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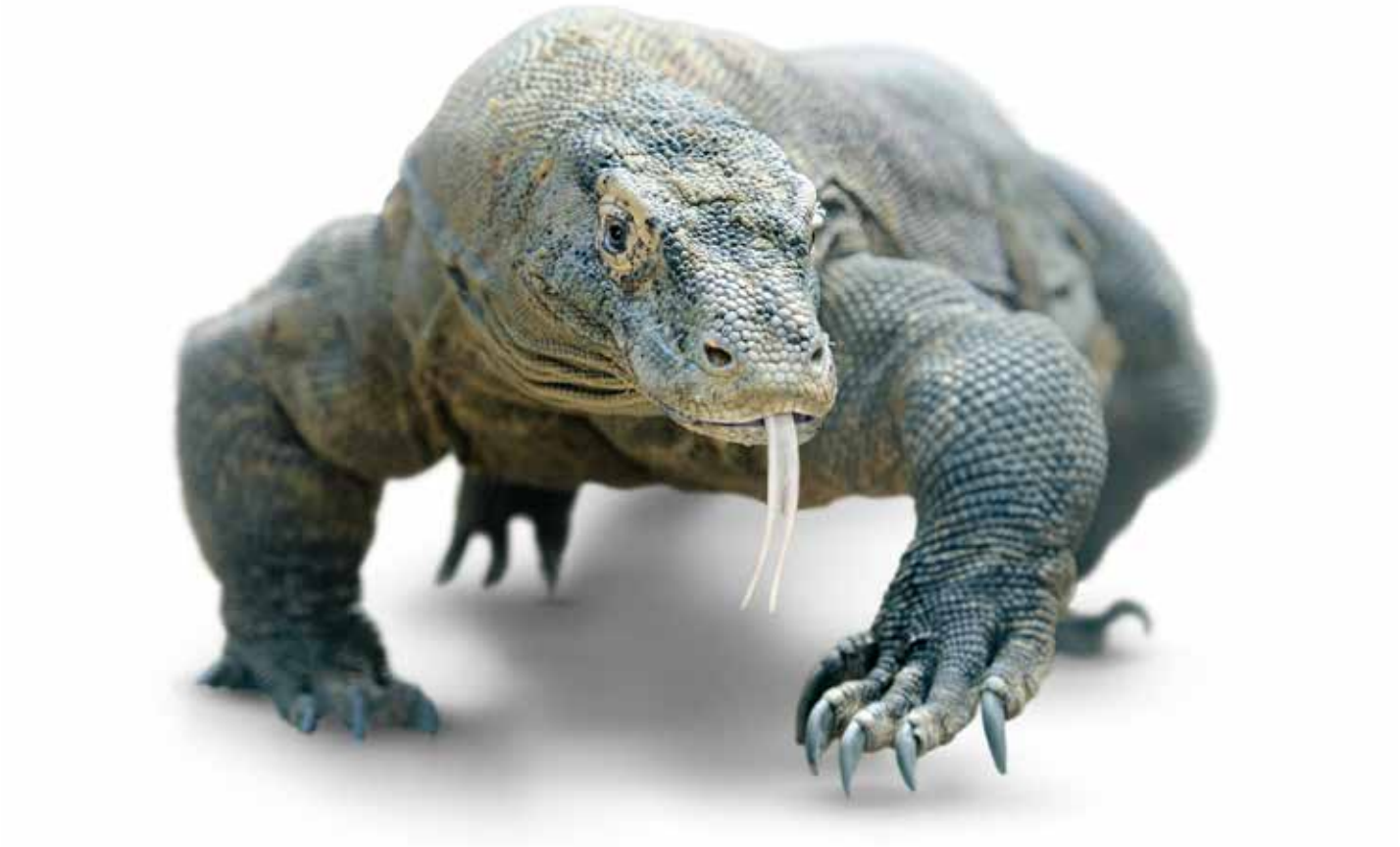
CIGI Papers No. 119 — February 2017

Challenges in Eradicating Corruption in the Indonesian Presidential System

Aleksius Jemadu



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Aleksius Jemadu is dean of the Faculty of Social and Political Sciences, Universitas Pelita Harapan in Jakarta, since 2009. He graduated with a degree in international relations from Universitas Gadjah Mada, in Yogyakarta, in 1986. He received his Ph.D. in political science at the Katholieke Universiteit Leuven, Belgium, in 1996. He got his full professorship in international politics in 2007. His areas of expertise include international politics, Indonesian foreign policy and domestic politics.

About the Project

Forging a New Indonesia-Canada Partnership

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The Global Security & Politics Program at CIGI is undertaking a timely project to investigate the potential in strengthening and deepening Canada's relations with Indonesia. Researchers are exploring and building awareness of opportunities for closer bilateral ties in several areas, including business, diplomacy, security and governance. Indonesia represents by far the largest economy in the Southeast Asian region and it has been projected by the McKinsey Global Institute to be the seventh-largest economy in the world by 2030, making it an important partner for Canada in the region. The project aims to lay out a path toward sustainable engagement with one of the key countries in the Asia-Pacific region.

Executive Summary

Both President Joko Widodo and his predecessor, Susilo Bambang Yudhoyono, have been confronted with the agenda of eradicating corruption as part of their effort to promote good governance in Indonesia. The implementation of Law No. 30/2002 on the Corruption Eradication Commission (Komisi Pemberantasan Korupsi or KPK) is key to the success of such an effort. Analyzing the implementation of the KPK law within the framework of the Indonesian presidential system, this paper draws attention to the importance of overcoming various institutional obstacles that characterize the relationship between not only the president and the ruling party but also the president and the parliament (the House of Representatives or Dewan Perwakilan Rakyat [DPR]) as a whole. Using the theory of veto power proposed by George Tsebelis (2002), the paper seeks to explore how in turn Yudhoyono and Widodo have tried to overcome the institutional obstacles in eradicating corruption. While Yudhoyono had the privilege of capitalizing on the full support from his own political party and the ruling majority of political parties in the parliament, in the first year of Widodo's presidency, Widodo found himself to be at loggerheads with his own party, the Indonesian Democratic Party of Struggle (Partai Demokrasi Indonesia Perjuangan [PDI-P]) and the majority of political parties in the parliament on two critical anti-corruption issues, namely, the appointment of the national police chief and the revision of the KPK law. The paper then concludes that unless the executive and legislative powers share the commitment to eradicate corruption, the promotion of good governance in Indonesia will always be jeopardized by the institutional obstacles embedded in the nature of the operation of the Indonesian presidential system.

Introduction

For more than a decade, the Indonesian presidential system has tried to achieve democratization or political reform by promoting good governance through the eradication of corruption. It can be argued that eradication of corruption at all levels of government is one of the most important issues that need to be addressed by Indonesian leaders since the collapse of Suharto's authoritarian regime in the late 1990s. According to Daniel Kaufmann, director of the World Bank Institute, corruption is "a major obstacle to reducing poverty, inequality and infant mortality in emerging economies" (World Bank 2004). Unfortunately, mega corruption scandals did not only take place during Suharto's rule, which was reported to have embezzled US$15–35 billion, but also after the collapse of his regime in 1998 (ibid.). For instance, mega corruption related to the notorious Bank Indonesia Liquidity Assistance fund during the Asian financial crisis in 1998 remains unresolved, because many of the perpetrators have fled the country. The embezzlement of the bailout fund to rescue Bank Century in 2008, which cost the government US$595 million, was another important graft case that implicated high-ranking government officials. To this day, despite Indonesia's significant progress in consolidating its democracy, corruption remains a major issue, with hundreds of regents, mayors, governors and legislative members having been sent to jail by the KPK.

As far as the people are concerned, democratization or political reform is not complete without a real and consistent implementation of Law No. 30/2002 on the KPK.[1] While this law was established in 2003, during the term of President Megawati Sukarnoputri, this paper focuses on how the current government of President Widodo has faced challenges in defending the integrity and survivability of the law amid mounting pressures from the DPR to revise it. The rationale behind the focus on the current government is that, unlike his predecessors, Widodo, being just a party member,

1 The concept of good governance is wider than just the eradication of corruption. For the context of this paper, the author does not examine other elements of good governance, such as bureaucratic reform, efficient management of public services or other forms of public accountability of the government. The implementation of the KPK law is so important for Indonesia that it deserves a deep analysis – starting from the commitment of the president and the parliament as the two strategic institutions in giving direction to the nation's efforts toward genuine political reform.

does not have the luxury of having complete control over his own political party (the PDI-P) nor can he secure the sufficient parliamentary support that the president might need to pass bill proposals. On top of that, one of the reasons why he won the presidential election in 2014 was that people believed in his ability to promote good governance through the eradication of corruption, on the basis of his clean reputation as governor of Jakarta. Thus, it is interesting to see how, under those constraints, the president has to deal with the ruling party in the DPR, which tends to have different, if not contradictory, agendas.

As will be discussed later, the implementation of the KPK law cannot be taken for granted and is very much linked to the nature of the dynamics of the political interaction between the president and the parliament under the framework of the Indonesian multi-party presidential system. The politics of corruption eradication in Indonesia cannot be fully understood without a close investigation into how the president and the parliament build synergy in fulfilling one of the most important promises of Indonesia's political reform. Promoting good governance through the eradication of corruption within the Indonesian multi-party presidential system has been made more complicated by the fact that the president must also take into account the necessity of political stability whenever he or she has to deal with the ruling party or the parliament. In other words, in the context of the politics of the Indonesian presidency, the accomplishment of a stable government and the promotion of good governance do not always constitute two mutually reinforcing objectives.

The political dynamics related to the issue of corruption eradication in Indonesia cannot be fully understood without analyzing the strategic role of two key law enforcement agencies: the KPK and the national police, as stipulated by Law No. 30/2002 and Law No. 2/2002 respectively. The establishment of the KPK was very much related to the fact that Indonesia could not rely on the existing law enforcement bodies to put an end to the rampant practice of corruption that had affected government bureaucracies since Suharto's New Order era. Thus, a new and independent agency was needed not only for preventive measures but also for prosecution purposes. On top of that, the KPK is authorized to conduct wiretapping without permission from any supervisory agency. As it turns out, the KPK has become a much-feared body and various political parties in the parliament have sought to amend the KPK law for the purpose of reducing and weakening the power of the anti-graft agency.

It goes without saying that the national police chief also plays a strategic role in the operation of the law enforcement system. According to Law No. 2/2002, the position of the national police chief is directly under the president; like other cabinet ministers, the national police chief may develop policy priorities in implementing the law enforcement system. It is quite obvious that having control over strategic and secret information regarding the prosecution of mega corruption scandals by high-ranking officials becomes a source of power for the leadership of this institution. In an ideal situation, the KPK and the national police would work together to build synergy for the effectiveness of the law enforcement system in eradicating corruption. Unfortunately, this is not always the case. Competition between these two powerful institutions sometimes becomes unavoidable, especially when political parties in the parliament try to intervene for their own partisan interests. For precisely these reasons, the amendment of the KPK law and the appointment of the national police chief are the focuses of this paper, as illustrations of the contestation of power behind the promotion of good governance in Indonesia.

The main objective of this paper is to analyze how the president and the parliament might interact in such a way that the nation's priority of eradicating corruption could be guaranteed and enhanced, not only as a normative commitment but also, and more importantly, in terms of its actual realization. After all, to a significant extent, eradicating corruption in Indonesia will depend on the strong commitment of the president as well as the continuous support of the parliament. The questions that might be asked include:

- What does it take to defend the existence of the KPK law whenever there is an attempt by the lawmakers to change or modify it for their own partisan interests?
- What political cost does the president have to pay if the demand of the ruling party to revise the KPK law cannot be fulfilled?

- What are the institutional sources of constraints in eradicating corruption and how can the constraints be explained in the context of the dynamics of the Indonesian presidential system?
- What needs to be done by the president as the executive power, and by the parliament as the legislative power, whose main responsibility is to control and check the whole running of the government system?

These questions have become even more relevant due to a series of attempts to weaken the anti-graft body through the revision of the KPK law. The analysis of the politics of good governance in Indonesia at the top layer of the government is not only of high importance for the Indonesian people but also for external stakeholders, who want assurances that the nation and its leaders are really committed to the promotion of the universal principle of good governance, including a rigorous effort to eradicate corruption. As much as new democracies such as Indonesia try to emphasize the importance of sustaining their political reform, they also need to promote good governance, as it can directly affect the possibility of economic growth.[2]

Various studies have been conducted to find an explanation for the origin of corruption in Indonesia, especially in the post-Suharto era. As well, there is the question of why corruption remains rampant, despite the fact that political and democratic reform has taken place and all mechanisms of checks and balances are in operation to fulfill the promise of a clean government and good governance. In answering the question of the perpetuation of corruption after the fall of Suharto's authoritarian regime in 1998, Richard Robison and Vedi Hadiz (2004, xiv) argued that corruption had much to do with the phenomenon of "how a complex politico-business oligarchy emerged from within a system of authoritarian rule, reorganising its power through successive crises, colonising and expropriating new political and market institutions." In his study of the origin of corruption among political parties in Indonesia, Marcus Mietzner (2007, 240) argues that the dramatic reduction of state subsidies and the high cost of operating political parties and gaining and defending public offices have led to different forms of corrupt practices. Last but not least, there is also an argument made by Kuskridho Ambardi (2012) that relates corruption practices to the issue of institutional accountability among political parties that act like a cartel whose main purpose is to serve their own political and economic interests.

The structure of this paper is based on the following logical flow. After the introduction, two theoretical approaches are employed in analyzing the Indonesian presidential system to see how it operates in promoting good governance through the objective of corruption eradication: first, a normative approach, focusing on the constitutional stipulations on the powers of the president and the parliament, and how the two are institutionally interconnected through the mechanism of checks and balances; and second, a political approach, analyzing the political interaction between the president and the parliament, which is always characterized by calculations of power and position. The paper then proceeds to analyze the Indonesian presidential system under former president Yudhoyono and current president Widodo in turn, with more attention given to the latter's presidency because he has had to face more assertive institutional and partisan veto players in eradicating corruption. In the process, their commitment and performance in promoting the necessity of good governance is evaluated. The discussion then moves to how President Widodo's personal political capital has been confronted by the assertiveness of the institutional and partisan veto players operating within the Indonesian presidential system. Considering that eradicating corruption remains a central issue today, examples are selected to substantiate the analysis while identifying the politics behind the president's actions and inactions. Finally, conclusions are presented on how to strengthen the effectiveness of the Indonesian presidential system in promoting the principle of good governance.

2 See Minxin Pei (2001) for a discussion of the importance of good governance in new democracies.

Two Theoretical Approaches: Normative and Political

In considering the Indonesian presidential system, it is necessary to employ the normative and political approaches simultaneously in order to better understand the real operation of the presidential system. The normative approach references the 1945 Constitution of Indonesia's regulation of the powers of the president and the parliament.[3] It also considers the mechanism of checks and balances between the two institutions. The political approach refers to the real interaction between the president and the parliament on the basis of their actual power. To say that a president is strong or weak in eradicating corruption requires more than just a normative or legalistic analysis. The complementarity of the two approaches is emphasized because the constitutional powers of the president and the political parties in the parliament are ultimately contingent upon their respective bases of political support. For instance, the president might not control the majority of seats in the parliament and therefore be uncertain of its support for his policies, but his popular legitimacy among civil society groups might provide another form of support. That is, political parties in the parliament must take into account public opinion if they want to keep the loyalty of their constituents in the next election. Thus, the president can capitalize on his political base in the parliament or on his popular support outside the parliament.

There are various articles in the 1945 Constitution that serve as the legal basis of the Indonesian presidential system. This paper will focus on those stipulations related to the powers of the president and parliament in providing a constitutional assurance that the principle of good governance is enhanced through a consistent implementation of the KPK law. It should be noted that a series of amendments to the 1945 Constitution from 1999 to 2002 were intended to create a clear mechanism of checks and balances so that no abuse of power would take place and to ensure political acountability of the government. The constitutional stipulations that regulate the powers of the president and the parliament will be explained one by one in a logical flow so that they might be seen as a system designed to accomplish their intended goals.

According to the 1945 Constitution article 4 (1): "The President of the Republic of Indonesia shall hold the power of government in accordance with the Constitution." While this article serves as the constitutional basis of the president's executive power, it can also be seen as a stipulation that the president holds the highest governmental authority in ensuring the implementation of the principle of good governance at all levels of government. After all, law enforcement is an integral part of the function of the government as a whole. Although the anti-graft body KPK is meant to be an independent institution and free from any intervention by the executive or legislative powers, ultimately it is the responsibility of the president to make sure that the public demand for a full implementation of the KPK law is fulfilled. In fact, both Widodo and his predecessor, Yudhoyono, were elected by the majority of the Indonesian people because of their personal credentials in fighting corruption. The complexity of eradicating corruption in Indonesia is such that conflict between law enforcement agencies could take place and the president would have to step in to find a resolution. As will be shown later, such conflicts can and do occur and create needless public discontent. The public's usual response is to demand concrete action by the president to restore public trust and social order.

Like many other presidential systems, Indonesia's applies an institutional mechanism of checks and balances between the executive and legislative powers. In carrying out the governmental authority, the president must abide by laws and be subject to supervision by the parliament. Moreover, following articles 20 (1) and 20 (2), it is clearly stipulated that "the DPR shall hold the authority to establish laws" and "each bill shall be discussed by the DPR and the President to reach joint approval." Thus, the president may reject the draft of a bill proposed by the parliament if he or she disagrees with the content of the proposal. Although the president is equipped with legislative powers, understanding the real politics of the interaction between the president and the parliament requires an analysis of the former's "partisan power," which, to quote Koichi Kawamura (2010, 2), "can be generally measured in terms of the share of ruling-party seats…and by the president's party discipline." In general, the political capital of a president is also determined by

3 See www.setneg.go.id/images/stories/kepmen/legal_product/uud_1945.pdf.

his or her personal reputation and the performance of the cabinet. The political situation can be quite complicated for the president if he or she happens to disagree with the ruling party on any issue. In such a context, the president's popular legitimacy can be very important as political leverage vis-à-vis the parliament. As will be discussed later, the complexity of this legislative process has characterized the tug of war between Widodo and the parliament regarding the revision of the KPK law.

The real politics of promoting good governance in Indonesia through an independent and powerful anti-graft body such as the KPK can also be analyzed by using the theory of veto power proposed by Tsebelis (2002), which goes beyond the traditional distinctions between presidential and parliamentary systems or two-party or multi-party systems. According to Tsebelis (ibid., 19) *veto players* are "individual or collective actors whose agreement is necessary for a change of the status quo." In any political system we may have *institutional veto players*, whose power is stipulated in the constitution, and *partisan veto players*, whose existence and operation are generated by the political game or contestation (ibid.). For the context of this paper it is important to identify those veto players and how they use their powers in defending or changing certain legislation related to the issue of good governance in Indonesia. It will be shown later how President Widodo — unlike Yudhoyono, who had complete control over his own political party — has had to face various forms of institutional challenges through the operation of the veto players, including challenges from within his own political party, the ruling coalition of political parties and the unfavourable legislature as a whole.

Challenges of Corruption Eradication under Yudhoyono

Both Widodo and Yudhoyono have faced at least two main challenges during their presidencies in the implementation of the KPK law for the sake of promoting the principle of good governance in Indonesia. The first challenge is the competition and even conflict between the KPK and the national police in the prosecution of certain corruption scandals, especially when prominent figures from law enforcement agencies are implicated. The second challenge is the revision of the KPK law, which was supported by the majority of political parties in the parliament, including the ruling party, the PDI-P, but rejected by the president after he considered strong public resistance against such policy. These two cases illustrate how President Widodo has to defend his policy priority of eradicating corruption while also navigating his relationship with the parliament, especially the ruling party, whose agenda tends to be at odds with the president's.

According to Law No. 2/2002, the national police chief is directly responsible to the president. In addition, the fact that the national police possess all important information on major corruption scandals in Indonesia has made the institution so politically powerful that the election of its chief often becomes a contentious issue. In Indonesia's multi-party presidential system, competition among political parties is always fierce in the selection of the leadership of such a strategically important institution as the national police. Although the KPK law has clearly stipulated the division of labour and coordination between the police and the KPK, conflicts of interest between the two institutions sometimes cannot be avoided, with the effect that corruption eradication can be jeopardized. Another challenge comes from the lawmakers and party leaders who want to revise the KPK law without a clear rationale that might be justified in the eyes of the public. The dynamics of the Indonesian presidential system are such that the issue of corruption eradication will continue to be characterized by the contestation of political interests behind the Indonesian law enforcement system. Therefore, in the final analysis it is up to the president as the top executive to navigate this endeavour until the culture of good governance filters through the whole government system, from the centre down to the regional level.

During Yudhoyono's second term (2009–2014) there were various attempts to incapacitate or weaken the KPK through the revision of the KPK law. For instance, in 2010, the parliament introduced the idea of reducing the authority of the KPK, and in 2011 the draft of the revision was included in the list of the National Legislation Program ("Program Legislasi Nasional" or "Prolegnas"). Due to strong public resistance against the weakening of the

KPK, in 2012 the parliament decided to stop the discussion of the revision of the KPK law (*Kompas* 2015). There are several reasons why it was relatively easier for Yudhoyono to deal with those who challenged the authority of the anti-graft agency. First, he enjoyed full support from his own party. Second, he was also supported by other coalition parties, which controlled the majority of seats in the parliament. Third, all political parties were determined to maintain their positive image in the eyes of the public by giving the impression that they were committed to supporting the existence and function of the anti-graft agency. Fourth, in order to restore the reputation of his government, which had been tainted by the corruption scandals within his own Democratic Party, Yudhoyono had no choice but to try his best to defend the KPK law.

Widodo's Political Capital and Institutional Obstacles

One of the campaign promises that President Widodo has been seeking to fulfill is putting an end to corruption. In fact, this agenda is included in the so-called "Nawa Cita" or nine policy priorities of his government. The question is whether the president has the necessary political capital to fulfill his promises. The president needs to work with the parliament in order to accomplish all his policy priorities, including the eradication of corruption. In order to assess how much political capital Widodo has in his bargaining with the parliament and in maintaining his legitimacy in the eyes of the public, a close look at some key variables — including the strength of the ruling coalition of parties in the parliament, his control over his own political party, his popular legitimacy and his relationship with civil society networks, who tend to be critical of government policies — is warranted. The capacity of the president in resolving a problem depends on these important variables.

It is important to compare Widodo to Yudhoyono to assess their respective levels of political capital in running government, as it provides insights on the dynamics of Indonesia's presidential system, especially with regards to governance issues. Additionally, by comparing the two presidents, one can gain an understanding of the extent to which the institutionalization of Indonesian democracy has had an impact on the promotion of good governance through the eradication of corruption. It is quite evident that the operation of modern political institutions, such as independent political parties and the parliament, is not in itself a guarantee that the public interest will be considered. A critical analysis of the political interplay between the president and the political parties in the parliament in defending their respective interests is key to understanding how the presidential system actually works. Considering the fact that according to the Indonesian constitution a president is nominated by a political party or coalition of political parties, it is critical that a president should secure majority support in the parliament, which constitutes his or her political capital. Unlike Yudhoyono, who managed to have that kind of political privilege, President Widodo must manage his government with less than a simple majority in the parliament.

The origin of a president's political capital in Indonesia is his or her nomination by a coalition of political parties, as stipulated in the constitution and elections laws. According to article 6A (2) of the 1945 Constitution: "The pairs of candidates for President and Vice-President shall be proposed prior to the holding of general elections by political parties or coalitions of political parties which are participants in the general elections." This stipulation indicates the indispensable role of political parties in the nomination of president and vice-president and ultimately in the smooth running of their government's programs. Furthermore, following article 9 of Law No. 42/2008 on the presidential election, a president and vice president have to be proposed or nominated as a pair by a political party or a group of political parties with at least 25 percent of popular votes or 20 percent of parliamentary seats. Because the PDI-P, with which President Widodo is affiliated, had only around 19 percent of the popular votes, the party had to work with other political parties, including the National Awakening Party, the National Democractic Party, the People's Conscience Party and the Indonesian Justice and Unity Party in order to fill the gap. The combined popular votes of these political parties totalled around 41 percent. Although eventually the pair of Widodo and Jusuf Kalla won the 2014 presidential election, their coalition of political parties (called the Awesome Indonesia Coalition,

or Koalisi Indonesia Hebat) controls only around 37 percent of parliamentary seats. Thus, Widodo has less than the simple majority of seats in the parliament required to win, should a voting take place in that institution. He is not as politically fortunate as his predecessor, Yudhoyono, who managed to establish a big coalition of political parties in the parliament with almost 75 percent of the parliamentary votes (Bayuni 2014).

The role of a chairperson in the Indonesian party system is very important, as he or she has a final say in many important matters related to a party's standpoint on key political issues. Furthermore, the chairperson has dominant power over the party members, including those who manage to win a parliamentary seat. It is no exaggeration to say that a party is built mainly to fulfill the political ambition of its founder and leader. Major political parties such as the PDI-P, the Golkar Party, the Democratic Party and the Great Indonesia Movement Party (Gerindra) have been used as political vehicles for the presidential nomination of their respective founders or leaders. In the case of the PDI-P, the chairperson is Megawati Sukarnoputri, who was president from 2001 to 2004 and then ran unsuccessfully for re-election twice, in 2004 and again in 2009. She decided not to run in 2014 and gave the opportunity to be the PDI-P's candidate to Widodo, then the popular governor of Jakarta. As it turned out, Widodo and Jusuf Kalla were elected president and vice-president with around 53 percent of the popular vote.

Joko Widodo is the first directly elected president in the post-Suharto era who is not a party leader. After the PDI-P declared his presidential nomination, there was an intense discussion in the media as to whether he could function as an independent president or whether the party's chairperson, Megawati, would control him in order to fulfill the PDI-P's political aspirations. Public suspicion over Widodo's independence should not come as a surprise, considering the statement made by Megawati during the official declaration of his presidential nomination. She said: "I made you [Jokowi] a presidential candidate. But you should remember that you are the party's official, with a function of implementing the party's programs and ideology…." (quoted in *The Jakarta Post* 2014).[4] The practice of democracy within Indonesian political parties is known to be a formality at best because the party leaders dominate the whole process of decision making. The party's dependence on the personal charisma of the founder is so great that no one can challenge his or her decisions. This explains why some political parties have been marred by endless internal conflict and struggle for power and domination. President Widodo's inferior position to the ruling party is in contrast to Yudhoyono's complete control over the Democratic Party. Moreover, while Yudhoyono's presidency benefited from the fact that the parliamentary speaker, Marzuki Alie, came from his political party, the situation is even more complicated for Widodo, given that the parliamentary leadership is dominated by the opposition parties.

Widodo's political capital may also come from his reputation as a populist leader who has the habit of doing *blusukan* (impromptu visits). In addition, he enjoys maintaining close relationships with many civil society activists. In fact, his presidential campaign was very much facilitated by many volunteers from civil society organizations who consider him an alternative leader, capable of providing good governance on the basis of his experience as governor of Jakarta. Compared with Yudhoyono, who was more willing to make quid pro quo bargains with party leaders, Widodo tends to be more cautious in dealing with party leaders, while emphasizing the importance of unconditional cooperation with them. He has not been reluctant to appoint former civil society activists as his "inner circle" in the presidential palace.

Like Yudhoyono, Widodo has had to struggle to ensure that he would not lose the momentum on eradicating corruption, which was a central promise of his presidential campaign. There are at least two cases to consider in analyzing the challenges the president has in supporting the authority of the KPK and the integrity of the KPK law (as the legal umbrella to ensure KPK's success). Can the president manage this critical state of affairs within the constraints of his political capital, while maintaining the stability of his government — especially with regard to his relationship with the ruling party and the parliament? The first case is about the appointment of the national police chief, which had the president at loggerheads with his own party. The second case concerns the proposal made by the majority of political parties, including the PDI-P, to revise the KPK law, which the KPK itself and national networks of civil society organizations strongly opposed.

4 "Jokowi" is President Widodo's popular name.

Overseeing the National Police

The appointment of the national police chief has always been a political game in Indonesian politics. Although the national police are supposed to be politically neutral in doing their job, there is always a temptation for the political parties in parliament, especially the ruling party, to choose for chief an individual who, at the very least, is not going to be inimical to their political interests. As far as the president is concerned, the national police chief should be a loyal person capable of carrying out the task of law enforcement in a professional way. Thus, the national police chief should help the president to achieve his policy priorities in keeping public order and enforcing the laws. The president also wants to make sure that the national police operate in close cooperation and coordination with the KPK, in accordance with their official division of labour, in eradicating corruption. As part of the law enforcement system, the national police force also has its own institutional interest, which demands respect from other law enforcement agencies, including the KPK. The KPK, for its part, demands the same, as there is no institution that can be immune from the national anti-corruption agenda. Ultimately, it is the president who has to ensure a smooth process for the succession of the national police chief. The challenge, therefore, is to defend the president's own political interests while also accommodating the preferences of political parties in the DPR, especially those of the ruling party leading the government coalition. An unnecessary conflict with the ruling party could cost the president the political support he badly needs to pass bills that are essential for the accomplishment of his development programs.

Widodo is aware that he won the 2014 presidential election partly because of his reputation for supporting a rigorous fight against corruption. Thus, his popular legitimacy is very much based on public trust that he will not compromise on anti-corruption, even if he has to contradict the policies of his own party. His anti-corruption credentials were put to a serious test when he nominated Commissioner General Budi Gunawan as the new national police chief to replace General Sutarman, who retired. According to Law No. 2/2002 on the national police, the national police chief is appointed and dismissed by the president with the approval of the DPR. The course of events in relation to Widodo's nomination of Gunawan — and later his cancellation of that nomination — clearly show that the president was in a dilemma due to the irreconcilable interests of the institutions around him. On the one hand, the president had to accommodate the ruling party, the PDI-P, which urged him to appoint Gunawan; on the other hand, he was also under pressure from the KPK and the public, who strongly opposed the candidate on suspicion of corruption. It took several months for the president to make his eventual decision to appoint General Badrodin Haiti as the national police chief and Commissioner General Budi Gunawan as the deputy national police chief. Some analysts and civil society activists saw this choice as a face-saving decision or political compromise for the sake of maintaining a good relationship with the ruling party (Herdiansah 2015, 122). It is clear from this narrative how the president's own party, the PDI-P, acted as a partisan veto player over which he had no control at all.

There are at least three important points that might account for the tug of war between the idealism of corruption eradication and the reality of bureaucratic bargaining that is so deeply rooted in the politics of law enforcement in Indonesia. First, the president can only resolve the conflict and competition between the national police and the KPK if there is political support from the ruling party. Without such political support, the president will be forced to make a political compromise at the expense of the fight against corruption. Second, the conflict between the national police and the KPK will continue to characterize the politics of corruption eradication in Indonesia, and each institution has its own political instrument or source of bargaining power in defending its institutional interests. Third, there is still a long way to go before the priority of corruption eradication becomes a shared norm or intersubjective understanding between the executive and legislative powers in Indonesia. Table 1 is a display of the contestation of power and interests among different political institutions whose impact might ultimately jeopardize the nation's effort in eradicating corruption.

Strengthening or Weakening the KPK?

There are several reasons why the issue of the revision of the KPK law represents a critical test of President Widodo's commitment to eradicate corruption in Indonesia. First, time and again the

Table 1: The Contestation of Powers and Interests in the Appointment of the Indonesian National Police Chief

Actor	Political Interests and Objectives	Political Instrument or Source of Bargaining Position
President Joko Widodo	→ To have a loyal, capable and professional national police chief who can help the president to fulfill his presidential campaign promises, especially related to the issue of corruption eradication → To develop a harmonious relationship with the ruling party, the PDI-P, so that it can lead government coalition in the DPR → To create synergy between the national police and the KPK for the sake of effective law enforcement in eradicating corruption	→ Constitutional authority as the top executive power → Law No. 2/2002 on the national police → Law No. 30/2002 on the KPK
The ruling party, the PDI-P	→ The appointment of Commissioner General Budi Gunawan, who used to be a personal adjutant to President Megawati in 2001–2004 → To have a national police chief who can cooperate with the ruling party, the PDI-P	→ The leading position as the ruling party in the DPR → Bargaining position vis-à-vis the president
KPK	→ The continuation of aggressive investigation of corruption scandals, including those in which senior police officers are implicated → Maintaining the momentum of eradicating corruption so that Indonesia's score on the CPI might be improved → No political intervention in the investigation of corruption scandals	→ The KPK law → Public support, especially from the anti-corruption civil society organizations → Support from the president
The National Police	→ The acceptance of the nomination of Commissioner General Budi Gunawan by the president and the DPR → Defending the integrity and dignity of the institution by rejecting all "false" accusations against senior police officers	→ Law No. 2/2002 → The position of the national police chief, which is directly accountable to the president → The possession of information on major corruption scandals

Source: Author.

Notes: CPI = Corruption Perceptions Index (Transparency International 2015)

president had been at loggerheads with his own party, whose lawmakers were among those who initially took the initiative to propose the revision of the KPK law. Second, the draft of the revision of the KPK law was proposed by the majority of political parties in the parliament at a time when Indonesia actually had made progress in improving its score on the Corruption Perceptions Index (CPI). Indeed, in 2015, Indonesia had a CPI score of 34 on a scale of 100 and was ranked 88th out of 168 countries — a slight improvement from its position in 2014, when its score was 32 and it ranked 107th out of 175 countries (Transparency International 2015; Halim 2016). Third, controversies in the media related to the revision of the KPK law put the president in a dilemma, caught between accommodating an increasing public pressure to reject the weakening of the anti-graft body and submitting to the desire of party leaders to revise the KPK law. Fourth, the revision of the KPK law was proposed when the president's popularity on the issue of law enforcement was in decline. Thus, President Widodo was in a position to stop the decline and improve his performance. Last but not least, in the first years of his presidency, Widodo has been eager to show his distinct leadership role in eradicating corruption and to increase popular support for his presidency accordingly.

This paper is concerned with the politics behind the proposal to change or revise the KPK law, involving numerous political actors — including the president; the parliament; the ruling party, the PDI-P, and other political parties; the KPK; and civil society groups — who are trying to defend their respective interests. It examines how the president has navigated his policy of eradicating corruption while simultaneously trying to reconcile the conflicting political interests of other actors around him. What are the main factors behind his final decision? Under what conditions does Indonesia's presidential system serve to support the nation's agenda of corruption eradication and good governance? What is the consequence of having a ruling party whose policy is different from that of the president himself? The answers for these questions may be sought by analyzing the political interplay among the actors previously introduced and their attempts to defend their respective interests.

One can only speculate about the real motivation of a number of political parties, including the ruling party, in proposing the revision of the KPK law. Putting their efforts into context may suggest a connection to the fact that over the last few years some party leaders have been imprisoned after their corruption scandals were investigated by the KPK. Thus, in the eyes of these political parties, the anti-graft body represents a major hindrance that could destroy their sources of economic appropriation. Thus, it is little wonder there have been repeated attempts to revise the KPK law by reducing its independence and introducing some mechanism to control its functioning. However, whenever the KPK is threatened, the Indonesian public will rise, resist and rescue it from any attempt to hobble its authority. It is always the president who mediates between these conflicting interests, while creating a balance between the necessity of good governance and the stability of the presidential system.

All political parties in the parliament, except the Gerindra Party, which chose to reject the revision of the KPK law, seemed to be determined to go ahead with their plan. Thus, the first step that needed to be taken was to include the proposal in the Prolegnas of 2015. Before the parliament held the plenary session to make a final decision on its initiative to revise the KPK law on February 22, 2016, the House leaders met the president to know whether he would agree with the plan or not. In the meantime, there was mounting pressure from the public for the president to reject the revision of the KPK law. There were some differences on critical points between the draft of the new bill proposed by the parliament and that of the president. Those differences are presented in Table 2.

It was ultimately agreed by the president and the House leaders that deliberation on the draft of the new bill would be postponed but not removed from the Prolegnas of 2016. The decision was regarded as a middle-path way of calming the public while not sacrificing the president's good relationship with the majority of political parties in the parliament and in particular the ruling party, the PDI-P. As it turns out, the bill has been removed from the list of priorities of the Prolegnas of 2017.[5] It is quite evident that the president was forced to make such a political compromise at the expense of a genuine and consistent effort to eradicate corruption. The politics behind the functioning of Indonesia's presidential system in dealing with such a critical issue as corruption eradication sends a clear message that Indonesia does need a president with a strong basis of political power in the parliament in order to avoid the negative consequences of bureaucratic bargaining that the president has to make with the ruling party and the parliament as an institutional veto player.

5 See www.dpr.go.id/uu.prolegnas.

Table 2: Two Versions of Draft Revision of Law No. 30/2002 on the KPK

Amendment Points	Amendment Proposal Based on an Agreement between the Government and the KPK	Amendment Proposal Made by the House Legislative Body (Badan Legislasi Nasional or Baleg)
An oversight council	The function of the oversight council is limited to overseeing the ethical code of conduct of the KPK leaders and making a report to the president	The KPK must get permission from the oversight council to conduct wiretapping or surveillance and reports to the House of Representatives
The authority to issue the investigation termination warrants	The investigation termination warrants can only be issued by the judges	The KPK will be given the authority to issue the investigation termination warrants
Wiretapping by the KPK	The KPK can conduct wiretapping at any stage of the legal prosecution, without a permit by the oversight council	The KPK must get permission from the oversight council to conduct wiretapping
The recruitment of the KPK's own investigators	The KPK is allowed to recruit its own investigators	The KPK will not be allowed to recruit its own investigators

Source: Author, with reference to *Kompas* (2015).

Conclusions

Based on the 1945 Constitution, Indonesia has chosen to rely on the functioning of its presidential system in accomplishing two important objectives: a stable government and good governance. However, the accomplishment of those objectives cannot be taken for granted. Corruption eradication requires an appropriate institutionalization of democracy in the sense that the key political institutions, such as political parties and parliament, must be transformed into what a democratic constitution intends them to be. For instance, the stipulation that a president should be nominated by political parties or a coalition of political parties is meant to make sure that the president has enough support in the parliament for his or her programs. Thus, the political power of political parties in the parliament is not for the sake of furthering their own partisan agendas but for, as far as possible, the benefit of the people they are mandated to represent. Furthermore, the politics behind the operationalization of the presidential system must be taken into account, especially with regard to the interaction between the president and the parliament. This paper has focused particularly on how the presidential system under Widodo has dealt with the issue of good governance through the implementation of the KPK law, while the president also navigates his relationship with the ruling party and the parliament in general.

This paper has argued that it is the political capital of the president that will determine his success in defending and implementing the KPK law as the legal framework for corruption eradication in Indonesia. The political contestation surrounding the appointment of the national police chief clearly indicated how Widodo was forced to make a political compromise with his own party at the expense of his commitment to eradicate corruption. Although the president and the parliament have agreed to postpone the deliberation of the KPK law, such compromise is made at some political costs for the president. First, the fact that the proposal to revise the KPK law was not removed from the list of the National Legislation Program or Prolegnas of 2016 is an indication that the political battle between the president, who wants to uphold the role of a strong anti-graft body, and party leaders in the parliament, who seek to weaken it, remains a contentious issue that could affect the smooth functioning of the Indonesian presidential system in the future. The removal of the bill from the list of priorities in the Prolegnas of 2017 does give some hope that, at least for the time being, the

agenda of eradicating corruption has not lost its momentum. Second, the president has to accept the unwanted reality of being perceived as not tough enough to resist the partisan pressure from his own party. One cannot escape the conclusion that unless the executive and legislative powers are equally committed to promoting good governance through the consistent implementation of the KPK law, there will always be a danger that the main objective of Indonesia's political reform will be sacrificed at the altar of political pragmatism. The politics behind the operation of the Indonesian presidential system will continue to characterize the accomplishment of a national objective for which the nation has to democratize its politics.

Acknowledgement

Helpful comments from Benoit Hardy-Chartrand and the insights of an anonymous reviewer are gratefully acknowledged. In the event of an error, the usual *mea culpa* applies.

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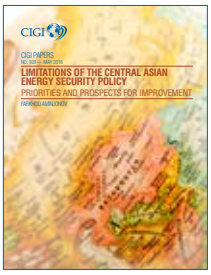

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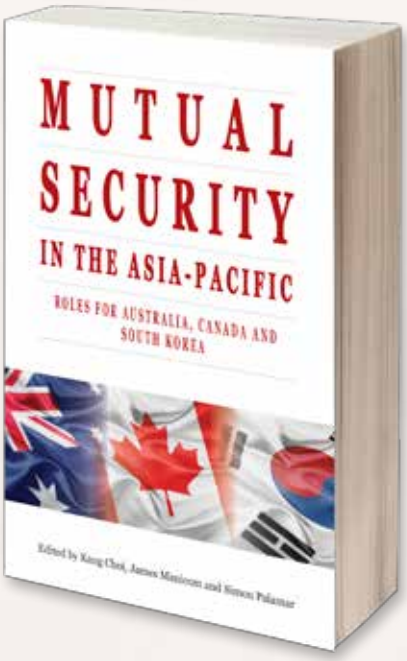

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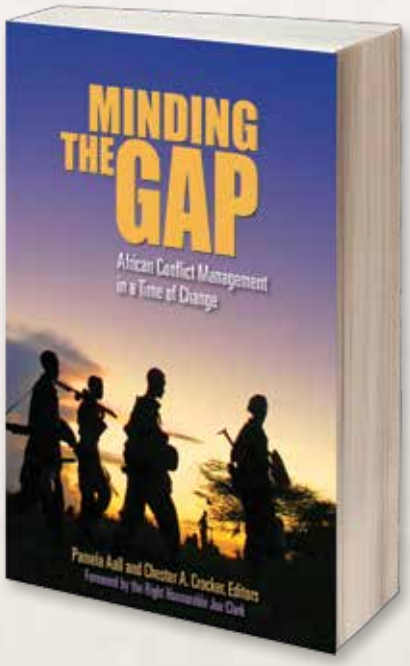

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