members of KPU and Bawaslu, through the ethics council, and through the more detailed regulations which will be provided by the KPU through its consultation with the DPR. This situation has created controversy, especially among the public. Right after the passing of the revised law, several NGOs working on election issues filed a lawsuit at the Constitutional Court to challenge the constitutionality of the law (Jakarta Post, 2011, September 21). Their main concern is that the new provisions will lead to the conflict of interest for KPU and Bawaslu members because of their ties to political parties. However, this law is still in force as this study is written.

The Bill on Badan Penyelenggara Jaminan Sosial (BPJS, Social Security Agency). During the presidency of Megawati Sukarnoputri from 2001-2004, the DPR enacted Law No. 40/2004 on the National Social Security System. One of its provisions stipulates that in order for the national social security system to be implemented the law requires the establishment of a Badan Penyelenggara Jaminan Sosial (BPJS, Social Security Agency).
Security Agency). The BPJS bill was then drafted and put into the DPR agenda to be deliberated on in 2010.

This bill had been a controversial and an important issue for several reasons. First, its implementation will ensure that the implementation of Law No. 40/2004 on Sistem Jaminan Sosial Nasional (SJSN, National Social Security System)—a bill that provides a legal basis for the implementation of social security protection for all Indonesians—comes into effect. Although the SJSN law was passed in 2004, it is unable to be implemented because, by law, an implementing agency is required. Second, this bill affects multiple interests ranging from the public in general to NGOs, private insurance companies, and state-owned companies, especially those that have been providing social security insurance services, the DPR, and the government in general. Third, according to Article 52 of Law on SJSN, the law and regulations related to the social security agency must be ready no later than five years after the SJSN law was enacted. Thus the deadline was October 19, 2009. This deadline was not met by the government (or the DPR). Because of this inability to meet the deadline, the DPR took the initiative to draft the bill which was then sent to the government on October 8, 2010 to be jointly deliberated.

There were at least two main reasons why the SBY government was not willing to initiate the bill and to meet the deadline set by the SJSN Law (S. C. Surapati, personal communication, August 10, 2011). First, the law was enacted during Megawati’s presidency. If the BPJS law is enacted soon, it will provide broader social protection for a wide range of groups from low social economic backgrounds such as laborers and other low wage workers. Most of these groups are the main basis of Megawati’s PDIP Party which was going to challenge SBY again in the election of 2009.
The enactment of BPJS law would have given a tremendous political boost to the PDIP, which SBY did not want to experience. Besides that, the reluctance of SBY’s government to implement the law and complement it with the BJPS Law is also related to the bad relationship between Megawati and SBY since SBY’s decision to run for the presidency when he was a member of Megawati’s Cabinet in 2004 (Wisnu, 2012). SBY had been trying to reverse some of the policies in the SJSN Law and was not focusing on the establishment of the social security agency required to implement the law in its entirety. Only very strong pressure from activists and civil society groups kept the government from abandoning the policies related to the law entirely.

Second, more importantly, is that the enactment of this law would affect the four state owned companies which have been running some parts of the social protection plan. These four companies are PT Jamsostek, PT Askes, PT Asabri, and PT Taspen. Under a new law, these four companies would be transformed if not abolished entirely. Since this is related to the interests of not only the people in the companies but also the political groups that use the companies for political financing, the groups related to the interests of these companies fiercely rejected the idea of having a new social security agency. Another issue that may be the third reason is that this effort to provide a regulatory foundation involved so many parts of the government. In fact, when deliberation on this bill finally started, the government team consisted of eight ministries led by eight ministers. Not only does that make the coordination effort among the government agencies/ministries very hard, but also the competing interests related to each ministry are hard to reconcile.
Thus, it is clear that the passing of this bill was not in the interest of the
government in the first place. Given the public popularity of the issue and the strong
pressure from civil society groups, however, the government could not simply ignore the
bill, by, for instance, using its power to simply reject putting the bill on the agenda as
proposed by the DPR. Political parties in the DPR however, including SBY’s party,
Partai Demokrat, could not just let the issue pass by without being noticed by the public,
especially because several political parties, led by PDIP, viewed the issue as related
directly to their basis. In the case of PDIP, the fact that this bill is related to the previous
law enacted during Megawati’s presidency, proves clear political motivation. The vice
chair of Commission Nine, S. C. Surapaty from PDIP, who was the chair of the special
committee when the SJSN bill was deliberated, maintained that the finishing of this bill is
their final unfinished task (personal communication, August 10, 2011). The BJPS Law, as
mentioned above, if enacted, will affect the lives of a lot of wong cilik (little people), the
main political basis of the PDIP. Other parties, including Demokrat, cannot ignore the
issue, because they did not want to be viewed as fighting against the interests of the
people. Therefore, there was no other choice than following the PDIP’s lead, while
paying careful attention to the possibilities of political gains and liabilities along the way.

Given the nature of the issue, in drafting and preparing the bill, not surprisingly,
all DPR caucuses are united (including the president’s Partai Demokrat) to support
forward movement as quickly as possible (S. C. Surapati, personal communication,
August 10, 2011). Originally, the bill was drafted and deliberated in Commission Nine
which among other things covers the issues of health, labor and social security. However,
because it encompasses much wider issues and interests, the bill was then deliberated by the special committee consisting of various related commissions in the DPR.

This bill sparked controversy, including among the public. There were many heated disagreements between the government and the DPR about the contents of the bill, making the deliberation time prolonged to three DPR sessions in 2011. When the bill was about to be deliberated, the government sent its own version to be put side by side with the DPR’s draft during the deliberation. From the government version and during the process of deliberation itself, there were at least five contentious points between the DPR and the executive on the bill (Wisnu, 2012). Because of these contentious issues, the bill was delayed several times until October 2011.

First, the government and the DPR had contradicting views about the nature of the bill. For the government, the bill was about “beschikking” (a Dutch legislative word meaning a determination or decision) which meant that the law would function only as the legal basis to establish the social security agencies. The DPR, on the other hand viewed the bill as both “beschikking” and “regeling” (Dutch for regulating). In other words, for the DPR the bill will serve not only as a legal basis to establish but also to regulate the social security agencies.

Both sides used legal experts to support their arguments. The government also sought a legal opinion from the Supreme Court to get clarification before proceeding. According to the government, the regulation aspect should be part of the related law, which is the SJSN Law enacted during Megawati’s presidency. Thus for regulation part, the government planned to amend the SJSN Law first. The DPR rejected the

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42 See also CDI Monthly Report, June 2011.
government’s proposal to amend the SJSN Law, because the upcoming law on the social security agency can accommodate such provisions.

The second contradicting view concerned the number of social security providers. According to the DPR, there should be only one agency, while the government would like to have multiple agencies. The social security provider, in the government’s view, should also include the current state-owned companies, i.e., PT Jamsostek, PT Askes, PT Asabri and PT Aspen. After several meetings in the special committee, on June 15, 2011, the government changed its position and instead proposed to create two new agencies. The first agency would provide services for health, accidents at work, and death benefits, and the second will be for retirement. However, the four existing companies would continue their services under this plan.

The third contentious issue was about the status of the social security providers. Consistent with its view on the current companies, the government wanted the agencies to remain in the form of state-owned companies as limited liability corporations (PT, Perseroan Terbatas). The social security providers should therefore be profit oriented, at least to some extent. The state-owned companies should also pay a share of their profits in the form of dividends to the government. The DPR, on the other hand, wanted the new agencies to be public trusts (badan hukum publik wali amanat). The implication is that the agencies would be non-profit, publicly-owned and accountable, as mandated by the Constitution of 1945, particularly Article 34, which stipulates that social security protection is universal for all Indonesians.

The fourth issue is about the structure and supervision of the social security provider. The government wanted the agencies to be under the supervision of the
Ministry of Finance, which will report to the president. The DPR wanted the agencies to be under the auspices of the so called Dewan Jaminan Sosial Nasional (DJSN, National Social Security Council), a non-ministerial body whose administrative status is directly under the president. DJSN members would consist of two representatives from the workers union, five representatives of government, and six experts.

The last issue is related to the working principles or general guidelines for the social security providers. The DPR in its draft proposed nine explicit principles: characterized by mutual aid (gotong royong), non-profit, open, prudent (kehati-hatian), accountable, portable (portabilitas), based on public funds (dana amanat), the fund dedicated to further development of the program, and the maximizing of the interest of the members. The government wanted some of these principles to be revisited.

Another problem related to this bill on the government side was the different positions of each ministry involved in the government team (Abimanyu in Kompas, 2011, June 27). For example, when the DPR sent the bill to the government to get approval for deliberation, Minister of Law and Human Rights Patrialis Akbar agreed with the substance of the bill and also agreed to deliberate it in the special committee.

Other ministers took a more conservative stance. Minister of Finance Agus Martowardojo was concerned about the financial consequences of the bill and asked for a simulation of this financial issue before the bill is processed further. In the Minister of Finance’s calculation, the premium for health coverage that had to be paid by the government based on the DPR’s version would be 2-3% of the Gross Domestic Product (GDP) to cover 20 million Indonesians. This estimation is much higher than the estimation from the Ministry of Finance itself, which was only 0.5% of GDP.
Thus, the Minister of Finance who was also the coordinating minister for this bill, in the meeting of the DPR and the government on November 24, 2011, said that the financial aspect of the bill should be carefully considered. If the DPR version of the bill passed, it would heavily burden the state budget, besides affecting business competition. Minister of State-Owned Companies Mustafa Abubakar wanted the current social security providers, the four state companies described above, not to be touched. If the DPR version of the bill passed, then his ministry would need to do a major restructuring and of course, lose control over lucrative resources. Thus this problem of coordination and teamwork on the government side also caused delays in the deliberation of the bill. This is one of the reasons why the DPR initiated bill did not get a positive response from the government from the first place.

Since the DPR, supported by many independent experts and civil society groups, had the upper hand on this issue, the government used various tactics to at least gain several concessions to be put in the bill. The government’s intention to not deliberate on the bill was not a viable tactic anymore. Its effort to seek clarification on the existing law was especially related to the existing services provided by the four state-owned companies. This had been responded to by the Supreme Court, which had confirmed and strengthened the status of the existing law. The Supreme Court also ordered the four companies to adjust and comply with that law. Another problem was that if the government used its power to refuse to deliberate the bill it would clearly be going against the public’s view on this issue. The citizens’ lawsuit against the government regarding the implementation of the earlier law had been won by the citizens. Thus the
court ruled that the government had not been compliant with the earlier law and ordered it to move forward with the bill to establish a social security agency.

The only way for the government to get a concession was to use delaying tactics, such as to hold to its position on the above five contentious issues, slowing the deliberation process (Thabrany in Kompas, 2011, September 7). In its report, The Center for Democratic Initiatives (CDI), a research group from Australia which paid close attention to the bill’s progress (CDI Monthly Report, June 2011), wrote:

One of the strategies of government to delay or slow down the law making process is by assigning their deputy minister or head of department to attend meetings with the DPR. Although many DPR meetings are not always attended by ministers, but given time-constraints and hot issues to be discussed in this bill, having a deputy minister or head of department will slow down the process of discussion because they usually do not have authority to take an important decision.

Another tactic of the government to get more concessions was by trying to make the position of the party caucuses in the DPR less united. A sign that this tactic was being used emerged toward the end of the deliberation process, after June 2011, when most of the parties in the coalition were quiet. It was only PDIP members, especially young members like Rieke Dyah Pitaloka and the vice chair of the special committee, who kept pushing the agenda. Some members from Partai Demokrat, for instance, openly changed their position in the deliberation meetings and supported the position of the Minister of State-Owned Companies (Wisnu, 2012).

The last government tactic was to delay the bill by not approving it until the end of the DPR session in 2011. According to the DPR Standing Orders, in such a case a bill cannot be raised again during the life of the 2009-2014 DPR. Instead, it would have to be proposed again in the next DPR, which convenes from 2014-2019.
However, the DPR tried to stick to the schedule of finishing the bill during the 2009-2014 period, which in turn required it to provide concessions to the government. The DPR special committee had also been trying to use media and public pressure to move the agenda forward. Priyo Budi Santoso, one of the DPR chairs, from Golkar, stated on the DPR website that the DPR wanted from the beginning to finish the bill as soon as possible, but the government wanted it to be postponed (Wisnu, 2012). As a result of this difficult deliberation process, until May 2011, out of 263 of problems inventory list, there were still 190 that had not been discussed. When the deliberations were extended to the middle of August, 2011 (it was supposed to be done by June 2011), there were still 62 issues in problems inventory list left untouched.

Because of too many interests, political and economic, and the fact that this was not a priority agenda item for the government, these various competing positions could not be resolved through the regular, multi-stage deliberation process in the DPR. Several analysts and observers such as CDI and SMERU had predicted that the bill would be deadlocked and never pass. However, the deliberations on this bill are a good example of how informal institutions can help relations between the executive and the legislative branches. The two main informal institutions that were at work here were the lobbying mechanism and the consultation mechanism.

When there was “deadlock” between the president’s team and the DPR in deliberating the bill, the players used the devices of lobbying and consultation involving the president. At this stage several problems such as the transformation of the current state companies were resolved. The lobbying mechanism was conducted both individually and in groups. S. C. Surapati said that he had led several lobbying meetings
with individual ministers and once with all eight ministers in his office in the DPR (personal communication, August 10, 2011). During the deliberation process, several members of the special committee, Rieke Dyah Pitaloka of PDIP, Chusnunia of PKB, Marti Agoeng of PKS, Soepriyanto of Gerindra, and Sunartoyo of PAN, had also met with Jusuf Kalla, the former vice-president of Indonesia and initiator of the previous law, to seek moral support for passing the bill (CDI Monthly Report, June 2011).

Several important agreements and deals were achieved when the president got involved. In this case the use of the informal institution of the consultation mechanism shows how it can help resolve executive-legislative tensions. The chair of the special committee, N. Shihab (personal communication, October 11, 2011) said:

So, when we have consultation meetings with the leaders of the DPR and ministers, they told me that I had to report all these things to my boss first. What they meant was the president. …. Thus, as the chair of the special committee I came to the president in the palace and discussed these things. I reported to the president we need the process of transformation of the current social security providers into the new agencies. He said that he basically agrees with the transformation. The president also said that whatever happens, this is a democratic country and we have to try hard to achieve consensus, not voting. So we have to find the best argumentation between the DPR and the government.

The last consultation meeting was with Vice President Budiono on June 30, 2011 in the vice presidential palace (Wisnu, 2012). The meeting was attended by all five DPR leaders and reached several points of agreement. First, the new agencies will start with the health sector. This will be implemented based on government regulations still to be issued. Second, the social protection/security programs will be implemented based on state capabilities without specifying the schedule or time frame of the implementation.

Third, there will be two agencies: in the short run and in the long run. The first one will cover social protection programs for the people (Jamkesmas, Social Insurance
for Health—similar to Medicare and Medicaid in the US) which aims at helping poor people with health coverage and new participants whose members are not yet covered by the current four social security providers. The implementation of the first one will be monitored by one of the four existing agencies. There is no clear planning yet for the second agency. Fourth, the current four agencies which serve as the existing social security providers will remain with their existing activities. There is no transformation from these four agencies into a single, all-encompassing government agency.

These points of agreement then became the main bases for continued deliberation on the bill until October 2011. It is also clear that in the end the government could get most of what it wanted. The bill was finally jointly approved in the plenary session of the DPR on October 28, 2011. Despite several worries that the president would not sign the bill because of not getting all the government wanted, President Yudhoyono finally signed the bill into law on November 28, 2011, exactly 30 days after the final approval in the DPR. As noted by Wisnu (2012), the deliberative process on this bill reveals that the role and position of the government remains determinative, if not dominant. This is another sign that in the current Indonesian presidential system, the government despite all of the institutional obstacles and partisan power that currently exists still has opportunities to move its agenda forward, thus making executive – legislative relations work satisfactorily.

**Oversight**

Besides being able to show how the institutional mechanisms that characterize the DPR decision making process and its relations with the executive work, the oversight function of the DPR can also show how the dynamics of coalition and opposition works.
As suggested by many observers (Rodja et al., 2010; Argama et al., 2011) the oversight function, to some extent, is the easiest one for the DPR. Exercising this function does not require too much skill and information, although in the case of exercising oversight over several issues such as the implementation of the national budget requires much deeper substantive and technical capacities. However when the DPR is looking at popular and controversial issues such as the cases depicted below, it is much easier for members to weigh in with their various stances and opinions. Because of the nature of these issues, the attention of the public is usually higher, making it more difficult for DPR members to use piece by piece methods of consensus process and lobbies. As a result decision by building a coalition against the opposition is more salient, and sometimes ends with voting.

In conducting its function to oversee the government, the DPR can use various powers or rights granted to it by the Constitution. Chief among these is the use of the investigative right (hak angket) in which the DPR can investigate any government policy that is considered wrong or creates problems. Other rights are interpellation, the right to ask the government questions, and the right to express an opinion. The investigative right is the most powerful one because it can lead to the recommendation of legal action against the government and the possibility of impeachment. The government’s agencies can also come to the DPR in their regular meetings in commissions to conduct consultations or hearings when they feel it necessary to make sure that the implementation of certain policies is not questioned by the DPR.

During 2004-2009 period, there were at least six occasions on which the DPR exercised its investigative right against the government. Only three succeeded. The role
of Golkar during this time, especially through the effort of its prominent leaders Vice President Jusuf Kalla and Coordinating Minister for People Welfare Aburizal Bakrie was significant. The fact that Jusuf Kalla was vice president and Aburizal a prominent minister gave Golkar more incentive to be cooperative with the government.

Part of their strategy was to exercise only the interpellation right, which has much less political impact than the investigative right (Tempo, 2010, February 28). Another example is in the case of the Aceh peace process in which the DPR’s Defense Commission did not agree with the government’s peace-making efforts with Gerakan Aceh Merdeka (GAM, Free Aceh Movement) (Tempo, 2005, June 5, pp. 40-41). The DPR had planned an interpellation against this peace accord. Driven by the PDIP, some DPR members tentatively supported this motion. However, the pro-peace settlement coalition, at the time, worked well and functioned as the government wanted. The motion failed because Golkar, PPP, Partai Demokrat, PAN, and PKS were against PDIP’s interpellation (Tempo, 2005, September 4).

**The Century case.** The Century Case is about the exercise of the DPR’s investigative right with regard to the government’s policy to bail out the ailing Century Bank, in 2008. Thus it was an exercise of the oversight function during the first SBY administration. The policy was part of SBY’s effort to prevent the case from having a system-wide influence and threatening the Indonesian economy during the global financial crisis in 2008.

The Century Bank faced a severe liquidity crisis at the height of the global financial crisis in November 2008. The *Asia Times* described the problem: “Spooked depositors ran on the mid-sized consumer-oriented bank, depleting its capital base and
raising fears financial contagion would have a domino effect on other wobbly financial institutions” (Asia Times, 2009, September 17).

SBY’s government responded to the problem by giving a bailout amounting to—initially—Rp 700 billion (US$70.9 million) immediately after the bank’s management declared it insolvent on November 21, 2008. The bailout was meant to offset depositors’ fears and to provide sufficient liquidity for its daily operations. This initial fund, however, was followed by subsequent payments to the bank reaching Rp 6.76 trillion (US$677.4 million), four times higher than the amount approved by the DPR. Soon after this amount was known by the public, both politicians and analysts raised the questions of why this small to middle sized bank needed so much capital to be stabilized. There was also a question of whether in fact the problem of this specific bank would create systemic problems for Indonesian banking and the economy given its small size and reach.

The case became controversial and attracted public attention. From the economic and policy point of view it was logical to raise many questions about the seeming irregularities of the bailout policy. The Indonesian Corruption Eradication Commission (KPK) had actually launched its own investigation and on June 5, 2009 it requested the Indonesian Supreme Audit Body (BPK) to conduct investigative audit to the case.

The Finance Commission of of the 2004-2009 DPR, in its meeting with Minister of Finance Sri Mulyani Indrawati on August 27, 2009, had also raised the issue. The Commission questioned why the bailout swelled so much from Rp 632 billion as approved by the DPR to Rp 6.76 trillion. After the meeting, the DPR requested the BPK to do an investigative audit as well. In its initial report on September 30, 2009, the BPK...
found several weaknesses and irregularities in the Century Bank bailout (Soesatyo, 2010). On November 23, 2009, the BPK submitted its investigative audit report to the DPR. This report said that there were irregularities in the policy. Another report from another government body, the Center for Investigation and Analysis of Financial Transactions, also strengthened the BPK report. According to the Center, there were at least 50 suspicious financial transactions related to the Century Bank bailout.

To make matters worse, the policy of bailing out the Century Bank, which took place between November 2008 and June 2009, occurred when Robert Tantular, the major shareholder of the bank, was under investigation for massive fraud (possibly amounting to US$ 1 billion) through embezzlement (Asia Times, 2009, September 17). Robert Tantular was arrested on November 26, 2006 and faced eight years imprisonment if convicted. In a nutshell, the investigation and questions related to this case are justified, economy-and-policy wise.

The political context of the case however, made it controversial. First, the political timing was unfortunate. It was a time when all political parties and actors were focused on the 2009 general elections. In that election, SBY’s Partai Demokrat, which was a small party during the 2004-2009 DPR period, became the first winner of the legislative election with more than 20% of the popular vote. SBY was elected President for a second term with more than 60% of the popular vote. There was an allegation that the irregularities in the Century Bank bailout were related to the massive amount of money spent by Partai Demokrat and SBY to win the legislative and presidential election (Soesatyo, 2010).
Second, while the DPR had begun to debate the bailout before the 2009 elections, political parties in the DPR did not aggressively pursue the issue until the 2009-2014 DPR was inaugurated in early October 2009. This created speculation that the emergence of the issue was political revenge against the SBY government, especially from Golkar and PDIP.

Another speculation was that parties like PAN and PKS joined the effort as political maneuvering to oust newly-elected Vice President Boediono. Prior to the 2009 presidential election, a common calculation was that SBY would choose his running mate either from Golkar (JK, his current VP at the time) or from the second biggest party in his 2009 coalition, PKS, or his personally closest ally, HattaRadjasa, the chair of PAN. None of these calculations materialized because SBY chose a non-political party member and an economist, Boediono, who was at the time the Governor of Bank Indonesia, the central bank. As central bank head, Boediono was one of the people in charge of the Century Bank bailout. Thus, if Boediono was convicted through this case, the possibility for these parties to have their vice-presidential candidate would be open again. Interestingly, except for PDIP, all these political parties are members of SBY’s coalition for the 2009-2014 period.

The third issue was related to Golkar’s chairman, Aburizal Bakrie. It was known to the public that Golkar had led the charge in this case. Golkar even aggressively tried to be the leader of the DPR special committee to investigate the case, although based on the proportionality principle used in DPR leadership appointment, Golkar was not the party that should lead the committee.
Aburizal Bakrie, according to this speculation, had an interest in ousting the Minister of Finance, Sri Mulyani, who had been his nemesis during the first SBY administration. Sri Mulyani was known to be a reform figure, and aggressively pursued bureaucratic reform in her ministry from 2004-2009. Part of her reform program affected Aburizal Bakrie’s business empire, especially concerning reform in taxation. Because Sri Mulyani was also in charge of the Century Bank bailout, the investigation by the DPR could potentially lead to the ousting of Sri Mulyani from the 2009-2014 SBY Cabinet.

In one of its reports on this issue, Tempo (2006, December 3) wrote that the origin of the problem is the conflict between Coordinating Minister of People’s Welfare Aburizal Bakrie (known as Ical) and Minister of Finance Sri Mulyani. Ical is also the owner of Bakrie Groups, a holding company which owned the Lapindo Company, among its many holdings. The Lapindo Company is alleged to be responsible for a huge mud explosion in East Java, known as the “kasus lumpur Lapindo” (Lapindo mud case) which has caused to sink a part of the Sidoardjo district where the company had been exploring for gas. This disaster caused more than ten thousand residents to flee, losing their homes and valuables.

The problem is today still not resolved and nobody knows when the mud will stop pouring out of the ground. In the middle of this problem, the Bakrie Group tried to change/sell the ownership of Lapindo, which appeared to many to be a way to avoid responsibility. The fiercest opponent of Bakrie’s effort was Sri Mulyani, weakening Aburizal Bakri’s effort to save his business empire. The Ministry of Finance then officially rejected the proposal to change the ownership of Lapindo. Tempo (2006, December 3) wrote: “The chair of the Investment Supervisory Board of the Ministry of
Finance rejected the selling of Lapindo… Minister of Finance Sri Mulyani supported the decision of the Board” (p. 23). This decision made Aburizal Bakrie, who was the Coordinating Minister of People’s Welfare at the time, not happy.

Problems between Sri Mulyani and Aburizal Bakrie continued with the selling of Bumi Resources, a Bakrie Group company, in October-November 2008 (Tempo, 2008, November 23, pp. 134-143). President SBY warned Sri Mulyani, following a complaint from Aburizal Bakrie about Sri Mulyani’s decision to instruct Bumi Resources to allow its shares to be sold on the Jakarta Stock Exchange after signing a contract with another company to save its company. The Bakrie group, not surprisingly, did not agree with Sri Mulyani, who still stands by her decision. SBY had an important interest in helping Bakrie because of his role in his presidency. According to Tempo, the position of Aburizal Bakrie in SBY’s presidency is crucial as a coalition partner. According to Tempo (2008, October 23): “Aburizal,… , also played an important role in paving the way to elect Jusuf Kalla as the Chair of Golkar in its convention in Bali. The mission was endorsed by SBY. Being supported only by Partai Demokrat, PBB, and PKPI, he needed more partisan support in the DPR. Putting Jusuf Kalla at the head of the Golkar camp would reach his objective.” SBY, in short, needed Aburizal Bakrie to make sure that his coalition would continue to work.

The Century Bank incident became known to the DPR members, then to the public, basically by accident. DPR members did not know about the swelling of the bailout fund at first. Bambang Susatyo in his book on the case (2010, p. 4) wrote: “One question suddenly came up in my head: how did this case come out in the first place? … Ah, it turned out that because one high ranking official in the Ministry of Finance
misspoke in one of the meetings with the DPR. That official said that one of the cases that the Ministry of Finance is taking care of now is the bailout of Century Bank which had been given Rp 6.7 trillion.” The way this case came to the public’s attention shows us that even for big problems (considering the huge sums involved) the DPR cannot by itself proactively search for misfeasance. This is an illustration that the institutional capability of the DPR, particularly on the issue related to nitty-gritty of the budget, is still lacking, compared to the executive. This is also part of the reason that the DPR’s aggressive pursuit of the issue was more about politics rather than a genuine exercise of its investigative rights.

The political motivations from the political parties in the DPR seemed to be confirmed by their next move. On December 1, 2009, the DPR decided to pursue this case through its investigation rights. It formed a special committee which was then chaired by Idrus Marham, a member of the DPR who is also the Secretary General of Golkar Party. In the process of its investigation, the special committee for the most part focused its effort on the involvement of Boediono and Sri Mulyani in the case.

In its report, Tempo (2010, January 3) wrote: “Boediono was one of the main targets of the DPR’s special committee for the Century Bank investigation. Another figure aimed at was the Minister of Finance, Sri Mulyani. They were chair and member respectively of the Committee for Financial System Stability which decided to bail out the Century Bank on November 21, 2008” (p. 116). Still according to Tempo (2010, February 28),

at the beginning of the special committee’s work, …, the Golkar Party made a bold move to ask for Sri Mulyani and Boediono to be non-active from their current positions. The investigation at the time had not even started yet. Sri
Mulyani reacted by pointing out that Golkar politicians in the special committee treated her unfairly. In an interview with the *Wall Street Journal* in Singapore she said that Aburizal Bakrie does not like her, so she does not expect even one of the Golkar’s politicians to treat her fairly. (p. 28)

The Secretary of the Committee for Financial System Stability, Raden Pardede, who was also questioned by the special committee, also stated that the committee was interested more in the political aspect of the case than trying to objectively look at the information and analysis from the Committee for Financial System Stability. As the Secretary of the Committee, which has the authority to decide whether a failed bank will have an effect on the financial system or not, he was at the center of the Century Bank case. Pardede attended the meeting to decide the fate of the Century Bank on November 21, 2008. After being questioned by the special committee, he told Tempo (2010, January 3): “The special committee for the Century Bank investigation suspected that something happened during the meeting on that date which made a small bank like Century to be designated as a bank that would have a systemic impact. … I am tired of explaining to them [the DPR] because there is nothing that will make them trust me, they are always suspicious” (p. 134).

Politicians from PDIP, Gerindra, and Hanura aggressively tried to find any information related to the role of the president, vice president, and Sri Mulyani. They suspected that there had been an intervention from the president which made the Financial Stability Committee decide that Century Bank should be bailed out with that much money. Based on the transcript of the Committee meeting, the special committee of DPR believed that the president knew about this issue at some point, and therefore they needed to request the president’s testimony too (Tempo, 2010, January 3).
The president’s side tried hard to save the positions of SBY himself, Vice-President Boediono, and Minister of Finance Sri Mulyani. Marwan Ja’far from PKB, one of the president’s supporters on many occasions, stated that the government believed that the policy was right. If there was something wrong it was because of manipulation by the implementers, not Boediono or Sri Mulyani.

Meanwhile, Lukman Hakim Saefuddin, a senior politician from PPP, also a member of the coalition, criticized the way SBY and his Partai Demokrat handled the coalition in managing this issue (Tempo, 2010, January 3). According to him, Partai Demokrat should have been able to play a more successful game in embracing other political parties, especially the coalition members. He noted that since this case had come to public attention, there had been no effort on the side of the government to coordinate the members of his coalition. Because there was no order from above, all politicians including from PPP could play whatever role they wanted. Andi Rahmat, one of the initiators of this investigative right, also admitted that there was no specific direction given to them as politicians on what position they should take (Tempo, 2010, January 3).

It seems that the government wanted to play it safe in this case, given the controversial nature of the issue. Coordinating Minister of Politics, Law, and Security Djoko Suyanto, one of the members of the president’s inner circle, stated that the government at the beginning did not want to make a special coordination effort. “You could imagine what kind of other issues would come up if the government gathered those parties to direct their positions. There had been a political contract between the president and the coalition parties. If those parties wanted to expel the President, they should be patient until 2014” (Tempo, 2010, January 3, p. 117). Djoko Suyanto’s statement seems
to confirm the criticism of Lukman Hakim Syaifuddin to the effect that SBY really believed that his coalition would automatically work and did not need to be specifically directed.

Given the development of political parties’ positions on this issue, especially among the coalition members, Partai Demokrat had tried to warn them. One way that they used was by threatening to evaluate the works of the coalition, especially after the first one hundred days of SBY’s second term. The head of the Demokrat caucus in the DPR, Anas Urbaningrum, reminded the members of the coalition: “Partai Demokrat will re-evaluate its coalition after the first one hundred days of the SBY-Boediono administration. … this evaluation is a usual thing to do as a way of maintaining commitment and coalition ethics” (Detik, 2010, January 7).

SBY himself had also tried to warn his coalition members not to be too critical of the government in pursuing the Century Bank case. Through the media, he said that he was disappointed with the attitudes of the political parties in his coalition in supporting the examination of the Century Bank bailout. This indirect signal at least had the effect of making PKB replace its members on the special committee such as Marwan Jafar and Anna Muawanah (Detik, 2010, January 15).

The government also used several other tactics to tame the political maneuvering of its coalition members. Toward the end of the Century Bank special committee’s schedule, there had been a number of legal cases related to its members emerge to the public. These cases were mostly about fraud and/or the criminal records of members of the opposition in the Century Case. Many believed that the emergence of such cases was designed to degrade the political and moral standing of the “government attackers” and
the palace (the president’s side) had something to do with that (Tempo, 2010, February 28). As noted by Tempo, the emergence of such cases at least had revealed that the track record of the DPR members who were the “government’s attackers” was actually not as clean as they had claimed.

One example was the emergence of the case of tax fraud by companies owned by Aburizal Bakrie’s family amounting to Rp 1.2 trillion. As reported by Tempo, this issue actually had circulated among the political elite long before the Century Bank case came to the public’s attention. The legal process related to this fraud had been slow and was possibly halted because of the close relationship between SBY and Aburizal Bakrie who was still a member of SBY’s cabinet at the time. In fact, Aburizal was still the strongest ally of SBY at the time. When he was elected chair of Golkar in 2009, the palace gave its support. Tempo (2010, February 28) wrote:

The allegation of this historically biggest tax fraud case was only made public in the middle of the investigation of the Century Bank case, especially when Golkar clearly demonstrated its position against the government. This attack was directly responded to. Without mentioning any names, in front of many high ranking police officers in the meeting around February, 2010, the president ordered the police to prosecute any tax fraud crime. Aburizal reacted to the attack by saying that he was ready not only to be attacked in the case of his taxes, but even if he had to die. (p. 23)

Because of this attack, the Golkar chair was getting more accommodative while still maintaining his high profile position on the Century Bank issue. Aburizal met the president in mid February, 2010. Tempo (2010, February 28) reported that the largest concession asked by Aburizal Bakrie was that the president fire Sri Mulyani as Minister of Finance. SBY rejected the request. Nonetheless, both of them agreed on several things related to the Century Bank case. They agreed that the case would be taken care of by
legal process. Besides that, the president would not be summoned by the DPR to testify before the Bank Century special committee. Lastly, Golkar would remain a member of the coalition.

Another example was how the special staff of the president for natural disasters, Andi Arief, disclosed to the public the business fraud committed by Misbakhun, one of the initiators of the Century Bank investigation from PKS. Misbakhun, according to this allegation, had committed a crime because of having received a fictive letter of credit from Century Bank. This case was then prosecuted by the court and Misbakhun was convicted and jailed for two years.

Other than legal maneuvers, another effort by the president’s team was to approach PDIP once again and also Gerindra, a party led by Prabowo Subianto, a possible contender for the presidency in 2014. The president seemed to contemplate changing his coalition members by embracing the opposition parties. Tempo reported that during the special committee meetings concerning Century Bank, the president had met with Prabowo several times. The result was, according to Tempo: “Prabowo was ready and agreed to help the president” (2010, February 28, p. 28). In short, the president’s team used any and all possible tactics to make Golkar and PKS less critical.

Cabinet reshuffling became the last and most powerful card that could be played by the president and his supporters. As Golkar and PKS still stuck to their position against the government, the president’s team started playing the reshuffle card.” If they still wanted to be like that, our relationship became cold, said Amir Syamsuddin, one of the leaders of Partai Demokrat” reported Tempo (2010, February 28). There was also a rumor that PKS would be expelled from the coalition and that to replace it, Gerindra was
being approached. It was said that SBY had offered the post of Minister of Agriculture to Gerindra (Tempo, 2010, March 7).

After three months of investigation, the special committee finished its work, but could not come up with a consensus as the result. The committee’s work resulted in two options about the DPR’s decision on the status of the Century Bank case which should be decided at the plenary session through voting.

The first option (called option A) basically stated that the policy of bailing out Century Bank was the right policy. Nevertheless, there is a possibility of violation and/or fraud committed by the bank owner, Robert Tantular and his cronies. The second option (called option B) stated that there was violation of laws and regulations in the implementation of the policy. This violation led to an abuse of power causing criminal activities ranging from general banking crimes to money laundering to corruption.

In the voting in the plenary session on March 3, 2010, option B won. Three hundred and twenty-five members from Golkar, PDIP, PKS, PPP, Gerindra, and Hanura voted for Option B, while 212 members from Partai Demokrat, PAN, and PKB voted for Option A. As a result, the DPR officially decided that the Century Bank bailout policy was wrong. In addition, there were two recommendations. First, the former Governor of Bank Indonesia, Boediono, and the former Minister of Finance who was also the Chair of the Committee for Financial System Stability, Sri Mulyani, were determined to be the individuals who were mostly in charge of the policy. The legal process must be pursued toward individuals who were in charge of the policy. Second, the DPR would establish a team to supervise the implementation of its recommendations and the process of tracking the funds used to bail out Century Bank.
With the conclusion of the special committee’s work, the problem with the Century Bank case entered the second phase. The president had to solve the issue of the status of two of his most important team members, Boediono and Sri Mulyani. He had indicated before that the policy taken by the two was for the sake of the country and he supported both of them. Thus, he could choose to defend these two members of the team and just ignore the DPR. Or, he could make a compromise in order to make his other agenda items with the DPR move forward. The other thing that he faced was that he needed to re-evaluate the value of his coalition, since both Golkar and PKS which took the opposition side on this issue, were members of his coalition.

There was an indication, however, that during the process of voting in the DPR plenary session on March 3, 2010, the president and Aburizal Bakrie had been able to work out a solution. They met during that voting process (Soesatyo, 2010). The chair of the Golkar caucus several times called the Golkar chair. At the beginning, Aburizal told the Golkar caucus to vote with Partai Demokrat, but this command was rejected by its members.

The political solution that had been worked out only became apparent later. Two months after the DPR decided the case, Sri Mulyani resigned from the Ministry of Finance and SBY accepted her resignation. Although the president formally provided full support, the pressure, especially from Golkar (read Aburizal Bakrie) for her dismissal was endless. Sri Mulyani then decided to resign and accepted an offer from the World Bank to become a managing director at its Washington headquarters. This seemed to be part of the deal that the president made with the opponents of Sri Mulyani, especially Aburizal Bakrie and his Golkar Party.
The Bank Century case was then closed. The supervisory team that was established by the DPR did not follow the case with further investigation. Thus, everybody is happy, except perhaps Sri Mulyani, who seemed to be the political victim.

Letting Sri Mulyani go seemed to be the least politically risky decision for SBY, particularly because she is not a leader of any political party. Besides that, replacing a minister is much easier than replacing a vice president, if for instance this case had gone to the courts. As noted by the SMERU Research Institute (2011):

The vulnerability of technocrats, even in ministries historically known for their ‘technocracy,’ was exemplified by the recent ‘Bank Century’ scandal which led to the resignation of Minister of Finance Sri Mulyani Indrawati – a staunch reformer, and undermined the convening power and credibility of Vice-President Boediono, former head of the central bank. … if Boediono and Sri Mulyani were affiliated with a particular party, they probably would have been defended by their respective parties. As independent technocrats, however, they were “fair game” for all parties except the president’s party. (p. 19)

The president seemed to care more about maintaining Golkar in the coalition rather than defending Sri Mulyani to stay in the cabinet. “…There was speculation that SBY viewed Sri Mulyani politically more as a burden than an asset. This speculation became more apparent when SBY subsequently chose Aburizal Bakrie to be the Ketua Harian (Daily Chair) of the newly established Joint Secretariat of the Coalition (Setgab)” (Tempo, 2010, May 16, p. 23).

This looks politically logical. It is true that to let Golkar leave the coalition will not, nominally, make the president’s partisan power in the DPR become a minority. However, the Bank Century case has also proven that Golkar, one of the most experienced parties, can pose problems for the president if it is not in his coalition. The decision to let Sri Mulyani go seemed to be based on careful political calculation.
The Bank Century case is an example where, even in a very tense situation, the Indonesian presidential system still contains mechanisms to manage that tension. Through his grip on the coalition and his accommodative style of leadership, the president could finally solve the problem politically. Of course the solution did not satisfy everyone. The decision making process in the DPR (and outside the DPR) also contributed to the way this problem was solved in the end. Besides that, the fact that the position of a president in a presidential system is strong (that is, he or she cannot easily be impeached by the legislature), in the Indonesian case, as shown by Bank Century, can be used as a way of avoiding deadlock or stalemate.

Another lesson from this case is the fact that in a presidential system, forming a coalition is one thing while maintaining it is another. A coalition cannot be considered a permanent ticket for having enough partisan power, but rather as a dynamic mechanism helping a president to move his or her agenda forward. The resident’s idea for how to do this is to form a permanent joint secretariat for his coalition.

**Harga Bahan Bakar Minyak (BBM, Fuel Price) case.** The fuel oil subsidy has played a special role in the Indonesian national budget and the economy (Blondal, 2009). This applies both on the revenue and on the expenditure side. Indonesia has been an oil producing country and an exporter since the 1970s but the trend is declining. In the 2012 budget, the revenue proposed by the government from oil and other mineral resources accounts for 13.4% of the total revenue. On the expenditure side, the fuel subsidy in the 2012 budget accounts for 15% of the total expenditure. When the international market price of the fuel is lower than predicted, the government’s revenue exceeds the
expenditure side. When the international market price is higher, the expenditure for subsidy exceeds the revenue from fuel.

To keep the budget balanced, the government usually has to reduce the subsidy and/or increase the subsidized fuel price. The adjustment to this international market price volatility has always been a serious political issue. The government has an interest in maintaining the budget in balance, but there is always popular pressure to keep the price of fuel low for lower income people and small and medium business enterprises.

The adjustment to the fuel price and subsidy is subject to the approval of the DPR. Given that the policy of reducing the subsidy and increasing the fuel price to be closer to the international market is very unpopular, it has always been a cause of tension between the government and the political parties in the DPR, not only the opposition parties but also the coalition parties. An increase in the fuel price will always be followed by an increase in the price of all basic consumer goods such as rice, vegetable oil, transportation costs, sugar and so on. In other words, the economic burden to the general public creates a political risk for the political parties of becoming unpopular if they support the policy.

On the government side the issue is even more difficult. On the one hand the government needs to keep the budget balance, which means that it is better to lower the subsidy and increase the fuel price. On the other side, the government also does not want to be condemned for imposing a burden on the people. For the president in particular, the issue is politically risky both for himself and for his party. Thus, during the course of SBY’s presidency, the government has deployed all necessary tools to make sure that its policies on the fuel price issue are always supported by the political parties in the DPR.
As will be illustrated by the narrative below, the general characteristic of the executive or president in handling this issue has always been accommodative. On some occasions, the president can be forced to raise the price, while in some others the president must backtrack. During his first term, with Vice-President Jusuf Kalla at his side and fully supported by the Golkar Party, the president was able to move forward with his policies.

The approach to the DPR during his second term has been more delicate because in practice he has to rely more on the capabilities of his own political party to assemble support, especially from his coalition partners. Vice President Boediono, as a non-partisan figure and an economist, cannot play the decisive role played by Jusuf Kalla during the first SBY administration. The fact that the most experienced and second biggest party in DPR is the Golkar Party, whose chair is not a member of the president’s cabinet, has made the president more careful in his moves toward this party.

On March 1, 2005, the government decided to increase the fuel oil price. The public and most of the DPR party caucuses were against it. Included were caucuses that were part of the president’s coalition: Golkar, PPP, PKB, PAN, PKS, and PBB (Tempo, 2005, March 6). The reaction against the government’s decision was so harsh that on one occasion when the government had a meeting with the DPR to explain the policy, the heated debates between the government, supported by Partai Demokrat, and the opponents of the policy led to physical fighting (Tempo, 2005, March 27). Some of the DPR members literally fought each other in front of the coverage of television and the national media.
The high tension between his ministers and the DPR was monitored by the president. He then called his ministers and Vice President Jusuf Kalla to have a special cabinet meeting to deal with the issue of the fuel price increase. However, that meeting did not change anything. Vice President Jusuf Kalla, who took the lead on the policy, stuck to the government’s decision, despite rejection from party caucuses in the DPR. Jusuf Kalla in Tempo (2005, March 27) said: “we did not expect the DPR to agree or not agree. It was the government’s authority to make this decision, not the DPR” (p. 27).

Kalla was right, because the increase of the fuel price in the 2005 budget was part of the budget implementation policy. However, the DPR also can use its investigative right when it does not agree with the implementation of government policies. Thus, the DPR party caucuses threatened to exercise the right. The president decided to deal with the DPR first, and for that he decided to delay the implementation of the policy.

In their effort to calm the DPR, SBY and Jusuf Kalla lobbied hard for support. Their main targets were the members of the coalition. If the coalition was solid, there would be no possibility of rejection from the DPR. Led by Jusuf Kalla and Aburizal Bakrie or Ical, the Coordinating Minister of the Economy at the time, the lobbies ran effectively. In its report Tempo (2005, March 27) wrote: “Ical for instance, had a big role in preventing the use of the DPR’s investigative right on the policy of the fuel price increase, which was sponsored by PDIP. PDIP got support from PKB, PAN, and PPP which are also members of the coalition.”

Through their effective lobbying, Jusuf Kalla and Ical were able to change the position of the three parties. One of their ways was to meet informally with the parties’ leaders. PAN chair at that time, Soetrisno Bachir, admitted that he was contacted several
times by Jusuf Kalla and had meetings with him in which Jusuf Kalla explained the importance of the policy (S. Bachir, personal communication, August 17, 2011). Jusuf Kalla lobbied many groups, including the group of a former vice president in the Suharto era, Try Soetrisno, who, with his former generals, had been always critical of the policies of SBY-JK (Tempo, 2005, October 9, p. 40).

PKS and PPP changed their decision from against to support for the policy of increasing the fuel price (Tempo, 2005, April 3). Why did they change? Some said that it was because of the heavy lobbying and that there was political compensation from SBY. The PKS decision to be against the government regulation (PP) No. 22/2005 increasing the fuel price, as stated by its president, Tifatul Sembiring, was supposedly final. However, after meeting with SBY, PKS changed its position. The fact that they were part of the coalition and had four ministries in the cabinet also put pressure on them. The same logic applied to PPP. The position of PPP in the DPR changed after SBY met in a “coffee morning” with the chair of PPP, Hamzah Haz. Hamzah promised to support the policy as long as SBY helped him to control three PPP ministers who were challenging Hamzah Haz’s party chairmanship. This type of lobbying proved that a coalition can work to resolve obstacles faced by the president in advancing his agenda against the DPR.

In another attempt to advance his agenda, the president took sides in the internal conflicts of political parties. One example was when there was a split in PKB between the Alwi Shihab-Saifullah Yusuf faction and former President Wahid-Muhaimin Iskandar in the middle of 2005. The President took sides by supporting Alwi’s camp. Alwi Shihab

43 See Tempo, October 9, 2005: p. 32-33.
and Saifullah Yusuf were members of SBY’s cabinet representing PKB. Tempo reported that the president promised Alwi’s group to guarantee that his and Saifullah’s positions in the cabinet would be safe. Since Alwi’s group was still in control of the party at the time, the president got support for his policy of increasing the fuel price or reducing the subsidy. Muhaimin’s group abstained. This move meant that Muhaimin’s camp had to compromise with SBY because it wanted the ministerial posts allocated to PKB to include his faction too.

Thus, in general, SBY’s policy could be maintained. After being delayed for months, the implementation of the fuel price increase policy was given the green light by the President. Tempo (2005, October 3) reported:

President Yudhoyono thought a long time in deciding his policies, and it took longer when he thought about the implication of the policy for the life of most of the people, especially related to the increase of primary consumer goods (Sembako). His decision to step by step run the economy without subsidy should be appreciated as a right, brave, and needed action. Reducing the fuel subsidy is a visionary policy, if not revolutionary. (p. 23)

Since the policy of reducing the fuel subsidy is a gradual, step by step, policy, the government has had to do it several times. This is also partly due to the fact that a new decision must be taken when the government has to adjust the budget to the international market price. In 2008 the government once again needed to increase the fuel price. On May 3, 2008, the government announced that the subsidized fuel price would be increased from Rp 2000 to Rp 2500 (for kerosene), Rp 4300 to Rp 5500 (for diesel fuel), and Rp 4500 to Rp 6000 (for premium gasoline) (Tempo, 2008, June 1). As usual, this increase sparked demonstrations and protests all around the country. In the end, the
government reduced the magnitude of the increase as a way to calm the reactions both from the DPR and the public.

On the DPR side, the rejection this time was not as strong as the previous one. The SBY government had been able to make sure that most of its coalition members were on board. The main opposition party however still threatened to launch its right of interpellation against the policy. PKS joined PDIP this time and through its chair Mahfudz Siddiq (Tempo, 2008, June 1) stated: “The government should have been able to find alternative ways other than just to increase the fuel price” (p. 113). This threat to use the right of interpellation did not materialize, however, because its supporters were not able to win other parties to their side.

If in facing DPR rejections and reactions the government must conduct a lot of meetings and engage in much lobbying, in facing rejections from the public the government has to respond with policies. To offset the burden on the people because of the increase in most consumer goods following the fuel price hike, the government launched several pro-poor policies. For example, it provided direct cash transfers to eligible citizens, provided more subsidies for education, and created stimulus programs for small and medium business enterprises. In general the government so far has been able to gradually put the fuel price closer to the international market price while at the same time providing programs for helping the affected public to ease the economic burden following the implementation of the policy.

The fuel price issue once again became a national controversy in 2012. This time the policy required closer involvement of the DPR. For the fuel price increase in 2005
and 2008, the government could just decide and announce the increase as part of its implementation of the national budget law. In 2008, for example, Article 14 of the Law on the National Budget stipulates that the government can increase the fuel price if there are significant changes that require price adjustment. In the elucidation of that law, the meaning of significant changes can be interpreted to be conditions such as when the fuel price in the international market reaches the level of more than US$100 per barrel. Thus when this condition occurs, the government can just announce the increase without pre-approval from the DPR.

The 2012 case is different. The government needs approval from the DPR first, because the adjustment can only be adopted by changing several articles in the Law on National Budget of 2012. This requires further deliberation in the middle of the 2012 fiscal year. In preparing for his proposal to the DPR, SBY had several meetings with his coalition members, both through formal coalition and personal meetings. Two members of the coalition, PPP and PKS, were not happy and seemed to reject his efforts.

The government proposed to reduce the subsidy and raise the price to around Rp 6000 from Rp 4500. Realizing that this issue is such a controversial and divisive one, the government tried to prepare not only economically but also politically. SBY met intensively with coalition members. In a meeting on March 14, at SBY’s private home, all coalition members attended, including PKS and PPP (Vivanews, 2012, March 14). The result of the meeting was that the coalition agreed to the government’s plan to increase the price. The meeting also agreed that the government must provide pro-poor programs to overcome the impact of the fuel increase so that it does not put too much burden on the people. In several other meetings with his coalition partners, several parties
proposed various schemes for these government programs. In its report, Tempo (2012, April 1) wrote:

…PKS, for instance, wanted the distribution of the public direct assistance funds—previously known as Direct Cash Assistance—to be done through the Social Affairs Ministry. Everyone knows that its minister, Salim Segaf Al Jufri is a PKS member. Golkar wanted the distribution to go through regional administrations. This plan would fit very well with the party’s future campaign plans: about 45 percent of the regional heads are Golkar Party officials. However, the Partai Demokrat wanted the funds to be disbursed through the post office, as had been done during the 2008 cash assistance program. (pp. 37-38)

Another consolidation meeting among the coalition members was on March 26, 2012 in the formal office of the coalition. Tempo (2012, April 8) wrote:

…The meeting was led by the Secretary of the coalition, Syariefuddin Hasan, a politician from Partai Demokrat who is also Minister of Cooperatives and Small and Medium Business Enterprises. He was accompanied by Jafar Hafsah, the Chair of Partai Demokrat’s caucus, Ignatius Moeljono, and Teuku Rifki Pasha. … an important agenda item was discussed that night, i.e. the government plan to increase the subsidized fuel price. ‘Until the meeting was adjourned at 11 PM, there was no explicit rejection from the representatives of the parties, including PKS’, said Syariefuddin Hasan. …. The plan to increase the fuel price is not a popular policy. Therefore, Partai Demokrat expected that this government proposal can be supported by the coalition. ‘Having been in a coalition, we are supposed to be together,’ said Syariefuddin. (p. 30)

In public, PKS, said that they rejected the increase. The situation became even more tense when Golkar also deviated from the coalition’s stance based on what appeared to be a superficial reason. It was said that the Golkar chair, Aburizal Bakrie, was offended by the statement of Partai Demokrat caucus chair, Ja’far Hafsah, who said that it was Bakrie who had suggested that the president increase the fuel price by Rp 6000. The more plausible reason was that Golkar wanted more concessions or coalition goods, besides wanting to be perceived as still on the side of the public which rejected the policy. This became clear when the coalition met again and reached several agreements.
related to compensation for the price increase which gave more room to the political parties in the coalition to access and benefit from it.

On this issue, Tempo (2012, April 8) reported: “… SBY’s effort to deal with the split in the coalition was continued in the negotiation during the deliberation process in the Budget Committee of the DPR. The meeting agreed to provide an energy subsidy in the budget in the amount of Rp 225 trillion. This was broken down into Rp 137 trillion for fuel subsidy, Rp 65 trillion for electricity subsidy, and Rp 23 trillion for the energy fiscal risk reserve” (p. 31). This agreement implied that the increase of the fuel price had been approved. The meeting also agreed that to deal with the impact of the fuel price increase there will be a compensation fund in the amount of Rp 25.6 trillion. Rp 17.08 trillion of that amount will be for a direct cash transfer program, Rp 7.88 trillion for village infrastructure development, and an additional Rp 591.5 billion for the Family Hope Program (PKH, Program Keluarga Harapan).

All coalition members got an allocation for these various programs. This type of pork-barrel politics actually calmed down political parties in the coalition. The Public Direct Assistance will be delivered via the post office, as planned by the government. However, the fund for infrastructure development will be divided evenly. PKS which controls the Ministry of Social Affairs and the Ministry of Agriculture, will funnel the conditional cash transfer program. When asked about this kind of pork-barrel politics, Syarifuddin Hasan, the coalition secretary, said (Tempo, 2012, April 8): “I’ve never heard such a thing officially, but the disbursement of the funds should not be part of the bargaining. However, PKS for instance has two ministers whose ministries relate directly
to the people who are the target of the program. So, no need to worry” (p. 31). In other words, Syarifuddin Hasan confirmed, albeit indirectly, the existence of such politics.

After a series of back and forth and consolidations among the coalition parties, they came up with the solution that the government can increase the fuel price if certain conditions are met. This meant that the price increase was cancelled for April 1, as demanded by the public, but at the same time the government was given room to increase the price when necessary. Politically, it looks like a sound solution. It also shows that the coalition is important in making sure that the presidential agenda is moving forward. Had the president not had a coalition, the political maneuverings from the parties could have been wilder and the president might not have been able to focus his lobbying efforts to certain groups/parties only.

The realization of the coalition consolidation can be seen in the plenary session of the DPR on March 31, 2012. Through voting, the DPR plenary session decided that the government can increase the fuel price if the crude oil price in the international market indicates a 15% deviation from the budget’s macro assumption during the last six months. The government accepted the decision, which implied that the plan to increase the fuel price on April 1, 2012 was cancelled.

This result shows that in its effort to get a compromise from the DPR, the government was willing to back down from its original plan but at the same time it could secure room to adjust the policy in the future by introducing the 15% conditional situation. Thus if sometime in 2012 there is a deviation of 15% from the macroeconomic assumption, the government now has pre-approval from the DPR to adjust the price for the subsidized fuel.
**Tax mafia case.** In February 2011, the DPR launched another investigation of a case referred to as the Mafia Pajak (Tax Mafia) case. This was triggered by a previous corruption charge involving a junior civil servant in the tax office, Gayus Tambunan, who was found guilty by a court for tax fraud activities. In March 2010, Gayus Tambunan had been named by the police as a suspect for having at least Rp 25 billion in his bank account, something very unusual for a junior civil servant. As a civil servant who has a level of IIIA, his salary could not have been higher than Rp 1.9 million per month.

Tambunan worked for the central tax office in the Directorate General of Tax Review Objections. The suspicion was that he used his position to become a broker of cases or in the Indonesian term a *makelar kasus* (markus). The case soon sparked controversy because during his prosecution, Tambunan related his connection to various prominent figures in politics, especially members of the family of Aburizal Bakrie, the chair of Golkar. He was convicted of bribing officials, abuse of power and using false documents. His case exposed a web of rampant corruption allegedly involving high ranking police officers, prosecutors, judges, prison wardens and taxpayers from the business community, including some linked to top politicians. The case has also damaged the image of the president, who has tried to portray himself and his administration as anti-corruption. In other words, the Tambunan case has revealed the existence of a tax mafia.

Actually, Tambunan had been convicted before by a court with a very light sentence, less than one year of imprisonment, and had been released from prison. His case only came to the public’s attention when Police General Susno Duadji, at the time
the Head of the Crime Investigation Unit of the national police force, mentioned the case to the press. The public also learned that Tambunan at the time had been outside Indonesia in his effort to prevent further prosecution. In the middle of the public controversy, SBY ordered his Satgas Pemberantasan Mafia Hukum (Task Unit for Legal Mafia Eradication) to get involved in the case because of the inability of the police to deal with the case by itself. This unit was able to capture Tambunan in Singapore and bring him back for trial until he was convicted again.

The direct involvement of SBY through his Task Unit created some tension, especially with Golkar. Being mentioned several times by Tambunan during the trial, four companies owned by Aburizal Bakrie were also put on trial. Although not convicted, the trials caused serious damage to Aburizal Bakrie’s public reputation. DPR member Bambang Soesatyo speculated that the Tambunan case was utilized by SBY for revenge after Century Bank case a year earlier (Tempo, 2011, February 6). The purpose, according to this speculation, was to make sure that Golkar no longer followed up the Bank Century case after the March 2010 DPR decision. Bambang Soesatyo was a member of the team supervising the implementation of that decision.

To reduce the tension, SBY used an accommodative approach, as in so many other instances. He knew that he had to take Golkar seriously as a force in the DPR. Therefore, he sent one member of his cabinet, Dipo Alam, who used to be Aburizal Bakrie’s subordinate when he was Coordinating Minister of People Welfare, to meet him to clarify the issue (Tempo, 2011, February 6). Dipo Alam brought a message from the president, that the involvement of the Task Unit was not his (SBY’s) effort to corner Aburizal Bakrie.
However, in the DPR Golkar’s speculation seemed to be confirmed by the move of several members of the Partai Demokrat to promote the use of the DPR’s investigative right in the case of the tax mafia. Some Demokrat members thought that this move could finally lead to the investigation of Aburizal Bakrie’s group. Golkar, however, soon seized an opportunity itself by joining the group to sponsor the use of the right to investigate. For Golkar this could lead to the investigation of the president himself and if successful could lead to the impeachment of the president. Later, Partai Demokrat realized its political blunder and withdrew its sponsorship of the use of the investigative right in the issue of the tax mafia. In response, Golkar and PDIP took the lead.

The public and other political parties read this situation as a political game played by the SBY group and the Aburizal group to take each other hostage (*saling menyandera*). Other political parties then tried to get involved for more political gain (Tempo, 2011, February 6). PPP, for instance, joined in favor of the use of the investigative right. This party needed to secure the positions of its ministers in the cabinet, one especially, who was going through a personal scandal related to his wife. Ahmad Yani, a DPR member from PPP, rejected the speculation. “The investigation right on the tax mafia is meant to fix our taxation system,” said Ahmad Yani (Tempo, 2011, February 6, p. 29).

As the move to use the investigative right continued, the political parties split on the issue with a slight edge to the Partai Demokrat (Kompas, 2011, February 22). This time, PKS and Golkar once again took the opposite side against Partai Demokrat. However, Partai Demokrat was able to secure support from Gerindra, which usually takes the opposing side. Thus Golkar, PDIP, PKS, and Hanura supported the move, while the
others rejected it. Meanwhile, Partai Demokrat was still trying to secure support from PPP which did indeed finally join with them.

Once again, Partai Demokrat warned its coalition partners, especially Golkar and PKS, to take their side; otherwise, they threatened, there will be a reshuffle of the the cabinet. The Partai Demokrat’s secretary, Saan Mustopa, asked the members of the coalition to reject the exercise of the investigative right on this issue. He said that his party was preparing to conduct an evaluation of the coalition parties (Kompas, 2011, February 22). The tax mafia issue had indeed emerged at the moment when SBY was preparing to reshuffle his cabinet. Anas Urbaningrum, the chair of Partai Demokrat, even explicitly said that if there were members of the coalition who were no longer cooperative, his party would just have to let them go.

The move to create a special committee to deliberate on the tax mafia issue thus failed. The one large opposition party in the DPR, PDIP, was not able to get its way despite full support from two political parties that are members of the coalition, Golkar and PKS (Republika, 2011, February 23). In consequence, PKS and Golkar were on the verge of being kicked out of the coalition. In the end, SBY did not decide to kick the parties out. What he did instead was just reduce the number of PKS ministerial posts.

Summary

The cases presented in this chapter show how the relationship between the legislature and the president in the Indonesian presidential system works in practice. The budget politics case shows that the executive actually has the upper hand. Not only does the president have a special right to initiate the budget bill, but also the greater expertise
and technical support in formulating and discussing the budget. However, the DPR has
the power to modify the bill. Without its approval, the government-initiated bill cannot
be passed as the annual state budget.

This situation requires the two government branches to cooperate (make
compromises). On the one hand, the government provides room for the DPR to modify
the macro economic assumptions of the budget within the range/below the ceiling that
has been previously agreed in the process prior to the formal deliberation of the bill. The
government also lets the DPR create some forms of pork which can directly or indirectly
benefit the members’ districts. On the other hand, the DPR usually exercises its power of
budget modification mostly in incremental fashion. The consensus-based process of
decision making in the DPR makes every voice from the political parties, including that
of the opposition parties, count. As a result, the annual state budget bills have always
passed.

The six cases in bill deliberation tell us that the multiple stages of the bill
deliberation process requiring the involvement of the government and all political parties
have enabled the president and the DPR to solve their stark differences regarding the
substance and other issues related to the bill piece by piece. Most of the differences were
solved through the consensus process. A small portion were resolved through voting.
Stark differences among the political parties were salient in the deliberation of the bill on
the general election (such as issues of electoral district, district magnitude, the electoral
system, electoral threshold), the bill on national and regional legislative bodies (such as
issues of the composition and selection of the DPR leadership), and the bill on general
election organization (such as issues on whether political party members can be selected as members of the general election commission or not).

Stark differences between government and the DPR in general were salient during the deliberation of the bill on public information freedom (such as issues on state/public agency secret, the criteria of public information), the bill on state ministries (such as issues of the nature of the bill, the intrusion of the president’s prerogative rights, the number of ministries, and the requirements to be selected as minister), the bill on national and regional legislative bodies (such as issues of the existence of the parliamentary budget office, the procedure of presidential impeachment, the DPR’s independence on the operating budget), the bill on general election organization (such as issues on whether the general election commission should be national and independent, whether or not governor/district head election should be part of general election commission’s job), and the bill on the social security agency (whether the current state owned companies that provide social security services should be transformed or not). All of these differences, as described in the cases above, were resolved and resulted in the passing of the bills into laws.

The cases on the oversight function of the legislature provide a more nuanced assessment of the relationship between the government and the DPR, particularly related to the dynamics of the coalition and opposition. The Century Bank bailout case shows that on issues that are popular among the public, political parties, including the members of the coalition, are willing to take a popular stance even though it is against the government’s position. The case of the fuel price also shows that the public/constituents’ aspirations/needs is still part of the consideration when political parties are taking
positions on public policy issues. Meanwhile, the case of the tax mafia describes how even members of the coalition can have different agendas. Nevertheless, the cases of oversight also show that obstacles can still be overcome either through the consensus process of decision making or through voting.

These cases also show that most of the agreements and/or instances of cooperation between the two branches are in the form of compromise instead of collusion. These are the evidence that support my argument that the working of the relationship between the DPR and the president in Indonesia cannot be explained entirely by the cartel thesis which suggests that the relationship works because of the collusive behavior among the political parties and between the DPR and the president.

The following table summarizes the cases in this chapter in terms of some major points of cooperation between the legislature and the president, both in compromise and collusion. In categorizing the point of cooperation into compromise or collusion, I use two main indicators, as indicated in Chapter Two. First, whether or not the process of reaching the agreement is transparent. Second, whether or not there is indication or allegation of corruption or illegal ways of milking state resources for a political party, an individual, or for both. As I have mentioned in the introduction to this chapter, most of the process of bill deliberation and oversight function exercise is open to the public. The annual budget making process is until now still not open to the public or it is very difficult for the public to access the process and the details of the agreements between the government and the DPR as well as among political parties. Therefore, in the table below, some of the general agreements in the annual budget process can be categorized
into collusion while most of the points of cooperation in bill deliberation and oversight can be considered as compromises.

Table 18  
**Compromise versus Collusive Behavior**

<table>
<thead>
<tr>
<th>Case</th>
<th>No.</th>
<th>Compromise</th>
<th>Collusion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget politics</strong></td>
<td>1</td>
<td>Range for macro-economic assumptions: the government and the DPR negotiate the limits for economic growth, foreign exchange rate, inflation, interest rate, oil production, and the price of crude oil</td>
<td>Some new spending posts resulted from new revenues because of changes in the macro-economic assumption: the DPR or political parties can create some spending posts that can financially benefit certain parties and/or individuals</td>
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<td>3</td>
<td>Detailed discussion of ministerial spending: the DPR and the ministries can negotiate the programs and the magnitude of the resources for the programs</td>
<td>Some pork from ministerial spending: the DPR can create programs/projects that can benefit certain parties/individuals financially</td>
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<td>4</td>
<td>Routine spending not discussed in detail: the government and the DPR agree in general about the proportion of routine spending against the total budget</td>
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<td></td>
<td>5</td>
<td>Stick to the general framework that is in the executive’s favor (Law on State Finance): the government and the DPR agree that the revision of the law must be initiated by the Ministry of Finance</td>
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<td>6</td>
<td>Pork for policy: e.g. programs for regions’ infrastructure development</td>
<td>Some parts of pork for policy: members of the DPR can allocate the programs to certain regions and ask for kickbacks</td>
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<td><strong>General Election bill</strong></td>
<td>7</td>
<td>Electoral system: government proposes open PR system, Golkar and PDIP propose limited open system. Result: open PR system</td>
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<td></td>
<td>8</td>
<td>The number of DPR members: government proposes 56, political parties propose 550-576. Result: 560</td>
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<td>9</td>
<td>Electoral threshold: government and big parties want 5%, small and medium parties want 2% or less. Result: 3%</td>
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<td></td>
<td>10</td>
<td>Parliamentary threshold: all agree on 2.5% (2009), 3.5% (2014)</td>
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<td></td>
<td>11</td>
<td>District magnitude: government wants 3-12, PDIP and Golkar want 3-7. Result: 3-10</td>
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<tr>
<td><strong>Public Information</strong></td>
<td>13</td>
<td>Definition of public information and public agency: government wants NGOs</td>
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<tr>
<td>Freedom bill</td>
<td>included, DPR wants only to include government’s institutions. Result: include only government-related institutions</td>
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<td>14</td>
<td>Transitional period to put the law into effect: government wants preparation time, DPR wants it to take effect immediately. Result: two year transitional period</td>
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<td>15</td>
<td>The existence of the state secrets law: government initiated the bill along with the public information bill, the DPR rejects it. Result: state secrets bill is rejected</td>
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<td>16</td>
<td>The existence of the Komisi Informasi (Information Commission): government thinks it unnecessary, the DPR wants it to be established. Result: the commission is part of the law</td>
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<td>17</td>
<td>Overall, there were 279 items deliberated. The formulation of agreements: 15% from government, 29% from the legislature, 56% new formulations.</td>
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<tr>
<td>State Ministry bill</td>
<td>18  The nature of the bill: only about the changes and dissolution of ministries (government) or including the establishment and the details of the names and numbers (DPR). Result: DPR’s proposal adopted</td>
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<td>19</td>
<td>President’s prerogatives versus DPR initiative: president wants the bill initiated by the government, DPR thinks it is part of the initiative rights. Result: with the assurance of not interfering with the president’s prerogative, the bill moves forward</td>
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<td>20</td>
<td>Requirements to become a minister: president thinks it’s up to the president, the DPR thinks it should be in the law. Result: it is up to the president</td>
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<td>21</td>
<td>The classification and number of ministers: the president wants only the classification, the DPR wants to include the number and names. Result: the law includes the classification and several names for key ministries</td>
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<tr>
<td>National and Regional Legislative Bodies bill (MD3)</td>
<td>22  DPR wants more additional support systems. Result: BFK (Expertise Functional Body -instead of budget office and congressional research service), new internal organ: BAKN (State Finance Accountability Committee)</td>
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<td>23</td>
<td>More detailed provisions on presidential impeachment: the government wants to exclude them, the DPR wants them part of the law. Result: they are part of the law.</td>
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<tr>
<td>24</td>
<td>Detailed provisions on DPR investigative and interpellation rights: the president does not want them. Result: they are part of the law.</td>
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<td>25</td>
<td>One secretariat general for each of the legislative bodies, MPR, DPR, and DPD: the president wants only one secretary-general for all bodies. Result: one for each.</td>
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<td>26</td>
<td>DPR leadership appointment procedures: the government and Partai Demokrat want it based on the list of the election winners, other parties want it through internal election. Result: government’s proposal prevails.</td>
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<tr>
<td><strong>Election Organization bill</strong> 27</td>
<td>The status of the election commission (KPU) and election supervisory body (Bawaslu): national, permanent, and independent (DPR); or not (government). Result: DPR’s proposal prevails.</td>
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<td>28</td>
<td>Local election (governor and district head election) as part of the general election (DPR) or not (government). Result: DPR’s proposal prevails.</td>
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<td>29</td>
<td>Accountability of the election commission: to the president (government and Partai Demokrat) or to the public (other parties). Result: accountable to public.</td>
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<tr>
<td>30</td>
<td>Political party members as members of election organizations are not allowed (government and Partai Demokrat) or allowed (other parties). Result: allowed.</td>
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<tr>
<td>31</td>
<td>Political party is represented in the election ethics council (other parties) or not (government and Partai Demokrat). Result: represented.</td>
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<tr>
<td><strong>Social Security Agency bill</strong> 32</td>
<td>The status of the existing four state owned companies as social security providers: still exist (government) or transformed (DPR). Result: still exist.</td>
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<tr>
<td>33</td>
<td>The nature of the law: “beschikking” only (government) or both “beschikking” and “regeling” (DPR). Result: beschikking and regeling.</td>
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<tr>
<td>34</td>
<td>The status of social security providers: state owned companies (the government) or public agency (DPR). Result: public.</td>
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</table>
This table shows that most of the main agreements/resolutions in the nine cases presented in this chapter can be considered as compromises. They are considered compromises because the parties involved (the political parties or the DPR as a whole) and the president started from different positions and different goals. Through the process of decision making in the DPR, both formal (such as the joint deliberation and joint approval process) and informal (such as the “lobi” and consultation mechanism) they negotiated their differences piece by piece. Most of the resolutions were achieved through consensus while some of them were through voting. This consensual process of decision making includes both political parties in the coalition and in opposition, although in the case of opposition parties, they did not get coalitional goods such as cabinet portfolios and/or access to pork as part of the compromises or resolutions.
Several aspects of budget politics, as indicated in the table, show some evidence of the existence of collusive behavior among political parties and between political parties and the government. The main indicator for this collusion is the corruption charge against several members of the DPR, especially from the DPR budget committee, because of their efforts to get financial benefits in return for their support for several items of the bill on the annual state budget. While this collusive behavior is one of the factors that enabled cooperation between the DPR and the government in terms of state budget making, the collusion story is not the entire story of cooperation in legislative – executive relations.
Chapter Seven
Conclusions

This study has examined the phenomenon of legislative and executive interaction in Indonesia in the last eight years covering the two terms of SBY’s presidency. This period marks the beginning implementation of a multiparty presidential system in this country. As legislative and executive interaction in multiparty presidentialism is theoretically prone to immobilism and gridlock, this study has been designed to explain why, in the Indonesian case, this interaction has been successful so far. I argue that the combination of formal and informal institutions that structure the relationship between the president and the legislature offsets the potential of deadlock and makes the relationship work. The existence of a coalition-minded president, coupled with the tendency to accommodative and consensual behavior on the part of political elites, also contributes to the positive outcome.

In this chapter, I will recapitulate the findings of the study and summarize the argument. I will also put these findings into the broader context of a comparative politics perspective and the contribution that this study makes to scholarship in the field, particularly as it relates to research on presidential systems.
Institutions and Coalitional Presidentialism

In Chapter Three, I made the case that, historically, executive – legislative relations in Indonesia have been dominated by the executive since 1959 when Sukarno’s Guided Democracy began. Sukarno used all his personal power to create a regime that was absolutely contradictory to parliamentary democracy, the system that was in force in Indonesia from independence in 1945 until 1959. He appointed himself prime minister and formed a cabinet. The communist party (PKI) became part of the government and was used to balance the power of the army. Sukarno, the PKI, and the army were the most important and powerful political actors, with Sukarno at the apex of the pyramid (Feith, 1963; McIntyre, 2005). He also created his own version of parliament called the DPR Gotong Royong (DPR-GR, Mutual Aid DPR), many of whose members were appointed by him. He selected the members of the temporary MPR which, according to the 1945 Constitution, was supposed to elect the president. In 1963, this MPR appointed Sukarno president for life.

The existence of political parties during the Sukarno years was not for elections (there were no elections) but to support the pyramid of power controlled by Sukarno by balancing the combative forces of the communist party and the army. As an institution subordinate to the president, the legislative body (DPR-GR) had no role other than following the president’s orders. Thus Sukarno’s Guided Democracy placed the legislative body under the control of the president. The legislature indeed still existed but its function was no more than the legitimating body for the executive.

This executive domination continued and was strengthened during the authoritarian regime of Soeharto. During his tenure (1966-1998), Soeharto was able to
utilize formal constitutional powers to maintain his grip as the main power holder and political player in Indonesian politics. Soeharto’s political restructuring resulted in almost unlimited power in his hands to the extent that for some political analysts, Soeharto’s regime was actually personal rule. During this period, the president controlled political recruitment, bureaucratic recruitment, and the selection of political party leaders. He restructured the multiparty system of the parliamentary period into just three parties, all of which he controlled.

Part of the reason for the president’s ability to exercise such control was that he had a wide and deep financial resource base, both formal (the annual state budget), and less formal (the so-called dana non-bujeter, non-budgetary funds). These non-budgetary funds came from various revenues that directly flowed to the president’s office through the ministry of the state secretariat. Chief among these revenues was the oil money which during the 1970s and 1980s was the largest source of revenue.

As president, Soeharto set up mechanisms which positioned the parliament totally under his control (Gaffar, 1996). Inside the DPR, most of the members were from Soeharto’s party, Golkar (for Golongan Karya, Functional Groups). All recruitment processes for these appointments had to be approved by Soeharto who held the highest authority as the chair of the Dewan Pembina (Advisory Council) of Golkar. Around twenty percent of the DPR members were appointed military officers and as Panglima Tertinggi ABRI (commander in chief of the military), Soeharto controlled all of the recruitment processes.

Members of two other political parties, PPP and Partai Demokrasi Indonesia (PDI, Indonesian Democratic Party) were not directly controlled by Soeharto. However,
the chairs of these two political parties, who had decisive say concerning the parties’ DPR membership, had to be approved and endorsed by Soeharto through the ministry of home affairs. For MPR membership, all non DPR members were appointed, representing functional groups and the provinces. All must be approved by Soeharto as well. It was clear that parliament during the Soeharto era was controlled through these institutional mechanisms.

The parliament or DPR during the Soeharto era was institutionalized to an extent that was enough for the regime to use it for formal political legitimacy. Thus the DPR during the Soeharto era developed rules and procedures and other necessary mechanisms that regulated the conduct of daily parliamentary business such as commissions, party caucuses, and the deliberation of bills (Marbun, 1992; Boboy, 1994). In the decision making process, one fundamental characteristic was the strong emphasis on the musyawarah-mufakat (discussion leading to consensus) in which everybody should in principle be included in the decision-making process and agree upon the outcome. Voting was formally allowed but almost never practiced. Parliamentary relations with other state institutions, such as the president, were formally in the spirit of partnership, meaning that they had to work together for the good of the country.

Consensus during the Soeharto era was carefully cultivated (though often imposed) as the main informal norm to ensure that stability was properly maintained and not destroyed by partisan or other group conflict. Thus, musyawarah-mufakat, became not only Soeharto’s political instrument to ensure harmony in legislative-related political processes, but also the predominant institutional mechanism in decision making in the legislature.
Since 1971, the quinquennially-renewed DPR Standing Orders has adopted this principle as the main decision making procedure. In other words, this decision making norm was increasingly institutionalized in the Indonesian legislature and viewed as an inherent part of the institution. Throughout the authoritarian era, this consensus norm was interpreted strictly, in accordance with the wishes of the president, giving it the meaning of full agreement with whatever the government proposed on any given issue of the day.

With these institutional legacies, Indonesia entered an era of multiparty presidentialism in 2004. Before this, between 1999 and 2004, Indonesia completed its democratic transition process which, among other things, resulted in an amended Constitution of 1945 (the constitution adopted at the beginning of the Indonesian revolution against Dutch colonial rule, restored by Sukarno in 1959 and maintained by Soeharto until 1998, each for his own purposes). The amended constitution grants relatively strong and balanced powers to the president and the legislature.

In Chapter Four I have argued that with their current constitutional powers both the president and the DPR are relatively strong. The president’s powers include budgetary power, decree power, bills initiatives, cabinet formation, cabinet dismissal, and no censure from the legislature. The legislature (the DPR), besides having the power of legislation, budget amendment/modification, and oversight, also has approval/confirmation over the president’s nominations on many state commissions such as the Election Commission and the Human Rights Commission, the appointment of the armed forces commander, central bank governor, and many others. Equally important, the legislature cannot be dissolved by the president/executive.
With all these constitutional powers, in a presidential system, the possibility of having gridlock between the legislature and the president should be expected to be higher. This problem is theoretically exacerbated by the fact that the Indonesian presidential system is a multiparty one. With the legislative election that uses a proportional representation election system, Indonesian presidentialism since 2004 has been characterized by a minority president with minority legislative support. Since 2009, when a parliamentary threshold was established, the legislature’s seats must be distributed to nine political parties. Theoretically, this kind of presidentialism is likely to make relations between executive and legislative bodies immobilized and deadlocked.

As discussed in Chapter One, the theoretical prediction about the potential for deadlock in executive-legislative relations in Indonesia has not materialized. In my literature review and theoretical framework discussion in Chapter Two, by using the three tiers concept from Weaver and Rockman (1993), I find that part of the problem with the conventional view on presidential systems such as Linz’s “the perils of presidentialism” is that it focuses its attention mostly on the first tier of governmental institutions. By also looking at the second and third tiers of governmental institutions, my findings, as discussed in Chapters Four, Five, and Six, show that there are formal and informal institutions that are working to mitigate the highly conflictual executive–legislative relations and prevent deadlock. Along with this, the existence of coalitional presidentialism complements these institutions and makes executive–legislative relations work more smoothly than anyone had predicted.

By looking at all three tiers of the government institutions, we find that presidentialism, including the multiparty variant, is characterized not merely by the
“separation of powers” between the legislative and executive branches but also by unifying forces. On the second tier, we find and analyze “legislative-executive integration.” According to Balutis (1977), legislative-executive integration is a concept that can help us examine the actual operation of the governmental process, not only based on what is stated in the constitution.

This study shows that the president and the legislature in Indonesia are integrated by joint deliberation processes and joint approval mechanisms. The president and the legislature must have joint approval for legislation to move forward or to be enacted into law. In practice, this provision is interpreted as joint deliberation, moving the legislation forward from the very beginning of the introduction of a bill. Thus, unlike most presidential systems such as the United States or several Latin American cases in which the lawmaking processes do not provide a direct connection between the president and the legislature, the Indonesian presidential system determines that the executive and legislative must get involved from the beginning (i.e. the initiation of a bill) until a bill is approved and enacted as a law.

Therefore, the practice of executive–legislative interaction in Indonesia is structured in a way that requires both to always cooperate if they aim at making progress in the legislative and non-legislative agendas. With this joint deliberation process both institutions must agree to put a bill on the agenda, to deliberate it, and to approve it as a law. Thus the president’s agenda cannot be advanced without the legislature’s agreement, and at the same time, the legislature’s agenda cannot move forward either without the president’s approval. In short, they have to cooperate in order to get what each wants.

Another mechanism that helps integrate the executive and the legislature is the informal
connection between staffers in the DPR and in the government. The staffers, as in other countries, usually stay in the institutions much longer than the politicians. This informal connection, to some extent, can be used by the politicians in the DPR and the government to ease the process especially in facilitating communications between the two.

From the comparative perspective, in this situation, the president can still avoid cooperating with the legislature if he/she wants to by ruling by decree as in Brazil (Ames, 2001). However, the decree power of the Indonesian president can only be used in emergency situations. It is true that the interpretation of emergency situation in the constitution is vague. Nevertheless, unlike in Brazil, the presidential decree in Indonesia is subject to post-approval from the legislature, which means that the president still needs to consider the support of the legislature when making a decree. Otherwise, the presidential decree will be overruled by the DPR.

The next institution that facilitates the working of legislative – executive relations in Indonesia is the internal legislative organization and the structure of decision making process in DPR. The main characteristic of the DPR decision making process is a decision that is based on party caucuses (fraksi), commissions, committees, and consensus. It is not a process of decision making that is based on individual members like the process in the United States Congress. Hence, although there are multiple actors and processes that exist in the DPR, the work that the government must perform to interact successfully with the DPR is still not as complex as when the process is based on individual members. In other words, the main actors who always interact with each other and make the decisions are actually just a few actors, namely the leaders of the DPR, the party caucuses, the committees, and the commissions.
The main method of decision making in the DPR is consensus. This is basically a process designed to find compromises and to avoid or overcome differences among the participants by almost all necessary means. Its most basic principle is to include everybody in the room in the final decision. The process starts with an effort to find broad compromise among all participants. When compromise can no longer be achieved at this first stage, the discussion moves to the second stage by reducing the number of participants into representatives of the members, making it more possible to find a common ground among the existing differences. Like the first stage, the process moves to the next stage by reducing again the number of participants in the meeting among the representatives of representatives, and so the process goes on. In the end each caucus may only be represented by one person, with the leaders of the commission or internal organ, and the representative of the government which is usually one or two ministers with a few staffers. If at this stage, the final decision is still not reached, the process can go to a meeting between the leaders of the DPR and the president or vice-president. When the final decision has been reached at this stage, usually there are still some differences left. These final differences are usually about the very specific details. The way out is to allow the government to resolve these final details in the implementation regulations which follow the passing of a law.

To adopt and implement the consensus principle, the deliberative process in the DPR is a multi-stage process. From the plenary session, the proposed bill goes to one of the eleven commissions (komisi), which are a permanent part of the DPR structure, or to a panitia khusus (pansus, special committee—a combination of representatives of several
commissions), then to a panitia kerja (panja, working committee), then to a tim perumus (timmus, formulation team), then to a tim sinkronisasi (timsin, synchronization team).

Along the way, the process can be interrupted by the so called lobi or lobbying process where a committee or commission tries to find ways of resolving disagreements that cannot be resolved in regular/formal meetings/deliberations. This means that the process between the president and the DPR is a multi-tracks negotiation process. This shared process and multi-track negotiation has enabled both institutions to piece by piece overcome disagreements over the agenda and in the end make the interaction work reasonably smoothly.

Another part of the legislative organization is the weak institutional capacity of the DPR because of the lack of institutional expertise/technical support. The research and legal drafting capacities of the DPR are very low, making it difficult to interact with the government on anything like an equal footing. This provides great advantages to the executive in advancing the government’s proposals. With low capacity, it is also difficult for the DPR to properly scrutinize all important details of the government’s annual budget proposal which is deliberated every year between the DPR and the president. The budget bill, according to the constitution, must be initiated by the president and the DPR has the power to modify it.

In the back and forth relations between the DPR and the president, there are also several informal mechanisms that can be used to smooth out the relationship. These informal mechanisms can be used along with the regular process or when there is a potential for deadlock. Two important mechanisms in this respect are the lobi (lobbying) and consultation meetings. In all stages of the decision making process in the DPR, when
the participants in a meeting feel that they need to resolve issues that they do not want to delegate to the next stage in order to reach consensus, they can go to the *lobi* process. This process is a kind of small meeting conducted in a more relaxed and informal way. The number of representatives of the governments and the DPR are usually also fewer. Lobbying is not stated in the DPR Standing Orders, but is nonetheless widely used in the DPR decision making process to overcome deadlock or potential deadlock.

The consultation meeting is basically the same as *lobi*, except that the meeting involves a higher level of participants. Thus, for instance, the consultation mechanism at the commission/special committee level can involve meetings between the leaders of the commission with the ministers, or the leaders of the DPR and the president/vice-president. The consultation mechanism can also involve the highest leader of each of the political parties. The outcome of this consultation meeting usually becomes guidance for the participants when they continue the meetings in the commissions/special committees or sub-committees.

The consultation meeting was introduced during the Soeharto regime. During that time, the consultation meeting was one of the regime’s instruments to make sure that the DPR was not critical of the government (Haris, 2008). Since the fall of Soeharto, this kind of informal mechanism has been used by both the president and the DPR to find solutions related to deadlock or potential conflict that cannot be resolved through the regular process in the DPR.

Finally, the problem of a minority president with minority legislative support (low partisan power) is overcome by the existence of a coalition. This study finds that the coalition has been working in mitigating immobilism and deadlock in legislative –
executive relations in multiparty presidentialism comparable to most multiparty presidentialism systems in Latin America in the last two decades.

Three factors make the coalition work. The first factor is the existence of a coalitional president, that is, a president with the willingness to form and maintain a coalition and a tendency to use an accommodative approach. The second one is the tendency of political elites’ to be accommodative and consensual in their behavior. The last factor is the existence of multiple tools that can be used by the president in maintaining his or her coalition (the executive’s toolbox).

Given the institutional constraints and opportunities that he has, coalition-building and -maintaining for the Indonesian president is more of a choice than a necessity. Not only is the president granted a lot of constitutional powers, the institutional framework that requires the legislature to cooperate with him, and with others, but also, in practice, he has the executive institutional capacity that is much better than the legislative’s institutional capacity. These institutional factors can provide more room for a president to get around and circumvent the legislature when necessary, even if there is no formal coalition between legislative political parties and the president. However, this type of choice will lead to a more tense relationship between the executive and legislative, something that is not compatible with the style of President SBY.

The very accommodative style of SBY’s leadership fits with the pragmatic and accommodative tendency of elites’ behavior, especially the leaders of political parties. Pragmatism is one of the main stories in explaining the political elites’ behavior. The tendency of Indonesia’s current political parties to be non-ideological makes the political elites able to maneuver in any direction. The direction chosen tends to be related to a
desire to be a part of the executive because of the perception that being in power means having executive positions. These two tendencies are part of the legacy of Soeharto’s New Order where the power was centralized in the president/executive. This tendency to consider positions in the executive as more valuable is not unique to Indonesia. In many Latin American countries whose governmental system is mostly multiparty presidentialism like Indonesia, a career in the executive is still more desirable than in the legislative branch (Carey, 1997).

In creating and maintaining the coalition, the Indonesian presidential toolbox contains multiple tools. As mentioned in Chapter Two, the presidential toolbox can contain agenda power, budgetary prerogatives/power, cabinet management power, partisan power, and informal institutional power (Chaisty et al., 2012).

The president has several agenda powers: bill initiation, approval of putting a bill into the agenda, negotiation of a bill’s substance during bill deliberation, and bill final approval. As discussed especially in Chapter Six, the president has been using this agenda power in one way or another. The president reserves the right to initiate the budget bill. One of the tactics usually used by the president is to give room to the DPR to modify the budget macroeconomic assumptions by setting a ceiling. In cabinet management, the president can distribute ministerial positions to various political parties supporting the coalition proportionally. The president can also distribute vice ministerial portfolios.

In maintaining the coalition, the president can use his prerogative to reshuffle the cabinet, making all members of the coalition aware that they must always consider the possibility of losing their posts when they decide to support or not support government’s
agendas. With his oversize coalition (about 75% of the DPR seats) the president can always calculate the minimum number of seats he needs to ensure support for certain policies.

All these formal tools can be complemented by the president with various informal instruments. In budget making, for instance, the president can allocate some of projects to certain political parties in his coalition (a kind of pork barrel politics). The president can also take advantage of the weak institutional capacity of the DPR by providing, for instance, more funding to certain DPR members in deliberating a bill or exercising other functions of the DPR. These multiple instruments have been used by the president on many occasions. In most instances these tools are used in combinations based on the situations that the president faces.

**What is New?**

This study joins the latest studies on multiparty presidentialism in the last two decades, particularly in Latin America, which argue that this type of presidential system can be a successful form of governance. The high probability of executive – legislative gridlock in the system can be overcome by a combination of formal and informal institutions that structure the daily relations of the two bodies. Coalitions have also been able to be formed and maintained and overcome the problems of a minority president. The problem of the “difficult combination” of multipartyism and presidentialism, in other words, has found one of its ways out. Therefore, in general, the argument advanced in this study already exists in the literature on presidentialism. In this respect, one may argue that there is nothing new.
If we take a closer look, however, this study potentially contributes to several parts of the debate. First, by deploying Weaver and Rockman’s concept (see Chapter Two) of the three tiers of governmental institutions, this study points to the importance of looking more comprehensively at not only the basic institutional design of presidentialism (such as dual legitimacy and rigidity), but also the institutions below the regime level which usually regulate directly the daily practice of legislative–executive relations such as the legislative organizations and the decision making process of the legislature. In this regard, this study is similar to the “revisionist studies” (Power, 2010) on presidentialism in Brazil. The difference is that if the message from the revisionist studies is “look more closely, and you will find the rules and institutions that make Brazilian multiparty presidentialism work” (Power, 2010: 23), my main message is “look more comprehensively at the three levels of governmental institutions and you will find some combinations of institutions that can overcome the problem of the perils of presidentialism or the difficult combination of multipartyism and presidentialism.”

Second, related to the first contribution, this study points to the importance of not only focusing our attention on the separation of the legislative and executive branches (Linz called it dual legitimacy) but also on the level of legislative–executive integration. This level of integration can be the result of the rules and institutions below the basic institutional design of presidentialism which structures the relationship. In many presidential systems, this integration occurs mainly in an informal manner.

Using this concept, we can see for instance that the level of executive–legislative integration in the United States’ presidential system is higher when there is a unified government. The president or the executive body in this case is integrated informally with
the Congress through the connection of the president to his/her party. In the Indonesian case, the executive and legislative branches are integrated not only informally but also formally through the mechanism of joint deliberation and joint approval. Thus we can say that the Indonesian presidential system is a system with a high level of executive-legislative integration. As has been discussed throughout this study, this level of integration contributes to the relatively smooth working of the relationship and reduces the potential for deadlock.

Third, this study has also used a coalitional presidentialism approach in building its argument. However, the coalitional presidentialism approach as used by others seems to focus too much on the president’s agenda. In other words, its concern is mainly on the success of the president’s agenda as the measure of the success of multiparty presidentialism. Coalitional presidentialism also seems to focus very much on the use of formal and informal institutions in the executive toolbox. In the Indonesian case, my findings show that these formal and informal institutions also create a situation or arena in which both president and legislature must cooperate to advance their agendas. In other words, formal and informal institutions are not only toolboxes but also constraints which influence how the president and the legislature use the toolbox in their relationship.

Fourth, as mentioned in Chapter One, studies of multiparty presidentialism outside Latin America are still rare. In Asia, this study has been mainly based on the Philippines’ multiparty presidential system. Therefore, this study contributes to enlargement of the data set of multiparty presidential systems in the world.

Finally, after reading my argument throughout this dissertation, one might claim that the nature of Indonesian politics, in this case legislative – executive relations, is a
reflection of the consensus model of democracy (Lijphart, 1999). Lijphart conceptualizes consensus democracy as “a democratic regime that emphasizes consensus instead of opposition, that includes rather than excludes, that tries to maximize the size of the ruling majority instead of being satisfied with a bare majority” (p.33). I am inclined to say that the characterization of Indonesian politics as a consensus democracy is basically true. As I have described in Chapters Four, Five and Six, most of the institutions for consensus democracy can be found in the context of legislative – executive relations in Indonesia: the emphasis on consensus, the requirement to work with everybody (including the opposition), the inclusion of as many parties as possible (oversize coalition), and joint deliberation and approval process between the legislature and the president.

Lijphart also argues that “consensus democracy may not be able to take root and thrive unless it is supported by a consensual political culture” (p.306). In the Indonesian case, this kind of political culture seems to exist. As I have argued in Chapter Three, the practice of “musyawarah-mufakat” (discussion leading to consensus) ostensibly dates back to pre-colonial life in traditional Indonesian villages rooted in the practice of “gotong royong” (mutual aid). In its subsequent development, this concept entered Indonesian political discourse after independence and has now become institutionalized in the decision making process in the DPR and in the relationship between the legislature and the president.

Lijphart further argues that in new democracies, consensus democracy seems less likely to be adopted due to the tendency to presidentialism. The propensity in presidentialism according to Lijphart is majoritarian which contradicts the basic principle of consensus democracy. In the Indonesian case, Lijphart is right that, as a new
democracy, Indonesia has chosen presidentialism as its governmental system. Contrary to Lijphart’s argument, however, this study shows that the Indonesian multiparty presidentialism can be reconciled with consensus democracy.

A Note for Future Research

As a case study, this analysis suffers from the limitations of generalization or the uniqueness of country-specific characteristics. The fact that the main method of decision making in the Indonesian legislature is consensus, for example, can be regarded as unique to Indonesia. However, in the process of analysis in this study I have been using theories and approaches derived from various comparative studies in other countries. Thus this case study actually has been comparative in nature.

However, the findings still need to be tested in more explicitly comparative settings. One way to do that is by using the structured comparison method (George, 1979) or the most similar cases method (Pzeworski & Teune, 1970). Using the structured comparison, we can “look at similarities and contrasts across cases, drawing conclusions based on the links and gaps between putative causes and outcomes of interest” (Brownlee, 2007, p. 3). We can, for instance, compare the cases of the Philippines, Brazil, Chile and Indonesia where multiparty presidentialism does not always result in cooperative relations between the executive and the legislative branches. We can also use the method of the most similar cases such as comparing Indonesia with Brazil, especially during the period when executive – legislative relations did not work well such as in the period of the first Lula presidency (Mainwaring, 1993a, 1993b; Ames, 2001). Another alternative is by making Indonesia part of the data set on cross national studies on multiparty presidentialism throughout the world.
Beyond this, future research can also be focused on various aspects of the Indonesian case. This study can be the starting point for more specific research related to the Indonesian presidency and legislature. Several examples of this type of research include the structure and organization of the presidential institution, the reform of the legislative support system, the examination of legislative organization (DPR and DPD), the reform of rules and procedures of the DPR and DPD, the relationship between the presidency and the legislature with civil society organizations, and the role of interest groups in legislative–executive interaction. More broadly, this study can also be a starting point to look at whether Indonesia is really an example of consensus democracy and how that fact can be reconciled with presidentialism in the long run.
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