The Politics of Good Governance
in Post-Authoritarian East Java:
Intellectuals and Local Power in Indonesia

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I declare that this thesis is my own account of my research and contains as its main content work which has not previously been submitted for a degree at any tertiary education institution

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Abstract

The post-authoritarian period provides the socio-economic and political context within which good governance and democratic institutional building has taken place in Indonesia. As strategic actors in governance processes, intellectuals have significant roles in such institutional building. My thesis will uncover the socio-political role of intellectuals in East Java province, especially Surabaya, by utilising a political economy and political sociology analysis. The contribution of intellectuals to local governance processes and democratic politics in East Java is achieved not only through their roles as knowledge-producers and disseminators, but through their actions as participants in the struggle over power and wealth, as members of electoral campaign teams, local government advisers as well as propagandists. East Java intellectuals eased into taking up these roles because there had been no space for creating social bases for progressive forces in civil society under New Order authoritarianism. Hence, there was a strong tendency for East Java intellectuals to have been domesticated or co-opted into the structures of state corporatism. After the fall of Suharto and subsequent democratization, predatory forces previously incubated under the New Order have not been sustained through coercion only but also by hegemonic strategies carried out by an intellectual apparatchik, including academicians, journalists and NGO activists. Because democratic institutions have been dominated by politico-business alliances in national as well as in local political arenas, the practice of governance tends to be dictated by predatory interests, serving neither the cause of the free market nor of empowering ordinary people. The thesis shows that intellectuals play a role beyond producing or disseminating ideas. In fact, various kinds of intellectuals have become directly involved in practices that ensure
the mutation of the good governance agenda associated with decentralisation and
democratisation into yet another instrument of predatory rule, including at the local
level.
Map of East Java

Source: https://archipelagofastfact.files.wordpress.com/2012/07/peta-jatim.png
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Chapter One:
Introduction

1.1. Introduction

The post-authoritarian period in Indonesia provides the socio-economic and political context within which good governance initiatives and the building of democratic institutions are able to take place. Indonesia’s intellectuals are strategic actors who have played significant roles in the country’s governance and democratic institution-building. The term ‘intellectuals’ refers in this thesis to these main four groups: academics who contribute to the production of scientific knowledge; experts, consultants and technocrats who produce policy advice and political recommendations; social and political practitioners such as journalists and NGO activists, whose positions are based on their capacity to create public discourse in civil society arenas; and artists, writers and columnists commonly called ‘public intellectuals’, who are engaged in debates about the moral principles that govern society. All these categories sometimes overlap (Gu & Goldman, 2004: 6).

The good governance concept referred to in this thesis starts from the preposition that we are witnessing a shift from ‘government’ to ‘governance’, which denotes growing mutual collaboration among various actors due to the state’s inability to maintain a monopoly on the expertise and resources necessary to govern (Pierre and Stokker 2000). It also implies technocratic policy making and design that specifically connects the state, civil society and business, with the aim of addressing core development issues (Nelson and Zadek 2000: 5; Santiso 2001: 5). Furthermore, the realisation of good governance is meant to produce a state that is impartial, transparent and that protects the rights of citizens (Bevir 2009). It is notable
that the neo-liberal concept of good governance has been promoted strongly by institutions such as the World Bank and International Monetary Funds as well as the United Nations Development Program to enable institutional frameworks that would especially encourage state transparency, poverty reduction and public participation within a broader neo-liberalization process (Demmers, Jilberto and Hogenboom 2004).

Although there is a growing literature on good governance practices and democratic institution-building in Indonesia and on their consequences for political participation, much of this literature focuses on decentralisation as a hallmark of the democratisation process. There are no published works that focus primarily on the roles of intellectuals in the struggle for power among local elites and the consequences for good governance aspirations in post-authoritarian Indonesia. This dissertation seeks to address this gap by undertaking a political economy and political sociology analysis of East Java province and its capital city of Surabaya.

East Java has one the highest population growth rates of all provinces in Indonesia, at 7.2% per annum. As the second most heavily populated province in Indonesia after West Java, the total population of East Java currently stands at 37.5 million people (2010 Statistics Indonesian Population Census). The East Java province is administratively divided into 29 regencies (kabupaten) and 9 cities (kota) with Surabaya as the capital city. Surabaya is one of the biggest commercial and industrial cities in Indonesia, with a population of 2.765 million people (2014 World Population Review). Local politics in East Java is characterised by strong connections between political and business elites – relations that have had serious consequences for the development of good governance and democratic institutions in Indonesia more broadly since the fall of Soeharto’s New Order in 1998. Local intellectuals — as
experts in governance and as political consultants in local elections — have also had a significant influence on the building of political institutions. An analysis of the roles of local intellectuals in local governance in East Java and Surabaya, and in the forging of local-level political and economic alliances, thus provides new insights into the development of such institutions and the ways in which they operate. Intellectuals are commonly considered to be producers of knowledge who contribute to good governance and democratic institution building processes (Clark, 2000; Levine 2011). However, this thesis shows that intellectuals in East Java and Surabaya are not limited to roles in educational or social institutions, but also play a part in the dynamic struggles over power and resources in local arenas of politics.

1.2. Argument and Approach

This thesis argues that intellectuals and experts have played an increasingly direct and practical role in the exercise of governance at the local level of politics in contemporary Indonesia. In understanding these developments, the authoritarian period and its legacy cannot be ignored. Soeharto’s New Order regime (1965–1998) had intervened deeply in civil society arenas, including in the mass media and universities, thereby subjugating intellectual life, while incorporating many intellectuals into the regime as junior partners in dominant politico-business alliances. Intellectual practices from the long Soeharto era have been modified and refitted to suit the needs of revamped predatory alliances in the democratic era. ‘Predatory’ power here refers to the activities of political, bureaucratic and business actors that hijack public institutions to advance their political and economic interests. More specifically, these activities involve private accumulation on the basis of access or control over public institutions and resources (Hadiz, 2010: 12).
While the post-Soeharto era has produced new institutions of democracy and market regulation under the discourse of good governance, dominant predatory alliances have adapted to the demands of operating within the new environment. They have utilised their control over democratic institutions at both the national and local political levels, to ensure that governance processes support their own interests, thus serving neither the creation of liberal markets nor empowering people’s participation. In other words, Indonesian local elites have sought to consolidate their power and protect their wealth by selectively utilising the good governance agenda as a political strategy, without changing the dominant pattern of patrimonial plunder of local state resources (Choi and Fukuoka 2014: 85). In achieving this, such alliances have deployed intellectuals as strategic agents, who have authority based on possession of specialised knowledge, to promote these interests within a newly democratised environment. In the most basic sense, such intellectuals help to provide legitimacy for policies and actions that amount to little more than primitive accumulation.

In fact, experts and intellectuals have become an integral part of dominant predatory coalitions, involving political and business elites, at the local level. The capacity of predatory forces to absorb intellectuals into their alliances through material rewards and access to public resources has largely stifled the democratic voice of East Java’s intellectuals. Reformist and progressive intellectuals have been unable to find sufficiently powerful social bases to advance more substantive reformist agendas, as is shown in the case of contemporary East Java.

This dissertation critiques three common academic approaches that are used to analyse the roles of intellectuals in development and governance practices – the Neo-Institutionalist approach, the Neo-Foucauldian approach, and the Neo-Gramscian
approach. None of these three approaches considers the possibility that neo-liberal agendas of institutional reform — which include the proliferation of good governance discursive practices pertaining to decentralisation — may be utilised by entrenched local elites to protect their own political and economic interests, or to accumulate economic resources. Consequently, these perspectives can only inadequately deal with the question of how intellectuals may play a part in the appropriation of the good governance agenda by many local elites, even if they are supposed to embody the sort of objective, scientific and technocratic knowledge privileged by the very same agenda (Hadiz, 2004: 698-99; Hout, 2009: 41-42).

It is necessary to specify that the Neo-Institutionalism discussed in this thesis primarily refers to the ‘New Economic Institutionalism’. This differs from the Historical Institutionalism elaborated by political sociologists such as Evans and Skocpol in the 1980s. The type of Neo-Institutionalist approach with which this thesis is concerned has deeply influenced the neo-liberal agenda promoted by international development agencies, experts, policy think tanks and sections of the mass media. The New Economic Institutionalism focuses on how institutional frameworks, norms, rules and regulations affect human behavior and societal development. It does so by largely adhering to neo-liberal economic principles premised on the rationality of free market, even though it also constitutes a limited critique of neo-liberal thought (Hadiz 2010: 14).  

1Some scholars have identified several kinds of New Institutionalist theory. Firstly, there is Normative Institutionalism. This approach tries to explain how the norms of institutions determine and shape individual behavior. Secondly, there is Rational Choice or Neo-Economic Institutionalism. This approach assumes that behavior is a function of rules and incentives. From such a perspective, institutions are systems of rules and inducements to behavior in which individuals attempt to maximise their own utilities. Hence, the relevance of institutions is to find the equilibrium point between the selfish interests of different actors. Thirdly, there is Historical institutionalism. This approach tries to establish the historical roots of policy choices. The contention is that the way to find out the logic of institutions is to track its footsteps to uncover the initial decisions that creates policies from the beginning. Fourthly, there is Empirical Institutionalism, which argues that the system of government is fundamental in determining the
The Neo-Institutionalist approach presents technocratic intellectuals as experts who support development programs by providing technical assistance and the appropriate tools for policy-making processes. From this perspective, the challenge of the development program is to make reform a matter of technocratic design, in order to meet an objective ‘good’ as defined by the requisites of liberal markets, and to prioritise this over the demands of rent-seeking and predatory elites (Levine, 2011; Robison, 2006: 5). Local intellectuals, such as technocrats, academics and social activists, are thus seen to contribute positively to democratic and governance institution-building due to their knowledge and expertise (Bevir 2006; Craig and Porter, 2006; Talal, 2004; Putnam, 2000; Diamond, 1999; UNDP, 1993:21&World Bank, 1992). This thesis shows instead that the predatory alliances that developed during the New Order authoritarian era remained strong during the post-authoritarian era, and forged new close relationships with the national and local-level intellectual apparatus in order to maintain their social interests. It will also be demonstrated that the roles of intellectuals in local political and governance practices tended to serve these predatory interests, rather than advancing governance reforms.

The Neo-Foucauldian approach sees good governance as a dominant knowledge platform for creating an international ‘regime of truth’. This approach

way in which policies and decisions are being made by governments. For instance, some proponents of this approach suggest that the difference between presidential and parliamentary systems will influence policy making processes and the decisions chosen by political elites. Among these, rational choice Neo-Institutionalism could be considered the backbone of good governance development agendas promoted by both international donors and domestic technocratic intellectuals. The ideas of rational choice Neo-Institutionalism that try to balance the personal interests of strategic actors are directly connected to the logic of neoliberalism that emphasises rational market exchanges within social spaces (B. Guy Peters 1999; Hadiz 2010).

This term derives originally from Foucault’s conception of the gap between truth and error (Foucault, 1997: 145; 164). He adds that ‘truth isn’t outside power, or deprived of power’, but is actually ‘produced by virtue of multiple constraints’ that evoke ‘regulated effects of power’. Thus, ‘each society has its regime of truth’, and by this expression Foucault means no less than five things: (i) ‘the types of discourse [society] harbours and causes to function as true’; (ii) ‘the mechanisms and instances which enable one to distinguish true from false statements’ and (iii) ‘the way in which each is sanctioned’; (iv) ‘the techniques and procedures which are valorised for obtaining truth’; (v) ‘the status of those
explores how the idea of good governance and civil society participation has been constructed as the outcome of technical intellectual intervention. From this perspective, the role of intellectuals should be specific rather than general, as an instrument to produce and reproduce a particular knowledge to discipline the population toward neo-liberal agendas (Li, 2011; Zanotti, 2005; Abrahamsen, 2000; Escobar, 1995). Based on an analysis of Indonesia’s recent historical power struggles in both the national and local context, it will be shown that the power of neo-liberal governance discourse has been blocked by dominant national-local predatory power alliances, within which local intellectuals have served as organic intellectuals. The role of intellectuals is therefore not confined to being knowledge producers that enable governance; they also facilitate local predatory elites, by using their educational credentials as experts to legitimise rent-seeking activity.

The Neo-Gramscian approach sees intellectuals playing a prominent role in upholding neo-liberalism as hegemonic knowledge in the public space. It considers intellectuals to be deeply embedded in the struggle between the bourgeoisie and the working class. For Neo-Gramscian scholars, intellectuals, NGO activists and academics promoting ‘good governance’ are not only producers of knowledge who support neo-liberal governance; they are also organically connected to the interests of the transnational capitalist class. At the same time, Left-wing intellectuals are connected with the working class and grassroots movements. The hegemonic battle between intellectuals who are connected with the bourgeoisie, and those connected

who are charged with saying what counts as true’ (Foucault, 1976: 112; 13). ‘Truth’ is therefore ‘a system of ordered procedures for the production, regulation, distribution, circulation and functioning of statements’, which is linked ‘by a circular relation to systems of power which produce it and sustain it, and to effects of power which it induces and which redirect it’. Foucault emphasises the need to transform our ‘political, economic, institutional regime of the production of truth’ (where truth seeks to emulate the form of scientific discourse), in order to constitute a new ‘politics of truth’ (Foucault, 1976: 113-114; 14).
with the working class is considered to take place in various arenas throughout civil society (Petras, 2007). This approach asserts that intellectuals and national-local elites have become the loyal apparatus of global capitalist interests, which in turn aim to exploit natural resources and society in the interests of global capital expansion (Robinson, 2008; 2003; Peet, 2007; Weller & Singleton, 2006; Carrol and Carson, 2006; Plehwe, Walpen and Neunhoffer, 2006; Demmers, Jilberto and Hogenboom, 2005; Harvey, 2003 & 2005; Petras and Veltmeyer, 2001; Kiely, 1998; Strange, 1996 & Overbeek & Van Der Pijl, 1993).

In contrast to such assertions, the interests of transnational capital have been inhibited and blocked by an existing social power structure that enables politico-business alliances to expropriate public resources and local budgets for their own interests. The old predatory networks incubated by the New Order at the national and local levels have not been overcome; rather, they have been sustained, re-organising their power by creating new alliances. Such alliances have an intrinsic interest to oppose technocratic governance solutions advanced by international development organisations and their domestic allies when these obstruct rent-seeking activities. Paradoxically, the hijacking of the same technocratic governance solutions simultaneously enables such activity. Local intelligentsia, it will be shown, play important roles in that process of hijacking and legitimising their outcomes in the public arena.

In order to understand the role that intellectuals have tended to play within dominant political alliances, it is important to consider the constellation of interests within civil society and state, and intellectuals’ roles within this. In making this argument, this thesis builds upon Gramsci’s understanding of intellectuals as the social stratum that articulates and organises, as well as provides social legitimacy, for
the interests of every social group. For the dominant class, intellectuals act as a primary agent of legitimation for the existing social and political order, helping produce consent in civil society. In contrast, the task of dominated class intellectuals is to try to challenge the hegemonic project of the dominant class and advance a counter-hegemonic project in order to articulate the political interests of their own class (Gramsci 1971; Schwarzmantel 2015). Based on this framework, this thesis suggests that the roles of intellectuals in local governance are determined by their position in historically specific social struggles, and by their roles and functions in the attempt to advance the social alliances and political and economic interests to which they are attached. From this viewpoint, it is not possible to understand the struggle for good governance, the building of democratic institutions and political participation, without considering the roles of intellectuals in such struggles and alliances and vice versa.

1.3. Methodological Approach

An embedded social conflict approach is used herein to dissect the roles, functions and positions of intellectuals in East Java’s post-authoritarian governance processes. This approach explains that the process of development can be understood as part of the social struggle between between different interests and social forces shaped by the overarching structure of power, inherited from the New Order and reshaped according to the exigencies of the money politics-fuelled democracy that succeeded it. Therefore, this approach suggests that institutional efforts promoted by technocrats are difficult to implement in the context of a structure of power that still reflects the dominance of predatory social interests (Robison 2010, 26). Indonesia’s intellectuals work within particular power relationships and cannot act in isolation from struggles for power and wealth in Indonesian society. It is these power struggles that shape how
the ideas about governance are translated into practice. It is contended that intellectuals’ contributions to policy-making processes in East Java are situated within power relationships that rely on maintaining forms of governance very different from the democratic, transparent and accountable forms being recommended (Robison, 2010: ii).

To explore these issues, a critical inquiry-oriented methodology is useful. Its core assumptions are: firstly, ideas are mediated by power relations in society. Secondly, certain groups in society are dominant over others and exert coercive and ideological force on subordinate groups. Thirdly, what is presented as social fact is not separated from the interests of social groups. Fourthly, knowledge is not neutral, for it is connected to competing social interests. (Gray 2014: 27). By utilising critical inquiry-based research, this study aims to achieve a multi-layered and complex understanding of the local power struggles and good governance practices which have occurred in post-authoritarian Surabaya and East Java. In particular, this research will supplement the established macro-historical approach with the approach of micro-politics, which is concerned with specific manifestations of broad social processes within local arenas of power.

Interviewing various East Java social actors is obviously important to uncover the connections between intellectuals and the various social forces competing for local power, as well as intellectuals’ contribution to the maintenance of social and political alliances. Semi-structured interviews were used. What is typical of semi-structured interviews is that they have a flexible and fluid structure, unlike structured interviews, which contain a structured sequence of questions to be asked in the same ways to all interviewees. The pattern of semi-structured interviews is organised around an interview guide, which contains topics, themes or areas to be covered during the
course of interviews. The present research deployed interview guides that varied according to the social position of the interviewee – thus, the questions asked of government bureaucrats would not be exactly the same as those asked of an academic or journalist. These questions pertained to matters ranging from personal experiences and witness accounts of important events to more higher-minded issues like the objectives of democratic governance. The logic of semi-structured interviews is to generate data interactively. This means that both interviewer and interviewee play active, reflexive and constitutive roles in the process of knowledge construction. The relatively open, inclusive, flexible and interactive format is intended to develop interviewees' accounts based on their own perspectives, perceptions, experiences and understandings (Mason 2004: 1021-1022). This dissertation also analyses official documents and local intellectual publications, to help unravel the roles, positions and affiliations of intellectuals within local power dynamics. Finally, data obtained through various sources were triangulated in order to validate findings. This type of triangulation involves the use of different sources of data/information from different times and social situations as well as types of peoples, to find out different points of views on specific issues and establish valid outcomes (Bryman 2003; Guion 2002).

This thesis uses initials rather than full names for some actors, but states their position or roles and their involvement in some governance practices. The reason is to protect some intellectuals’ standing before the public audience given their involvement in some of the activities described. This thesis also uses initials to refer to some sources in order to protect the safety of the individuals concerned.

1.4. Thesis Structure
Following this introductory chapter, Chapter Two explores and critiques the Neo-Institutionalist, Neo-Foucauldian and Neo-Gramscian approaches to understanding
good governance and the roles of intellectuals as knowledge creators. Based on the political economy approach proposed by Vedi Hadiz and Richard Robison (2004), Chapter Two claims that the roles of local intellectuals in governance practices depend largely on the social and political context in which they are embedded.

Chapter Three discusses the historical context of the relationships between national and local intellectuals and politico-business elites during the New Order era. This chapter will show that New Order strategies toward intellectuals fostered strong dependence by intellectuals on the state apparatus and isolated them from other social forces. Meanwhile, deep-level state intervention in intellectual and social life created a process of inclusion and exclusion of types of knowledge, which contributed to the production of a mainstream ideology that served state interests. Hence, a particular kind of academic authority was created which helped to legitimise New Order rule. By elaborating the historical context of the relationship between intellectuals and dominant forces in Indonesia, this chapter shows the genesis of intellectuals’ absorption into predatory power alliances in East Java in the post-authoritarian era.

Chapter Four questions how local networks in Surabaya and East Java, which connect intellectuals and political elites, are activated to defend entrenched dominant social interests in the democratic era. It discusses the roles of Surabaya’s political consultants — drawn from academia and the intelligentsia more generally — in the manipulation of the democratic process. To provide a broader context, the chapter also compares electoral practices in Surabaya and East Java with some national level experiences, with a focus on the roles played by the intelligentsia therein. As we shall see, intellectuals have been directly involved in money politics and electoral fraud, as well as using academic knowledge to legitimise the position of the elites in the public sphere. The chapter also explains why many academics in East Java, especially in
Surabaya and particularly in the Social Sciences, have been drawn into these predatory political activities.

Chapter Five examines the roles and contributions of intellectuals in the actual implementation of ‘good governance’ agendas in East Java and Surabaya in the post-authoritarian era. Intellectuals have acted to legitimise ‘good governance’ programs by laying claims to scientific knowledge and impartiality. In reality, however, these programs have tended to reinforce the social position of dominant local politico-business interests and predatory local elites, who in turn have used public resources to sustain their power and economic interests.

Chapter Six examines whether East Java’s intellectuals also play a role in grassroots political participation, and whether they contribute to articulating the aspirations of marginalised communities in policymaking processes. East Java’s intellectuals do play a significant role in helping to articulate grassroots agendas and influence public opinion. However, this is not enough to dislodge dominant social forces occupying the political arenas and civil society, who shape political and governance processes to serve their interests. The overriding effect can be used as an example of how, in post-authoritarian era East Java, democratic institution-building does not automatically facilitate the collaboration of intellectuals with the community, to advance the interests and aspirations of marginalised people.

Chapter Seven is a conclusion that summarises the thesis’ findings.

1.5. Conclusion

This thesis aims to provide five key contributions. Firstly, it contributes to an understanding of how Indonesia’s intellectuals utilize the idea of good governance and democratic institution-building for their own political and economic interests. It provides insights into how the collaboration between intellectuals and local politico-
business elites actually shapes good governance and democratic institution-building as part of contests over power and resources. Secondly, it shows that the practice of good governance and democratic institution-building has helped to validate a power structure that continues to obstruct broad-based political participation in Indonesia. It also shows the role intellectuals have played in legitimising this process in East Java and Surabaya. Thirdly, this thesis contributes to an understanding of how and why ideas of good governance, democratic institution-building and political participation, as promoted by international development organisations, are adopted, adapted or resisted by local political and economic elites. More specifically, it delves into the contribution of local intellectuals in resolving the contradictions between technocratic ideas and governance practices in the interest of local elites. Fourthly, this dissertation contributes to the broader literature on the social role of intellectuals. It provides insight into how the social role of intellectuals is not only defined by their capacity to produce and circulate knowledge but also by their particular position in concrete social and political struggle. Finally, this dissertation contributes to our understanding of how the relationships between intellectuals, business and political elites and NGOs in local political and economic practices in Indonesia intersect with national-level contests over power and resources.
Chapter Two:

Intellectuals and the Politics of Good Governance:

Theoretical Considerations

2.1. Introduction

This chapter critically evaluates three approaches for understanding good governance and the social and political roles of intellectuals within them: the Neo-Institutional, Neo-Gramscian and Neo-Foucauldian. The Neo-Institutional approach is the one that has produced the good governance discourse in the first place. It has been dominant in both the academic literature and that produced by technocratic intellectuals in international funding agencies. It has also gained the interest of many civil society organisations and social movement activists in developing countries. The other two perspectives, taking their inspiration from Marxist and Foucauldian intellectual traditions respectively, are generally related to critiques of internationally funded good governance agendas. Each, however, has its own understanding of the role of technocratic intellectuals in the promotion of neoliberalisation processes.

None of these approaches, however, accounts for the possibility that neoliberal agendas of institutional reform, which include the proliferation of decentralisation discourses, could be utilised by entrenched local elites to protect or even advance their own political and economic interests. As a consequence, they can only inadequately explain how intellectuals can play a part in the usurpation of the good governance agenda by many local elites, even though they are supposed to embody the sort of objective, scientific and technocratic knowledge privileged by the very same agenda (Hadiz, 2004: 698-699).
It is important to explore this question because of the greater salience of local contestations over power and wealth that have accompanied democratisation and decentralisation in Indonesia. From this viewpoint, the present thesis goes beyond the findings of such authors as Hadiz (2010) and Robison and Hadiz (2004). It raises new questions, introduced in this chapter, about the dynamics of contestation over power and resources at the local level and their ability to absorb a range of seemingly contradictory interests, including those based on expert knowledge. This thesis offers an approach which views the position and roles of intellectuals as social actors as deeply embedded in power struggles between social forces in a specific social context. Therefore, intellectuals’ contribution as knowledge producers within political and governance processes, rather than providing solutions that stand above social and political conflict, is determined by their connections with particular social forces in local social and political struggle.

It is argued that such intellectuals and experts have played an increasingly direct and practical role too in governance practices at the local level of politics in Indonesia, which has come to be more contentious since the implementation of the decentralisation policy. In fact, they have become an integral part of new coalitions of power. The genesis of the collaboration between intellectuals and local predatory power alliances in the post-authoritarian era is inseparable from processes occurring during the New Order era. Since there was no space for the creation of social bases for liberal and progressive forces in civil society, most East Javanese intellectuals were co-opted into the New Order’s state corporatism. The New Order’s co-optation and deep intervention in civil society arenas such as the mass media and universities not only produced the political subordination of intellectuals, but also created social
alliances based on the common interests of politico-business elites and prominent intellectuals.

Following the emergence of electoral democracy in the Indonesian post-authoritarian era, the capacities of predatory forces, incubated under the New Order, were not only sustained by their occupation of political society, but also enhanced by the legitimation and hegemony strategies of intellectuals. Post-authoritarian elites appear to have accepted the institutions of liberal democracy and market regulation, associated with the good governance discourse. However, since politico-business alliances continue to dominate democratic governance institutions in both the national and local arenas of politics, the logic of these institutionalisation processes has tended to follow the interests of predatory power — neither serving the creation of the market nor bolstering people’s participation. Due to the absorption of intellectuals into local predatory alliances, they have participated in the mutation of the good governance agenda into practices that sustain predatory politics at the local level.

2.2. Intellectuals and Power Struggles

Scholars have understood the role of intellectuals in vastly different ways. According to the phenomenological view, intellectuals are people who carry out the work of thinking, while having the courage to speak truth to power (Said, 1994; Lasch, 1997, 1965; Coser, 1965). On the other hand, the structuralist view emphasises social structures as the context within which intellectuals carry out their activities and which shapes the roles and functions that they undertake (Bourdieu, 1988; Gramsci, 1971; Gouldner, 1985; Eyerman, 1994).

Karl Mannheim’s concept of ‘free-floating intellectuals’ is commonly understood to mean the capacity of intellectuals to transcend their personal motives
and interests. In other words, their ability to detach themselves from their own social backgrounds makes it possible for intellectuals to attain objective scientific knowledge. To be sure, he recognises that intellectuals are entangled in social reality and that this inevitably would influence their understanding of it. Nevertheless, Mannheim believes that intellectuals could transcend their social backgrounds gradually through a process of socialisation within educational institutions — the most important of which is the university — where different ideas and viewpoints are encountered. Mannheim assumes that the increase in the number of intellectuals drawn from various classes, and socialised within the university, would result in a ‘higher’ level of understanding of total social reality (Mannheim, 1992; Mendel, 2006; 27-32).

Mannheim also argued that intellectuals functioned as mediators, being capable of grasping more of the ‘real world’ than others. Methodologically, he claimed that natural science methods cannot be used for dealing with cultural objects, insisting on a rigid distinction and separation between the human (or social) sciences and the natural sciences. This implies dualism, however, as Jorge Larrain explains, which ‘leads to epistemological idealism in the field of natural sciences and encourages relativism in the field of social science’ (Larrain, 1979: 103). This undermines Mannheim’s notion of intellectuals as free-floating, given that his relativisation of thought contradicts his understanding of thinkers as impartial and objective. Manheim conceded the dangers of relativism, but asserted that these could be neutralised through the pursuit of a truth that was in a process of permanent development. However, he has been criticised for the failure of his attempt to provide an overarching ‘metascientific’ thesis, eventually resorting to an empiricist call for the ‘direct observation of the facts’, despite his earlier insistence on the ‘perspectivistic’
(inevitably partial and limited by each individual’s perspective) nature of all truth (Craib, 1977: 27). Mannheim never fully answered his philosophical colleagues’ accusations that his outlook was virtually tantamount to relativism, although he never ceased to assert his rejection of relativism itself (Mannheim, 1952 (1928), 1960 (1929) & 1967 (1935)). Mannheim’s approach is based on an assumption that the sphere of education is free from power interventions. He thus tends to ignore the possibility that interventions by powerful interests into educational institutions can determine the orientation of knowledge that is internalised through them.

Pierre Bourdieu has presented a different view of intellectuals and society. For him, intellectuals claim authority over knowledge based on their possession of symbolic power with regard to areas within the scope of their expertise. In contrast with Mannheim, Bourdieu’s intellectuals pursue their particular interests to advance their own positions within the scientific field and in the struggle over the definition of what is legitimate science. Nevertheless, Bourdieu also defends the autonomy of intellectuals in the public sphere and criticises technocratic scientists who sell their expertise to corporations, states and political parties. For Bourdieu, intellectuals sacrifice their intellectual autonomy and integrity once they invite external groups to determine research agendas. Further, he rejects the practice of intellectuals being affiliated with political parties and social movements in order to bring about social transformation. In this way, Bourdieu rejects the idea of organic intellectuals as proposed by Gramsci. For him, the struggle of intellectuals to preserve their autonomy and to advance a scientific contribution to social life opens up opportunities to challenge prevailing social relations, therefore creating opportunities to transform the existing social order (Bourdieu, 1990; Swartz, 2013).
However, if we extend the analysis of intellectuals and their social relationships beyond the European context (the focus of Bourdieu’s works), for example to Indonesia in the post-authoritarian era, we will find that the capacity of intellectuals to contribute to social transformation cannot be separated from contestation between social forces over power and wealth. In other words, the notion that critical intellectuals can ‘criticise power’ independently of their position within the broader constellation of power and interest makes little sense in contexts such as post-authoritarian Indonesia, and mostly likely in many other contexts as well. In Indonesia, universities and research institutions have been entangled in bureaucratic and political alliances going back to the New Order era. This, and the weakness of oppositions to predatory power, greatly limit the capacity of Indonesia’s intellectuals to exercise the role assigned by Bourdieu.

Referring to Gramsci, Ron Eyerman (1994: 9) places some intellectuals in a relationship with social movements, as part of collective efforts that might contribute to profound social changes. Discarding Gramsci’s preference for class analysis, however, Eyerman focuses on social movements as the most viable affiliation of contemporary critical intellectuals. He argues that social movements have become the new collective actors and sites of collective identity formation. However, Eyerman ignores how the dynamics of social class and the configuration of the political economy influence the role, function and position of intellectuals in any given context. For instance, the capacity of the big bourgeoisie in the United States and Western Europe to influence dominant political elites, in part by funding various research institutions and think-tanks, contributes greatly toward the dominance of neo-liberal ideas in state and civil society (Harvey, 2005).
This thesis uses a Gramscian theoretical framework in order to explain the relationship between intellectuals and social struggle. Gramsci’s (1971) idea that all people are intellectuals – but not all people have the function of intellectuals – is adopted. Gramsci categorised two types of intellectuals with respect to their connectedness to social structures, differentiating between ‘traditional’ and ‘organic’ intellectuals. Traditional intellectuals claim to reside in the proverbial ivory tower, where they supposedly remain autonomous and politically independent. In historical reality, this type of intellectual contributes to the defence of the interests of the dominant class. Regarding the Italian context in which Gramsci formulated his ideas, traditional intellectuals possessed a declining structural connectedness to the waning feudal ruling class of the period. In contrast, organic intellectuals possess structural connectedness to particular classes and express their political and social engagement. Both the hegemonic and the dominated classes possess their own organic intellectuals (Baud and Rutten, 2004: 3). For Gramsci, each social group that comes into existence creates a social stratum of intellectuals in order to give it meaning, articulate its interests, organise their political interests, and legitimise their actions in civil society. He also maintained that the social role of intellectuals in any context should be placed within the specific configuration of power and interest in which they have to operate.

For Gramsci (1971: 5-8), intellectuals as a social category are not independent but intrincately connected to the broader social formation in which they find themselves. Their role is not defined by the intrinsic nature of intellectual activity, but in the ensemble of relationships within which such activity takes place. This intellectual activity is shaped to a large extent by the historical function that intellectuals take on to articulate competing positions in concrete struggles. This is why, as we shall see below, the position and role of Indonesian intellectuals today has
to be understood in relation to the configuration of social and political power during the New Order era. This was a formative period, wherein the role of intellectuals as knowledge producers was deeply influenced by alliances that came to develop mainly within the state apparatus.

Gramsci observed how the role of the state in reproducing social class power depends on its capacity to exert physical repression and to ensure mass internalisation of the dominant ideology. Ideology is fundamental not only to represent the system of ideas that articulate dominant social interests, but also to intellectually legitimise coercive practices and to create consensus among those being dominated. Ideology is never socially neutral; it is always related to class power, according to Gramsci. The ideology of the bourgeoisie, for example, is said to be dominant in capitalist societies and is embodied in the state apparatus. The latter’s capacity to reproduce power relations requires the internalisation of that dominant ideology, both at the state level and in the ensemble of organisations commonly called civil society (for example, the church, universities, mass media and the cultural apparatus). Therefore, political resistance requires the dissemination of dominated subaltern ideology, which is produced and disseminated by other intellectuals against the state (Poulantzas, 2014: 28).

Importantly, Gramsci’s view of civil society is different from the liberal Tocquevillean perspective. In contrast to that perspective — which presents a homogenous civil society as a counterbalance to state power — Gramsci argues that aspects of civil society can help to facilitate political domination through the mobilisation of consent to hegemony. Meanwhile the space provided by civil society becomes an arena for the dominated classes to create historical blocs that may produce counter-hegemonic ideas. Hence, civil society constitutes a sphere within
which political forces representing the variety of interests in society may contest state power (Hewison & Rodan, 2012: 27; Hedman, 2006: 6-7).

Still, the main role of civil society’s institutions is to facilitate the mobilisation of consent or hegemony, according to Gramsci, and intellectuals play an important role in this exercise. It is with such an understanding of civil society that this thesis interrogates its development in the New Order era and in the present democracy. As Rodan (1996) has argued, civil society is a site of struggle over how power is distributed, so it cannot be completely separated from state power. Civil society organisations are, by definition, deeply involved in struggles over power (Bernhard, 1993; Rodan, 1996; Hewison & Rodan, 2013). It is shown herein that intellectuals have been deeply involved in such struggles in Indonesia. The historical roots of the role of intellectuals in politics at the national level, and more specifically in East Java is demonstrated, showing that the close relationship between intellectuals and East Javanese predatory elites formed under the New Order continues to restrict the ability of most intellectual groupings to contribute to genuine reform agendas in the post-authoritarian era.

2.3. Intellectuals and Governance: Theoretical Approaches

The discussion now moves to an examination of approaches that locate the position of intellectuals in processes of reform and institution-building associated with the ‘good governance’ agenda. It pays particular attention to the dominant approach, that of Neo-Institutionalism, particularly as it is anchored on many of the assumptions of Rational Choice theory. It also explores critiques of the Neo-Institutionalist approach that have emanated from Neo-Gramscian analysis, proponents of Neo-Foucauldian thinking, and finally, the works of scholars that see governance institutions and their function as being embedded in historically specific social conflicts. How different approaches
view intellectuals’ role in policy and governance in turn reflects the different views of the social role of intellectuals discussed above.

2.3.1. The Neo-Institutional Approach

Neo-Institutionalism and Development

The Neo-Institutionalist approach to development is dominant within international development organisations, such as the World Bank, USAID, the Asia Foundation, the Asian Development Bank, and the German Organisation for Technical Co-operation, as well as private organisations such as the Ford Foundation. It has generated a voluminous literature on governance, decentralisation and democracy.

From the Neo-Institutional perspective, the challenge of development is to make reform a matter of technocratic design, in order to meet an objective ‘good’ defined by the requisites of the market, over the demands of rent-seeking and predatory elites (Robison 2006: 5). The basic aim is to establish market-facilitating institutions to shape individual behaviour in ways that would ‘rationally’ support the workings of the free market (Rueschemeyer, 2009: 205-07; Hadiz, 2010: 25-27). Hence the reform agenda focuses on promoting institutional arrangements to protect governance processes and policymaking from undesirable, market-corrupting, political interference. Technocratic intellectuals occupy an important role in this approach, as experts, located above power struggles, who support development programs by promoting technical assistance and providing the appropriate tools for the policy-making processes.

Craig and Porter (2006) see the rise to prominence of Neo-Institutionalism within mainstream development assistance orthodoxy and practice as the vector of the disruptions to poor and rich societies alike — caused in both cases by a series of economic crises in the late twentieth century. These crises, they suggest, were
wrought by neo-liberal designs for the creation of self-regulating markets. The Asian crisis in 1997, in particular, and the International Monetary Fund (IMF) formula for responding to it, raised critical questions about the neo-liberal agenda driven by the International Financial Institutions (IFIs). Even prior to this crisis, leading development institutions, most notably the World Bank, had already begun to respond to a series of political and economic crises by shifting their agenda from strict neo-liberal structural adjustment programs of the Washington Consensus to more inclusive Poverty Reduction and Good Governance agendas by the late 1990s.

The term ‘good governance’, as used by the IFIs, refers to a strategy of market-led development through institution-building, drawing on intellectual innovations in economic theory. Then Senior Vice-President and Chief Economist of the World Bank, Joseph Stiglitz launched a new manifesto for development in the late 1990s, declaring that the Washington consensus solution to development problems, trade and financial liberalisation, macro-economic stability and privatisation was misguided. He argued that making markets work properly requires more than just low inflation and tight budget policy but also financial regulation, competitive policy and some state activities that were neglected by the Washington Consensus. He also contended that the focus of development should be changed from minimalist government action to improved government performance, through making markets fulfil their functions better (Fine, 2001: 139; Stiglitz, 1998: 1).

Alongside this shift, international development agencies began reformulating their position as knowledge-producers by advancing socially progressive new ideas about good governance, poverty reduction, human rights-based development, and civic empowerment as major foundations of successful development. The new paradigm was viewed as qualitatively different from the Washington consensus,
which overlooked local demands and grassroots voices in developing countries. This shift in knowledge production inside the World Bank, in particular, articulated a new consciousness about creating epistemic communities that facilitate links between professionals, intellectuals, activists and decision-makers, to make development meaningful and of service to local communities, partially on the basis of local knowledge. Thus, the World Bank also furthered its interest in promoting proactive approaches to deal with the social and environmental cost of economic liberalisation. It did this by reframing the role of the state, which would no longer be minimalist, and by introducing the ideas of social capital and civic engagement (Bebbington, Guggeiheim, Olson and Woolcock 2004)

Such an approach, which became known as the Post-Washington Consensus (PWC), also came to influence NGOs as well as intellectuals in the developing world. This was especially through development agencies’ adoption of civil society participation. Even though the idea of participatory development had been known from the 1970s, it never became prominent in the discourse of international development institutions until the 1990s. Top-down development approaches thus appeared to give way, at least partly, to demands for bottom-up development initiatives. In reality, however, the kind of participation promoted by development agencies is aimed at the development of a citizenry disciplined by the requirements of liberal markets (al-Talal, 2004: 16). Experts inside the Bank realised that collaboration with civil society is a complex process and could have disastrous implications. Therefore, a stronger role was envisaged for World Bank Staff in contextualising local conditions. The role of Bank field staff would be seen increasingly in terms of supporting government and civil society actors in consultation processes or to engage in dialogue with local development stakeholders (Clark, 2000: 3-4). However, this
engagement with civil society was to be shaped by technical guidelines provided by World Bank staff in Washington.

Despite these shifts in strategy and tone, however, the Post-Washington Consensus did not manifest a radical rupture with the Washington Consensus. According to Carroll (2010: 22-23), the ideas of PWC (especially as articulated by Stiglitz) remain firmly within the neo-liberalism mainstream, in fact seeking to deeply embed liberal markets into all aspects of social life. The difference between the Washington Consensus and the Post-Washington Consensus is the way in which the extension of free market into society is to take place. The Stiglitz/PWC focus is on the state’s role and on public participation in building supportive institutional frameworks, instead of on deregulation and liberalisation. As Carroll (2010: 24) suggests, Stiglitz’s ideas also have the effect of depoliticising conflict and struggle that typically attend such processes. In addition, they represent an attempt to bypass political contestation and social conflict in the name of market transactions based on rational choice. This is the case even if the Post-Washington Consensus critiques the market dogmatism of the prior Washington Consensus (Jayasuriya & Rosser, 2001: 388; Fine, 2001: 152-153).

The critique of Stiglitz resonates with that levelled at another prominent economist, Jeffrey Sachs. The transformation of his role, from championing the Washington Consensus and the so-called ‘Shock Doctrine’ in Latin America and Eastern Europe to acting as a proponent of poverty reduction programs, does not signal a departure from the neo-liberal formula. In the latter, state and public intervention in development is conducted to reinforce market society instead of challenging it. So the role of the state is to provide the infrastructure and human capital required for liberal markets to operate. Health and education are valued to
boost labour productivity. Poverty is addressed through voluntary actions by corporations rather than as a mandatory obligation of wealth redistribution by the state (Wilson, 2014: 142).

But both Stiglitz and Sachs avoid the question of social conflict as a driving force of social change. The Neo-Institutional approach, as the backbone of good governance development agendas, has a tendency to depoliticise development by installing technocratic managerial governance to domesticate opposition or significant challenges to market facilitating institutions. As a consequence, the ideas of participation and citizenship — which are also extolled — are understood in terms of incorporating strategic actors’ functions into market society, rather than in terms of broad political rights to contest political agendas embedded in development programmes (Jayasuriya, 2005; Robison, 2010: 41). This preference for technocratic interventions in the design of governance programs has attracted criticism of the effect of these interventions on restricting democratic competition. They are seen to promote a kind of low-intensity democracy, where public participation does not encroach on the fundamentals of running a market economy on the basis of technocratically defined objectives (Gills and Rocamora, 1992; Robinson, 2003; Robison, 2006).

Nevertheless, the actual practices of good governance in developing countries work in ways that contrast sharply with neo-institutionalist discursive logic. Empirical analysis of the local political context in Indonesia locates the role of intellectuals in the practice of governance not as bearers of knowledge who stand above competing interests, but as actors embedded in the struggle among predatory elite alliances.
Neo-Institutionalism and Decentralisation

Decentralisation has become a major part of the Neo-Institutionalist project, due to the assumption that local and therefore smaller governments can undercut the inefficiencies inherent in large national governments. The appeal of decentralisation also lies in the fact that it is seen to be compatible with democracy, not just development, as envisaged by scholars who study democratisation processes in post-authoritarian societies.

Larry Diamond (1999: 121-126) argues that decentralisation and strengthening of local government capacities are the most prominent factors in democratisation successes. The creation of local democratic institutions, argues Diamond, would reduce the size of territories in which citizens can undertake more direct political participation. Hence it would help to encourage democratic values and citizen skills and increase government accountability and responsiveness to local aspirations. In addition, decentralisation brings political opportunities for minorities and marginalised people at the local level to channel their aspirations through political institutions. Local democratic governance also develops checks on power, and provides spaces for local civic associations to prevent authoritarian tendencies at the national and local levels of politics. Finally, decentralisation is believed to provide opportunities for smaller parties to exercise power at the local level, in order to balance the power of bigger parties at the national level. In other words, it is assumed that progress in democratic institution-building will guarantee the upholding of civil and political rights through competitive multiparty elections, as well as a free press and vibrant civil society-based associational life.

According to neo-institutionalist scholar Grindle (2009: 182-85), the capacity of strategic actors to minimise dependence on the central government, while
promoting accountability and balancing the relationship between state and civil society, would bring improvement to governance processes. However, this requires civic engagement, collaboration between state and society and greater accountability of local government to the citizenry. Peters and Pierre (2006: 41) have a similar view, arguing that the success of governance processes is determined by the capacity of strategic development actors to mobilise, organise and enable resources available in all segments of society.

**Neo-Institutionalism, Intellectuals and Social Capital**

It is therefore significant that the Neo-Institutionalist approach places much importance in the expertise of intellectuals to facilitate these sorts of partnerships and collaborations. The legitimacy they possess lies in their position as experts rather than as elected officials or civil society representatives. Meanwhile, the interaction between international, national and local development agencies brings opportunities for technocratic intellectuals from international agencies, as well as from local governments, to stake their claims on knowledge. Even though technocratic intellectuals’ involvement in governance processes does not derive its legitimacy from a democratic basis, their social function is important due to their capacity to produce knowledge and policy recommendations in governance practices. At the same time, politicians are also seen as crucial in governance practices, because they have capacities to set priorities based on their constituencies’ interests, as well as authority to make decisions. Therefore, autonomous and interdependent relationships exist simultaneously between elected politicians and technocratic intellectuals (Taiclet 2006: 67-77).

The role of intellectuals in civil society is crucial for contributing to and expanding the civic knowledge necessary for generating a healthy civil society, given
that Neo-Institutionalism promotes collective action. Intellectuals in civil society institutions supply the knowledge necessary for productive public participation in civil society, as well as motivating people’s participation in local associations. The civic knowledge derived from civil society to which intellectuals contribute assists in generating collective action (Levine 2010: 362-374; Bevir, 2009: 47-48; Fischer 2009: 200-94).

Hence there is much attention devoted to improving the quality of civil society as a pre-requisite for development (e.g. Putnam 2002: 6). Putnam (1993: 2000) was arguably the most instrumental scholar in promoting the idea of social capital as an integral part of the Neo-Institutionalist cannon, and as a concept to gauge the quality of associational life. Social capital is defined by Putnam (1993: 67) as a feature of social organisation — networks, norms and social trust — that facilitate co-ordination and co-operation for mutual benefit. The social capital discourse is focused on common values such as trust, tolerance, inclusiveness, network connections among voluntary associations and mutual co-operation between development actors to create vibrant civil society life.

Putnam (2000) differentiates between bridging and bonding social capital to identify its negative and positive sides. Bonding social capital organisations can be found in exclusive groups such as religious communities, fraternal, ethnic or racial organisations. Being exclusive in nature, they develop inward-looking characteristics. Different from bonding social capital is bridging social capital, which can be found in civil rights movements, youth service groups, and ecumenical religious organisations which are outward looking and cover people across diverse social cleavages (Putnam 2000: 23).
The concept of social capital therefore provides an opportunity to link up technocratic know-how, economic development and discursive knowledge in the social sciences and to wrap them up together in development assistance projects. The World Bank, for example, has promoted civic participation and building trust between those who govern and are governed for facilitating democratic institution-building and market integration within communities.

The concept of social capital, as promoted by the World Bank, is not free from criticism. Again, one of the fundamental criticisms is that social capital functions to depoliticise the agenda of neo-liberal good governance by normalising trust and cooperation and relegating conflict to the status of mere ‘aberration’. In connecting the state apparatus, community organisations and the market through collaboration to develop collective action, what is overlooked is the distribution of power within state, market and civil society relationships, which can be unjust and unequal. Hence, the utilisation of the concept of social capital tends to imply the acceptance and even sustenance and reinforcement of the existing power structures (Harriss, 2002: 6). In short, social capital works as part of an anti-politics machine to persuade all strategic actors to obey market facilitating development without challenging class power within social orders (Harriss, 2002: 117: Ferguson, 1990).

Instead of integrating economics and social theory within good governance agendas, the prevalence of the concept of social capital indicates the colonisation of political economy by economism. Further, by linking development stakeholders through the glue of social capital, these agendas try to improve institutional performance through rational choice assumptions based on mutual interest and exchange. However, such agendas underestimate the importance of conflictual
relationships and political struggles between social forces over power and wealth (Fine, 2001: 194), as do the intellectuals that help to implement them.

Further, the homogenous characterisation of civil society based on Tocquevillian tradition overlooks discrepancies of access to wealth and power that are often rooted in class contradictions (Hadiz, 2010: 32). Hence, well-established assumptions regarding social capital’s capacity to strengthen democracy ignore the fact that, in certain contexts, the bourgeoisie and middle class may be deeply anti-democratic or anti-free market (Rodan, 1996: 4-5; Hadiz, 2010: 32). It is perhaps unsurprising that the promotion of the idea of social capital today ignores the origin of this concept in Pierre Bourdieu’s (1986) work as part of a critique of the cultural aspects of class inequalities and systems of domination (Hadiz, 2010: 32).

By overlooking social conflict and tensions embedded in societies, social capital agendas ignore the historical fact that democracy, public participation, accountability and social and economic rights in Western liberal democratic regimes were the result of struggle of social forces and interests (Hadiz, 2010: 33). What is forgotten is the possible resilience of the pre-existing political economic structures that may maintain predatory power at both the national and local levels. In fact, social capital is not particularly useful to explain the development of democracy in Southeast Asian countries such as Indonesia, Philippines and Thailand, where the ascendancy of local strongmen and predatory power coalitions is a major characteristic of the post-authoritarian era (Sidel, 2004; Hadiz, 2010). Referring to Indonesia, scholars like Hadiz (2010: 172) argue that the dynamics of local politics display the rise of money politics, electoral fraud and rent seeking.

In fact the good governance agenda has faced great obstacles in local politics. Instead of eliminating corruption and transforming public institutional performance in
order to facilitate better functioning liberal markets, the neo-institutional approach promoted by technocratic intellectuals has failed to create consensus among development actors in accepting transparency, accountability and the operations of the free market in practice, even though it may commit to these at the discursive level. There is a simple reason for this: practices such as transparency and accountability may be against the fundamental interests of powerful forces dominating local institutions. For instance, in the case of North Sumatra and East Java Provinces, instead of improving institutional performances, local political practices have involved contestation among local political actors to establish local hegemony to serve their own economic interests (Hadiz, 2010: 174). While utilising their purported role as the producers of civic knowledge to legitimise their engagement with local politico-business alliances, intellectuals have rarely had any impact on the direction of liberal transformation. On the other hand, the solution of addressing development problems through supporting progressive social movements that may participate in good governance (Robison, 2010: 18-19) is barely available to intellectuals in Indonesia, given the general incoherence of these movements.

2.3.2. The Neo-Foucauldian Critique: Knowledge and Power

This section examines the Neo-Foucauldian critique of the good governance agenda derived from Foucault’s analysis of the relationship between knowledge and power. By placing good governance as a dominant knowledge platform for creating an international regime of truth, Foucauldians uncover how the idea of civil society participation has been constructed as the outcome of technical intellectual intervention. The role of intellectuals is thus seen as an instrument for the production and reproduction of knowledge that disciplines the population to comply with the neo-liberal agenda. On the basis of Foucault’s concept of ‘governmentality’ (Gordon
Foucault pioneered the understanding of governmentality as the contemporary form of power — specifically as forms of governing the subject or population beyond the role of government. The rationality of governmentality expands the ideas of practices of power — which is transformed from mere rule of the people, into how governing is more deep-rooted via ways of seeing, thinking and acting. Foucaultemphasises the idea of governmentality as more subtle methods of power, exercised through a network of institutions, practices, procedures and techniques in order to regulate social conduct. The application of governmentality in neo-liberal governance is achieved through interrogating both the power operation of global and state power, as well as dominant group interest. This is achieved by practising the ideas of transparency, accountability and competitiveness as the strategic intervention of power, in order to discipline the people under the global order of capitalism (Joseph 2012: 11-14). Good governance is hence understood to be a set of political technologies and strategic tools deployed to influence the behaviour and activity of a state and its population, by which the international regime can govern the latter from a distance.

The intimate relationship between good governance as a knowledge regime and its manifestation as power can be understood by comprehending its goal to reinforce, control, monitor, optimise and organise the forces under it, as well as the national population. Therefore by introducing democratic institution-building,
empowering civil society and promoting capitalist values within communities, the
good governance agenda has served the international regime, as a consequence of
maintaining its claim to represent the interests of ‘the other’ — constituted
by developing countries and their populations (Zanotti, 2005: 464-65).

According to Zanotti (2005: 480), by setting good governance agendas as a
transnational discourse, it is possible for international organisations to assess
individual governments, compare their performance, and make decisions about
reward and punishment. Good governance agendas also construct consent among
strategic development actors at the national and local levels, by translating abstract
and contentious issues of democracy into a diverse set of technocratic solutions
embedded in institution-building and reform. Moreover, the operation of
governmentality is presented by good governance agendas as apolitical
and technocratically sound in ways that are attractive for bureaucrats and political
elites, as well as for civil society organisations. In other words, governmentality is
presented as the product of objective and scientific truth uncovered by the work of
intellectuals and experts.

Significantly, Foucauldians also see the good governance agenda as creating
the logic of binary opposition between orderly, civilised countries and uncivilised and
unpredictable ones, where scientific truth has yet to take hold. The difference is based
on transparency out of opacity, accountability out of corruption, effectiveness out of
aimlessness, rights out of abuses, and rule of law out of unpredictability. This
hierarchy of norms within development agendas has been created in order to develop
the local and national arenas in each country as a calculated space, so that it is
possible to assess the activity of each government and to make decisions about
rewards and punishments based upon measurable criteria created by good governance agendas (Zanotti, 2005: 480-81).

It is in this context that the good governance agenda as a regime of knowledge is understood within the Neo-Foucauldian approach (Abrahamsen, 2000: 14). Good governance essentially is about the construction of a dominant ‘regime of truth’ that disqualifies and marginalises alternative knowledge (Abrahamsen, 2000; Escobar, 1995). As Rita Abrahamsen (2000) shows, the World Bank’s promotion of the good governance discourse reaffirms the hegemony of the North by incorporating cultural awareness and local wisdom to its arsenal of concepts. Regarding the implementation of neo-liberal dogma in Africa, Abrahamsen (2000) argues that the incorporation of African ‘local wisdom’ and indigenous culture into neo-liberal-good governance created strong claims for distinction from previous developmentalist agendas, generating binary opposition between modern values and local culture. But the good governance appropriation of local cultures also helps to frame neo-liberal values in African cultural terms. For example, World Bank consultants remind us about the ethos of entrepreneurship in Sub-Saharan Africa back in the eleventh century. This suggests that the values of the free market are embedded in African history and could be a source of African social capital (Abrahamsen, 2000: 49-50; World Bank Report, 1989: 36).

By focusing on empowering civil society, the good governance agenda encourages activity within civil society that supports the market and also the creation of decentralised democratic institutions that limit the power of the state. In other words, this logic of binary opposition promotes the empowering of civil society, in order to limit state obstacles to the construction of open market societies. In this way, we see how rhetoric that is ‘pro-people’ and ‘pro-indigenous traditions’ can be
absorbed into the neo-liberal hegemonic project. Further, intellectuals are seen to be the key social agents of the establishment of that regime of truth formation.

Through Tania Murray Li’s (2007: 61) research in Indonesia’s Central Sulawesi region, we can see how the binary opposition logic has been applied in concrete development programs. By using binary opposition logic to view the lives of villagers in Sulawesi, development programs have represented local communities as deficient, backward and requiring improvement. In addition, these development programs treat indigenous subsistence activities as being destructive for the environment and not productive enough. Li (2007) observes that the bio-power\(^3\) manifestation of development agendas tries to improve populations, local landscape and productivity by excluding people from their land and forcing them into intensified agricultural production. Li reveals how the application of governmentality in development projects has resulted from the failure to address the structural roots of problems faced by local communities. This approach realises that the exercise of power cannot be absolute but always opens up opportunities to raise alternative knowledge from below to resist the dominant regime of knowledge. The resistance of local peasants is not carried out through frontal struggle — revolution or massive structural change — yet peasants undertake negotiation in a modest way with dominant groups and development actors (Li, 2007).

As Joseph (2012: 14-15) observes, the strength of the governmentality approach lies in its capacity to uncover how dominant groups use subtle methods involving new technologies of observation, calculation and administration to discipline populations. However the idea of governmentality, which is promoted by Neo-Foucauldians, applies particularly in Western liberal democracies but might be

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\(^3\)Bio-power means numerous and diverse techniques of power for realising the subjugation of the body and management of the population (Foucault, 2010:79-80).
less relevant to societies with different levels of development and political constellations. Moreover, although Foucault suggests that dominant social groups utilise governmentality strategies to uphold their own interests within social struggles, most Neo-Foucauldians focus on governmentality as a naspect of a given knowledge regime that controls and shapes societies but tend to downplay the matter of dominant class interests. As Joseph (2012:15) contends, the Neo-Foucauldian theory of governmentality reflects a weak theorisation of state power, as well as the social context within which struggle between competing interests take place. In short, the Neo-Foucauldian approach can be criticised for its inability to connect technologies of power to the underlying structure of interests in the broader political economy. With respect to Indonesia, the Neo-Foucauldian framework of governmentality fails to explain the inability of technocratic experts to domesticate predatory elite alliances. This would require uncovering the underlying configuration of economic and political interests in Indonesia and how these shape the functioning of good governance institutions in practice.

At the local level, Neo-Foucauldians similarly overlook the ability of local politico-business interests to take control of good governance knowledge regimes. They ignore the possibility that local elites can manipulate good governance knowledge for their own interests. In fact, resistance to the good governance regime of truth does not necessarily come from ‘local’ wisdom; it is more likely to derive from local elite capacities to adapt good governance agendas and use them for their own social ascendency.

2.3.3. The Neo-Gramscian Critique: A New Imperialist Logic?

The Neo-Gramscian approach interrogates the good governance agenda from a structuralist point of view that emphasises the transnational nature of the social
interests that underpins it. This approach employs Gramsci’s concept of hegemony and historical bloc to show how political rule under neo-liberalism is based on consent rather than coercion. It is manifest through conducive ideas and specific forms of production which serve to advance the interests of the ruling class and to accommodate subordinated interests under a specific neo-liberal model of globalisation (Worth 2009: 21-24; Overbeek 2000: 175; Cox 1987). In this approach, intellectuals play a prominent role in the upholding of neo-liberalism as hegemonic knowledge in the public space. Consent to the neo-liberal agenda is constructed through the workings of corporations, media, and civil society institutions such as the intellectuals inside the university, school, church and professional association. The construction of consent for neo-liberal ideology then moves to capture the realm of political parties and state power (Harvey, 2005: 40).

Further, the transnational capitalist class’ efforts to reproduce consensus on neo-liberalism have been enabled not only through the IFIs’ (IMF, World Bank and WTO) design of development but also through private international policy groupings such as the World Economic Forum, the Trilateral Commission and the World Business Council for Sustainable Development. They share three critical attributes that are pivotal in the construction of global neo-liberal hegemony: Firstly, each occupies a space within civil society through which social networks supporting business interests and the neo-liberal worldview take shape. Secondly, they act as instrument of transnational elite integration, linking the free market agenda with political society (political parties and parliament). Thirdly, they translate dominant class interests into state action by promoting a set of policies that ensures stability and the reproduction of a system shaped by capitalist social relations and transnational class interests (Carrol & Carson, 2006: 53-54). Even though the new development
agendas designed by technocratic intellectuals working inside international agencies are sometimes claimed to be distinct from more dogmatic forms of neo-liberalism, they try to bypass political contestation by creating alliances with civil society organisations in order to instil free market values among the citizenry. This practice is actually closely connected with Hayek’s ideas on spontaneous order, which is based on the transmission of free market values into societies and into their cultural fields (Boykin, 2010: 19-20).

This is why the Neo-Gramscian perspective places much emphasis on the function of intellectuals in the construction of neo-liberal regimes in developing countries. Petras and Veltmeyer (2000: 130-33) suggest, for example, that intellectuals, NGO activists and academics are not only producers of knowledge that support neo-liberal governance ideas but that they are organic as well to the interests of the transnational capitalist class. Thus we saw, after the fall of dictatorial regimes such as that of Soeharto in Indonesia, Pinochet in Chile and Marcos in the Philippines, how NGO activists and academics formed the avant-garde of neo-liberal development agendas in these countries, largely in conjunction with projects that were under the aegis of international development organisations. Secondly, they suggest that the strengthening of the neo-liberal impulse takes place in the developing world through the absorption by international agencies of intellectuals and NGO activists in order to deflect possibly more radical trajectories of political economic change. This helps to establish conditions under which the drive for social change is channelled toward more moderate reforms, even if intellectuals enlist urban and rural poor communities in self-help activities and in local voluntary associations. Thirdly, the recruitment of intellectuals is assisted by economic crises stimulated by greater integration in the global capitalist economy.
Further, intellectuals, academics, and professionals in developing countries often face crises in their own material conditions; and thus, to maintain their middle class lifestyle, may need to offer their services to development aid programs, and collaborate with state and non-state actors. In this way, academics and some NGO activists have essentially become the organic intellectuals of transnational interests in the Neo-Gramscian view. In short, the function of intellectuals as hegemonic instruments of neo-liberal processes in developing countries is fundamental not only as knowledge creators but also in their capacity to create consent at the grassroots level to neo-liberal reforms, including through the use of pro-people rhetoric (Petras & Veltmeyer, 2000). As Panizza observed (2009: 36-38), the implementation of free market reform in developing countries requires domestic consensus and the restriction of opposition to it.

Technocratic intellectuals are, from this point of view, the social agents of the ideological apparatus of neo-liberal governance who work in the IFIs’ research departments and in national governments as experts in finance ministries and the like. Their role is to produce position papers, technical reports and policy documents that provide support for neo-liberal reform. International financial institutions such as the World Bank and International Monetary Fund also encourage policy dialogue and partnership between their staff and experts from developing countries, thus creating an international network of technocratic experts who share the same worldview and employ a similar language to decipher the problems of the world and to identify solutions to them. The outcome is the marginalisation of other possible worldviews and their related approaches to development. This understanding of the role and position of intellectuals is inspired by Gramsci’s view of organic intellectuals. They are
seen, from this perspective, as the instrument of transnationalist class interests, advancing their hegemonic position in the neo-liberal globalisation project.

It is significant therefore, that Demmers, Jilberto and Hogenboom (2005: 9-10) have argued that good governance reform requires democracies that eliminate ideologically based political parties that disrupt the operations of the free market. Robinson (2006: 101-113) similarly argues that the neo-liberal hegemonic project is sustained by identifying democracy with a polyarchic system, where a small group actually rules and where mass participation in decision-making is confined to choosing leaders in elections that are managed not to challenge the existing order.

It is in this regard that the PWC is seen to seek the further extension of the market into all areas of social life by depoliticising social conflict. In sum, the practice of the Post-Washington Consensus amounts to promoting illiberal politics and liberal economics instead of promoting democratic development agendas. The World Bank aid program known as the Kecamatan (sub-district) Development Program (KDP) in Indonesia has therefore involved the bypassing of democratic institutions and domestic policy processes in order to install capitalist social relations at the local level. Even though there are many reforms in the development agendas instigated by international institutions, such as the World Bank, to accommodate progressive ideals such as participation, empowerment and social partnership, the evolution of this development agendas is still strongly connected with a neo-liberal project that serves transnational capitalist class interests. Transnational capitalist interests are served, for example, by the KDP’s delivering of the productive infrastructure necessary for creating market-oriented agricultural production. Through the absorption of some populist terms such as ‘public participation’ and ‘poverty reduction’, the KDP has developed a discourse that builds consensus among political
elites and civil society in order to bypass democratic political institutions in
furtherance of the market (Carroll, 2010: 24).

Good governance and democratic institution-building, as promoted by
technocratic intellectuals, are seen from this perspective as ideological tools reflecting
the social relations of production of the recent form of global capitalism (Robinson,
2008: 2003; Peet, 2007: Weller and Singleton, 2006; Carrol and Carson, 2006;
Plehwe, Walpen and Neunhoffer, 2006; Demmers, Jilberto & Hogenboom, 2005;
Harvey, 2005 & 2003; Petras & Veltmeyer, 2001; Kiely, 1998; Strange, 1996;
Overbeek & Van Der Pijl, 1993). The assumption of this literature is that a
transnational capitalist class has emerged that is able to take economic resources away
from developing countries by penetrating the process of democratic institution-
building at the national and local levels around the world. The Neo-Gramscian
perspective views the good governance agenda as part of the hegemonic construction
of neo-liberal ideas, which are supported by knowledge produced by organic
intellectuals tied to transnational class interests (Overbeek & van der Pijl, 1993: 4-5).

The Neo-Gramscian perspective, however, overlooks the capacity of domestic
politicco-business interests in countries such as Indonesia to advance their own
interests vis-à-vis the interests of global capital. In the case of Indonesia, the Neo-
Gramscian approach tends to ignore the confrontation of political-economic interest
that might occur between the transnational capitalist class, which tries to advance the
market forces and develop neo-liberal order, and the domestic predatory class,
which advances its social interests under the predatory capitalist structure.

As Robison and Hadiz (2004: 5-12) demonstrate for Indonesia, neo-liberal
agendas advocated by technocratic experts and intellectuals have been challenged
domestically by an established political-business oligarchy and associated social
alliances, which are well embedded in state and society. Further, the political configuration in Indonesia shows that the politico-business interests that had hegemonic power under Soeharto’s New Order have survived into the post-authoritarian era and created new alliances in the newer arenas of democratic politics to further their interests. However, such political-economic coalitions contradict the logic of the neo-liberal model of global capitalism, which encourages detachment of business from political forces. This does not mean that the neo-liberal project has no influence. Good governance and democratic institution-building have been used strategically by coalitions in national and local politics for their own interests. From this point of view, the major site of political and economic conflict is not between neo-liberal political coalitions and popular class coalitions, but between competing national and local predatory coalitions that struggle to acquire power and control over resources for their own interests.

2.3.4. The Embedded Social Conflict Approach

Finally, there is the embedded social conflict perspective. In this view, the role and functions of intellectuals cannot be separated from social struggles over power and tangible resources within particular states and societies. Therefore the role of intellectuals in governance is determined not only by their knowledge contribution but also by the social alliances of which they are a part. In countries such as Indonesia, intellectuals are entangled in political contests that require academic knowledge that legitimises the activities of political elites and that may contribute to political strategising. This approach has similarities with the Neo-Gramscian approach that focuses on the pattern of struggle between social forces and the way it affects governance processes. However, the embedded social conflict approach differs from the Neo-Gramscian approach in terms of the primary object of social analysis. Instead
of a focus on a transnational capitalist class that directs and gains the most benefit from neoliberalisation processes, this approach focuses on domestic predatory alliances that embed themselves in the process of governance institution building and inhibit the realisation of the sort of market society imagined by the proponents of neo-liberal governance agendas.

From such an approach, the incapacity of intellectuals to advance good governance agendas is related to the absence of social forces that have developed a genuine interest in liberal reform agendas. Therefore, the political option for intellectuals is mainly to advance their role through alliances that, in spite of the development discourse espoused, prevent the realisation of many good governance aims. In Indonesia, this problem is related to the structure of a political oligarchy embedded in the process of market consolidation and which benefits from it, in part by adopting the good governance agenda for its own interests (Robison, 2011; Rodan & Jayasuriya, 2007). Although such a possibility is also acknowledged by public choice and Neo-Institutionalist theory, this political economy approach emphasises the interests articulated in domestic power contestations that make it difficult to accomplish change simply by institutional reform, whether this is to insulate technocrats from political elites’ predatory activities or to support civil society organizations’ activities, so long as the social relations and structures that support these elites’ power remain unbroken (Robison, 2011; Sangmpam, 2007; Hout 2009).

As Robison suggests (2010: 25), the problems of the development process are not explained in terms of the politics of resistance versus transformation. Rather, the site of conflict emerges as a part of the process to shape the rules that define new market societies and to establish new forms of political power constellations within the new market regime. Therefore the problems of governance are connected to
existing asymmetries in power and social inequality. This school of thought does not see good governance and democratic institution building as detached from national and local power constellations. (Hout 2009; Hadiz, 2010& 2006; Robison, 2006; Hadiz and Robison, 2005).

Rather than emphasising conflict between transnational class interests and domestic opponents, this study highlights conflicts arising from competition between domestic politico-business alliances to exploit attempts to forge new market regimes. In other words, even though the direction of global capitalism has demanded national and local integration with the world economy, national and local elites can still benefit from latching on to the reform agenda promoted by international development agencies in creative ways.

The chapters that follow demonstrate how neo-liberal reform agendas are often unable to stem the rising tide of predatory politics at the national and local levels. Rapacious politics at both these levels becomes able to adapt and utilise neo-liberal reforms to advance local predatory social interests, even when powerful international donors representing transnational interests back the reforms. Such donors confirm Hout’s (2009) argument that political change is not the result of choices being made by rational individuals or technocratic elites within states emptied of politics. In the Indonesian case, political change has been related to the rise and survival of a complex politico-business oligarchy that has reorganised power through successive crises, by colonising and seizing of control over political and market institutions.

The embedded social conflict approach provides a powerful critique of The Neo-Institutionalism, Neo-Foucauldian, and the Neo-Gramscian approaches. Even though the Neo-Foucauldian and Neo-Gramscian approaches are different, they
still bear similarities in their analyses of good governance in the context of globalisation. Their perspectives mostly overlook the importance of local political and economic alliances and local power contestations. They both differ as well from the neo-liberal perspective that sees the good governance agenda as providing the best solution to handle problems in transitional countries, such as poverty, disintegration threats, corruption, lack of rule of law and economic development imbalances.

However, this research extends the analysis of authors such as Robison and Hadiz specifically to reveal the significant role of intellectuals within struggles over economic and political reforms. Moreover, this research reveals the contribution of such intellectuals within predatory elite coalitions that often hijack neo-liberal reform programs, and their collective inability to actively further liberal or more progressive agendas due to the nature of the constellation of power and interests they confront. By focusing on these intellectuals, we see that the actors involved in the market-hijacking process include those commonly viewed as the architects of good governance neo-liberal agendas, but whose activities are more likely to be intertwined with those of elites whose interests may be threatened by thoroughgoing reforms.

2.4. Intellectuals and Power Struggles in Comparative Perspective

The role and functions of intellectuals cannot be separated from the advancement and defence of the social interests to which they organically belong. For Gramsci, the results of social struggle are partly determined by the efforts of dominant social forces to construct consent to their rule through the mass media, universities, church and other civil society arenas. The role of intellectuals is fundamental in this regard. Intellectuals play an important role to articulate, organise and justify the social class interests through creating commonsense knowledge by which masses would support dominant class interests (Harvey, 2005; Gramsci, 1971).
By comparing experiences in Europe and the United States, Latin America and South East Asia (especially Indonesia), this section shows that the role of intellectuals as the promoters of neo-liberal ideas and political economic reforms is determined by the availability of sufficient social bases that support particular kinds of struggles and political projects. Therefore, the capacity of intellectuals to construct public consent for the agendas of dominant social forces, or to promote counter hegemony by articulating grassroots interest, is influenced by the broader constellation of power in their societies.

2.3.2. Intellectuals and power in United Kingdom and the United States

The power struggle between the proponents and opponents of neo-liberal ideas in European countries and the United States reflects the social power configuration, which is characterised by the capacity of the bourgeoisie to dominate other social forces. This reality could be traced historically to the political economy constellation of the Twentieth Century. After World War II, the restructuring of state forms and international relations was designed to anticipate threats to capitalism in Europe and the United States. Such restructuring was enabled by the balance of power between capital and labour that produced a compromise to ensure social stability. The great consensus between capital and labour facilitated the advance of social democratic politics witnessed in the rise of labour parties and trade unions. This compromise, developed after the Second World War, was reflected in the production of knowledge that extolled it, as seen in the works of Robert Dahl and Charles Lindblom (1953) in the field of political science. A similar trend appeared in economics, where the Keynesian school of thought, as represented by scholars such as Galbraith (1958) promoted state intervention in the market, in order to facilitate the latter working better for workers (Harvey 2005).
This political-economic regime — famously called ‘embedded liberalism’— was characterised by attempts at capital accumulation that would break through the limits that had been imposed by political and social constraints and expressed in a restrictive regulatory environment. It also aimed to create social conditions under which the state can organise industrial strategy in some instances through the state ownership in key industrial areas. However, this condition had also made possible a redistributive policy and working class trade union integration into the policy-making process (Harvey, 2005; Klein, 2007).

But criticisms of welfare state regimes had been put forward already by the Mount Pelerin Society, established in 1947 by Friedrich von Hayek (Hayek, 2006 (1944)) and supported by Swiss businessman Albert Hunold. Associated scholars emphasised market and economic freedoms by creating the discourse of binary opposition between free and planned markets, presenting the latter as a threat to personal freedom (Plehwe & Walpen, 2006). Yet, this intellectual group did not represent mainstream knowledge in the West until much later, when political and economic circumstances had changed to allow for it.

Such changes began to occur when negotiation between capital and labour began to break down in the West in the end of the 1960s. This was followed by the crisis of the welfare state and characterised by high rates of unemployment and inflation. An opportunity was therefore provided for the opponents of welfare state regimes to advance their aspirations and interests as tax revenues declined and governments began to have trouble paying for their social expenditure. The situation effectively created clear divisions between those who advocated maintaining the social democratic order and state central planning, and those pushing politico-business aspirations to liberate the market from state regulations.
In the United States, this resulted in the liberalisation of regulations governing corporate activities, initiated by the administration of President Richard Nixon in 1971. In a memo to the US Chamber of Commerce, Nixon suggested an assault upon institutions such as universities, school, the media, publishing, and the courts, in order to change how individuals think about private enterprise, the law, culture and individual values (Harvey, 2005). This political initiative was followed by the expansion of the American Chamber of Commerce from a membership of around 60,000 firms in 1972 to over a quarter of a million ten years later. Along with this consolidation of the bourgeoisie, American corporations at the time spent close to US$900 million annually to build think tanks such as the Heritage Foundation, Hoover Institute and The American Enterprise Institute, in order to produce the knowledge to support the neo-liberal policy and the primacy of corporation in social arenas. Such investment was no doubt stimulated by a perceived relative lack of intellectual support for corporate interests within academia. These think tanks have come to mobilise expertise to redefine the terms of debate about policy agendas in order to better translate the dominant class interest into state action (Harvey 2005; Steinfels, 1979; Peschek, 1989).

During the Reagan Presidency, the Republican Party undertook a massive effort to enhance its appeal to white working class and rural communities by accommodating socially conservative and religious values. This took place at the same time that it gave increasing support for a regime of knowledge that prominently endorsed neo-liberal ideas as promoted by scholars like Milton Friedman (monetarism), James Buchanan and Gordon Tullock (public choice theory). The result was a free market and neo-conservative political discourse focused on the primacy of morality and traditional values such as represented by Irving Kristol and Norman
Podhoretz, but also individual entrepreneurship. Soon their ideas had been mainstreamed into American political culture. The Democratic Party also had to adjust its policies away from welfarism, at the expense of those within its traditional bases of support, such as working class minorities (Harvey, 2005; Klein, 2007).

However, the transition toward neo-liberalism in UK took a different path from the US. Because the political culture has long been more secularised than in the United States, an appeal to religious conservatism was not an option. Rather than working at any community level, neo-liberal ideas are disseminated more exclusively through the long established network of class and privilege that is tied to academia, the judiciary and civil service. But a more developed and expansive welfare state system was faced in the UK compared to the US, and one that provided space for the articulation of working class interests especially through the Labour Party and trade unions (Harvey, 2005).

Here pro-market intellectuals waged their challenge against the welfare state through think tanks such as the Institute of Economic Affairs (established in 1955), the Centre for Policy Studies (1974), and the Adam Smith Institute (1976). All of these promoted the cause of individual freedoms in the civil society arena. However the political moment for neo-liberalisation arrived from a crisis of capital accumulation during the 1970s. This opened up room for the UK Conservative Party under Margaret Thatcher to diminish the power of trade unions, while reducing welfare benefits for the poor and opening up the UK to more foreign competition and investment. The Thatcher government deregulated policy frameworks that had placed constraints on private capital, privatised state owned enterprises and promoted monetarism in fiscal policies. In undertaking these changes, the government was much assisted by intellectuals ensconced in policy think tanks. Their role was to
challenge and discredit the old social democratic consensus and to replace it with one that placed much more emphasis on individual enterprise and productivity (Plehwe, Walpen & Neunhoffer, 2006; Harvey, 2005 & Desai, 1994).

It is well known that the UK Labour Party under Tony Blair responded by articulating the so-called ‘Third Way’, as put forward by the noted sociologist Anthony Giddens. The point was to intellectually resolve the requirements of economic growth while restructuring, rather than eliminating, the welfare state. But such notions were criticised by Leftist intellectuals such as Alex Callinicos, who asserted that the Third Way did not differ much from the neo-liberal agenda of their conservative opponents. The Third Way does not reject Thatcher’s privatisation programme, for example, and allowed social economic inequality to grow (Callinicos, 2001), much as it has in the USA.

The neoliberalisation processes in the US and in European countries, especially in the UK, show that the role and function of intellectuals are closely connected to broader conflicts over power and the organisation of the economy. The role of intellectuals in shaping the terms of debate on social issues toward a new consensus – one which is favourable to social interests that have benefitted from neoliberalisation – should not be underestimated. However, it should be noted that structural crises of capitalism since the 1970s had created the preconditions for the success of these efforts.

2.3.3. Intellectuals and Power Struggles in Latin America

The role of intellectuals in Latin America cannot be separated from a long history of class struggle over the distribution of power and resources and the organisation of the state and the economy. There is also a substantial history of intellectuals being organically linked to social forces either on the Right-wing or Left-wing of
politics. Right-wing intellectuals have promoted and facilitated the interests of the bourgeoisie and related social class alliances toward the creation of a pro-business hegemonic discourse. Left-wing intellectuals advocate and produce counter hegemonic ideas that support far reaching structural change and are concerned with policy reforms which they contend are in the interests of the working class and marginalised social groups (Panizza, 2009: 170-71).

The advent of the neo-liberal agenda in Latin America began via the dramatic military coup led by General Pinochet against the social democratic Socialist Party government of Salvador Allende in 1973. Similar to Soeharto’s military coup against Soekarno in 1960s Indonesia, General Pinochet consolidated an anti-communist alliance that took harsh political action against a constitutional government based on Leftist social forces. However, unlike in Indonesia, a pre-existing strong bourgeois class faction backed the military coup in Chile, and so Pinochet did not have to undertake a capitalist revolution from scratch. The Pinochet coalition of power included military officers, diverse big conglomerates and business associations that concentrated their investment in those areas in which Chile had a comparative economic advantage, and technocratic intellectuals who were committed to the market economy. This coalition came to adopt a neo-liberal agenda that restructured social welfare and labour policies, which undermined the position the working class had enjoyed under Allende’s social democratic government (Posner, 2008; Klein, 2007).

Interestingly, Chilean technocratic intellectuals had trained at the University of Chicago under the aegis of Milton Friedman since the 1950s, as part of an American program to counteract Left-wing politics in Latin America. These neo-liberal technocrats dominated prominent Universities in Chile such as the private
Catholic University in Santiago. They built close relationships with the capitalist class and military officers before the Pinochet coup, yet their activities did not extend into civil society. Tied closely to the Pinochet regime, they advocated policies as recommended by the IMF and the World Bank, and helped to create common consent to them (Harvey, 2005; Klein, 2007). Similar developments were later to occur in countries such as Peru, Bolivia, Mexico, Venezuela and the Dominican Republic, where neo-liberal technocratic intellectuals played a major part in social alliances that steered these countries at one time or another in a neo-liberal direction.

However, Latin American intellectuals have been organically connected as well to labour politics and social movements, and have articulated resistance to neo-liberal reform. Relatively strong labour movements are structurally embedded in some of these Latin American countries, making it possible for Leftist politics to remain influential within civil society. Even though harsh and repressive action has been directed at the proponents of Left-wing politics, they still have sufficient grassroots support to maintain resistance towards neo-liberal transformation, either through armed rebellion or via initiatives in the realm of procedural democracy (Panizza, 2005; Silva, 2009).

The Latin American cases show the importance of the presence of organised alternatives that intellectuals can latch on to. Many Latin American intellectuals have advocated grassroots participatory politics, participatory budget initiatives, food sovereignty, small-medium enterprise, co-operative economics networks, and land reform redistribution. Meanwhile, the new trend in the resurgence of Leftist politics in Latin America show the rising tide of indigenous movements in countries such as Bolivia and Venezuela. These indigenous movements are also supported by organic intellectuals who have fashioned new discourses to validate the more assertive role
indigenous peoples take in national politics (Grugel & Riggirozi, 2009; Baud & Rutten, 2005).

2.3.4. Intellectuals and social struggle in South East Asia

Indonesian intellectuals, similar to many of their Southeast Asian counterparts (such as in the Philippines, Malaysia and Thailand), have a close relationship with dominant elites in national and local politics partly due to the penetration of the state into institutions like universities. More recently, the strange combination of commercialization of universities, the power of state bureaucracies, as well as oligarchic trends in nation-state leadership, make it difficult to produce large numbers of critical intellectuals, as many become absorbed into dominant power alliances (Anderson 2010).

The position of intellectuals in South East Asia, specifically in Indonesia, is the product of social struggles that have taken a different form than in Europe, the United States and Latin America. Indonesian intellectuals are neither closely involved with the bourgeoisie nor organically connected with strong labour and other forms of grassroots politics.

It should be recalled that Indonesia’s capitalist transformation was marked by the emergence of a domestic capitalist class dominated by Chinese conglomerates dependent on state political patronage. The development of this class took place under a state-led capitalism and through close ties with the state politico-bureaucracy itself (Robison, 1986; Hadiz & Dhakidae, 2005). With no real interest in challenging the state by supporting the liberalisation of politics, this bourgeoisie came to develop highly illiberal characteristics. At the same time, intellectuals could not be organically involved in leftist politics since Soeharto had brutally demolished the Indonesian Communist Party (PKI) in 1966. This meant that generations of
intellectuals committed to societal empowerment issues or progressive Leftist agendas have had almost no possibility to link up with working class, peasant or urban poor interests in political struggle (Hadiz 2010).

Due to Indonesia’s political and economic conditions, neo-liberal technocratic intellectuals were not able to obtain sufficient support from the ruling regime to translate their liberal economic reform ideas into state policy. The initiative of technocratic intellectuals to orientate economic development toward free market trajectories was blocked by predatory power alliances using state resources for their own interests. In this case, the oil boom of the 1970s and 1980s, due to rising international oil prices, was crucial. This condition became more pervasive given the absence of politically assertive capitalist and middle classes in Indonesia in the face of an authoritarian state on which their fortunes largely depended (Robison, 1996).

Subsequently, politico-business alliances nurtured during the Soeharto period came to adapt to democratisation by forging new alliances, such as those represented by political parties, to dominate the institutions of democratic politics. Since reformist and liberal power alliances cannot change the structural power configuration in the post-authoritarian era, liberal intellectuals can connect with transnational class power through the International Financial Institutions but cannot reform the political and economic situation nationally or in local arenas. This is because their efforts had been blocked by the predatory alliances that dominate the domestic political and economic arenas. However, Indonesia’s circumstances are not unique among South East Asian countries. The process of institutional reform through decentralisation — regardless of whether this was intended to facilitate market rationality or to facilitate institution-building for the empowering civil society — was undertaken in Thailand and the
Philippines and then hijacked by the dominant social forces and interests (Robison & Hadiz, 2003; Hadiz, 2010).

In the Indonesian post-authoritarian context, intellectuals encounter a dilemma that places them in an ambivalent situation. On the one hand, their efforts to initiate reform are blocked by powerful predatory and oligarchic alliances, which have hijacked state policy and resources for their own interests. On the other hand, especially at the local level, the role of intellectuals has been shaped by a prior history of domestication and co-optation by the authoritarian state.

Meanwhile, intellectuals who are more committed to grassroots social movements cannot escape from the New Order’s political and economic legacies. As will be elaborated later, deep state intervention and the floating mass strategy created by Ali Moertopo (Soeharto’s personal assistant) and the CSIS think tank have separated intellectuals and student activists from grassroots-level social bases of support (Moertopo 1972). This situation continues to make it difficult for intellectuals to connect with subaltern groups within civil society in spite of democratisation. The most obvious choice for intellectuals is therefore to latch onto already existing and powerful predatory social alliances; as they have nationally and in the case of East Java, which is the particular focus of this dissertation.

2.4. Conclusion

This chapter has argued that the role of local intellectuals in good governance processes is determined less by their contribution as knowledge producers than their roles as social actors who are involved in social struggles over power and wealth. It has provided a framework to understand how the good governance discourse developed and disseminated by local intellectuals in Indonesia tends to facilitate the ascendancy of predatory power alliances, instead of producing barriers to
the usurpation of political and economic institutions in Indonesia. On the other hand, the capacity of intellectuals to advance governance reforms has been limited by the lack of sufficiently powerful politically liberal social bases that might underpin liberal reform agendas.

This chapter has explored the existing literature on the relationship between intellectuals and good governance practices, identifying four approaches. The Neo-Institutionalist perspective locates intellectuals as development actors who can contribute to development programs through their technical knowledge. This approach ignores that the dynamics of local elites contestation and negotiation over power and tangible economic resources are embedded in the overarching structures of political and economic domination and subordination, and that local elites can hijack the institutional reform agenda for their own interests. The Neo-Foucauldian and the Neo-Gramscian approaches differ as well from the neo-institutional perspective that sees the good governance agenda as unproblematically the best solution to handle problems in transitional countries such as poverty, disintegration threats, corruption, absence of the rule of law and economic development imbalances. Yet, these perspectives ignore the importance of local political and economic alliances that can ‘absorb’ intellectuals, and thereby limit the possibility of intellectuals actually advancing the reformist governance agendas they are meant to support. As a result, they underestimate the difficulty of transforming local political and economic conditions through institutional reform or through supporting reformist civil societies groups (Robison, 2010: 25). In fact, unlike the assertions of Neo-Foucauldians, the possibility of resisting the good governance regime of truth does not necessarily come from alternative local knowledge, but is more likely to come
from local elite capacities to adapt good governance agendas for their own social ascendency.

This research relies on a combination of the embedded social conflict approach and Gramscian analysis. It suggests that neo-liberal reform agendas promoted by intellectuals are often unable to stem the rising tide of predatory politics at the national and local levels, even when they are backed by powerful international donors representing transnational interests. Hadiz and Robison (2004) have argued that the neo-liberal worldview is, in fact, false. Political change is not the result of choices being made by rational individuals, or technocratic elites within states emptied of politics. In the Indonesian case, political change has been related to the rise and survival of a complex politico-business oligarchy, which has reorganised power through successive crises, via the colonisation and seizing of control over political and market institutions. This thesis follows this political economy approach. However it adds to the Hadiz and Robison thesis, by uncovering the position of intellectuals in power struggles in local political economies. In this it follows Gramsci’s perspective, recognising intellectuals as articulators of social forces involved in power struggles. The thesis thus focuses on embedded social conflict in local politics, locating intellectuals as part of social coalitions able to facilitate the ascendency of local predatory elite coalitions rather than their eradication through the good governance agenda.

Specifically, the research herein provides empirical evidence for how contests over power and resources among predatory political elites have influenced the actual implementation of the good governance agenda in Surabaya and the role of intellectuals within this process. Unlike Harvey’s (2007) thesis about the construction of consent, this thesis shows that the collaboration between local political elites,
economic actors, civil society groups and technocratic intellectuals actually steer the implementation of good governance agendas in the direction of predatory practices and away from those based on free market assumptions. It shows that intellectuals have very important roles in the process, which go far beyond production and dissemination of knowledge, as they develop their own social and material interests.

The following chapter will consider the historical context of the relationship between East Javanese intellectuals and the political elite.
Chapter Three:

Historical Context of the Relationship between
East Javanese Intellectuals and the Political Elite

3.1. Introduction

This chapter elaborates on the historical context of the relationship between intellectuals and political elites, especially during the New Order Era, in East Java and at the national level. By tracing the historical roots of the relationship between intellectuals and politico-business elite alliances to the period of New Order state development and formation, this chapter reinforces the argument that East Java’s intellectuals have contributed to post-authoritarian local governance, not only in their role as knowledge producers, but also as participants in the struggle over power and wealth.

Deep state intervention into higher education in the Soeharto era not only took place through coercive measures and the internalisation of state ideology, but also provided opportunities for intellectuals to advance their social roles through political connections with the dominant powers. This was more so because there was only limited social space available for intellectuals to link up with other social forces without consequences for career and material advancement. These alliances in which intellectuals participated can be traced ultimately to those that were forged to overthrow Soekarno and demolish Leftist social forces in the 1960s.

The main arguments of this chapter are: firstly, that the consolidation of New Order rules involved control over intellectual life through de-politicisation and de-ideologisation processes that were part of state strategy to suppress resistance from
below. Secondly, the impact of New Order strategy toward intellectuals created a relationship whereby intellectuals became strongly dependent on the state apparatus and for the most part, became isolated from other social forces. Thirdly, deep-level state intervention in intellectual and social life created a specific process of inclusion and exclusion of types of knowledge, which contributed to the production of mainstream ideology that served the state interest. Hence from this specific knowledge-power mechanism, a particular kind of academic authority was created, which helped to legitimise New Order rule (Dhakidae, 2003).

3.2. The Early New Order era (1966-1972)

It is now both appropriate and necessary to examine state formation in the early New Order, and its consequences for the position of intellectuals in civil society. This will be done within the context of discussing the formation of the political economy power constellation during the New Order, and its relations with students and intellectuals. Indeed, the close connection between intellectuals, military officers and the New Order state apparatus cannot be separated from their political alliance in the transition from the Soekarno to the Soeharto regime, which was geared to annihilate Leftist social forces. Their collaboration produced a particular ideology and discourse characterised by anti-communism, developmentalism and militarism. These were institutionalised through corporatist state institutions and through the work of intellectuals who, in the process, became politically domesticated. Although some critical liberal and social democratic intellectuals did resist the state strategy to depoliticise society, their political resistance was obstructed by the lack of social bases to connect them into broader social forces.
3.2.1. The Political Economy Constellation of the Transition Period into the New Order Era

Before discussing the origins of the relationship between intellectuals and the Soehartolead group of military officers in the early New Order, the context of the transition period between the Soekarno and Soeharto regimes must be considered. Following this transition period, Indonesia was to enter a period of intensified capitalist development, which would affect the social circumstances within which intellectuals operated, including the kinds of social alliances that they were able to forge.

Three major conditions prevailed before the phase of intensified capitalist development. Firstly, there had been the failure of the domestic bourgeoisie to secure political dominance during the first twenty years of Indonesian Independence (1945-1965). This condition allowed for the dominance of the state apparatus, which had become appropriated by officials of political parties, the military and the bureaucracy. In the struggle for power among these dominant political players, it was the military which triumphed. The absence of powerful social classes which could impose their authority meant that the state was relatively free to play a central role in the process of capital accumulation during the early New Order era (Robison 1986).

Secondly, the Soekarno state project failed to transform Indonesia’s social structure from its basis on a declining colonial agricultural export economy to a state-led manufacturing economy through import-substitution industrialisation. The latter had been attempted through the nationalisation of industry — a strategy pushed by diverse social forces such as labour unions, the PKI, and nationalist elements within Soekarno’s Partai Nasional Indonesia (PNI), as well as military officers. There were, however, intense conflicts between groups, especially between the PKI and labour unions with regard to the issue of military officers occupying managerial positions in the nationalised companies. Import-substitution industrialisation failed because the
Chinese and indigenous Indonesian merchant bourgeoisie were unable to drive the process of accumulation necessary for industrialisation. Meanwhile, the military began to misuse its management of state resources to advance its own institutional and material interests. The absence of a strong bourgeoisie meant that the Soeharto regime instead opted to reconstitute Indonesian capitalism through foreign aid and foreign capital (Heryanto & Hadiz, 2005: 254).

The third major condition which influenced development during this period was that Leftist forces, such as the PKI and its affiliated labour and peasant unions, failed to generate social revolution during the Soekarno era. The failure of the Soekarnoist state to act decisively in the context of intense class conflict meant that Leftist forces were frustrated in their efforts to reinforce populist policies, such as land reform. This condition also cannot be separated from the ability of conservative class alliances, involving military officers and landlords, to block such initiatives. The military succeeded in forging political alliances with elements of the bourgeoisie, petty bourgeoisie and landowning class, in order to anticipate the threat of the Left. Therefore, when Soeharto came to power through the demolition of the Leftist forces, he did so with the support of a counter-revolutionary class alliance (Robison, 1990: 38-40; Lane, 2008; Tornquist, 1984).

Gramsci (1971) argues that changing social and economic circumstances do not, by themselves, create political change. What is crucial for political change in any direction is the coherence of organised social forces in combating the hegemony of others. The political ascendancy of an Indonesian anti-Leftist class coalition led by military officers under General Soeharto was not only the result of the workings of repressive instruments of the state, but also their control over civil society arenas, such as universities, the press and schools. In exerting such control, students and
intellectuals were strategic actors who had a fundamental function to disseminate ideas that would facilitate general consent to political domination. Nevertheless, the control of political society and civil society by dominant social forces through hegemony was combined with coercion when necessary. The production and dissemination of ideology through civil society was intended to enable stability, order (*ketertiban*), security (*keamanan*), and economic development (*pembangunan ekonomi*). The New Order agenda to develop the Indonesian economy in a capitalistic direction and stabilise the social order through an authoritarian political system was supported by technocrats and intellectuals as knowledge producers. Their social role was to legitimise the New Order regime by arguing for authoritarian rule through the lens of academic objectivity, in order to ‘safeguard’ the Indonesian people from political ideologies that might hamper the acceleration of development (Robison, 1988: 60-61; Moertopo, 1973: 43-44; Gramsci, 2000: 190; Coutinho, 2012: 81-82; Langenberg, 1990: 126-27).

As pointed out, due to the weakness of the bourgeoisie in the immediate post-colonial period, the New Order counter-revolution was led by the state bureaucracy itself, including its military element. In support were social forces most disadvantaged under the Soekarno regime, including domestic and foreign business groups and a range of liberal intellectuals and artists, landowners, and Muslim petty bourgeoisie who joined the Masyumi (Indonesian Muslim Party) and had felt threatened by the political mobilisation of peasants and the working class by the PKI. The political collaboration between anti-Leftist military officers, intellectuals and students had begun in the early 1960s. Turmoil caused by conflict between, on the one hand, communist forces, workers, peasants and pro-Soekarnoists, and on the other hand the bourgeoisie, feudal landowners and conservative military officers, had already led to
the banning of the PSI (Indonesian Socialist Party) and Masyumi by Soekarno (Chalmers and Hadiz, 1997: 18).

3.2.2. Hegemony and Repression in the Early New Order Era

The establishment of dominant social alliances in the early period of the New Order occurred in the context of developing particular mechanisms to create consensus and order, in the transition from the Soekarno to the Soehartoera. It is therefore now necessary to examine the specific social alliances that were established between the dominant military apparatus, intellectuals and students within the national and East Javanese contexts. The dual strategy of ideological hegemony and coercion that was implemented in order to demolish the Leftist social forces that supported President Soekarno, and the dominant Right-wing political coalition which was consolidated around Soeharto, resulted in the sort of repressive-developmentalist regime that had been described by scholars like Feith (1980: 649-650). Feith described the New Order as a regime that rested on an authoritarian political system to control and domesticate civil society. The aim was to create the order and stability deemed necessary to generate economic growth.

Before discussing the political rivalry between Left-wing and Right-wing intellectuals, the genesis of Right-wing intellectuals at the national and local Surabaya levels needs to be elaborated. This aspect is very important for explaining the historical background of the relationship between intellectuals and politico-business interests at the national and local levels in the present-day. An historical investigation of the genesis of Right-wing intellectual networks in Indonesia from the Soekarno era onwards is particularly important since Left-wing politics was demolished at the advent of the New Order in the context of the Cold War in Southeast Asia.
The broader alliances of Right-wing forces which connected some factions of army officers, political groups and intellectuals based in student activism took place amidst the high tension of political rivalry between communist and Left-wing politics who supported Soekarno and the liberal groups who became opposition forces in the early 1960s. This political contestation culminated with the marginalisation of the opposition, and the banning of prominent parties, which were allegedly involved with regional rebels (Masyumi and the PSI) against Soekarno. Throughout the early 1960s, after having been banned, the supporters of illegal party politics took political initiatives in an underground fashion, via the student movement affiliated or closely ideologically connected with the opposition parties. The modernist Muslim groups did not disappear after the failed rebellion in the late 1950s. Instead, these youthful supporters took shelter in the Himpunan Mahasiswa Islam (HMI — Indonesian Students Association). Even though HMI as a student organisation was officially independent from Masyumi, the association had close ideological affiliations and ties of friendship and family with this modernist Muslim party. Realising this close political connection, during the 1960s the PKI took the political initiative of targeting the HMI, on the grounds that HMI was a counter-revolutionary front for Masyumi (Hefner, 2000: 47). The HMI modernist Muslims became the ultimate base of support for Right-wing military forces, through the loose anti-Soekarnostudent alliance KAMI (Indonesian Student United Action), of which it was a member. The HMI also produced some prominent student leaders who joined the Soeharto regime.

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4The ‘failed rebellion’ here refers to The PRRI rebellion, one of a series of small rebellions initiated by mid-ranking military officers in the late 1950s, which was supported by some national political elites from Masyumi (the modernist Islamic party) and PSI (Indonesian Socialist Party). This rebellion began when Soekarno was out of the country in 1958. The Masyumi leaders and the PSI leaders who were seen to be associated with the PRRI rebellion were regarded as traitors by Soekarno, and the incident contributed to his growing impatience with Islamist brinkmanship in the Konstituante (Barton 2010: 481-482).
thenational and local levels. Prominent national politicians included Mar’ie Mohammad and Fahmi Idris. In East Java, there emerged figures like Sam Soeharto (from the University of Airlangga).5

Another prominent source of support for Right-wing military officers was the anti-communist collection of Catholic intellectuals who were connected to a political group based in the Catholic Church called Kasebul (A Month of Seclusion). This group, initiated by the Jesuit priest Father Breek, systematically trained militant anti-communist cadres recruited from the Catholic student association, PMKRI (Indonesian Republic Catholic Student Movement), and the Catholic political party, Parkindo. This latter group produced some famous leaders who supported Soeharto for decades at the national level, such as Harry Tjan Silalahi and Jusuf Wanandi (Liem Bian Kie), who were key associates of Ali Moertopo and founders of the think-tank CSIS (Centre of Strategic and International Studies). Also recruited was BQ, a student activist and protégé of Harry Tjan Silalahi, who became one of the key Right-wing

5 Based on their position and roles as anti-communist activists who supported Soeharto against Soekarno, the student leaders of HMI built a close relationship with the New Order regime, benefiting politically and economically from the regime’s support. For instance, Fahmi Idris as the head of the Arif Rahman Hakim anti-communist student militia, utilised his network in the New Order regime to build the Kodel Business Group with other ‘1966 exponents’, including Soegeng Sarjadi, Jan Darmadi, Aburizal Bakrie and Ponco Sutowo. Fahmi Idris later joined Golkar (the New Order regime’s dominant political party) during the leadership of Sudharmono S. H., and was appointed as the Minister of Manpower in Soeharto’s last cabinet (March-May 1998). Mar’ie Mohammad was the head of HMI during the turmoil of regime change in 1965-66. He is famously known as a Mr Clean technocrat in the Soeharto era, due to his opposition stance towards Soeharto family cronies. However, he could not overcome the pervasive power of the Soeharto regime’s predatory alliances. He became the Finance Minister in the last Soeharto cabinet. Another example is Sam Soeharto, an academic and politician who obtained his honourary professorship in microbiology at the Faculty of Medicine of Airlangga University. His career as a political activist started as the Head of Airlangga University’s Student Council during the turbulent 1965-1966 period. Under his leadership, Airlangga University became the centre of the anti-communist student camp in East Java. After the short political honeymoon between the Soeharto military regime and student activists, Sam Soeharto distanced himself from the New Order, joining an Islamic party, the United Development Party (PPP). He was elected as a Member of the People's Consultative Assembly (MPR), serving there from 1977 to 1982. During his career in the PPP, he became frustrated with the party’s internal politics, and accepted an invitation from key government figure Muhammad Said, to enter Golkar in 1983. This invitation was extended because of Sam Soeharto’s earlier role in the struggle against the PKI. Since 1983, Sam Soeharto has remained in Golkar, being appointed as a member of the People’s Consultative Assembly representing Regional Representative Faction. Professor Sam Soeharto has continued to work to strengthen Golkar in the post-authoritarian era (Hefner 2000: 90, 204; Hudijono 2015: 41, 122-123, 125-127; Ensiklopedi Tokoh Indonesia, 2015).
student leaders based at the University of Surabaya (Dhakidae, 2003: 637;). Besides Islamic and Catholic groups, another intellectual youth group that supported Soeharto came from the small but influential social democratic stream of politics. The main organisation representing this stream was the Gerakan Mahasiswa Sosialis (Gemsos — Socialist Student Movement), which was closely connected to the economics Professor Soemitro Djohadikusumo, who had helped to initiate a secessionist and anti-Soekarno rebellion in Sumatra in the late 1950s (Hill, 2010: 87; Bourchier, 2015: 133; Hefner 2000: 68).

The cross-stream alliances based on student movement support of the underground opposition to the Soekarno regime were protected and trained by the same faction of the Army that feared the tendency for a close political affiliation between Soekarno and the communist forces. This Rightist political alliance connected the student group with army intelligence and army officers by means of their common anti-communist position. Further, this group agreed to create the united anti-communist Front Pancasila (Frontal) on 12 January 1966, comprising: Aksi Mahasiswa Indonesia (KAMI — Indonesian Student Front; Kesatuan Aksi Pelajar Indonesia (KAPI — Indonesian Student Action Front); Kesatuan Aksi Pelajar Indonesia (KAPPI — Indonesian Student Youth Action Unit), and Kesatuan Aksi Sarjana Indonesia (KASI — Indonesia Undergraduate Action Unit)(Hefner 2000: 68-69; Raillon 1989).

As a continuation of the political movement at the national level, the local Surabaya anti-communist student movement also obtained protection from the army intelligence apparatus. According to Sukiadi (1993), the intelligence army officer Muhammad Said (famously called ‘Mbah Projo’) was the leader and strategic actor

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6 Interview with ex-PMKRI activist KT, Jakarta, 15 September 2015
who became the focal point of the various anti-communist stream that organised and co-ordinated student movement initiatives during the period of political turmoil (Dhakidae, 2003: 658; Sukiadi, 1993).\footnote{Interview with Ex-PMKRI Activist KT, Jakarta, September 15, 2013.}

During the early New Order period, the majority of students and intellectuals backed the conservative military officers in their purported efforts to safeguard Indonesia from the communist threat and — as they saw matters — thereby advance the modernisation process. The minority of intellectuals who joined Leftist organisations such as Himpunan Sarjana Indonesia (HSI — the Indonesian Scholars’ Association) and Consentrasi Gerakan Mahasiswa Indonesia (CGMI — the Indonesian Student Movement Centre) risked torture and death by military officers, with support from the Right wing student movement,\footnote{Interview with Harsutejo, the former Malang State University lecturer and the member of the Indonesian Scholars Association, the intellectual association affiliated with left wing forces in the Soekarno era, Jakarta, March 13, 2013.} particularly after 1965. As observed by one former leader of the student movement in Surabaya (Soerjadi, 2014: 32-33), the political battles within the student movement in local areas such as East Java’s Surabaya were reflective of the wider conflict between communist and anti-communist social forces. Indeed, the military’s infiltration of the student movement in East Java, initiated by local military officers, including Pitut Soeharto and Muhammad Said, was specifically intended to thwart the PKI’s influence in the student movement.

The anti-communist forces gathered under Persatuan Pekerja Muslim Indonesia (PPMI — The Associations of Indonesian Muslim Workers), which comprised: the Gerakan Mahasiswa Surabaya (GMS — Surabaya Student Movement); Gerakan Mahasiswa Nasional Indonesia (GMNI — Indonesian National Student Movement); Perhimpunan Mahasiswa Katolik Republik Indonesia (PMKRI —
Catholic Union of University Students of The Republic of Indonesia; Gerakan Mahasiswa Kristen Indonesia (GMKI — Indonesian Christian Student Movement); the Himpunan Mahasiswa Islam (HMI — Indonesian Students Association), and the Gerakan Mahasiswa Sosialis Indonesia (GMSos — Indonesian Socialist Student Movement). These groups were pitted against the pro-communist Consentrasi Gerakan Mahasiswa Indonesia (CGMI — the Indonesian Student Movement Centre), the Gerakan Mahasiswa Indonesia (Germindo — Indonesian Student Movement) and the Perhimpunan Mahasiswa Indonesia (PERHIMI — Indonesian Student Association) (Latif, 2008: 300 & Sukiadi: 2013). As reported by one of East Java’s 1966 student activists, the collaboration between military officers and certain strategic leaders from the student movement was first initiated in the 1960s, to support anti-communist student groups in their struggle against communist agitation in universities. The military also utilised university student regiments (Resimen Mahasiswa) in these struggles. One of the student regiments used by the military was the Resimen Mahasiswa Mahasurya Universitas Airlangga, which collaborated with the army in an attempt to exterminate communist ideology from universities (Sukiadi 1993: 149-150; Soeharto 1993: 92; McGregor 2007: 14; Susilowati 2012).

During the turbulent period after the Gestok (the 1 October Movement) events, some schools and other educational institutions considered to be pro-

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9 Interview with Tjuk K. Sukiadi, Surabaya, August 30, 2013.

10 The First of October Movement (Indonesian: Gerakan 30 September, abbreviated as G30S or Gestok, for Gerakan Satu Oktober, First of October Movement) was a political coup initiated by a faction of the Indonesian Armed Forces members which, in the early hours of 1 October 1965, allegedly assassinated six Indonesian Army generals. Their actions were blamed on the PKI. Later that morning, the soldiers declared that they were in control of the mass media and communication outlets and had taken President Soekarno under their protection. By the end of the day, the coup attempt had failed, at least in Jakarta. Meanwhile, in Central Java there was an attempt to take control over an army division and several cities by their allies and sympathisers. By the time the rebellion was put down, two more senior officers were dead. In the days and weeks following this incident; the Right-wing faction in the army blamed the PKI as the mastermind of a coup attempt. This moment was utilised by the army to demolish its most prominent political rival, the PKI, while also initiating what amounted to a coup
Leftist were closed by military authorities, or destroyed by anti-communist student organisations such as KAMI and KAPPI. During the turmoil of 1965-66, the army’s special forces (RPKAD) in Jakarta, led by Colonel Sarwo Edhie Wibowo, operated throughout Java, including East Java, to annihilate Leftist forces and co-ordinate military alliances with students and intellectuals. The military also trained students in intelligence, defence and other skills necessary to mobilise the masses, in order to fight against Leftist coalitions. Some of these military-trained student cadres infiltrated universities throughout East Java, working to generate a collective consent for the Soeharto regime and to extinguish the influence of communist ideology in universities in East Java and Surabaya.¹¹

The creation of consent through hegemony was achieved not only through ideological dissemination, but also through coercion. Hegemony and coercion, as the two prongs of the New Order’s political strategy, cannot be separated and should be seen as complementary. The *Peking Review* (1965:10) reported that between September and October 11, 1965, numerous organisations were closed or destroyed by military authorities or the Right-wing student movement, for providing — or being perceived to provide — direct or indirect support for Soekarno’s movement. These organisations included: the Indonesian People’s University; the Ali Archam Academy of Social Science; the Bachtarudin Political Science Academy; the Anwari Technological Institute; the Dr. Rivai Academy of Journalism; the Multatuli

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College of Arts; the Dr Ratulangi Economic Science Academy; the Ronggowarsito Academy of History; the People’s University; the Surakarta Kotapraja University; the Egom Academy of Agriculture and Peasant Movement in Bogor; and several higher educational institutions in East Java, including the Republic University in Surabaya; the Soeprapto College of Journalism in Surabaya, and the Sarinah Satria College of Journalism and Publicity in Malang.\(^{12}\)

This brutal action conducted by the army and Right-wing forces led by Soeharto showed that the annihilation of Left-wing forces was not only directed at grassroots support, but also at the level of intellectual bases of support. This repression cannot be separated from the battle conducted between right and left-wing intellectuals during the 1960s. Even though the Left-wing forces still had not won dominance over educational institutions, the Communist Party deployed party cadres and intellectuals in these institutions as articulators of the communist agenda in civil society. A 1962 speech at the VII National Congress of the PKI by one elite cadre, Jusuf Adjitorop, proposed that the party recruit intellectuals to gain their support for the Indonesian Revolution (Adjitorop 1963).

The army control of the print media and radio became the most important aspect of the anti-communist purges conducted by Soeharto’s group. In Surabaya, the pro-Soekarno and leftist media such as Jalan Rakyat, Java Timur and Trompet Masyarakat were banned along with 25 journalists. The military instructed that all news items must pass the inspection of Major General Soeharto before going to press (Peters 2013: 52). The purges of pro-communist elements were also conducted in the East Java local government. On 29 October, the East Java governor, Muhammad Wijono ordered a purge of all levels of local government within the province. The purge

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\(^{12}\) Interview with Harsutejo, Bekasi, West Java, March 13, 2014.
action started with the removal of Leftist pro-communist Surabaya Major Murachman, replaced by Lieutenant Colonel Sukotjo. The removal of Murachman was the start of the government expulsion of communist and pro-Soekarno elements at all levels of the East Java bureaucracy (Peters 2013: 62).

The intellectual collaboration between the Soeharto-era military apparatus and student and intellectual groups created some of the ideological foundations of the New Order regime. The process continued with the symposium of *The Resurgence of 66 Spirit: Exploring New Traces*, organised by UI in collaboration with KAMI and Kesatuan Aksi Sarjana Indonesia (Indonesian Scholars United Front) on 10-20 January 1966. This event was an influential part of the process of reinterpreting *Pancasila*—the official philosophical and ideological foundations of the state—in a way that justified capitalist development, while excluding Marxism and communism. The situation in East Java mirrored the situation at the national level. Many universities began to support the new interpretation of the ideology. For example, the East Java (Malang)-based IKIP (Educational Science and Teacher Teaching Institute) established a ‘Pancasila Laboratory’ in 1967, specifically to produce and disseminate a new standard discourse about the state’s ideological foundations—one which reflected the New Order’s version of *Pancasila* (Pranarka, 1984: 197-98; Oetomo, 2007: 179).13

Another historical relationship between military officers and Indonesian technocratic intellectuals can be traced to early co-operative programs between the Economics Faculty of the University of Indonesia (FE UI), and the University of California, Berkeley. At the end of the 1950s, UI had sent several of their lecturers to UC Berkeley to obtain higher degrees, thus producing such future technocrats as

Muhammad Sadli, Widjojo Nitisastro, Ali Wardhana, Johannes B. Sumarlin and Emil Salim. After the fall of the Soekarno regime, these same technocrats served as Soeharto’s key economic advisors. When these leaders returned to Indonesia, they considered that the country’s economic policy under Soekarno was hostile to capitalist development, and further, that existing policies gave the state an overly dominant role in managing economic resources. The technocrats began to alter the mindset of Indonesia’s elite with regard to economics, in particular by developing links with the military at the Army Staff College (SESKOAD), starting with a lecture by Sadli to the college in 1958 at the invitation of its then-commandant, Colonel Suwarto (Irwan, 2005: 42).

These US-trained economists played a key role in the transformation of the Indonesian economy during the transition from the Soekarno to the Soehartoregime. Their recommendations for rehabilitating the country’s economy led to the Army’s Under-Commander Suwarto organising the now-famous seminar at Bandung’s SESKOAD Complex, in August 1966, to build a consensus among army leaders on Indonesian political, economic and foreign policies in the coming months. The seminar called for tax reform, government austerity, and civic action though stabilisation measures, to encourage Indonesia’s economic recovery and initiate the transition to a capitalist economic system. The technocrats realised that the army was both part of the solution to Indonesia’s economic issues, and part of the problem. The prominence of military officers as guardians of the anti-Leftist and Soekarno social forces meant that any initiative to integrate Indonesia into the more open capitalist global system was dependant on the military’s co-operation. At the same time, however, the corruption and incompetence prevalent within the Army, which
effectively ran state enterprises, was seen as a real obstacle to economic reform (Simpson, 2008: 218-20).

Indeed, after the early period of the New Order, the rise of military officers as dominant elites who controlled state resources led to contradictions in economic policy. The technocrats’ advice to liberalise Indonesian economic policy and to privatise state corporations contradicted the interests of the military elites, who controlled state enterprises and various sectors of economic activity. Because of these opposing interests, the integration of Indonesia into the capitalist system did not take place as the technocrats had imagined.

Instead, the New Order regime developed the state corporate sector in order to accommodate interests within the alliance that had put it in power. The military elite, led by Soeharto, incorporated secular modernist intellectuals and activists of student organisations from the Rightist student organisations into the state party, Golkar (The Functional Group), after 1967-68. Thus, anti-communist intellectuals and students who helped to overcome Leftist forces, together with military officers, were accommodated into Soeharto’s regime as part of its political machine, and absorbed into technocratic positions. This was facilitated by the intellectuals’ own relative lack of power; they had no strong social bases to counterbalance the power of the military officers behind the Soeharto regime. As reported by former 1966 student activist leader Wanandi, (2012: 106), he and other former students leaders who joined Golkar were organised by the military into civil defence groups, to deliver messages to the masses that only Golkar could bring stability and development.

The New Order regime also tried to co-opt student leaders to its cause by ensuring that military officers cultivated relationships with them. One such military intelligence officer from East Java was Muhammad Said, who organised the student
group known as the Independent Group in 1967 to be a strategic partner in building Golkar as a political machine (Crouch, 2007: 265). The regime’s focus on domesticating and de-politicising society, instead of generating political mobilisation in order to increase political support for the regime, had the effect of curtailing a potentially significant source of political resistance and criticism of the Soeharto regime. Although some intellectuals voiced criticism of the New Order in the mass media, such as in a number of commentaries in the newspaper *Mahasiswa Indonesia*, edited by Rahman Tolleng, these were largely within the bounds of tolerance exhibited by the New Order in its early years. So while the newspaper published articles regarding the regime’s corruption, the close connection that had been forged between prominent youth leader and politician Tolleng and some military elites meant that, for the time being, these were not considered a direct source of threat. This is not surprising because Rahman Tolleng became a member of Golkar and of both the parliament (DPR) and the People’s Consultative Assembly (MPR) in 1968 (Reeve, 2013:205; Hefner, 2000: 76, 98-99).

The recruitment of scholars who could be trusted by the military, and the placement of military officers in positions of power in universities (such as in rectorships and senate positions), became common political practice in order to safeguard stability and control the activities of students and intellectuals in higher education. Recruitment was confined to those considered loyal to the dominant Right-wing faction of officers. The objective to place anti-communist military officers in top positions at universities cannot be separated from the strategic aim to demolish Left-wing support bases there. This mission was, not surprisingly, carried out on the ground by student activists with a close relationship with military officers in East Java. For instance, in the University of Airlangga, this task was carried out primarily by Sam
Soeharto (one of the student leaders who had strong influence especially within the Islamic student group, the HMI). During the anti-Soekarno political riots, due to his position as the head of the Airlangga University Student Council (Dewan Mahasiswa Universitas Airlangga), Sam Soeharto was able to systematically take control over the network of university student councils in East Java and prompted them to declare their loyalty to *Pancasila*. Under Sam Soeharto’s leadership, the student movement led attacks against Left-wing and Soekarnoist politicians and their supporters under the pretence of supporting the purification of *Pancasila*. Secondly, the Airlangga University Student Council took the harsh unilateral action of temporarily forcing the closure of the university. After closing the university, the Right-wing students led by Sam Soeharto invited the military officer Brigadier General Soenarjadi, who was the PEPELUMADA (The Head Executive of the Local Dwikora) to the university, in order to keep the Airlangga University closed until the anti-communist faction occupied the university (Hudijono 2015: 46-47). Besides inviting military officers to the university, the Right-wing students also demanded the purging of Airlangga University’s Left-wing staff and the replacement of the rector, Colonel Chasan Duryat S. H., who was considered a Soekarno supporter. This demand was fulfilled, through General Soeharto’s decision to establish Professor Dr. Eri Soedewo, who also had a military background, as the new rector. Similar developments took place in other universities across East Java, for example in private universities such as Surabaya University (Hudijono 2015: 47). In line with installing the dominant military elites in academic institutions in East Java, universities elsewhere, including the Airlangga University (Surabaya), Brawijaya University, and private universities such as the Surabaya
University (the former Soekarnois Trisakti University), were also infiltrated by the military to advance Golkar’s hegemony among the intelligentsia.14

Other social alliances that supported the Soeharto regime were found among the Islamic social organisations, which were highly discontented with the influence of Indonesian communism and the cordial relationship between the PKI and the Soekarno government. These groups included the Masyumi and the Nahdlatul Ulama (NU — Awakening of Religious Scholars), which represented the ‘modernist’ and ‘traditionalist’ wings of Indonesian Islam respectively.15 Such organisations were essentially acquiescent and mostly accommodated the New Order in its quest to depoliticise civil society.

In pursuit of this objective, Soeharto had given his blessing to the creation of a new Muslim political party, the Parmusui (the Indonesian Muslim Party), which was seen as a continuation of the old modernist Masyumi Party that had been banned by

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15 The typologies of modernist and traditionalist Islam are due to the classification of three socio-religious interpretations of Islam that emerged since the eighteenth century. The traditionalist stream that can be called customary Islam was socially based in rural areas. The dominant articulator of this interpretation comes mostly from the Ulama, whose socio-economic position including occupying large landholdings (as landlords). This tradition was marked by the mixing of Islamic doctrine with the traditional culture embedded in the specific local areas. This Islamic stream was more tolerant of the syncretic-mixed process between Islamic doctrine and local culture. The social interactions among the traditionalist communities were indicated by hierarchy and social patronage between Ulama scholars and religious disciples (in Indonesia called ‘Santri’). The relationship between Ulama and Santri also showed the character of knowledge transfer within these communities. The intellectual development of these communities was initiated by K. H. Abdurrahman Wahid and his followers, who created a reinterpretation of Islamic traditional scholars’ works, in order to respond to modern and democratic values. The modernist stream, which can also be called ‘Liberal Islam’, was mostly based in urban areas. These communities were socio-economically driven by the Muslim bourgeoisie in urban areas. This Islamic stream tended to a less hierarchical relationship than did the traditionalist groups within its community. The modernist stream tried to rearticulate the virtue of Islamic teaching and daily life in the Prophet Muhammad’s era and that of his successors, in order to show the compatibility between Islam and modernity. Another Islamic stream that is present in Islamic societies and Indonesia is the revivalist Islamic interpretation. This Islamic interpretation has the objective of ‘purifying’ Islamic doctrine from both local traditions and modern values. This stream has mostly spread in urban areas, and is socio-economically based within the Muslim bourgeoisie and entrepreneurs. This Islamic stream tends to preach a literal interpretation of Islamic doctrine, based on Qur’an and Prophet Muhammad’s Sunnah (verified accounts of the Prophet’s deeds and statements). Like the modernist tradition, this stream tends to find virtue in the Prophet Muhammad’s Islamic era, but it also tries to demonstrate the superiority of Islam to the values of modernity (Gellner, 1981; Kruzman, 1998; Hefner, 2000; Barton, 2002).
Soekarno for alleged involvement in separatist movements in the 1950s (Effeny, 2003: 166; Hefner 2000; 47: Thaba 1996: 180). Yet Soeharto forbade such senior Masyumi leaders such as Muhammad Roem and Mohammad Natsir from taking up roles within the new party (Hefner, 2000: 99-100; Ali & Effendy, 1992: 108). The crux of Soeharto’s strategy with regard to Islamic politics was to marginalise those who had strong grassroots bases of support, and hence represented potential challenges to the regime. While effectively barring such individuals from formal politics, Soeharto was still able to absorb large numbers of less threatening Muslim intellectuals into the regime, including through the student organisation, the HMI, which saw opportunities for advancement within the regime.

3.3. The Heyday of the New Order (1972-1988)

During the height of its power, the relationship between the New Order regime and intellectuals was incorporated into a broader strategy of rule that involved both repressing and curtailing dissent from below, and internalising state ideology across all levels of society. The implementation of this strategy led to deep intervention by the state in higher education and intellectual life, which isolated students and intellectuals from the masses as part of the depolitisation project. This resulted in an environment that better facilitated intellectuals becoming part of strategic alliances among dominant state actors. The same environment posed great difficulties for intellectuals to develop organic links with the lower classes in ways that would allow them to effectively articulate their interests. On the one hand, there was the safety and even promise of advancement offered by collaboration with the regime; on the other hand, the depoliticisation of civil society meant that most avenues to connect with the broader masses were closed off to the vast majority of intellectuals. One way that
some intellectuals would try to get around the problem was to be active in NGOs, as we shall see later.

3.3.1. The Political Economy Constellation during the Heyday of the New Order Era

The imposition of peak corporatist institutions by the state to ostensibly ‘represent’ different sections of society was one way in which the New Order pursued the aim of depoliticising civil society. Before discussing these corporatist institutions however, the changing structural context resulting from the New Order’s economic development strategy needs to examined. Indeed, many of these corporatist institutions were only firmly established at about the same time that a major shift in the direction of state dominance was taking place in New Order economic policy. It should be noted, in this regard, that the period of dependence on foreign investment was ended by the advent of the ‘oil boom’ years beginning in 1973-74. This was a moment that marked a shift in economic policy towards a more nationalist orientation.

The resultant resurgence of economic nationalism saw a more aggressive and active state role in financing, protecting and subsidising domestic capital. State policy began focusing heavily on the national industrial sector, including the creation of major resource projects in steel, natural gas, oil refining and aluminium, and on developing the import-substitution industrial sector. This policy contradicted the liberal economic policy favoured by the IBRD and IMF, who were represented in Indonesia by the group of economic technocrats inside such institutions as BAPPENAS and the Ministry of Finance. Increased state intervention made possible by windfall oil revenues provided the basis for the rapid growth of major national conglomerates in both the public and private sectors. State-owned corporations such as Pertamina and Krakatau Steel, as well as businessmen such as Liem Sioe Liong,
William Soerjadjaja and Hasyim Ning, built upon monopoly positions and privileged access to licences, supply and credit — all derived from state intervention in the economy (Robison, 1987: 18).

However, the nationalist economic policy which emerged in the early 1970s was based not only on protecting a share of capital ownership for domestic capital. It also aimed to form an integrated national industrial economic structure. For the nationalist bureaucrats who led this resurgence in economic nationalism, it was clear that Indonesia possessed the capacity to generate a national industrial economy, using its energy resources either to produce investment capital directly, or as a form of collateral to secure loans. Their objective was to involve the state in economic initiatives in order to co-ordinate and finance national capital investment, with the long term aim of building an industrial base for Indonesia’s economy. Robison (1986: 147) describes the New Order’s structural condition:

The resurgence of economic nationalism was a complex movement influenced less by a declining petty bourgeoisie demanding state protection against the superior forces of foreign capital than by emerging political and economic forces demanding the removal of political and economic constraints upon their potential for development. The type of economic nationalism which emerged in the early 1970s aimed not merely to secure a share of capital ownership for domestic capitalists within an economic structure determined by the logic of international capital accumulation or driven by crises of accumulation in metropolitan investor countries. Instead, it envisaged a programme of state-led capitalist development to form an integrated national industrial economy which included capital, intermediate and consumer goods industries.
The change in policy orientation can be explained by taking into account the social forces inside the New Order regime. As mentioned, given the absence of a strong and independent bourgeoisie, bureaucrats and politicians, especially military officers, became dominant members of an elite with the power to determine policy and allocate resources. The shift in economic policy referred to earlier reflected competition between the liberal technocrats based at FE, UI and BAPPENAS, and the major, military-dominated, politico-bureaucratic factions who wielded control over the resources of the state. From the late 1960s onwards, elite military officers who had become managers of state-owned enterprises such as Pertamina, along with other officials involved in business, began using the state’s considerable economic power to allocate licences, credits and contracts, mostly to Chinese partners, in order to build large corporate conglomerates that served their financial interests (Robison, 1986: 140). Among the military officers who dominated the state bureaucracy were General Ibnu Sutowo, who led the state oil enterprise, Pertamina, and General Ali Moertopo, who led Opsus (Special Operations) and the think-tank CSIS (Centre for Strategic and International Studies). While nationalist economic policy was supported through such institutions, CSIS in particular was the focal point for an alliance between state officials and big Chinese business (the so-called cuckong). Pertamina, meanwhile, with its diverse business operations and complex contracting and subcontracting mechanisms, was attractive to the declining indigenous bourgeoisie and petty bourgeoisie, whose interests were threatened by the laissez faire open door policy which invited foreign investment into Indonesia. This alliance required ideological support in order to create public consent to a policy framework that advanced the material interests of the officials who controlled Pertamina and the complex groupings of businesses to which they were allied (Robison 1986: 146). Ideological
support for the alliance between state officials and business conglomerates was facilitated by the New Order’s state corporatism, which will be examined next.

3.3.2. The Hegemony and Coercion Strategy during the Heyday of the New Order

This section elaborates on how politico-business alliances between state officials and business conglomerates, under the framework of the New Order’s state corporatism, were sustained by coercion strategy and political hegemony. From 1971 to 1988, the New Order regime was characterised by shifting paradigms of economic development — from open-door policies based on foreign investment and economic aid, to economic nationalism based on state co-ordination of strategic economic sectors in order to encourage economic competitiveness, and then to another phase more open to international economic actors. The state corporatism designed by the New Order attempted to depoliticise civil society and absorb intellectuals and student activists into the state apparatus.

The state’s political approach to higher education during the New Order’s heyday consisted of several specific strategies. In the first strategy, the state apparatus controlled students and intellectuals, in order to dissociate them from their social bases in civil society. This amounted to their depoliticisation. The strategy also involved disciplining, repressing and silencing any intellectuals critical of the regime. The strategy was implemented through the placement of military officers in universities, and the absorption of intellectuals and prominent university-based activists into the New Order political system. This approach was successful in harnessing support for the New Order among activists and intellectuals (Dhakidae 2003).
As a second strategy to manage intellectuals, the New Order elites turned the practice of social science into a bureaucracy which it was able to control, including through the use of economists, scholars, organisations such as Ikatan Sarjana Ekonomi Indonesia (ISEI— Indonesian Economists’ Association) and Himpunan Indonesia untuk Pengembangan Ilmu-Ilmu Sosial (HIPIIS — Indonesian Association for the Development of Social Science), and through the establishment of the think tank CSIS by trusted players such as Ali Moertopo and ex-1966 anti-communist activists Harry Tjan Silalahi and Jusuf Wanandi. This strategy aimed to disseminate knowledge that legitimised the New Order’s economic development and political system, while restricting knowledge that questioned its approach (Laksono 2005: 240-245; Dhakidae 2003).

As a third, associated strategy, the New Order propagated Modernisation Theory as a knowledge regime and as a truth, through the selection of particular information to include in or exclude from the education system, in order to maintain the dominance of military elites. This selection processes included adopting particular strands of modernisation theory, such as the Huntington thesis on the benefits of authoritarian regimes for developing states, in order to create stability and order. In addition, the New Order regime also mystified the state ideology of Pancasila, by promoting cultural essentialist ideas in order to insulate society from critical ideas. This ‘regime of truth’ was disseminated through universities, in order to construct intellectual perspectives compatible with the state paradigm of authoritarian modernisation (Heryanto, 2005: Hadiz & Dhakidae, 2005).

The establishment of the think tank CSIS by prominent New Order military officers including Benny Moerdani, Soedjono Humardhani and Ali Moertopo, with the blessing of Soeharto and substantial funding from ethnic Chinese businessmen,
was part of the effort to cement the state’s intervention in the economy and advance nationalist economic policy. CSIS’s first generation of economists, such as Panglaykim, promoted nationalist economics and the policy of a strong state, which protected and co-ordinated the national concentration of capital. In addition, CSIS produced the political blueprint of the New Order, based on a state corporatist political design, in order to support the so-called ‘acceleration of 25 years’ modernisation’ in Indonesia. This political blueprint adopted the ‘anti-communist’, linear and teleological view of stages of economic growth made famous by W.W. Rostow. The blueprint aimed to turn Indonesian society into a so-called ‘floating mass’ ( massa mengambang), based on the de-politicisation and centralisation of many elements of society under state control. Under this design, the existing political parties, which potentially counter-balanced Golkar, were restricted from easy access to the masses, all the way down to the village level. The New Order’s political and social blueprint therefore aimed to modernise the Indonesian state in reactionary ways; shunning a liberal or social democratic style of modernisation in favour of one based on the domestication of social forces (Mas’oed 1989).

This model provided many opportunities for rent-seeking and other predatory behaviour, based on the fusion of corporate and military-bureaucratic power. While the oil boom of 1974-82 helped to advance the concept of developing a

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16 This concept is based on the New Order political strategy of co-opting elements of civil society through the creation of various professional associations that were directed in a very centralised manner by the state. For instance, the New Order created the civil servant organisation (KORPRI), which was organically centralised into the state to ensure its loyalty. The New Order also created the only legal labour union in Indonesia, the FBSI (Labour Federation of Indonesia) in February 1973, which was replaced by SPSI (Indonesian Workers’ Union) in 1985 (Hadiz 1997; Ford 2009: Kammen 2001). The creation of these corporatist institutions is widely credited to the work of Ali Moertopo and his associates.

17 This concept refers to the specific political mechanism created by the New Order elite apparatus to depoliticise society by creating a so-called ‘floating mass’, comprising the majority of the Indonesian people. This would be achieved by preventing political parties from building bases of support at the sub-district level. This political strategy was also created to anticipate political opposition toward the regime from political parties. This political mechanism is also widely credited to the initiative of Ali Moertopo and his associates.
nationally integrated economy based on import-substitution industries, the oil boom also stimulated predatory activities such as the grabbing of state resources for private capital accumulation. These activities were exemplified by the corruption case of Pertamina under General Ibnu Sutowo’s leadership, in which the company defaulted on a US$10.5 billion loan as a result of ineffectiveness, corruption and incompetence (Irwan, 2005: 44). In this context, many technocrats and intellectuals became more organically linked to predatory coalitions of power (Hadiz and Dhakidae. 2005: 13-14).

To assist the initiative of the military elite to develop intellectual institutions that would legitimise the New Order’s economic development and political systems, Ali Moertopo utilised Operasi Khusus (Opsus—Special Operations), which had been established in 1962. Opsus’s initial primary function was to ensure that West Papua was brought under Indonesian rule (Kingsbury, 2004: 16). However, Opsus came to play an important role in controlling and co-opting universities and student organisations through the work of cadres at the local level. The work of Opsus became especially important as protest movements against the New Order began to emerge among students in spite of the regime’s concerted efforts to control and domesticate politics on university campuses.

The early 1970s were characterised by anti-New Order activities conducted by a number of student groupings in response to prominent corruption cases, such as those associated with the development of TMII (the Beautiful Indonesia Miniature Garden) (Boudreau, 2004), which implicated no less than the President’s wife, Tien Soeharto. Students also protested against what they saw as excessive foreign control of the national economy. They famously held major protests during the visit to Indonesia of Japanese Prime Minister Tanaka in 1974. These protests were co-
ordinated by University of Indonesia students, led by Hariman Siregar, who called for a rejection of foreign investment and loans, especially from Japan (Schwarz, 2000: 34; Winters, 1996: 109-11).

The student protests were not, however, articulations of grassroots rebellion; rather, they were associated with competition among military elites. General Soemitro, the Commander of Indonesia’s most powerful security organisation, KOPKAMTIB, held intensive talks with the student protestors, and supported their aspiration that the state should take a new direction. The aspirations of the student movement during the 1974 Malari incident raised political tensions between the New Order regime and student activists, due to the rapacious predatory operation of state-owned Oil and Gas enterprises under the leadership of Ibnu Sutowo, and the politico-business collusion between the Tionghoa bourgeoisie and the dominant elites. A related critical stance of the student movement related to the state’s policy of opening the Indonesian economy to foreign investment, which concerned the marginalised domestic capitalists. The student movement demanded that the state take a different policy direction on this matter. Meanwhile General Soemitro’s rival, Soeharto’s personal assistant Ali Moertopo, became a primary target of student protests — which brought together other student groups to counter-balance the student leaders that Soemitro had cultivated for their support. Ali Moertopo established an organisation called KNPI (Indonesian Youth National Committee), which became part of the broader state strategy to co-opt and absorb students into the regime. In addition, KNPI became a site for New Order elite cadernisation. The student protests of 1974 — known by the acronym *Malari* (*Malapetaka Lima Belas Januari*) (15 January Disaster) — ended with Soeharto choosing to support Moertopo; and with the student protest leaders being
brought to court, while General Soemitro was forced to step down from power (Hefner, 2000: 78; Southwood & Flanagan, 2013: 246-47).

In the East Javanese context, the Opsus operations utilised New Order core supporters who fought against communism in the early period, such as former 1966 student leader BQ (a follower of CSIS co-founder and former PMKRI activist Hary Tjan Silalahi). BQ became the person to whom the military entrusted the task of co-ordinating Surabaya’s intellectual elites in the interest of the regime (in co-ordination with local military elite officers such as Mohammad Said). BQ was one of the elite student leaders from Surabaya University, formerly known as Trisakti University Surabaya (a Leftist and Soekarnoist university affiliated with the Left-wing Indonesian Chinese association, Baperki) (Greif, 1988: 9-10). He embarked on a career as a scholar after graduating from Surabaya University in 1974. From this position, BQ contributed greatly to the New Order’s mission to control the student movement in East Java. Because of his achievements, he was promoted to become a member of East Java’s local parliament in the late 1970s.\(^\text{18}\)

Opsus and its instruments in East Java worked actively to support the New Order in local politics. Firstly, it co-ordinated a network of student activists throughout East Java, in order to express loyalty to the New Order’s development programmes.\(^\text{19}\) Secondly, it co-ordinated and recruited potential leaders who would be capable of garnering support for the state electoral vehicle, Golkar — in order to help provide legitimacy for New Order power. In this regard, BQ’s academic position became a strategic socio-political investment, helping the former to recruit and co-

\(^{18}\) Interview with former East Java Golkar elite TN., Surabaya, 15 January 2013; interview with Jusuf Suroso, Jakarta September 15, 2013.

\(^{19}\) Interview with former East Java Golkar elite TN, January 15, 2013; interview with ZI, the former leader of East Java Golkar wing, 15 April 2014; interview with KM, the 1970’s student activist and East Java member of New Order era opposition group Petisi 50; interview in Surabaya December 1, 2012.
ordinate his social network in East Java, which in turn facilitated the recruitment of intellectual cadres for the New Order regime’s own purposes. He and TT, the aforementioned Islamic student activist based in Airlangga University, probably played the most important role among East Java intellectuals in purging academia in the province of Communist influences, and establishing New Order control over the local intelligentsia.

Another mission conducted by military officers and their instruments in East Java was aimed at silencing student criticism of the Sidang Umum Majelis Permusyawaratan Rakyat (SUMPR — General Session of the 1978 People’s Consultative Assembly). Student activists, including in Jakarta, had made demands that the General Session refrain from re-electing Soeharto as President, as was the mechanism at the time for attainment of the highest office in the country. Military officers created a wing of Golkar called the Angkatan Muda Pembaharuan Indonesia (AMPI — Indonesian Renewal Youth Forces) throughout Indonesia, and established the Angkatan Muda Brawijaya (AMUBRA — Brawijaya Youth Forces), an embryonic youth organisation based in East Java in 1978. By creating this group, they were also asserting that their political machine was the sole legitimate channel for the aspirations of youths; and that youth supported the New Order program of development. AMUBRA was specifically given the task of spying and reporting on student opposition activity (Priyatno, 1993; 28, 32).

In addition, Golkar elites built the Wijaya Kusuma Surabaya University in 1980. This university, dubbed ‘Golkar University’, was established by three top-level East Java Golkar elite figures: H. Soenandar Prijo Soedarmo (Chair of the Advisory of the Regional Board Council, East Java Golkar); Blegoh Soemarto (Member of the

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20 Interview with Jalil Latuconsina, (the 1970s student activist and East Java member of New Order era opposition group Petisi 50); interview in Surabaya, December 1, 2012.
advisory of the Regional Board Council, East Java Golkar), and H. Mochamad Said (the military officer who became the Chair of the Regional Leadership Council of East Java Golkar).  

It is clear, therefore, that through their alliance with the military, intellectuals and student activists obtained political opportunities to connect their strategic interests with the New Order state. More specifically, most of the Surabaya intellectuals who were absorbed into the New Order advanced their political careers in Golkar as local political elite figures. Under the highly centralised New Order regime, the conditions under which civil society operated at both the national and East Java levels (in particular the state’s intervention in higher education and intellectual public life), offered only limited kinds of social roles for intellectuals that could be pursued independently of the state. Opportunities for advancement were available mainly for those with strong, demonstrated loyalty to the political regime.

The state’s intervention in higher education became deeper after 1978, when a decree was announced on ‘Normalisasi Kehidupan Kampus/Badan Koordinasi Kemahasiswaan’ (‘Campus Life Normalisation/Student Co-ordinating Board’). This decree’s objective, as set by then Education Minister Daoed Joesoef, was to make student activism on campus virtually impossible, by imposing stringent rules on university student bodies. Although there were immediate anti-NKK/BKK student protests in 1978-80, the decree succeeded in ensuring that it became very difficult for students to organise anti-regime activities openly on campus (Aspinall, 2005: 120). Another systematic effort to maintain state hegemony over public consciousness was undertaken through the imposition of the New Order version of Indonesia’s ideological foundations, Pancasila. The hegemonic status of this version was assured

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through the *Pedoman Penghayatan dan Pengamalan Pancasila* (P4 — ‘Guide for the Internalisation and Implementation of Pancasila’) (Langenberg, 1996: 236), which involved mass indoctrination through heavily regimented Pancasila courses. Not only were all newly enrolled university students forced into such indoctrination courses, all school children were exposed to it as P4 became a core subject at school. *Pancasila* indoctrination courses were also made mandatory for government employees and imposed on people at the level of communities. An institution called BP7 (Board for Developing Education and the Implementation of Guidelines for Instilling and Applying Pancasila) was tasked with disseminating Pancasila at all levels of society. At the same time, Pancasila itself was made the sole philosophical basis of political parties and socio-political organisations after 1984 (Latif, 2003: 338), which was no less than an exercise in curtailing ideological alternatives and securing ideological conformity across all spheres of life.

The situation experienced by East Java’s academics was similar to that experienced elsewhere in Indonesia under the New Order regime. Everywhere, state authorities attempted to prevent intellectuals from connecting with other social groups, using a combination of oppression on the one hand, while on the other, actively facilitating the internalisation of the concepts of developmentalism and militarism in academic communities. The social control mechanisms in higher education were put in place by the military and by civilian academics with close connections to the New Order state apparatus — in particular by those positioned strategically as university rectors and other senior academics. The New Order also intimidated scholars through screening processes, which were aimed to identify whether academics or their families were involved with the PKI. Screening processes were also conducted when academics intended to travel abroad, with the purpose of preventing any academics
from criticising the Indonesian government from overseas. Many intellectuals who criticised the state were summoned by the military, and in some conditions, could be sent to prison without clear legal process. The New Order state apparatus also implemented measures to divide the student movement into extra- and intra-university organisations, and to infiltrate them with New Order agents (Oetomo, 2007: 178-79; Aspinall, 2005: 120-21).

The heyday of the Soeharto regime was characterised not only by the intervention of the state to control and co-opt students’ and intellectuals’ public life. It was also distinguished by state-facilitated dissemination of academic social science perspectives that supported and promoted the repressive developmentalism style of the New Order. Because students and intellectuals, despite efforts to prevent them, had became increasingly vocal during the 1970s on issues of social justice, the New Order regime attempted to manipulate the production of social science theory which supported its rule, through a mechanism of knowledge inclusion and exclusion. This involved prioritising versions of modernisation theory in political and social discourse which were compatible with the state’s political strategy and the interests of the dominant elites.

Conservative American political scientist Samuel P. Huntington was a major figure in Modernisation Theory in political science. His work on Political Order in Changing Societies (1968) became one of the most influential books in mainstream social and political science teaching in Indonesia. Huntington suggested in this book that economic development may not produce a stable democracy, because rapid social change and political demands from below may not be handled effectively by the state. According to this view, authoritarian rule can be excused as a way of controlling political demands and creating stability and order in developing countries. From the
viewpoint of mainstream political modernisation theory, the authoritarian state was therefore not only understandable, but also useful politically, to suppress grassroots political demands that could otherwise result in anarchy and chaos (Huntington, (2006) (1968): 4-5, 7-8, 23 & 373). Such a scholarly viewpoint was quite attractive to New Order elites who were aiming at societal depoliticisation for the sake of securing economic development.

Excluding more critical academic perspectives, the New Order created a hierarchy of social science theories, based only on closeness of fit to the state’s ideology. The sociological theory known as structural functionalism, developed by Talcott Parsons (1975), became part of mainstream social science in Indonesia, because of its emphasis on adaptation, stability and equilibrium. Modernisation theory was also of value to the New Order because, in its manifestation in economics, it supported the concept of economic development based on trickle-down effects, which legitimised the state’s policy of prioritising growth over equitable social distribution of its results.

Modernisation Theory became a core component of the curriculum in the Social Science Faculties in all universities in Indonesia. The universities in East Java, including Airlangga University, were no exception.

At the same time, more critical social science perspectives were not encouraged. Though Marxist social theory was taught in a limited fashion, university lecturers had to take pains to make clear that they were not teaching communism. One of the upshots of such developments was that Indonesian social science tended to lag behind much of the rest of the world. For example, dependency theory was only
introduced in Indonesian universities in the 1980s, two decades after it gained prominence in Latin America and in other parts of the world (Hadiz 2013: 43).  

The absorption of intellectuals into state power, in order to act as hegemonic instruments, was also conducted through the bureaucratisation of academic institutions. During the New Order, the authority of Indonesia’s academics was measured not necessarily by the quality of their publications and reports, but through their loyalty and their roles as instruments for state power. This is exemplified by the roles undertaken by some academic associations, such as ISEI and HIPIIS, in support of the regime. ISEI leaders, for instance, at President Soeharto’s request, drew up a blueprint for economic democracy that was consistent with the New Order’s interpretation of Pancasila.

Although the New Order was able to control and depoliticise most elements of civil society effectively, some NGOs, such as LP3ES (The Institute of Economic and Social Research, Education and Information) remained critical of the regime, even if only mildly in most instances. LP3ES was founded by a section of the 1966 student movement that had close relationships with older intellectuals from the modernist Muslim party Masyumi, as well as with social democratic intellectuals and political activists linked to the Indonesian Socialist Party (PSI). This research institute undertook social and research initiatives which attempted to counterbalance the regime’s top-down development approach with a grassroots, bottom-up strategic development approach, focusing on pesantren (Islamic boarding schools) and small

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22 Another example of the efforts to anticipate critical aspirations from the lower social classes, and to ensure that all radical jargon was driven away from the public space, was the state initiative to replace slogans such as buruh (labourer), karyawan (employee), and pekerja (worker). Meanwhile, in order to sustain minority identity in the social order hierarchy, the state also replaced the term Tionghoa (Chinese) with Cina (China) — with the latter term having negative connotations in Indonesia (Rochman & Achwan, 2005: 199; Farid, 2005: 169; Hadiz & Dhakidae, 2005: 8).
entrepreneurship activities. It produced intellectual publications such as critical books on development issues and the intellectual journal *Prisma*. Staff members also generated high-quality research that became an alternative to the mainstream knowledge controlled and propagated by the regime. Despite its role as an alternative research institution able to develop critical ideas, LP3ES could not, however, freely resist the regime, as it depended on state ministries for collaborative projects and funds (Eldridge, 1995: 86-87). This was the case especially after its main source of funding, Germany’s Friedrich Naumann Stiftung, ceased to provide institutional support in the early 1980s.

3.4. The Fall of Soeharto and the Birth of the Post-Authoritarian Era

This section elaborates on the critical moment in the New Order era which marked the rise of political resistance by opposition social forces, and the associated conflict between dominant elites inside the regime. It also covers the rise in civil society of alternative discourses, presented by intellectuals in order to challenge the dominant New Order propaganda. It is important to note, however, that the social resistance did not extend to actually overthrowing the regime, because the opposition forces were too closely connected with the New Order’s elite factions. This meant that even after the fall of the Soeharto regime, and despite the institutional reforms initiated during the post-authoritarian era, the New Order’s mode of relationships between intellectuals and political elites has been replicated in modified forms. The New Order elites simply adapted to the new institutional configurations, and formed new political ties, in which prominent intellectuals again became part of the elites’ political and economic alliances.
3.4.1. Intellectuals and social struggle in the late Soeharto era

Before discussing the consequences of the relationship between intellectuals and political elites during the political struggles of the late Soeharto era, this section discusses the political economic situation and associated social context that underlined the political roles of intellectuals. The 1980s was characterised by the collapse of oil prices, beginning in 1981-82, with a catastrophic fall in 1986. These events influenced the power configuration of the New Order. The economic fallout caused a reversal away from nationalist economic policies. A political struggle intensified between proponents of liberal economic policies—such as international corporate capital and financial institutions, and liberal technocratic elements—and bureaucratic and corporate forces whose interests were connected to nationalist and protectionist industrial strategy (Robison, 1987: 16).

The late Soeharto era was also characterised by factional conflicts between politico-business alliances inside the regime. Factions arose as conflict developed between sections of the military leadership, and members of the Soeharto family who had developed vast private business empires. The rise of the Soeharto family coincided with the gradual decline of the influence of the military over the New Order regime as a whole (Robison and Hadiz 2004: 86-87).

The political tension between dominant elites became more intense in the early 1990s, after the power of the Indonesian military had begun to wane, in favour of political nepotism characterised by the domination of the President and the families of leading politico-bureaucrats in the state apparatus. This shift in power was considered by the military to be an unacceptable deviation away from the doctrine of *dwifungsi* or ‘dual-function’ previously espoused by the New Order—a doctrine that the military-dominated government had used to justify the military’s increased influence in
government, including in the running of state enterprises. The power shift led to strong protests by the military elite, such as General L.Benny Moerdani, over the favouritism now being shown to Soeharto’s family and a small circle of selected entrepreneurs in business dealings. Behind the intense tension among the elite lay a political struggle, with each group keen to maintain and strengthen its own interests. This struggle between the dominant social forces inside the New Order occurred predominantly between the military-politico elites, who had become the main pillar of the early New Order, and politico-bureaucratic and business families, which included Soeharto, who had come to dominate the regime in its subsequent development (Eklof, 1999: 17-18).

This political tension between Soeharto’s family and its cronies, and Soeharto’s former core political allies—especially in the military apparatus—led to the latter group dissociating itself publicly from Soeharto. Soeharto saw this as political resistance, and attempted to create new political alliances by accommodating Islamic political forces in the early 1990s. This included working with Islamic political groups that had hitherto been considered extremist and which previously suffered from political repression, especially when Islam was viewed as a potentially strong source of resistance to the New Order’s depoliticisation project. Making such a shift politically possible was the growth of a new Islamic middle class in Indonesia during the 1980s as a product of New Order era economic growth. The accommodation of political Islam in the late New Order era took place through two strategies: first, Soeharto marginalised any military officers who had close relationships with General Benny Moerdani (a Catholic who had protested publicly against Soeharto) and promoted more military officers with obvious Islamic family backgrounds. Second, Soeharto attempted to gain support from Islamic activists and intellectuals who
had previously opposed the regime, primarily through the establishment of ICMI (Indonesian Muslim Intellectuals Association), led by his trusted aide, B. J. Habibie (Hefner, 2002: 129-131; Eklof, 1999: 17).

As the main institution for Muslim politico-bureaucrats, activists and intellectuals, ICMI’s members included a variety of political actors, not all of whom were easily swayed to support Soeharto’s political interests and Habibie’s political ambitions. There were several factions in ICMI. First, there were the Muslim bureaucrats, such as BJ Habibie, Soeharto’s last Vice President, and Wardiman Djojonegoro, a Habibie supporter from Agency for the Assessment and Application of Technology (BPPT). This group became the most powerful faction within ICMI due to their closeness to the Soeharto regime. This state bureaucrat group became the core of ICMI, and supported Habibie’s political initiatives to increase his own power within the regime. Second, there were scholars and intellectuals, who tended to oppose what they perceived to be the crude politicisation of ICMI, and who included Nurcholish Madjid, the founder of the inclusive and democratically-inclined Muslim foundation, Paramadina. This group criticised the crude politicisation of Islam, whether in the service of Habibie’s ambition or for Islamist statist orientation. Even though this group was not dominant in ICMI, it was not wholly marginalised. Third, there were independent activists who had formerly belonged to the opposition, and who tried to use ICMI to change the policies of the New Order regime from within. This group was led by Adi Sasono, the Muslim activist who advocated dependency theory and who criticised the accumulation of foreign capital in Indonesia, and M. Dawam Rahardjo, the founder of LP3ES, a major NGO and think-tank. Other Muslim activists in this group who attempted to utilise ICMI for their political ascendancy within the regime were M. Amien Rais, the head of the Islamic social organisation
Muhammadiyah; and M. Din Sjamsuddin, the leader of youth wing of Muhammadiyah. Members of these various groupswere spread from Jakarta to regional areas, and included Muslim intellectuals in East Javawho were based in prominent universities such as Airlangga University and Brawijaya University (these included Professor Sam Soeharto, Latif Burhan, Muhammad Asfar and Dr. Fasichul Lisan). Many of these intellectuals had HMI (Islamic Student Association) backgrounds, and had been strong supporters of the New Order regime in the early period (Hefner 2000: 138-150).

However, the diverse composition of ICMI meant that the organisation could not advance grassroots-level political demands. In fact, it was perhaps ill-equipped to do so given that it was so elite-focussed. This is despite Soeharto’s political designs, which involved targeting ICMI as part of his state corporatist strategy, with the clear political objective of bringing Muslim intellectuals and activists more directly into the regime and providing a path of advancement within the apparatus of the state (Hefner, 2000: 139).

The view that ICMI was co-opted by the dominant alliance as a political strategy to domesticate and absorb the Muslim intellectuals and middle class, and thereby to strengthen Soeharto’s power, has been criticised by some scholars. Latif (2008: 428-29)uses social movement theory, based on the concept of political opportunity structures proposed by Donatella Porta and Mario Diani (1999: 9-10), in order to explain the possibility of social change through the availability of political access, the existence of political alliances inside and outside regimes, and processes of political conflict and negotiation within regimes. Latif (2008) proposes that ICMI should be considered as a social movement which took advantage of apolitical

23 Interview with Muhammad Asfar, lecturer in the political science department of Airlangga University, Surabaya, October 17, 2012.
opportunity to interact with dominant elites, in order to challenge the political structure. In his view, Soeharto’s support for ICMI can be viewed as signalling the availability of a political opportunity structure for Indonesia’s Muslim intelligentsia to promote their own political agendas and to advance their own positions within the regime. However, this proposition overlooks conflicts within the dominant social forces, which arguably limited the opportunity for Muslim intellectuals to advance their political objectives. The aims of Muslim intellectuals in utilising ICMI as a political vehicle were either to facilitate the resurgence of Islamic forces initiated by revivalist Muslim groups, or to foster political reforms. Such Islamic reformist groups’ obsessions had been blocked by the logic of power in Soeharto’s New Order, which created ICMI in order to subjugate the Islamic forces and sustain Soeharto’s political dominance within the Indonesian political system. More specifically, Soeharto’s motives in approving the establishment of ICMI were related to his oligarchic wish to expand his political interests outside the bureaucracy, the military and their families, and Golkar. Given such a background, ICMI became absorbed into existing predatory power alliances focused on Soeharto, instead of becoming a force for political reform inside the New Order regime (Robison and Hadiz 2004: 61, 115).

Latif defends the Muslim intellectuals who forged closer ties with Soeharto, by observing that power struggles necessarily have to take place within existing configurations of power. However as Marx famously stated:

men make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past (Marx, 2008 (1852): 15).
According to this thesis, ICMI as a representation of Muslim middle-class social forces could not advance its political objectives as it pleased. Anypolitical manoeuvres by members of ICMI to develop their political aims would be influenced strongly by the social struggles already taking place within the New Order’s political and economic structures. ICMI’s intellectuals and activists, with aspirations to empower the Muslim grassroots and petty bourgeoisie by forging ties with Soeharto, would likely be thwarted in these aspirations by the dominant Soeharto family and its politico-business cronies. The latter were interested only in obtaining Islamic political support for Soeharto, particularly in relation to his brewing conflict with sections of the military leadership.

As Hefner (2000: 164) noted, ICMI managed to survive only because it continued to offer additional legitimacy for Soeharto, and served as a vehicle for Habibie’s political aspirations. It should be noted that Habibie had ambitions to develop capital-intensive and high technology projects, which led him to secretly ‘borrow’ $US300 million from a fund the government had allocated for the purpose of reforestation. This had already caused consternation among some of the more independent members of ICMI. However, Soeharto’s backing for the organisation meant that this issue did not end up being a source of dissent within the organisation directed against Habibie’s leadership. This showed that Muslim intellectuals, even those who were relatively critical, were domesticated and absorbed into the regime through ICMI. After years on the margins — as a result of early New Order fears about the political potential of Islamic dissent — incorporation into the regime must have appealed to a great many such intellectuals, who could now imagine enjoying benefits of which they could not dream before.
In addition to Soeharto’s political manoeuvres to gain the support of Islamic groups, his relatives, including son-in-law Lieutenant General Prabowo Subianto, and several military officers with close relationships to Subianto, including General Feisal Tanjung, Lieutenant General R. Hartono and Lieutenant General Syarwan Hamid, also established strategic alliances with conservative Islamic groups and intellectuals. One such major grouping was the Komite Indonesia untuk Solidaritas Dunia Islam (KISDI—Indonesian Muslim Committee of the Islamic World) – which had been formed initially to garner Indonesian support for the plight of Muslims in the Bosnian War. General Prabowo Subianto and others were also in an alliance with the most powerful and politically active of the Soeharto children — Siti Hardiyanti Rukmana and Bambang Trihatmojo. Together they created the thinktankIPS (Institute for Policy Studies). As reported by Hefner (2000), this institution distributed propaganda pamphlets among Muslim activists, claiming that political activities against Soeharto in the 1990s were part of an international conspiracy backed by Jews, Jesuits, Americans and Chinese interests. IPS sought to create further conflict by portraying Muslims as engaged in a struggle in which they were supported by Soeharto against the Chinese bourgeoisie and Catholic and secular forces.

24 Lieutenant General Prabowo Subianto and his military allies comprised a faction within the military elites who supported closer collaboration between the Soeharto regime, the military and the faction of political Islam that joined ICMI. In 1994, President Soeharto replaced some military elites who criticised the Soeharto manoeuvre to co-opt the Islamic social forces. Soeharto forced into retirement his military loyalist General Benny Moerdhani, who rejected the regime’s collaboration from his position as Defence Minister. The head of the armed forces’ powerful Bureau for Social and Political Affairs (SOSPOL), Lietenant General Harsudiyono Hartas, a strong ICMI critic, was replaced by Lieutenant General Hartono. Hartono was known to be sympathetic to ICMI and also hostile toward the prominent NU leader opposition leader Abdurrahman Wahid. Soeharto also appointed the supporter of regime collaboration with Islamic forces General Feisal Tanjung as the new armed forces commander. Prabowo Subianto, Soeharto’s son-in-law and also son of Indonesia’s famous economist and prominent opposition intellectual in the Soekarno era, Professor Soemitro Djojohadikusumo, was also promoted rapidly within the top ranks of the military command. The replacement of some military officers who criticised ICMI, and the strong support from Soeharto for another camp who supported his decision to co-opt Islamic forces into the New Order regime, reflected factionalisation within the military elites. This tension inside the military is known as the tension between the Red-White Army faction (ABRI Merah-Putih/Nationalist) and the Green Army (ABRI Hijau/Muslim) (Hefner 2000: 151).
This political manoeuvring by the regime led to strong criticism from K.H. Abdurrahman Wahid, the democratic NU Muslim leader and also the head of Forum Demokrasi (the liberal and social democratic opposition group of the late Soeharto era), that it was engaging in sectarianism. According to Wahid, ICMI was set up to serve the bureaucratic and intellectual ambitions of Muslim intellectuals within and outside Soeharto’s bureaucracy, and to ensure that Soeharto received their support. He criticised ICMI for its ‘exclusive nature’, which he argued would marginalise non-Muslims and nominal Muslims (Barton 2002: Robison and Hadiz 2004: 115). This criticism in turn triggered friction within the Soeharto regime. One group within the regime that was opposed to the new strategies included a number of retired military officers, Golkar politicians, and secular intellectuals, scholars and activists who had formed close relationships with each other through CSIS and Golkar itself. This group was often denigrated as ‘barisan sakit hati’ (the ranks of the resentful), in an attempt to suggest that their opposition was rooted in personal frustration, rather than the motivation to serve the public good. Many of these individuals were part of the YKPK (Yayasan Kerukunan PersaudaraanKebangsaan/Foundation for National Harmony and Brotherhood) (Aspinall, 2005: 50-51).

YKPK had strong support in East Java. The core of the organisation’s membership came from the strategic political elite-intellectual coalition that had earlier enjoyed a close political relationship with the New Order’s military apparatus, including scholars such as Anton Priyatno and Martono from Surabaya University, and Priyamoko and Haryadi from Airlangga University. YKPK also became a point of intersection for the interestsof former Soeharto allies who felt increasingly excluded as the New Order evolved, and moderate activists and scholars who criticised the sectarian tendency of the late Soeharto period. Meanwhile, some social scientists were
also involved in the East Java branch of Asosiasi Ilmu Politik Indonesia (AIPI — Indonesian Political Science Association), which held regular discussions at various East Java private universities with members of the New Order state apparatus and the main political machine, Golkar. These meetings debated such matters as political modernisation, developmentalism and *Pancasila*.25

Along with calling for a more inclusive nationalism, YKPK also endorsed the ideas of democracy and political restructuring which were now being voiced by the broader, yet still ineffective, opposition to Soeharto. But YKPK did not set out to break completely with Soeharto’s regime. Some of YKPK’s supporters and members were still part of the New Order’s elite apparatus. As one Golkar veteran who joined YKPK, Median Sirait, stated, this group attempted to show Soeharto that Islamic forces and ICMI were not the only groups with the potential to be effective allies to the regime; secular nationalist politicians who joined YKPK had similar potential (Aspinall, 2005: 83).

The second opposition group that undertook moderate resistance against the New Order was led by the outspoken K.H. Abdurrahman Wahid. Although Wahid is known widely as a supporter of democracy and pluralism, his views about Indonesian democratisation, especially demilitarisation at the time, were unclear. He believed that democratisation required peaceful accommodation of the military, and that collaboration between moderate Muslims and the military would bring a brighter future for Indonesia. Significantly, Wahid had cultivated strong relationships with senior military leaders such as General L. B. Moerdani (Hefner, 2000: 157; Aspinall, 2005: 76-77).

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25 Interview with Airlangga university scholar Haryadi, Surabaya, March 19, 2012
The third source of opposition to the Soeharto regime was the radical student activists. This group focused on attempting to connect with the working class and peasants. The group was represented by the Partai Rakyat Demokratik (PRD — Democratic People’s Party), and was particularly influenced by the Marxist ideas then circulating among student groups. The PRD, led by Budiman Sudjatmikko, called for democratisation in Indonesia’s political, economic and cultural fields, and demanded free political parties, abolition of the military’s political role, full restitution of the rights of former political prisoners, and peaceful democratic resolution of the East Timor problem. As a background, before becoming established as Partai Rakyat Demokratik, the PRD has been founded in May 1994 as the Persatuan Rakyat Demokratik (Democratic People’s United Group), chaired by Sugeng Bahagijo. The following year, internal tensions developed and the organisation split, due to differences of opinion over its aims and after the leadership has been taken over by Budiman Sudjatmiko (Dijk 2001: 17). The group’s main political objective was the organisation and consolidation of its social bases among industrial workers in the cities and the peasantry in rural areas. This ‘political party’ recruited from among student activists, especially in Jakarta, Central Java, Yogyakarta and East Java. Former East Java head of the PRD, Dandik Katjasungkana26), recalls that lecturers at Airlangga University, including Dede Oetomo and Eddy Herry Prihantono, inspired the students through lectures which outlined the militarisation of the New Order, capitalist exploitation and the rent-seeking activities of Soeharto and his cronies.

The PRD’s close political ally in the resistance against the Soeharto regime was the faction of the PDI (Indonesian Democratic Party) led by Megawati Soekarnoputri. The PRD’s strong support for Megawati’s faction of the PDI came

26Interview with former East Java head of the PRD Dandik Katjasungkana in Surabaya, December 27, 2012.
about because of political moves by the Soeharto regime to manipulate the internal party election process and prevent Megawati Soekarnoputri from emerging as party leader. The Soeharto regimes supported Surjadi, a pliant PDI politician. The PRD’s efforts to challenge the New Order regime through the Megawati-led faction of the PDI were contrained, however, by alliances that the faction had forged with military officers like General Theo Sjafei and General Edi Sudradjat.

The political mapping of opposition forces in Indonesia during the late New Order era showsthat political resistance against Soeharto could not escape connections with the New Order state apparatus and Soeharto’s political allies. This situation could not be separated from, and was indeed a result of, the political formation of the New Order, in which the state deliberately limited the political space formiddle-class and grassroots political activity, in order to develop a rigidand centralised authoritarian system. Because this authoritarianism prevented intellectuals and activists from latching onto social bases, opposition towards Soehartowas only possible through connections with eliteswith some sort of access to Soeharto or his allies. With these connections in place, the dominant opposition forces during the late Soeharto erachoose to focus on criticising Soeharto’salliance with Islamic forces, rather than criticising the dominant politico-business relationships established by Soeharto’s family. For instance, the prominent opposition leader K.H. Abdurrahman Wahid criticised Soeharto’s support for ICMI, which he saw as being captured by militant Muslim activists. However, at the same time Wahid offered to negotiate with Soeharto, with the aim of creating a new national consensus that would allow room for his own organisation. Wahid, therefore, prioritised his constituencies’ own political interests over the broader national struggle for democratisation (Aspinall, 2005: 1998-99).
The late period of the Soeharto era was characterised by the rise of public discourse of openness and political reform, and the weakening of dominant hegemonic ideas. Triggered by the increasing integration of the Indonesian economy into global capitalism, and its greater dependence on foreign credit and investment, the regime became vulnerable to the demands of international investors to reform political economy institutions based on transparency and accountability. These pressures during the late New Order era generated half-hearted political reforms such as opening-up space for public debate and criticism of the state — even though the concepts of opposition and representative politics were still officially rejected in the official state ideology in Indonesia.

This condition also cannot be separated from the power struggle between former Soeharto military loyalists and the politico-business oligarchy that crystallised around Soeharto. Due to international pressure and internal friction within the regime that potentially threatened to narrow the regime’s political base, political patronage was accorded to particular groups representing political Islam and the _pribumi_ bourgeoisie — who attained access to the state, especially from Soeharto family oligarchy businesses and the layer of military officers around General Prabowo Subianto and General Feisal Tanjung, who were opposed to General Benny Moerdani. From the early 1990s on, this political situation stimulated growing grassroots resistance, involving collaboration between grassroots activists and former Soeharto allies, including some military officers. However the emergence of grassroots resistance and pro-democracy activism, as well as some factionalism within the regime, did not produce coherent civil society forces capable of building democratic reforms. These opposition groups remained severely constrained by their inability to develop effective organisational vehicles outside the authoritarian system in order to
challenge the New Order regime. This weakness was due to the state’s abiding capacity to control the agenda of reform and dominate state-society relations under the existing authoritarian political system. Therefore, Soeharto’s fall — precipitated by the Asian economic crisis of 1997/98 (which led to the collapse of financial and corporate institutions)— did not open-up political reform based on ideals of liberal democracy and the market. The absence, outside the regime, of coherent liberal democratic forces able to initiate the structural change away from primitive accumulation based on state authority, meant that a shift towards transparency and accountable institutions indicated by the separation of economic and political institutions was hampered (Robison and Hadiz, 2004: 121-123, 133: Robison, 1996: 97: Hefner, 2000: 193-95).

The political contestation in the late Soeharto era showed that the emergence of resistance to the authoritarian regime of Soeharto cannot be separated from factionalisation within the regime itself, which produced more intersections between disgruntled elites and opposition forces. Because of ongoing links with elites who remained sympathetic to Soeharto, an attack on the political and economic relationships that lay at the heart of the New Order was not possible. Therefore, the focus of opposition politics was to attack Soeharto’s more recent support of conservative Islam groups. More radical opposition, such as that which emanated from the PRD, was too poorly equipped and organised to mount an effective attack on the New Order’s political economic policies.

3.5. Conclusion
This chapter has analysed the destruction of the Leftist movement in 1966 by military elites and students who supported General Soeharto (some of whom became prominent intellectuals in East Java’s universities), which facilitated the domestication
of civil society in Indonesia. This meant the absence of any organised social forces with which intellectuals could forge links in order to resist the authoritarian regime that developed in the aftermath. While some students and intellectuals tried to challenge the New Order regime from time to time, the ‘floating mass’ policy implemented by the New Order helped to ensure that such resistance was easily tamed. However, most of Indonesia’s intellectuals (especially the academics), were absorbed into the predatory politico-business coalitions under the authoritarian system of the New Order, becoming the regime’s ideological apparatus. (Robison and Hadiz, 2004: 43).

Indonesia’s transition to industrial capitalism, and the emergence of a bourgeoisie during the New Order, reinforced— rather than transformed— this organisation of economic and political power. The accumulation of capital had been derived largely from oil taxes and foreign loans channelled into Indonesia through the state. Consequently, state managers, and those who politically controlled policymaking, had the power to distribute resources and decide the priorities of development. Hence the middle class and domestic bourgeoisie continued to be dependent upon the state as the engine of employment and investment. The lack of accountability adopted by the state apparatus was legitimised in state ideology, which stressed the organic nature of society and the role of officials in pursuing the ‘common good’ and ‘national interest’ above particular interests. This specific ideology of ‘common good’ as constructed by the New Order was mixed with ideas of developmentalism and stability (Robison, 1996: 82).

During the Soeharto period, the liberal technocratic intellectuals based at prominent universities and known as the ‘Berkeley Mafia’ often filled the majority of the economic positions in the New Order cabinet. Despite this, their agenda to
liberalise the state was often blocked by the predatory power and patronage politics centred on Soeharto. The capacity of Soeharto’s alliances to appropriate public resources for their own interests isolated the liberal technocrat intellectuals and constrained their ability to introduce free market logic into New Order policies (Robison 2006: 11). Although the liberal technocrats were able to maintain close connections with liberal supporters in the international community, they did not have the capacity to enlarge their social alliances outside Jakarta, since The New Order’s political strategy limited intellectuals from engaging in political practice. This condition could be considered as the historical context that explains why Indonesia, in the post-authoritarian era, has not yet freed itself from the pattern of political and economic power established by the New Order.

In contrast with the claims of Modernisation Theory, which asserts that the development of capitalism would stimulate the conditions for democracy and civil society, the development of capitalism during New Order era did not support the growth of liberal democracy. Middle class and bourgeois social forces in Indonesia were heavily dependent on the state for jobs, careers, contracts and monopolies, and more broadly as the engine of economic growth. Even though some liberal intellectuals and Indonesian activists did create NGOs and political associations, which focused on issues such as the rule of law, human rights, accountability of officials and freedom of expression, their political effectiveness was very limited.

In the same vein, Marxist and social democratic ideologies were rarely an option for New Order era intellectuals. This constraint was the direct result of the New Order’s annihilation of the alliances that had previously connected the working class and the peasants, for example through the PKI, and via the loose popular political alliances that had supported Soekarno in 1966. The destruction of Leftist social forces
in Indonesia was conducted not only through extraordinary violence which mobilised civilians, but also by the New Order’s efforts to internalise anti-communist ideology in the public sphere, including in school and universities. This ideological attack on Leftist social forces in Indonesia led to the pervasiveness of anti-communist ideas, along with the modernisation discourse which rejected the idea of class in mainstream Indonesian social sciences, and the policy of the ‘floating mass’, which domesticated the whole of civil society.

The Indonesian situation differed greatly from that of Latin America. There, despite the authoritarian and neo-liberal onslaught, Leftist ideas and forces retained a strong presence. The victory of Hugo Chavez, for example, was made possible by Leftist social forces in Venezuela; a win that was influenced by endorsement from Causa R, a union-based political party that emerged from the industrial town of Ciudad Guayana in the 1970s. This political force contributed to the forging of broader social forces which supported Chavez. Even though Venezuela was a Latin American country dominated for a long time by neo-liberal stalwarts, the presence of working class, peasant and other marginalised groups as significant social forces contributed to the eventual triumph of Leftist social forces (Burbach, Fox & Fuentes, 2013: 21).

In Indonesia, the New Order’s domestication of intellectuals and activists went hand in hand with the domestication of civil society, after the wholesale destruction of the Left. Therefore, opposition politics were often characterised by collaboration with elements within the regime. Intellectuals were trapped in political jostling to gain favour from Soeharto. There was little opposition in which they could engage that challenged the basic structure of the political economy established by the Soehartoregime. The strategy of collaboration and engagement with dominant elites
was to be continued — though under different circumstances — in the post-authoritarian period.

The absence of strong social bases in civil society became a legacy of the New Order regime, which continues to make it difficult for public intellectuals to advance the agenda of democratisation and liberal reform. Meanwhile, the fall of Soeharto has not meant the destruction of power structures that were established by his regime. Therefore, under democratic institution-building, social interests nurtured under the New Order have been able to adapt to the new political environment and create new coalitions in order to survive and thrive.

The next chapter will consider the role of Surabaya political consultants in political practices consolidating and sustaining predatory elite power through local election activities. The chapter will investigate how local networks in Surabaya and East Java, connecting academics and political elites, are activated to defend entrenched dominant social interests in the democratic era. The roles of consultants and academics in predatory alliances and in the manipulation of the democratic process at the local level will be examined.
Chapter Four:

Intellectuals and Predatory Practices in Local Elections

3.1. Introduction

This chapter discusses the role of Surabaya political consultants — drawn from academia and the intelligentsia more generally — in political practices that sustain entrenched predatory elites through local election activities in East Java and Surabaya. The previous chapter showed that there have been connections linking many Surabaya academics to local political elites since the inception of the New Order era. The question that must be answered now is how local networks in Surabaya and East Java, which connect academics and political elites, are activated to defend dominant social interests in the democratic era. In answering this question, the chapter explains the role of consultants and academics in predatory alliances, as well as in the manipulation of local democratic processes. To provide a broader context, the chapter also compares Surabaya and East Java electoral practices with some national level experiences, and examines the role played by the intelligentsia in these practices.

Because local elections are an essential part of the democratic process, they are an important focus for uncovering the actual practices of local governance in present-day Indonesia, especially as they provide the mechanism by which the local citizenry notionally participates in decision-making (Choi, 2011: 3). Further, elections provide the mechanisms by which local political elites are reproduced.

In this chapter, it is argued that the role of academics as strategic actors in electoral processes is very important in maintaining the dominance of predatory local
elites in Surabaya and East Java more generally. This role is undertaken through their involvement in money politics and electoral manoeuvring, as well as through the use of academic knowledge to legitimise the position of such elites in the public sphere. The reasons why many academics in East Java (especially in Surabaya), particularly in the social sciences, have been drawn into these predatory political activities are also identified. The incorporation of Surabaya intellectuals in the operations of predatory power through local elections cannot be separated from historical processes that are traceable to the New Order.

As mentioned in the preceding chapter, the political design of the New Order regime domesticated intellectuals through co-optation and state surveillance — effectively preventing them from developing organic social bases. This was part and parcel of the New Order’s success in disorganising civil society for 32 years. As a result, intellectuals’ only option for advancing their interests and activities in the public sphere was through connection with the political and economic apparatus of the New Order regime. Since the post-authoritarian era demonstrates the capacity of the social interests underpinning the old regime to adapt to the new institutional environment, so too has the relationship between these interests and intellectuals been modified according to new requirements.

As Hadiz (2010: 74) suggests, while technocratic reformist groups are certainly represented in the hallways of power, their position owes much to support from the international community of technocrats as represented by the World Bank, IMF and other prominent international development institutions. However, their influence does not reach far from the capital city of Jakarta, due to the absence of effective social agents in the regions. In any case, both Jakarta and local technocratic experts are hindered in advancing the agenda of neo-liberal governance because of the
absence of strong social bases of support within the domestic political arena for this sort of agenda.

This chapter is devoted firstly to mapping out the social alliances that bring intellectuals, especially academics — but also social activists and journalists — together with local predatory elites in the processes of local electoral competition in the post-authoritarian era. In the process, it shows how these social alliances are connected to their predecessors in the New Order era. The chapter also examines how predatory elites recruit partners from within the intellectual community, to help protect their wealth and power through the workings of local democratic political institutions, as well as how the latter relates to the rise of political consultants as part of the elections industry in post-authoritarian Indonesia.

Second, the chapter focuses on the role of money politics and the utilisation of public authority in protecting and advancing the interests of local predatory elites. More specifically, it shows the role of intellectuals in the workings of money politics in local elections. In the process, the chapter also elaborates on the patronage relationships that have been forged between politico-bureaucrats and a range of academics, journalists and ostensibly reformist social activists. Finally, the role of intellectuals in supporting local predatory alliances through the provision of expertise (such as surveys) and propaganda material, as well as of ‘scientific legitimacy’ through neo-institutionalist knowledge, is discussed.

3.2. Academics, Power and Networks

The fall of the Soeharto authoritarian regime marked the beginning of a new era, characterised by democratic institution-building. This opened up political competition at both the national and local levels, especially through electoral politics. As local politics has become far more significant following decentralisation than during the
authoritarian era, parties and parliaments at the local level have become a primary site for contestation over power and resources. However, democratisation has not simply created an all-inclusive political space, to which intellectuals can freely contribute. Three decades of successful and systematic domestication of intellectuals and the disorganisation of civil society continues to ensure that such is the case long after the demise of the New Order and its highly centralised and vast system of patronage. What decentralised democracy, including in East Java, has meant is that those who formerly occupied the middle and lower rungs of that system of patronage — especially those that functioned as the regime’s operators, entrepreneurs and bureaucrats at the local level — have benefited most from the democratisation process (Hadiz 2010:59-62). This section inserts intellectuals, such as academics, political activists, and journalists, into this picture. It provides a social map of intellectual groupings and their place in predatory alliances as seen in local electoral competitions.

Significantly, intellectuals have been active politically through networks and factions that can be identified as having originated during the authoritarian era. As was discussed in the previous chapter, a historical sociology of East Java’s elite formation during the New Order shows that there have been strong networks connecting university lecturers, top bureaucrats, student activists and political party elites in the province. These close connections were created as a result of deep state intervention into higher education during Soeharto’s authoritarian regime. It is notable that the 2008 gubernatorial election was the first direct provincial-wide election in East Java that presented a significant political opportunity for these networks to be activated for new purposes in post-authoritarian electoral politics.
There are five prominent groupings of intellectuals in East Java today, which have been influential through their successful use of specialised knowledge, educational credentials and social position as sources of social and cultural capital. The following distinct networks of intellectuals can be distinguished. Although members of different networks might co-operate with each other when required for a specific political situation, they might also compete when facing a different set of circumstances. In other words, the politics of these networks are fluid, reflecting the easily shifting nature of predatory alliances at the local level in post-authoritarian Indonesia.

Firstly, there is the secular nationalist intellectual faction, which centres on Airlangga University lecturers as well as prominent academics at the University of Surabaya, and some private universities such as UNTAG (the Seventeenth of August University). These have become strategic actors for the Golkar Party chapters in Surabaya and East Java. This intellectual faction also maintained a close relationship with the PDI (Indonesian Democratic Party), before the reform era and the faction’s diversification into various political parties. These intellectuals also have social backgrounds as nationalist student activists in GMNI, which was traditionally linked with the Indonesian National Party (PNI). Some of the faction’s leading figures include Anton Priyatno (public law lecturer, former Ubaya Rector and Golkar politician during the New Order) and Martono S. H. (public law lecturer, Ubaya lecturer, former member of the Komisi Nasional Hak Asasi Manusia (KOMNAS HAM — National Human Rights Committee) and recently head of the East Java
branch of Golkar). This group also established a vehicle known as the Forum Intelektual Surabaya (FIS — Surabaya Intellectual Forum).²⁷

This group is also represented by a cohort of Airlangga University lecturers, most of them alumni of GMNI, who share a similar nationalist ideology with the Ubaya group. Some members are alumni of Gajah Mada University in Yogyakarta, from which secular nationalist ideas of social justice and ideas of economic populism based on Pancasila have emerged within Indonesian public intellectual debates (Heryanto 2005: 75). Leading members include such intellectuals as Anton Priyatno, Professor Dr. Hotman Siahaan, Sentot Soeetmadji, Priyatmoko Dirdjosuseno M. A., Sritomo Wignjosoebroto, Haryadi Anwari M. A., Emmanuel Sudjatmoko S.H., M. A., Subagyo S.E., Dr. Harjono S. H. M. C. L, Daniel Sparingga PhD, Wisnu Pramutanto M. A., Sukodo Widodo M.A., and the renowned East Java lawyer Trimoelya D. Soerjadi (Soerjadi 2014: 177; Wahyudi 2012: 90-92). Also included are high-ranking East Java Provincial bureaucrats, most prominently Dr Soekarwo (a former regional secretary who was chosen by this group to run in the 2008 East Java gubernatorial race). This group has close connections with the New Order elite through interactions with CSIS and the Special Operation (Opsus) intelligence unit during the heyday of the New Order era.²⁸

A second network is centred on politically and culturally more Islamic intellectuals based in the University of Airlangga, ITS and some private universities in Surabaya, as well as prominent East Java NGOs such as Lembaga Bantuan Hukum

²⁷ Interview with Martono S. H., the former head of East Java Golkar Party and also a lecturer in Constitutional Law, the University of Surabaya, November 21, 2012; Interview with Anton Priyatno, a former elite member of the Golkar Party in the New Order era and also a former rector of the University of Surabaya, December 1, 2012.

²⁸ Interview with KT, a former activist of PMKRI (Indonesian Republic Catholic Student Movement) and also a part of Special Operation (Opsus) who had the task of infiltrating PDI, 13 October 2014. Private communication with TS, a former researcher in CSIS, October 14, 2014.
Surabaya (LBH Surabaya — Surabaya Legal Aid). Most of these intellectuals have social backgrounds as modernist Muslim student activists who joined HMI. Their affiliation with the New Order elite goes back to their connections with the group of young leaders dubbed ‘Angkatan 66’ (Generation of 66), who advocated new forms of political and development thinking after the fall of Soekarno and backed the New Order as a fresh start for Indonesia. One of the New Order’s intellectual supporters, Professor Sam Soeharto, had recruited Angkatan 66 Islamic activists at the Airlangga University to support the new regime. Meanwhile, through ICMI, Islamic intelligentsia also attempted to incorporate their own intellectual-political networks into the ruling political elite in the New Order era. By exploiting their close Islamic affiliations among particular Golkar elites and ICMI, some members of this intellectual group advanced their positions via connections with Islamically oriented local military officers such as General R. Hartono (Commander of the East Java Military Region) and General Muchdi P. R. (Head of Staff, East Java Military Region).

Thirdly, there is the radical nationalist intellectual faction. This group is made up of strong loyalists of PDIP leader Megawati Soekarnoputri (Indonesian President from 2001 to 2004). Their connections to her were reinforced when she emerged as the major symbol of dissent to New Order rule in the mid-1990s. Ir Sutjipto, a prominent elite functionary of the PDIP who is closely allied to Megawati Soekarnoputri, is effectively the leader of this grouping. In business as a real estate

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29 For the role and position of Sam Soeharto as a proponent of President Soeharto during the early period and the heyday of the New Order, see Chapter 3.

30 Interview with Muhammad Zaidun, the Dean of the Law Faculty, University of Airlangga, and a former HMI activist, July 2, 2013.

31 Interview with Rosdiansyah, a researcher of Jawa Pos Institute Pro Otonomi, October 14, 2014.
developer, he maintained good relationships with his alma mater at ITS (the Tenth November Technology Institute). Meanwhile, through Sutjipto’s protégé in Surabaya politics — Bambang D. H. (a former mayor of the city) — this group has developed a close relationship with the radical student activists who had established the Leftist PRD, which was suppressed by the New Order, as well as with the radical faction of the GMNI. This latter group also has close connections with some young progressive lecturers in the Social and Political Sciences Faculty of the University of Airlangga, such as Eddy Heri. 32

Fourthly, there are intellectuals affiliated with the traditionalist Muslim social organisation, the Nahdlatul Ulama. This group of intellectuals has political patronage ties to K. H. Abdurrahman Wahid (Indonesian President, 1999-2001), who served as the NU’s leader for many years and was also a major intellectual figure in the New Order, as a moderate dissident. Choirul Anam, a close associate of Abdurrahman Wahid, initially led this group. He subsequently became the General Secretary of the PKB (National Awakening Party) led by Wahid, who passed away in 2009. This group then fell into prolonged political rivalry with two local elite NU cadres — Khofifah Indar Parawansa (candidate for East Java Governor in 2008 and 2013) and Saifullah Yusuf (Vice-Governor of East Java). Most of the intellectuals in this group have social backgrounds in the traditionalist Muslim student activist organisation, the PMII. 33

Finally, there is a group of intellectuals who identify with social democratic ideals, and who are affiliated with Kelompok Belajar Sosialis (Socialism Study Group). This group recruited members from among the student movement in East

32 Interview with Dandik Katjasungkana, a former activist of PRD, December 27, 2012.
33 Interview with Choirul Anam the former General Secretary of PKB, November 14, 2012.
Java, especially activists of the student press. The same group also created the Student Communication Movement in various East Java cities, which is affiliated to FAMI (the Indonesian Student Activist Forum). Even though this group has solid bases of support among sections of the student movement, its role in the elite political constellation is marginal. Nevertheless, the group has forged loose alliances with the dominant secular nationalist intellectual group (FIS), which had ties with remnants of the Opsus apparatus such as Sofyan Wanandi and Hary Tjan Silalahi from CSIS, especially in the early period of the reform era.  

While intellectual networks typically operate today as a kind of semi-clandestine forum, their emergence as suggested above relates to the way the New Order intelligence services had become active in local politics in East Java, especially as represented by the manoeuvres of Opsus and the secular nationalist faction of Golkar. Because of Soeharto’s political strategy of embracing Islamic political groupings through ICMI in the early 1990s, some of the prominent elites of Golkar Party felt that they were beginning to be marginalised. In response, some intellectuals joined an underground forum in partnership with a social democratic group that conducted student activist recruitment into Forum Komunikasi Mahasiswa (FKM — Student Communication Forum), throughout East Java’s cities. They worked with actors linked to the traditionalist Islamic intellectual group associated with NU, bringing together academics and activists in Surabaya in an underground movement ostensibly aiming to overthrow Soeharto.
During the resistance period, in the final days of the Soeharto era, University of Surabaya lecturers who were connected to the forum took roles as promoters of ideas of liberal democracy, the free market, pluralism and human rights, facilitated by former Golkar Party leaders who had strong positions in the most prestigious private university in Surabaya — the University of Surabaya. They established a study centre at the University of Surabaya concerned with human rights, known as Pusat Studi Hak Asasi Manusia (PUSHAM UBAYA — Centre for Human Rights Studies of the University of Surabaya). In the process, however, they developed elite-level connections within the bureaucratic apparatus of the New Order itself, including with such individuals as the aforementioned Soekarwo. Significantly, Soekarwo’s career as a key Golkar cadre and bureaucrat in the role of Kadispensa (head of the regional income bureau) had enabled him to provide material support for this group, facilitating the political advancement of individual members in the late New Order era.\(^{37}\)

The influence of groups of intelligentsia in East Java politics had already grown as they developed stronger connections with New Order leaders and intellectuals in Jakarta, for example through BQ and his trusted protégé NW.\(^{38}\) BQ was widely known as a cadre of Golkar during the New Order era, and a follower of strongman General Ali Moertopo, who was the leader of the Opsus group that had been a major instrument of coercion in the early years of Soeharto’s rule.\(^{39}\) He also became an associate of Harry Tjan Silalahi, co-founder of the New Order’s prominent think-tank CSIS. It is suggested here that as a former political ally of Soeharto, CSIS

\(^{37}\)Interview with Anton Priyatno, Surabaya, 1 December, 2012 and Martono SH 21 Nov 2012 (and personal communication with Haryadi, 10 May 2013).

\(^{38}\)Interview with Anton Priyatno, Surabaya, December 1, 2012.

\(^{39}\)Interview with KT, Jakarta September 15, 2013; Interview with former East Java MKGR Golkar Wing elite, TN, Jakarta, January 15, 2012.
took a critical position towards Soeharto before his fall, thereby creating widespread social opposition that connected pro-democracy activists and some of the Soeharto regime’s former allies. In addition, Harry Tjan Silalahi was a trusted associate of Muhammad Said (head of the East Java Golkar branch under the New Order), with whom he had cultivated links since he was a student activist in the early New Order era.40

East Java’s post-authoritarian political constellation is characterised by the repositioning of social alliances involving these intellectual groupings. From 1999 to 2008, many of them developed close connections with the East Java Governor Imam Oetomo, making use of links to local elite military officers. By utilising their concern for regional development and institutional reform, Oetomo approached these groups—but especially those affiliated with secular nationalist groups and modernist Islam (such as HMI)—recruiting key members to the Council of Experts of East Java’s Golkar chapter.41

Similar developments would occur following the end of the Imam Oetomo period. Soekarwo’s candidacy in the 2008 East Java gubernatorial election was bolstered when he broadened his alliance to include a key faction of the intelligentsia—in this case associated with HMI alumni, who had previously supported another candidate, Sunaryo, the outgoing Vice-Governor. This group included Muhammad Asfar, Professor Kacung Maridjan, and Aribowo M.A. (all Airlangga University lecturers). The HMI-aligned group’s decision to shift its support to Soekarwo was based on the fact that the latter had developed strong connections with the then incumbent governor, the powerful Imam Oetomo. It was calculated that Imam

40 Interview with Jusuf Suroso, Jakarta September 15, 2013.
41 Interview with Anton Priyatno, Surabaya, December 1, 2012; Interview with Muhammad Asfar, Surabaya October 17, 2012.
Oetomos’s support for Soekarwo would considerably enhance his chances of winning the election. Such support was expected, in turn, because Soekarwo had served as Oetomo’s top bureaucrat (in the role of Regional Secretary or Sekretaris Daerah).\textsuperscript{42} Moreover, this group had also developed close relationships with strategic political actors such as members of the East Java Election Commission (KPU). Some of the leading members of the Commission, such as Wahyudi Purnomo, Didik Prasetiyono, Arief Budiman and Aribowo, have a long history with the intellectuals supporting Soekarwo, which goes back to shared political activities during the New Order.\textsuperscript{43}

However, the group affiliated with the traditionalist Muslim NU came to be divided into two camps. These were loyal to Saifullah Yusuf and Khofifah Indar Parawansa respectively. Saifullah Yusuf joined the Soekarwo camp, becoming the latter’s candidate as Vice-Governor. However, Khofifah Indar Parawansa made her own bid for the East Java governorship. Even though Khofifah’s camp had strong support among Muslim traditionalist santri, it had difficulty in recruiting prominent intellectuals with strong credentials, since most East Javanese intellectuals joined the Soekarwo and Sunaryo camps. Both of these candidates had strong bureaucratic support bases, and thus recruited most of the prominent intellectuals in East Java with promises of access to local state resources.\textsuperscript{44} The radical nationalist group supported yet another candidate, Ir Sutjipto, the PDIP Secretary-General, who was the leading figure within the group. But their efforts were not successful as they were not able to compete effectively, particularly against Soekarwo and Sunaryo.

As we shall see, intellectuals would be rewarded tangibly for their participation in the political process, and for their incorporation into competing

\textsuperscript{42} Interview with Muhammad Asfar Surabaya, October 17, 2012.

\textsuperscript{43} Interview with former East Java Democratic Party leading figure ZX, Surabaya, April 14, 2013.

\textsuperscript{44} Interview with Khofifah Indar Parawansa, September 24, 2012.
patronage networks that have their origins within the New Order’s East Java apparatus. Indeed, these intellectuals have hardly utilised their access to substantive reform agendas, certainly not in the neo-institutionalist mould, because their own interests have become increasingly embedded within such patronage networks.

3.3. The Political Economy Context of Local Elections

In this section, local elections are discussed from a political economy perspective, in order to show the capacity of predatory alliances to coopt public authority and democratic institutions for their private interests. As also shown by Hadiz (2004; 2006: 90-91), decentralisation in Indonesia has reinforced a system of power dominated by local corrupt business and political alliances, instead of being conducive to the implementation of ‘good governance’ based on free markets and enhanced citizens’ participation at the local level. Vote buying, bribery, fraud and the gathering of financial resources through irregular means have featured prominently in local electoral contests since Indonesia democratised and decentralised.

This section explains how the electoral arena is marked by the misuse of public budgets and state institutions to serve the interests of competing predatory alliances. The section is divided into two sub-sections. The first explains the gathering of financial resources through irregular means, including the utilisation of public authority and local budgetsto support a number of activities that include vote buying. Other activities include interventions into the workings of such key institutions as the local branch of the Komisi Pemilihan Umum (KPU — Election Commission). It is shown that intellectuals, especially academics, have played a major role in this regard beyond that of producing ideas, sometimes taking up roles as veritable political fixers. The second sub-section elaborates on the patterns of political patronage that connect predatory alliances in East Java with intellectuals who are social activists and
journalists. These have become important in maintaining public acceptance of electoral processes marred by frequently blatant acts of manipulation. Taken together, the section depicts how local elections present ample opportunities for local predatory alliances to absorb academics, social activists and journalists into their ranks.

3.3.1. Money Politics in East Java Local Elections

After Soeharto’s fall from power in 1998, political parties have greatly facilitated the reorganisation of predatory alliances based on politico-bureaucratic and business relationships. In the new political constellation, parliaments and (the now numerous) political parties have quickly become the main vehicles through which predatory elites capture the institutions of the state and their authority and resources. This situation contrasts starkly with the Soeharto era, which was characterised by the centralisation of power within the confines of the president’s inner political circle, and where political parties and parliament were mere ornaments of a rigidly authoritarian regime. Today, the fusion of politico-bureaucratic and business interests is found in all the major political parties (Hadiz 2005, 42), to which a range of New Order-era political figures, bureaucrats, retired military officers, entrepreneurs and thugs had quickly migrated with the advent of democratisation.

Formally, ordinary citizens now have the opportunity to vote for their leaders and articulate their interests and aspirations through more direct means. Yet this institutional reform did not erode the dominance of established local predatory interests based on networks that connect state bureaucrats, party elites, local entrepreneurs and intellectuals. Such networks typically also include local gangsters and perhaps NGO or student activists who have latched onto local patronage networks (Hadiz, 2010; Stokke & Tornquist, 2013). It should be noted that the high cost of
direct local elections actually means the expansion of money politics and greater
imperatives to misuse public budgets as a political resources during election time.45

The dynamics of competition are played out within institutional reforms of
local elections that were facilitated by Regulations No. 22/1999 and 32/2004 on direct
local elections. What essentially transpired from these regulations was a change from
an electoral system whereby local parliaments elected mayors, district heads and
governors to one where such officials are directly elected by the public. But money
politics and abuse of power have taken place under both systems, although the form in
which they can be seen has changed. Prior to the implementation of direct local
elections in 2005, the practice of money politics in local elections had been more or
less confined to local parliamentary bodies whose tasks included electing local
executives. The Medan mayoral election of 2000 demonstrates how both money and
physical intimidation were used to influence local legislators (Hadiz, 2006: 93). North
Maluku’s 2002 gubernatorial elections (won by Soeharto-era cabinet minister Abdul
Gafur46) and prominent New Order-era businessman Fadel Muhammad47 in Gorontalo

45 To be more specific, while money politics has accompanied political decentralisation in post-
authoritarian Indonesia since its inception, the practice has been further entrenched by the introduction
of direct elections of heads of provincial, district-level and municipal governments since 2005. No less
than Mahfud M. D., Chairman of the Constitutional Court (MK), concluded that money politics was
rife in every local election in 2010 (Koran Sindo, January 3, 2011). In fact, there were 230 cases of
electoral disputes that went to the Constitutional Court in that year. One of the cases occurred in
Surabaya, where the Constitutional Court cancelled the results tabulated by the local electoral
commission, citing systemic, structural and massive electoral fraud during a hotly contested mayoral
election (Viva News, January 3, 2011). Mahmud MD’s assessment is supported by a member of the
Election Supervisory Body (Bawaslu), Wirdyaningsih, who noted that during 2011 there were at least
367 cases of irregularities involving vote buying and bribery in local elections all over Indonesia.
Meanwhile, a host of irregularities also occurred in the 2012 Jakarta local elections. Indonesia
Corruption Watch (ICW) found twenty-seven cases of money politics committed by several pairs of
candidates for Governor and Vice-Governor of Jakarta. According to ICW, this was evidence of weak
supervision by the Elections Supervisory Committee (Panwaslu) in Jakarta. Electoral Commissioner
Busyro Muqoddas suggested that a number of business tycoons played a major role in supplying funds
for the practice of money politics in the Jakarta local elections (Tribunnews; December 2, 2012). All of
this indicates that the prevalence of money politics and electoral fraud in Surabaya, and in East Java
more generally, is but a reflection of national-level developments since the advent of democratisation
and decentralisation in Indonesia.

46 Abdul Gafur was one of the 1966 KAMI leaders. This is the student united front which supported
Soeharto during the period of transition from Soekarno to the Soeharto regime.
province in 2001 provide other notable examples (Hadiz, 2006: 93). Likewise, local elections in East Java in the early post-authoritarian era also demonstrated the capacity of New Order political elites to sustain their power through practices of money politics focused on local legislative bodies and political party elites. For instance, Aribowo (2008; 107-08) states that competition among political parties within the East Java provincial legislature during the gubernatorial election of 2003 reflected the power of established New Order elites, who placed Imam Oetomo and Sunaryo as East Java Governor and Vice Governor respectively. Imam Oetomo was the incumbent governor who had a military background as the Commander of Brawijaya Military Command in East Java. Sunaryo was the Secretary of East Java’s Provincial Bureaucracy. This pairing was supported by the PDIP, Golkar and Fraksi Gabungan or Joint Faction (PAN, PPP) against the pairing of Muhammad Kahfi and Ridwan Hisyam. Kahfi was a local entrepreneur with close connections to politicians, while Hisyam was the leader of Golkar Party in East Java. Showing the flexibility of political alliances, this pairing was however promoted by the Partai Kebangkitan Bangsa (PKB — National Awakening Party) as well as by a faction within Golkar.

There are indications too that money politics continues to occur well after elections are held. This typically takes one of the following three forms: frequently, parliamentarians seek payment from mayors, district heads and governors in order to support their obligatory annual accountability reports. Local legislators often criticise such accountability reports if adequate compensation has not been received. Secondly, these legislators may request funding from local executives to finance political party events, then skim from the costs. Finally, legislators may request the right to manage development projects and negotiate concessions from the local

47 Fadel Muhammad is a domestic businessman who had a close relationship with the Soeharto and Habibie politico-business alliances during the New Order.
bureaucracy apparatus for the benefit of their own businesses. Such political practices are seen by many observers to be extensive (Masduki & Fadjar, 2003; Aribowo, 2008). Aribowo’s as well as Masduki and Fadjar’s findings are supported by Hisjam’s admission that the amount of money involved in the effort to obtain the vote of local parliamentarians was huge. Hisjam has stated that political contests not only required the capacity to defend political interests but also the material resources necessary to make a deal with local politicians, either in local elections voted by parliaments or direct local elections voted by the people.48

Since 2005, direct local elections have been conducted under new regulations that have actually strengthened the practice of money politics within political parties. Instead of channelling the various interests and aspirations of society through political parties, the parties elites utilise their position to seek material rewards and to develop their own alliances. They do so by offering assistance to candidates running for local office. In reality, each candidate must pay for the support of the political party that acts as his/her vehicle. This situation forces most candidates in local elections to accumulate substantial funds by accepting large donations from business actors in amounts that violate existing regulations — as stated by a former candidate of local offices, LQ. According to LQ,49 party elites offer the price of Rp. 500 million ($US 45,000) to Rp. 1 billion ($US 90,900) to each candidate for their support, which serves as a political barrier for candidates who do not have access to material resources in gubernatorial elections. A Puskapol (Centre of Political Studies based on University of Indonesia, October 9, 2014) release reinforces this statement, by presenting data that political parties are paid fees of Rp. 60 billion (approximately

48 Interviews with this East Java Golkar politician and also the property entrepreneur Ridwan Hisjam, Surabaya, October 10, 2013.
49 Interview with LQ, Jakarta December 18, 2012.
$US 5.5 million) to Rp. 100 billion ($US 9 million) to support specific candidates in certain gubernatorial elections throughout Indonesia.\(^{50}\)

Nordholt (2013: 236) suggests that after the change to direct local elections in most regions in Indonesia, party elites utilised local elections as a means to earn money from their own candidates. Fukuoka (2012: 80-97) asserts that the clientelist nature of the political economy inherited from the Soeharto era still exists. However, if during the Soeharto era these relationships blended into a centralised architecture of power, in the post-authoritarian era they are found in varied and competing centres of power, including within political parties and the national legislature, and within local executive bodies and parliaments.

The political reality of East Java follows the pattern found elsewhere in Indonesia. According to East Java prominent political consultant NB, the East Java Gubernatorial Election in 2008 was a critical political moment for strengthening the political-business alliance around the Soekarwo-Saifullah Yusuf (Karsa) pairing, and also for cementing the role of intellectuals in guaranteeing their political victory. The rise of the so-called Karsa duo in the 2008 Gubernatorial Election was supported by the circle of East Java intellectuals around Soekarwo, which had developed a strong social network since the advent of the New Order. Under the leadership of NW (university lecturer and member of the Karsa campaign team) and FT (a prominent East Java businessman), the alliance was successful in collecting large amounts of funds, including from a range of major business figures. Muhammad Asfar also suggests that sizeable financial contributions for the Soekarwo-Saifullah Yusuf winning team were collected by the team leader Martono S.H. from the business community. These include donations from BN (one of the largest business entities in

\(^{50}\) See ‘Lima Mitos dan Fakta Pilkada Langsung’ (Five Myths and Facts of Direct Local Election), Beritasatu.com October 10, 2014.
East Java), amounting to Rp. 5 billion, and from EJ (owner of another large East Java business conglomerate), to the amount of about Rp. 3 billion. In addition, an extravagant donation from TC, a major national political figure, to the amount of Rp. 70 billion was allegedly provided. In return, ST, a major figure in an Islamic party, reportedly promised to campaign for a different party to ensure support from the extensive Nahdlatul Ulama organisation in East Java. Importantly, according to the stipulations contained in Regulation number 22 in 2004 on Local Government, all of these donations would have been illegal. The regulation limits individual contributions to Rp. 50 million (US$5,000), while enterprises can provide candidates with up to Rp. 350 million in donations.\footnote{Interview with NB, Surabaya, October 17, 2012. However, this is denied by politicians NW. He does not refute collecting funds, but rejects that the amount was large.}

The role of consultants in sustaining the dominance of predatory elite networks through electoral politics was also prevalent in the case of the Surabaya mayoral elections of 2010. Prominent in the Tri Rismaharini–Bambang D.H. winning team were ES and KI, consultants who are believed by local political actors, which had long been actively involved as consultants for the Surabaya City Government. They are believed by local political actors to have been instrumental in collecting funds from local and national business actors. These included businesses that may be involved in such illegal activities such as gambling.\footnote{Interview with JS (a functionary of a Surabaya political party), Surabaya, January 1, 2013. This statement was confirmed by one of East Java political consultant ZT, who reveals that one of the biggest housing corporation in Indonesia provided funding for the Risma-Bambang winning team to the amount of Rp. 1 Billion. January 8, 2013.}

However, allegations about the involvement of academics in the irregular use of funds not only pertain to those who acted as political consultants for candidates, but also to those serving in the regional electoral commission in East Java. Such was
the case apparently during the tenure of Wahyudi Purnomo, a professor of International Relations at Airlangga University, as Chairman of the Election Commission, which coincided with the 2008 gubernatorial election. There were allegations at that time, which remain unproven, of manipulation in the tendering for voting cards for the local elections. Some observers believe that this case was related to voting irregularities that helped to make possible the victory of the Karsa ticket. A statement at a press conference by Police Commissioner Herman Surjadi Wiradiredja, the former East Java police chief, reinforces the allegations of involvement of East Java academics in cases of electoral manipulation. Interestingly, Wiradiredja resigned his position after the East Java gubernatorial election in 2008 took place. While police chief, he was accused by East Java KPU (Electoral Commission) Chairman Wahyudi Purnomo of helping to manipulate the contents of the electoral roll that was in place at the time. According to Wiradiredja, there were as many as 345,000 errors in the data contained in the registry of voters for the districts of Sampang and Bangkalan, where there was a combined total of 1,244,619 eligible voters. However, Wiradiredja retired his post before an investigation into the matter had been concluded, and the case remains unresolved (Rasi, SahrasadandMulki; 2009; Kompas, March 17, 2009).

There are indications that the Election Commission (KPU) was also not free from illicit activities during the 2010 Surabaya Elections. According to businessman KI, a member who worked for the eventually successful pairing of Tri Rismaharini and Bambang D.H., the team provided funds amounting to Rp. 1 billion to influence some officers of the Surabaya Election Commission. If true, it goes without saying that such allegations would have profound ramifications for the entire electoral process. Interestingly, the explanation was that this amount of money was needed to
ensure that voting results were not manipulated, as was allegedly the case in the 2008 East Java gubernatorial elections.\textsuperscript{53}

All the foregoing shows that academics and consultants also appear to be deeply implicated in efforts to bring together business and political elites in activities to appropriate the local government budget for the purpose of winning elections. Moreover, based on my findings, incumbents have the advantage of being able to appropriate local budgets for their campaigns, although rival candidates can certainly utilise other means to illicitly mobilise funds to support their campaigns. Such actions are made necessary by the objective conditions faced by each candidate in the field. As already mentioned, to progress in the electoral arena, each candidate must pay a political party to nominate him/her and for a team of political consultants.\textsuperscript{54}

The advent of direct local elections in East Java also showed the extent of the local bureaucracy’s politicisation. In the Soeharto era, the local bureaucracy was a tool of a highly centralised authoritarian regime backed by, among other things, the coercive powers of the military. But in the context of decentralisation and democracy, public resources and the bureaucracy were utilised as political instruments in competition among different predatory alliances for control of local offices. This was seen clearly in the race between Soekarwo and Vice-Governor Sunaryo, during the contest for the East Java governorship in 2008. During this campaign, the East Java bureaucracy became effectively divided into competing pro-Soekarwo and Pro-

\textsuperscript{53} They explained that grants were awarded to a private school, election committees, PNPM Mandiri, semi-government organisations, government agencies/institutions and to community groups. Grants allotment were also defined through Governor’s Decision Number 188/167, K/KPTS/013/2009, on draft evaluation of Surabaya 2010 and the draft budget of the fiscal year 2010 budget elaboration. This was confirmed by the testimony of legislators in the Surabaya parliament who served in the Budgeting Committee. Mohammad Anwar, for example, confirmed that the grants needed to be scrutinised because they might have been used to fund the campaign for the mayoralty of Surabaya (\textit{Surabaya Pagi}, December 30, 2009).

\textsuperscript{54} Interview with KI, Surabaya, November 17, 2012.
Sunaryo camps. In general, however, the bureaucracy was inclined to support Soekarwo, because the then incumbent Governor Imam Oetomo had favoured him.

Thus, Millah Ahmad Hasan (2010:94-95) claims that the Head of the East Java Education Office, Rasiyo, had openly campaigned for the Karsa ticket in several official events, in contravention of the electoral regulations governing civil servants. At an educational event in Jember in front of an audience of teachers, Rasiyo stated that Soekarwo had showed his commitment to progress in East Java education. Not surprisingly, Soekarwo later increased the part of the education budget allocated to the discretionary program, Bantuan Operational Sekolah (BOS — School Operational Assistance), when he became Governor. The financial prowess of the Karsa alliance, however, did not just depend on support from the business community. Thus the KPK (Corruption Eradication Commission) alleges that there was misuse of public budgets through the manipulation of grants and social assistance programs that were used on behalf of the winning pair of candidates. Specifically, the KPK suspected that social welfare grants through the provincial budget, worth Rp. 850 billion, were used to pay off constituents for their support. A similar development seems to have occurred in the case of the Surabaya Mayoral Elections of 2010. According to the tabloid Sapujagad, the Chairman of the provincial Parliament — who also became Chairman of the Surabaya PDIP branch, Wishnu Shaktibuana — gathered bureaucrats and the heads of Surabaya districts in Mutiara Restaurant Surabaya, in order to ensure the victory of the ‘Risma-Bambang’ pairing (of Tri Rismaharini, a career local bureaucrat, and Bambang D. H., a PDIP politician and the incumbent mayor).

55 See ‘Wisnu Sakti Diduga Instrikusikan Camat’ (Wisnu Allegedly Has Instructed District Officers to Manipulate Election), Surabaya Pagi, June 24, 2010; ‘Tim CACAK Nilai Kehadiran Wisnu sebagai Instruksi’ (The CACAK Team Claimed that Wisnu Presence an Indication of Electoral Deception), detiknews, June 23, 2010.
Indications of the dubious use of funds from the local budget were also rampant in the 2010 mayoral election in Surabaya. The matter was divulged in parliamentary debates, during which the Budget Committee questioned the mode of allocation of social welfare grants amounting to Rp. 36 billion. It was reported that Surabaya city government officials could not explain in detail which organisations and institutions actually received these funds. It is widely believed that these funds were used for electoral campaign purposes.56

In fact, a Constitutional Court ruling in 2008 (number 41/PHPU.D-VI/2008) (Rasi, Sahrasad& Mulki, 2009) found that systemic, structured and massive violations occurred in that year’s gubernatorial election in East Java — especially in the districts of Sampang, Bangkalan and Pamekasan. It is notable that intellectuals and academics played an important role in that particular blatantly money politics-driven electoral contest. Moreover, they would play a similar role in the Surabaya mayoral election of 2010. As we shall see, the networks connecting members of academia and predatory political and economic elites appear to have been active in numerous murky cases of electoral manipulation and vote buying — while simultaneously publicly purveying ideas of good governance reforms in the Neo-Institutionalist vein.

The utilisation of local state institutions to support competition among rival politico-business alliances indicates the failure of the neo-liberal governance program to influence East Java provincial governance. Political processes remain dominated by predatory alliances that appropriate public institutions and resources. This is contradictory both to the objectives of good governance that intellectuals have promoted as they insert themselves into these processes, and to free market logic—

56 See ‘Dana BLT Rp 36 Milyard Diduga Hilang’ (Cash Direct Loan Amount of Rp. 36 Billion Suspected Lost), Kompas, June 17, 2010.
which would dictate transparency of public institutions and separation between business and political activities.

### 3.3.2. Elections and Political Co-Optation

The reality that East Java’s post-authoritarian political configuration reflects the continuation of New Order relations of power means that the civil society arena has become the extension of struggles among different predatory alliances at the local level. The legacy of the New Order’s systematic disorganisation of civil society prevents it from becoming an open public sphere which can provide opportunities for various groups to participate meaningfully in the processes of local politics. Therefore, the civil society arena in East Java may be characterised as illiberal in its character, displaying the capacity of predatory power alliances to create political patronage by co-opting strategic social agents within civil society — including social activists and journalists. This section elaborates on the co-optation of groups of intellectuals, social activists and journalists into elite struggle in local elections. This section also explains how the participation of social activists and journalists in predatory power affiliations facilitates the efforts of academics and political consultants to advocate on behalf of predatory power interests.

*The Subjugation of Social Activists*

East Java’s post-authoritarian circumstances also provided political opportunities either for reformist student organisations or for established student organisations, from which the New Order recruited their apparatus and produced new cohorts of Indonesian intellectuals to link up their interest into the dominant power interest. Instances of such student organisations include organisations like HMI, GMNI, PMKRI and Pergerakan Mahasiswa Islam Indonesia (PMII — Indonesian Islamic Student Movement). At the same time, social activists who pursue careers
with pro-democracy NGOs at the local level have also gained access to powerful political positions, without necessarily being able to effect reform. Some social activists who perceived that they can fight for their constituent aspirations through parliamentary politics have joined prominent political parties in East Java. However, the incorporation of activists into the political parties has tended to strengthen predatory power alliances instead of advancing democratic agendas at local levels. The dominant predatory elites who control the political parties have utilised the social activists in their party in order to advance their interests in the new political and institutional circumstances.\(^\text{57}\)

Political conditions in East Java indicate a similar tendency, where youth and student organisations have become the social basis for political recruitment and also a political machine to accomplish specific political and economic objectives. Local political competition, especially as seen in East Java’s direct local elections (*pilkada langsung*), shows the ambiguity of political demarcations between predatory alliances and nominally pro-democracy agents working in NGOs. In reality, some members of predatory alliances have been recruited from NGOs based on youth and student groups, such as JERIT (the Oppressed People’s Network, based on PMII activists), as part of the effort to establish political consent among the masses. Soekarwo’s apparatus, for example, utilised JERIT activists to create political support among the grassroots and within the student movement.\(^\text{58}\) The political manoeuvring carried out by dominant groups during the Surabaya local election also involved former radical elements of the student political movement, such as the PRD (the People’s Democratic Party). This was possibly because of the historical affiliation between the

\(^{57}\) Interview with Erma Susanti (a social activist who joined the PDI-Perjuangan as a 2009 East Java legislative candidate), Surabaya, November 27, 2012.

\(^{58}\) Interview with Edi Kunto (one of the grassroots team of the Sukarwo-Saifullah Yusuf pair), Surabaya, November 27, 2012.
incumbent Bambang D.H. (based in the PDIP) and PRD activists in the 1998 reform movement. Bambang D.H. recruited ex-PRD activists to create a successful organisation, Jare BDH (Voluntary Network for Bambang D.H.’s candidacy), which operated from urban poor and grassroots bases. In addition, some of Jare BDH’s actors, such as Dandik Katjasungkana and Sardiyoko, the former head of the NGO Wahana Lingkungan Hidup Indonesia (WALHI — the Indonesian Forum for the Environment), were also members of pro-democracy vehicles such as Ikatan Keluarga Orang Hilang Indonesia (IKOHI — Indonesian Association of Families of the Disappeared). Political manoeuvres of this kind also occurred in other alliances. According to Jagad Hariseno (the campaign manager for Tri Rismaharini and Bambang D.H.), the campaign team also provided money to political activists as incentives and to cover operational costs in the field.

Other instances of utilisation of student groups and social activists by predatory power alliances were seen in their recruitment for various political operations ranging from surveys funded by political candidates in the 2008 and 2013 gubernatorial elections and the 2010 Surabaya local elections, to vote buying in these elections. This reveals that political reform in East Java is very susceptible to colonisation by predatory interests. On the one hand, these examples have clearly demonstrated the ability to spawn overarching networks, and to construct cross-class alliances that connect the political elite, business actors and social activists at local levels. On the other hand, the social context of post-authoritarian East Java depicts

59 Interview with Jagad Hariseno (the campaign manager for Surabaya mayoral candidates Rismaharini and Bambang D. H.), Surabaya October 17, 2012

60 Interview with Jagad Hariseno, Surabaya, November 17, 2012.

61 Interview with Firdaus Markus (activist of HMI, Surabaya, January 6, 2013; Interview with Toga Sidauruk, activist of GMKI (Indonesian Christian Student Movement), Surabaya, December 1, 2012.
how many prominent intellectuals involved in electoral processes as consultants have become increasingly circumscribed by existing political circumstances.

**Domesticating Journalists and Academics**

The illiberal democracy conditions in East Java are also reflected in the absorption of local journalists and mass media institutions into predatory power alliances during local elections. This sub-section explains the triumph of such alliances in incorporating local intellectuals, activists, journalists and mass media institutions into their patronage networks.

The political co-optation of journalists into the dominant predatory power alliances shows the contradiction between the reality of the East Java post-authoritarian situation and the optimistic predictions of liberal academics, who believe that Neo-Institutionalism induces democratisation processes. Liberal political theory suggests, for example, that the mass media plays an important role in the proper implementation of democracy. As a civil society institution, the mass media has the function of contributing towards freedom of expression, providing a platform for a plurality of viewpoints, giving voice to different kinds of political interests and aspirations, and maintaining the accountability and responsiveness of government to the citizenry (Sen, 1999). John Keane (2009) also emphasises the contribution of the mass media to the strengthening of democratisation; through his concept of monitory democracy, which he sees as a recent evolution in the democratic process. By using the term ‘monitory democracy’, Keane highlights the role of civil society as a strategic agent that performs the function of scrutinising the mechanisms of representative democracy. The role of mass media in particular is seen to be important in enabling civil society to monitor the political elite’s tendency to abuse power and capture the political processes (Keane, 2009: 686-95).
However, the role of local media in Surabaya in local elections shows that there is a huge contrast between reality and the expectations of liberal political theory. Instead of facilitating liberal reformist intellectuals to control the democratisation process, the local mass media has also served predatory interests; as academics who are entangled in the predatory alliances are enabled to produce opinion pieces and commentariesthat support their alliances.

The background to this situation is found in the politico-business relationships between the top local political elite and the owners of big mass media institutions. For instance, The Jawa Pos Group is the largest mass media corporation in East Java. The owner of the Jawa Pos Group is Dahlan Iskan, who was closely linked to the New Order and its electoral vehicle, Golkar. As an entrepreneur, Iskanobtained advantages from his relationship with the East Java government — especially when the Governor was Imam Oetomo, from 1998 to 2008 (Ida, 2011: 18). Moreover, the processes of decentralisation and democratisation have placed Iskan in an increasingly strategic position. Not only is he a key civil society actor, who can perform the role of monitoring power-holders through his ownership of a huge media conglomerate; he is also a major player in new and more localised predatory alliances in East Java. Again his wealth and ownership of various media outlets make him a major player almost by default. This was demonstrated when Iskan plunged directly into a key electoral contest by supporting one of his own chief editors, Arif Affandi, as the running mate to Bambang D.H., when the latter ran for mayor of Surabaya in 2005 on the PDIP ticket (Ida, 2011: 18-21).

The relationship between the owner of Jawa Pos and local predatory elites can be traced to the New Order period, when Dahlan Iskan and Soekarwowere both on the board of directors of Panca Wira Usaha, a local state-owned enterprise. Between 1999
and 2009, Dahlan Iskan served as the president director of Panca Wira Usaha. The appointment of Iskan cannot be separated from the recommendation of Governor Soekarwo. Interestingly, local anti-corruption activists accused both Soekarwo and Iskan of engaging in corruption via the depreciation of corporate assets without clear accountability, as well as via the contracting out of state-owned land controlled by the company to the private sector at a low price.\(^\text{62}\) However, the East Java media did not focus intensively on this case, which may not be surprising given the stature and influence of the Jawa Pos Group’s publications in the province.

Significantly, the *Jawa Pos* newspaper also emerged as a major player in the most recent gubernatorial contest in East Java, which took place in 2013; and in which Soekarwo and Saifullah Yusuf were again the leading pair of candidates, supported by the most powerful established interests in the province. As the largest mass media outlet in East Java, *Jawa Pos* was of course well placed again to provide space for leading intellectuals to support Soekarwo and Saifullah by generating political commentary and analyses favourable to them. *Jawa Pos* is also particularly well positioned to pick and choose the reporting of news and issues supportive of the incumbent Governor and Vice-Governor, and to attack the positions of their rivals. For instance, II, a political science lecturer from a prominent East Java University, stated in Radar Jatim.com (July 14, 2013) that the circulation of money during the 2013 East Java general election was very considerable. But he dismissed the problem of money politics by arguing that it was normal for candidates to spend money to get elected.\(^\text{63}\)

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62 See ‘Dugaan Penyusutan Aset BUMD, Kejati Jatim Juga Bidik Dahlan Iskan’ (The Allegation of Local State Owned Enterprise Reduction, East Java High Court is Targeting Dahlan Iskan), June 9, 2015, Berita satu.com; ‘Soekarwo dan Dahlan Iskan Dilaporkan ke Kejati’ (Soekarwo and Dahlan Iskan Reported to East Java High Court), Surabaya, June 9, 2015.

Another case worth mentioning regards the *Jawa Pos* decision to publish an article by one of the East Java Election Commission (KPUD) deputies about the selection of the 2013 gubernatorial candidates, before the institution formally decided to eliminate the Khofifah-Herman duo. However, the East Java Election Commission’s decision was subsequently disallowed by the Honorary Election Council (DKPP) and the deputy was sanctioned by this council.64

Finally, *Jawa Pos* and its array of news media appeared to play a leading role in depicting the Governor and Vice-Governor as politicians who are popular with the people, for example by reporting on particular opinion polls frequently conducted by consulting agencies that also have a stake in the local game of money politics.

Of course, media corporations always develop their own interests; and can be politically well connected anywhere in the world. From this point of view, the roles played by *Jawa Pos* and the cluster of intellectuals and political consultants that it promoted for the sake of the Soekarwo-Saifullah Yusuf campaign, is not unique. However, the way in which *Jawa Pos* appears to be increasingly embroiled in the local money politics-driven electoral democracy of East Java is quite striking. It has been suggested, for example, that some *Jawa Pos* journalists, along with other mass media journalists, were involved directly in the Soekarwo and Saifullah Yusuf team, albeit informally. Some journalists created a team called LEKRA (Laskar Media Karsa). This group worked on media propaganda, and also framed the news during the political campaign in ways that tended to support the Karsa political image.65 Postings that appear in the Soekarwo-Saifullah mailing list show that prominent local

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65 Interview with ES, (an East Java journalist with Surabaya, June 8, 2013; interview with BI, another East Java journalist, Jakarta, October 15, 2014.
intellectuals, again especially those connected to the prestigious Airlangga University, are often hired to help highlight particular issues or events that are favourable to the incumbents, including through *Jawa Pos* publications.

The network of journalists who supported Karsa also employed the strategy of using academics from prominent universities to support the Soekarwo-Saifullah pairing and strengthen the team’s political image. For instance, when the East Java election commission annulled the rival candidacy of Khofifah Indar Parawansa-Herman Sumawiredja, the *Jawa Pos News Network* reported the event by printing the opinion of II, lecturer in Political Science from a prominent East Java University. According to II, the East Java election commission’s decision in the 2013 gubernatorial election were merely technical; relating to the fact that the technical requirements for candidacy were not fulfilled by the Khofifah-Herman pair. The lack of backing from political parties was due to the ‘double support’ given by some parties towards competing pairs of candidates. (In this manoeuvre, the Chairmen of East Java parties give their support to the Khofifah-Herman pair, but party General Secretaries recommended the incumbent). II also stated that the failure of the Khofifah-Herman candidacy was related to a lack of strategy regarding how to compete with the incumbent pair (Soekarwo-Saifullah Yusuf). It should also be noted that *Jawa Pos*, as well as some other prominent newspapers in East Java, gave very little space to assertions by the head of the East Java branch of the Partai Matahari Bangkit, Syafrudin Budiman, that the East Java bureaucratic apparatus attempted to buy his party’s support for Soekarwo-Saifullah Yusuf.

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Prominent East Java newspapers also did not mention the critical analysis by the political economy expert Rizal Ramli, regarding similar indications of bribery involving political parties in the 2013 East Java gubernatorial election.\footnote{See ‘Khofifah Bersimbol Perlawanan, Bambang DH Janji Jujur’ (Khofifah as Rebellion Symbol, Bambang D. H. Promised to be Fair), \textit{Surabaya Pagi}, May 21, 2013.}

Therefore, as shown in the case of \textit{Jawa Pos} and other newspapers, the activities of the local mass media in East Java have diverged greatly from the role envisaged in the liberal political theory advocated by scholars such as Keane. Rather than enhancing political accountability to the citizenry, and improve the ability of the electorate to monitor the behaviour of power-holders, the mass media seems to have further enabled the hijacking of the institutions of local democracy by key local predatory elites. For the purposes of this study, what is particularly significant is that \textit{Jawa Pos} provides valuable avenues for local intellectuals to continue to stake claims for a role in the hurly-burly of local electoral contests that rely so much on the mechanics of money politics. Through the media, itself seemingly more closely integrated than ever with dominant predatory alliances, such intellectuals are able to carry out the task of providing academic legitimacy to practices that, in actuality, diverge greatly from the ideals of good governance that are supposed to be shared as a matter of consensus after \textit{Reformasi} in 1998.

The experience of the East Java post-authoritarian local elections, wherein intellectuals comprising academics, social activists and journalists play key roles, indicates that politics has become largely an arena where contestation and negotiation take place between predatory alliances who maintain their social position through local elections and by using local public resources and authority. The result is the development of fluid networks of political patronage that are sustained through the
very workings of the democratic process, and which encompass political elites as well as a range of mass media and social organisations.

It is thus suggested here that the perspective promoted by scholars such as O’Donnel and Schmitter (1986), Linz and Stepan (1996) and Diamond (1994) — adherents of the democratic transitions approach — is inappropriate for the East Java case. According to such scholars, democracy can be developed through negotiation processes between political elites, and encouraged by internationally-promoted policy interventions in support of good governance. However, contrary to what transition approach scholars imagine, East Javanese local politics cannot be read simply as a political map within which there is a clear-cut separation between, on the one hand, reformers from former authoritarian regimes, and, on the other hand, moderate dissent by pro-democracy activists who negotiate in the political arena to advance democracy. In contrast, the political constellation in East Java, as seen in local election processes, displays the consolidation of the apparatus of the old regime through adaptation to new institutional rules and by developing new alliances, including with those that are frequently held to be reformers.

Further, the advance of democratisation merely through various democratic actors’ political will and capacity to promote and use democratic institutions appropriately, as Stokke and Tornquist (2013: 4-5) suggest, appears implausible in the East Java context. This is because the commitment of actors, even some of those that are commonly believed to adhere to a progressive political orientation, can be eroded by the way organisations such as NGOs and labour unions are co-opted and absorbed into predatory power alliances. Other research, conducted by Burrage (2008: 39-41), indicates that countries which practice representative democracy, such as the UK, France and the US, can be identified by the capacity of their political parties and civil
society institutions (such as schools, universities, professional associations and trade unions) to act as potential agents both of class formation and class dissolution. However, political parties and civil society institutions in East Java have become a haven for the exercise of predatory power; and thus assist in the maintenance of the power relationships that characterised the New Order but that now operate in a democratic setting. Such is the political constellation within which local intellectuals have to manoeuvre. The espousal by many of them of technocratic and institutional reform agendas is not adequate to overcome such a political constellation, in spite of any ideas about a vanguard role that educated, rational intellectuals might take in political reform processes.

Social scientists who use a structuralist approach, such as Lavalette and Mooney (2000), Rueschmeyer _et al._ (1992), Hadiz (2005), see that political change — especially political action to advance democratisation processes — was historically more possible where strong working class movements were a significant social force. This approach sees democracy in societies such as in Western Europe to be the result of political compromise and contestation between state, labour and capital. As Berman (2006) suggests, compromise between competing interests created the social democratic model, which spread across Europe after World War II, safeguarded by strong labour unions and pro-working class political parties. However, there is nothing remotely comparable in post-authoritarian East Java, where the working class cannot mount a challenge to a local political system dominated by predatory alliances. Even though the working class can organise large demonstrations to put forward (mainly wage-related) demands, local elites are able to handle these without great difficulty, including by recruiting local labour union leaders and thereby domesticating the organisations that they lead, as well as their broader political
alliances. The strong political tendency to repress the labour movement in East Java is also explained by Hadiz (2010: 156). Hadiz quotes Lutfilah Masduki, the Head of the PKB satgas (party task force), who expressed concern about the radicalisation and politicisation of labour movements in East Java. According to Masduki, labour demonstrations would create broader social and political controversies which could encourage the emergence of leftist political forces in Indonesia.

The effect of local political patronage networks is to subjugate journalists and social activists, and weaken the capacity of civil society to constrain predatory power. According to Nordholt (2013: 240), such patronage networks diminish the possibility of a strong and relatively autonomous civil society; and produce unequal dependent relationships, such as between patrons and clients.

3.4. Academics, Fraudulent Strategy and Utilisation of the Neo-Institutional Discourse

As mentioned in the previous section, East Java local elections are characterised by questionable activities including vote buying, illegal donations, misuse of public resources and authority, and the dominance of predatory power alliances which control and subjugate various social agents of civil society, including journalists and social activists. This provides the context for the contributing influence of intellectuals on local elections. The present section now elaborates on the various kinds of contributions that intellectuals make; many of which help to legitimise practices strongly deviating from the ideals of good governance that the intellectuals are keen to underline in their own discourse. It is shown that intellectuals are also frequently involved in practices that facilitate vote buying, and other activities that are particularly dubious from the point of view of good governance reform.

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68 Interview with Jamal the Head of the East Java FSPMI (Indonesian Metal Worker’s Union Federation), July 4, 2013.
There are many prominent East Java intellectuals who participate in the production of widespread consent to local election processes. They have argued in favour of the advantage of direct local election processes to advance democratisation; and tend to ignore unsavoury practices, especially with regard to money politics. Academic Priyatmoko Didjosuseno (2007: 118-19), for example, argues that direct local elections could be a medium for collective political education — both for politicians and for citizens, which might enhance the capacities of both to adapt to democratic reform. Among such lessons to be learned are those pertaining to the supremacy of law. Having learned such lessons, Didjosuseno suggests that political elites would come to respect the rule of law and refrain from abuse of power and position; and would learn to upgrade their skills and social knowledge, in order to advance their political capacities. Additionally, citizens would also benefit from civic education, which would contribute to the creation of a more democratic political culture.

Similar attempts to legitimise and highlight the benefits of local elections – as they are currently held – have been made by other East Java-based authors writing on local elections and good governance. Bagong Suyanto, a lecturer in the Sociology Department at the University of Airlangga, points out that direct local elections can stimulate constructive processes for the implementation of good governance (Suyanto et al., 2007: 18-19). Suyanto et al. (2007) also state that the institutionalisation of direct local elections would fit with four key orientations or aims of good governance. The first of these are the procedural aims related to the rule of law. Second are the managerial aims; related to the capacities of both politicians and the local elections apparatus to optimise results effectively. Third are the market competition aims; related to the capacities of politicians to compete with each other in
the processes of local democracy. Fourth are the social networks created to negotiate various interests among social actors toward the common good. However, it should be noted that although these arguments were produced before the 2008 gubernatorial election, they comprise part of the intellectuals’ contributions to the advance of predatory power alliances, and can be framed as such. In a nutshell, these arguments emphasise the promise of good governance reform while ignoring barriers to its realisation; arguably as part of the strategy of these same intellectuals to participate in the maintenance of the predatory alliances through neo-institutional discourse.

The intellectuals’ use of Neo-Institutionalist discourse has involved interpreting in a positive light the political leaders’ communications with social activists, journalists and the bureaucratic apparatus; including promoting these efforts as examples of participatory democracy, and responsive leadership, aimed at addressing the aspirations of the grassroots in East Java province. For instance, Dr. Hary Wahyudi (2012: 104-20) responded to public rumours regarding the political co-optation of the bureaucracy to facilitate vote buying during the 2008 local election, by arguing that the Soekarwo team promoted the practice of participatory democracy in order to win the hearts and minds of people. As a part of the East Java elite bureaucracy, Soekarwo realised that the relationship between the local elites and people could not be maintained through the old-style non-participatory approach, which has tended to produce a lack of responsiveness from the bureaucracy to people’s needs. Therefore Soekarwo, as East Java regional secretary, created a new participatory approach, which included establishing relationships with academics (such as FIS and the intellectual group called *Pelo Pendem*, in order to back up his candidacy during the gubernatorial election); and relationships with social activists, by creating a group called Volunteers for Countering Poverty (Relawan Peduli...
Kemiskinan). He also developed good relationships with East Java village government officials, and created the Alliance of Village Chiefs (Aliansi Kepala Desa).

For Wahyudi (2012: 72), therefore, good relations between Soekarwo and various elements of civil society and state apparatus were part of an effort to develop bureaucratic responsiveness to the demands of the people. Wahyudi interpreted Soekarwo’s initiatives, including his attempts to build good relationships and social institutions in collaboration with groups of activists, the bureaucratic apparatus and academics, within the terms of the good governance discourse.

Wahyudi’s adoption of a neo-institutionalist interpretation and argument, which confers on Soekarwo both participatory democracy and responsive leadership, was reproduced by Aribowo, a politics lecturer at Airlannga University, in order to legitimise the victory of the Soekarwo-Saifullah Yusuf pair in the 2013 East Java local election. As Aribowo (2013) himself states, the success of Soekarwo and Saifullah Yusuf in the 2013 gubernatorial election was the result of their innovative use of the participatory approach in East Java governance processes. Besides achieving economic growth rates of 7.3%, Soekarwo displayed good political communication, according to Aribowo, by conducting a deliberative-processes mechanism to address problems with politicians, civil society groups and the state apparatus.69

Wahyudi’s and Aribowo’s interpretations of Soekarwo’s initiatives accord with the concept of Neo-Institutionalism as discussed by Graham Smith (2003) and Russel Dalton (2004). These theorists explain the importance of institutional mechanisms such as consultative innovation, co-governance innovation and societal

institution innovation, to articulate the demands of the public within the process of governance. Some of Soekarwo’s political initiatives as they are elaborated can be interpreted as efforts by him to address the public discontent in formal political processes.

However, these analyses of Soekarwo’s policies and practices by Dirdjosoesoeno (2007), Suyatno (2007), Wahyudi (2012) and Aribowo (2013) all tend to ignore the co-optation process based on material incentives, as well as the utilisation of bureaucratic resources and authority as part of a concerted effort to strengthen existing predatory alliances. Instead of innovative experiments based on the ideas of good governance, Soekarwo’s initiatives to develop support from within civil society rely on the utilisation of state resources and authority.

At this time, the production of academic knowledge in order to serve the interests of predatory alliances in local elections was also taking place through the creation of legal academic opinions. Oddly, some of the legal arguments produced to legitimise electoral manipulation were not created by legal scholars but by sociology and political experts. Most prominent among these were LN and EP, II, and IFT—all of whom are prominent social scientists in major East Java universities and legal experts. Their task at the time was to undermine the accusations of electoral fraud which were being levelled by the rival pair of candidates running against Soekarwo and his running partner, Saifullah Yusuf. It should be mentioned here that Soekarwo had been declared the winner of the 2008 gubernatorial election, but that the Constitutional Court had jeopardised this victory by ruling in favour of a request by the rival pair, Khofifah Indar Parawansa and Mudjiono, for a repeat election, due to widespread indications of electoral irregularities.
One of the political science academics who voiced an opinion was II, who argued that the Constitutional Court’s decision to grant Khofifah-Mudjiono’s demand for a repeat election (in districts where results had been particularly controversial) was a negative development for Indonesian democracy. He argued that the Constitutional Court’s granting of a request for a repeat election set a bad precedent. II raised concerns that similar requests might be made following the then-forthcoming 2009 Presidential Election. II also claimed that the Constitutional Court’s decision to declare a repeat election in Madura could be interpreted as an insult to the Madura people, because the court ignored their aspirations.  

This view was reinforced by political sociologist ET (2008), who stated that the Constitutional Court committed a dangerous error by effectively applying the practice of Common Law to Civil Law. In Civil Law, said ET, judges only assess problems on the basis of existing legislation — ‘Justice will only confirm the existing law’ – while in Common Law, judges use their own judgement to create legal precedent beyond existing laws. Such legal precedent was effectively created by the Court when it granted the request for a partial repeat election; and, so the argument went, one day this could dramatically affect the make-up of the Indonesian legal system. After repeat elections were held in the districts of Bangkalan and Sampang and the vote recounted in Pamekasan, however, the result still showed the Soekarwo-Saifullah Yusuf team winning by a very slight margin (Hasan, 2010: 161).

The legal arguments put forward by academics to legitimise the position and power of the Soekarwo-Saifullah Yusuf team during the 2008 local election, as described above, were reproduced in the 2013 East Java gubernatorial local election.

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70 See detiknews, ‘MK Luar Biasa Ngawur’ (Constitutional Court decision is illogical) , December 23, 2008.

When the East Java Electoral Commission decided to annul the Khofifah-Herman gubernatorial bid in 2013, citing concerns over the pair’s fulfilment of formal candidacy requirements, the Honorary Election Council (Dewan Kehormatan Penyelenggaraan Pemilu) investigated and decided to annul this termination. In response, one intellectual and Soekarwo ally, Martono S. H. (lecturer in Constitutional Law, University of Surabaya), claimed that the Council’s decision violated formal legal procedure. According to Martono, the Council did not have the authority to intervene in the Commission’s decision, and the Commission has acted properly in their decision to annul the Khofifah-Herman pair.\(^{72}\)

The utilisation of legal arguments by East Java academics creates the impression of rule of law, if not an electoral system governed by regularised practices and institutions. However, the problem is that these arguments tend to ignore the widespread practices of money politics and misuse of the state bureaucracy for the sake of winning elections. A further problem is that intellectuals have themselves become increasingly involved in such practices.

Based on evidence from local elections in East Java, intellectuals acting as political consultants and opinion makers have also clearly entered the vortex of large-scale money politics, by designing and implementing unsavoury electoral strategies for their respective candidates. Further, the 2008 East Java elections and 2010 Surabaya elections show that political consultants, drawn from the local community of intellectuals and academics, have taken part in predatory political activities by designing and implementing political strategies that include such extreme measures as

vote buying.\textsuperscript{73} BG, an experienced local researcher, recounts that political consultants hired by the KarSa pair, such as NB, a renowned consultant, have admitted that money obtained from TC was used to manipulate the Election Commission’s vote count at the village level in various East Java districts. As mentioned earlier, BG was also the key figure who made the deal with TC possible in the first place.

Some political consulting agencies appear to have been more directly involved than others in implementing dubious electoral campaign practices, including organising vote-buying activities in the 2008 East Java gubernatorial election. For example, BG is known to have advised the KarSa pair to disseminate the idea that Muslims were prohibited by religious doctrine from electing a female leader.\textsuperscript{74} The strategy recommended by him was to distribute pamphlets in which one pair of candidates (Khofifah-Mujiono) is shown standing below a picture of Jesus Christ. Since East Java is primarily Muslim, this strategy was clearly aimed at reducing Muslim support for the Khofifah-Mujiono team. Even more concerningly, he is also alleged to have designed a vote-buying strategy that involved a survey to determine the susceptibility of the local electorate to bribery. Having established certain levels of susceptibility, the consulting agency then allegedly organised a number of ‘invisible’ teams to go from cities to villages to deliver money to identified constituents.\textsuperscript{75}

\textsuperscript{73} Interview with East Java activists in FGD regarding the East Java local election, Surabaya, March 24, 2012. According to Asfar, the funds managed by the group to consolidate the support of 10,000 ‘second ring’ members of the success team amounted to around Rp. 17.5 billion (Surabaya, October 17 2012).

\textsuperscript{74} Interview with BG Surabaya, May 4, 2013).

\textsuperscript{75} Interview with BG Surabaya May 4, 2013). When confirmation was sought from NB, he did not refute the possibility of using such strategies, confirming that when all conventional political strategies had been implemented and the supported candidates still risked election loss, then the only way was to use a strategy of money politics as the solution. The interview with NB took place in Surabaya, October 17, 2012.
There were also indications that the East Java academics who joined the Soekarwo-Saifullah Yusuf winning team were involved in controversial campaign activities to influence voting results on the island of Madura; where repeat elections took place at the order of the Constitutional Court. In one example, after the decision of the Constitutional Court was announced, a pro-KarSa team led by senior academic IT arranged a meeting at the Shangri-la Hotel in Surabaya with a number of Madurese village heads and religious scholars, in order to prepare for the anticipated second round of voting. These meetings are reported to have produced an agreement that any village head who supported the KarSa pair would get livestock, such as goats or cattle, depending on the decisiveness of the victory in each village. Soekarwo’s team is also rumoured to have offered Rp. 2 to 5 million to village religious preachers, depending on their perceived influence on the masses.76

The involvement of local intellectuals in such dubious electoral activities was demonstrated particularly clearly in the role played by IT—a leading figure in the Soekarwo-Saifullah Yusuf team of political consultants. In this role, IT coined the term and practice of ‘upgrading’ and ‘downgrading’ the vote tally in specific electoral districts. In places where the Soekarwo-Saifullah Yusuf pair did not do well, he allegedly advised the KarSa team to strike a deal with the local election apparatus and election monitoring institution (Bawaslu) to ‘upgrade’ the KarSa vote. He was also said to have proposed the ‘downgrading’ of the tally of KarSa rivals in other areas through similar deals.77

76Interviews with UL and FQ, Surabaya journalists, Surabaya, December 1, 2012.

77Interviews with ZX, April 14, 2013. IT denied he did this; although, according to NB (Surabaya, October 12, 2012), another political consultant for the KarSa pair, the candidates’ team would do everything possible, at any cost, to defeat their opponents.
That academics would play so direct a role in controversies surrounding the results of an election is not surprising, given that their roles in Indonesian democracy go well beyond political analysis and commenting. In the course of the evolution of local electoral politics in post-authoritarian Indonesia, many academics have come to serve as members of semi-official ‘success teams’ for those running for public office. These teams are responsible for a range of tasks, from charting strategy, to brokering deals and influencing public opinion by making statements in the media.

It is notable that the involvement of intellectuals in the East Java and Surabaya local elections, and their strategic employment of good governance discourse, have had a legitimising effect for the predatory alliances that have captured Indonesia’s institutions of democracy through questionable practices. One of the major roles of intellectuals in this context has been to deflect public attention from the quite fundamental issue of systemic electoral fraud and manipulation, to matters of strictly legal and procedural concern. But, as we have seen, this is not their only contribution to the continuing ascendency of predatory alliances in Indonesian local politics, including in East Java.

It may be said that the role of intellectuals in local electoral politics in Indonesia today is reminiscent of Antonio Gramsci’s thesis regarding organic intellectuals, as presented in his *Prison Notebooks*. Gramsci (1971) famously argued that intellectuals are not free from the key social struggles that define their societies. Indonesia’s intellectuals operate in the context of a money politics-driven democracy, in which different coalitions of predatory elites contend with each other for control over public institutions and resources. The case of East Java has not been exceptional in this sense, although the economic stakes are relatively high here, given the size and economic importance of the province. The East Java cases shows strong ongoing links
between the activities of key groups of intelligentsia and dominant predatory alliances. Of course, the collaboration between intellectuals and local predatory politico-business alliances also takes place at the national political level. Thus, Sukardi Rinakit, a senior researcher at the Soegeng Sarjadi Syndicate and himself a well-known political consultant, suggests that there has been a strong tendency for Indonesian intellectuals to be ever more absorbed into the predatory logic of capital accumulation and oligarchy in Indonesia.\(^{78}\)

### 3.5. Conclusion

Important conclusions can be gathered from the above examination of the role of intellectuals in the East Java and Surabaya local elections. Their absorption into predatory local alliances activities is rooted in historical connections that were established during the authoritarian New Order regime. These connections have been a tool for the reproduction of predatory elite domination in the political as well as bureaucratic arenas, specifically through the utilisation of opportunities presented by local elections. Instead of providing institutional support for the process of political reform in Indonesia, as might be expected on the basis of the literature on social capital by Putnam and followers in the World Bank (Putnam with Leanardi & Nanetti, 1993; Pugno & Verme, 2012), the interconnectedness of political consultants, academics, political elites, bureaucratic and business actors — and even the media — has become a barrier to the sort of reform agenda that such authors would support.

In fact, the role of intellectuals within predatory elite networks — as political consultants and sometimes as officials of the electoral apparatus itself — is very strategic. This role exceeds the functions mentioned by Qodari (2010) of serving as mere surveyors and media advisers. However, their activities have less to do with

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\(^{78}\) Interview with Sukardi Rinakit, Jakarta, November 9, 2012.
liberal political reform than with the continuing domination of established elites. Meanwhile, the primary reason that local intellectuals connect with predatory political alliances can also be traced to the political economy constellation in post-authoritarian East Java. The social context shows that predatory power alliances have occupied public resources and financed their operations through illegal donations based on money politics. Predatory power alliances have been facilitated by local political elites, gangsters — and by local entrepreneurs whose business activities depend upon state access. Just as significant, it seems, is the establishment of links between intellectuals and both the mass media and a range of NGOs; both of which are also to be found within competing local predatory alliances. This overall state of affairs has hardly generated conditions for intellectuals to advance their roles as critical agents, since there are no strong social bases to support their activities as social reformers.

The absorption of East Java intellectuals into local predatory alliances reminds us of Richard Robison’s (1996: 84-85) analysis of the character of the middle class and bourgeoisie during the late period of the Indonesian New Order. Robison argues that the concern of most of the Indonesian middle class (including intellectuals) was not freedom of speech, democracy, human rights and social justice but support for regimes that can protect and sustain their prosperity. The dependence of today’s intellectuals on material benefits from elites with access to the bureaucracy and political and business activities makes them supporters of money politics and dubious electoral processes. The difference between the former era and the present is that in the post-authoritarian period the connection between intellectuals and political elites was more dispersed, while many intellectuals today would tend to gravitate toward the most dominant alliances, as shown in the case of East Java.
The next chapter discusses the relationship between these academics and experts and the actual practice of governance at the local level. It is demonstrated that intellectuals have provided other kinds of support for dominant local politico-business interests, outside of the electoral process *per se*, ironically in the name of pursuing ‘good governance’ agendas in East Java and Surabaya in the post-Soeharto era.
Chapter Five: 
Intellectuals and Predatory Power in Local Governance Processes

5.1. Introduction

The present chapter discusses the relationship between East Java and Surabaya intellectuals and the actual practice of local governance, and effectively, the distribution of its spoils. It explains how the contribution of intellectuals as social agents in the concrete implementation of ‘good governance’ agendas in East Java and Surabaya in the post-authoritarian era has again tended to reinforce the social position of dominant local politico-business interests. The chapter builds on the prior elaboration on the role of consultants and academics in local politics, as social agents who possess authority on the basis of claims to scientific knowledge and impartiality. However, the focus now shifts from local elections to the part they play in local governance, including through programs that borrow heavily in their conceptualisation from the stated objectives and terminology of good governance reform.

It should be recalled that despite the collapse of Soeharto’s authoritarian rule, as shown by Hadiz (2004; 2007) the processes of democratic reform and decentralised institution building appear to have reproduced the same system of politico-business alliances in contemporary Indonesia, albeit more diffuse and decentralised. However,

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79 The term ‘local governance’ refers to a more or less polycentric system in which a variety of actors are engaged in local public decision-making processes. The term ‘polycentric’ firstly refers to a field where plural and relatively autonomous players compete. Relations between actors in systems of local governance are characterised by relatively equal relationships. Secondly, local governance is about relations between a variety of actors, such as non-governmental organisations, academia, corporations and civic associations. Thirdly, there are a variety of mechanisms for public decision-making in processes of local governance (Denters, 2011: 313-14; Leach & Percy-Smith, 2001: 5; Pierre & Peters, 2000: 14-22).
the research by Hadiz and others has not elaborated on the role of intellectuals in extending the reach of dominant predatory alliances into the civil society arena, which was alluded to in the previous chapter. This aspect of the problem is especially overlooked in the Neo-Institutionalist approach towards local governance reform as advanced by technocratic intellectuals; an approach which omits the question of continual plunder of tangible resources — albeit often through the good governance reforms that are supposed to impede these same practices. In fact, Neo-Institutionalist solutions promoted by technocratic intellectuals tend to help legitimise the continuing dominance of predatory interests, by providing the appearance of governance on the basis of rational scientific knowledge. As in electoral processes, moreover, technocratic intellectuals often have roles beyond providing advice to political elites, since they are also involved in the process of private accumulation through control over public resources well beyond the phase of electoral politics.

As underlined in earlier chapters, the problems of social reform in post-authoritarian Indonesia are in fact related to the lack of sufficient social bases to forcefully advance good governance agendas. Such circumstances force intellectuals to engage in political collaboration with the dominant predatory alliances, in order to secure their own social and material conditions and interests. This chapter shows that many of East Java’s intellectuals undertaking such collaboration have tried to reconcile the extension of the market into all spheres of social life with progressive policy agendas — such as support for participatory democracy — as a way to empower citizenries with solutions to overcome the problem of structural poverty. Such reform agendas are based on ideas of partnership between government, business, unions and civil society organisations, to face the dual challenge of market extension and maintaining social solidarity (Nelson and Zadek, 2000; Davies, 2011). However,
the overarching collaboration between the state, the private sector and civil society has resulted in the expropriation of public resources, rather than accomplishing the aims of governance agendas centred on transparency, public accountability and public participation.

In short, the social networks that connect intellectuals to bureaucrats, political elites, business actors and civil society organisations create knowledge that supports governance on the basis of predatory politics, rather than on the neo-liberal ideal. In spite of this, contestation over the spoils of governance does take place with some academics and intellectuals supporting non-elite reformist interests. Nevertheless, such reformist aspirations, especially in the East Java and Surabaya context, continue to be sidelined within the existing framework of power.

In other words, intellectuals that attain social mobility tend to be those with more direct access to power and tangible resources. As such, this chapter provides examples of predatory power operations supported by intellectuals — especially through the development programs of local governments in East Java. These include: the manipulation of social assistance for very poor households; a project enhancing agricultural markets; and the mismanagement of local budgets in order to maximise rent-seeking opportunities.

Nevertheless, it is noteworthy that intellectuals continue to enjoy a significant degree of public respect. There are two reasons for this. Firstly, there is the New Order-rooted tradition of exalting the role of the technocratic experts, as supposedly being ‘above’ particularistic interests (Hadiz and Dhakidae, 2005: 9-10). Secondly, there is a more general but well-ingrained idea that education is the ticket to social advancement, thereby ensuring public respect for intellectuals and experts who are highly educated. Because of such respect accorded to them, academics are well
positioned to provide intellectual legitimacy for practices that are presented as being for the ‘common good’ or for ‘society at large’, but which actually form part of elite strategies to maintain their social ascendancy.

The following section discusses the role of East Java academics in developing pro-poor, accountable and participatory development policies. It shows that there is a big gap between the stated ideals of these pro-poor and participatory development governance agendas and the reality of their appropriation by predatory interests. Secondly, and more specifically, the section elaborates on collaboration between intellectuals and predatory power alliances that appropriate social assistance programs for the sake of local power struggles. Thirdly, it reveals how local development programs, in which intellectuals participate in the design or implementation, have actually contributed to sustaining the existing local political order rather than reforming it. Fourthly, it covers the interconnection between intellectuals’ material incentives and the local development program, on behalf of the political elite’s ambitions.

5.2. The Role of Intellectuals: Producing Consent without Coercion

Collaboration between intellectuals and local elites produces consequences that are intended for local governance in East Java and Surabaya from the point of view of good governance literature. This collaboration sustains interests that are fundamentally opposed to good governance — instead of advancing the necessary regulatory framework with the potential to blend societal interests into market processes. Such a contradiction reminds us of David Harvey’s (2005) point that, in most cases, there is a big gap between the ideology of neo-liberalism and the political project of the same name. The more pertinent related point, however, is that this gap does allow some distortion which is nonetheless consistent with expressions of neo-
liberal ideology. There is enough room, therefore, for Indonesian academics to promote neo-liberal reform while assisting in the practice of local governance but actually being engaged in predatory politics.

Soeharto utilised coercive power in the New Order era to achieve the political submission of civil society. For instance, communist stigmatisation was used by the East Java Governor Muhammad Noer (1967-76), to intimidate people who did not contribute toward the mobilisation effort driven by the state for the purpose of development (Siahaan & Purnomo, 1997: 71-72). However, the more recent democratisation and decentralisation era has created a new and greater need for governing political elites to attain a degree of public legitimacy independent of the coercive capacities of the state.

The consolidation of the power of local political elites in the democratisation era demands support, not just during elections, but also in the form of local parliamentary approval for local government policies. From this point of view, mobilising local academics and experts is useful to provide local governments with the aura of technocratic competence, seemingly above the fray of regular parliamentary skirmishes. It is true that such intellectuals were already co-opted into working with powerful groups at the local level during the New Order. Yet, while technocrats in the Soeharto era were insulated from public scrutiny by coercive power, they now have to participate in governments that win and maintain power through electoral processes and disbursing local parliamentary favour. In short, the collapse of the authoritarian state has transformed and widened the scope of functions carried out by intellectuals in local governance. Many have become directly involved in such matters as the expropriation of local budgets for such purposes as mobilising political support.
The manner in which East Java’s intellectuals have been utilised by established politico-business networks is exemplified by the case of the Social Aid Program that formed part of Governor Soekarwo’s 2009-14 Regional Plan and was dubbed ‘Jalin Kesra’ (Towards People’s Prosperity). After Soekarwo-Saifullah Yusuf took power through the 2008 East Java gubernatorial election, the province’s intellectuals helped to design the 2009-2014 East Java Middle Phase Development Plan (RPJMD 2009-2013). In order to garner strong academic legitimacy for the local development program, the Regional Research Council (DRD) was created by Governor Soekarwo to facilitate collaboration with academics. This institution was led by a sociology professor from the University of Airlangga, Hotman Siahaan.\(^8^0\) Siahaan was only one among many prominent East Java academics invited by Soekarwo as development consultants to assist his development program, as the DRD effectively institutionalised collaboration between intellectuals and the provincial bureaucracy. The Governor also appointed his political consultant, Professor Dr Nur Sjam, to the DRD.\(^8^1\)

During his first term, Governor Soekarwo’s team of scholars produced a ‘development vision’, which latched onto ideas of depoliticised governance and technocratic policy. At the same time, they focused on poverty reduction, based on the ideal of people’s rights and the implementation of technologies that are useful for improving living conditions. The development program was even dubbed ‘Karwonomics’. What it represented was essentially a localised implementation of the

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\(^8^0\) The Regional Research Council (DRD) is appointed by the East Java Governor, to whom it is responsible. This decision was made based on the East Java Governor Decree number 188/327/KPTS/013/2010 regarding appointment of the DRD in East Java for the period 2010-14.

\(^8^1\) Other governors in Indonesia have adopted a similar strategy. In Banten Province under the leadership of Governor Atut Choisiyah, the DRD allegedly became a public institution to accommodate political consultants who supported Choisiyah in the 2011 Banten local elections in official positions. ‘Dewan Riset Banten jadi Wadah Menampung Kroni Atut’ (Banten Research Council became an Institution to Accommodate Atut’s Crony) SuaraPembaruan.Com, 2 October 2013.
concern of the Post-Washington Consensus, to reconcile the free market imperative and public participation in regional development. Firstly, it put forward a government incentive policy to accelerate economic growth and investment through facilitating licencing, and guarantees on security and property rights, as well as the availability of electric power and a conducive labour market. Secondly, it put forward the idea that the state had a central role in providing infrastructure for development. Thirdly, it suggested that the state would contribute to the extension of the market into social life, by facilitating people’s access to credit. Fourthly, it declared that the state would produce strong institutions to govern market development in East Java (Wahyudi, 2012: 150-51).

According to Siahaan (2012: 124), the plan was based on the ideals of people-centered development and participatory development. He argued that it was focused on poverty reduction, job provision and pro-environment and pro-gender equality policies. The attraction of ‘people-centred development’ has a long history; at first it was a benign label to indicate dissatisfaction with New Order economic policies, which NGO activists often considered to be ‘top-down’. The label thus meant the promotion of control over resources by communities to use for their own needs — an idea that is closely related to notions of sustainable development (Korten & Klauss 1984: 341-52).

The Council’s main role was to conduct social research that was supportive of the provincial government’s programs. For this purpose, the DRD created the main research themes that became priorities in East Java’s development. These were: 1) poverty reduction; 2) agricultural revitalisation; 3) social infrastructure; 4) environment; 5) co-operative and small and middle entreprise; 6) investment, non-oil and gas export and tourism; 7) bureaucratic and public services reform; 8) social
harmony, and (9) social and economic effects of the Lapindo mudflow disaster.

Regarding poverty reduction, the DRD focussed specifically on such issues as free education for poor citizens, the development of anti-corruption values, and the promotion of Islamic as well as of nationalist values. Further, the DRD contributed to promoting *Jalin Kesra* by creating a Regional Research Agenda (ARD) (East Java Regional Research Council, 2011: 4-5). However, collaboration between the local state apparatus and academics which was institutionalised through ARD (2011-14) became embedded in predatory alliances, dominated by political and business groups that had supported Soekarwo-Saifullah Yusuf in the 2008 East Java gubernatorial election.

This governance program reflected the new development agenda — ostensibly characterised by people-centredness, participatory democracy and sustainable development. As noted by Siahaan (2012), the practice of governance should be based on the democratic principle that places people as active subjects in the development process. The role of government is to become facilitator, mediator, co-ordinator, educator and provider of a supporting system that embraces civil society actors as partners in development. Thus, the role of NGOs is held to be crucial, especially in facilitating connections with the poor (Siahaan, 2012: 128-29).

According to Siahaan (2012: 125), furthermore, the East Java Government undertook three actions to address the problem of poverty. Firstly, the short-term action was to rescue very poor households from the impact of fuel subsidy adjustments. This rescue action was conducted through the *Program Aksi Mengatasi Dampak Kenaikan BBM dan Kemiskinan* (PAM-DKB — Action Program to Overcome the Effects of Fuel Price Increases). Secondly, the East Java Government undertook recovery action as a long term program, in order to reduce poverty
problems. This program was conducted through institution building and by empowering the village economic infrastructure. It was directed through such initiatives as the Integrated Movement Towards Poverty Alleviation (Gerdu-Taskin), and the Program of Regional Economics Development.³² Thirdly, the establishment of the Poverty Alleviation Program was meant to empower people by strengthening social capital through a micro-credit program.

According to the East Java Society Empowerment Agency (Bapemas), the number of poor households in the province was 3,079,822 (2011), consisting of 493,004 (sixteen per cent) very poor households, 1,256,122 (forty-one per cent) poor households, and 1,330,696 ‘near poor’ households. Nevertheless, up to 2008, East Java’s very poor households were not yet the specific targets of the poverty reduction program. Rather, the program ignored differences in levels of poverty. The result was that poverty was treated without accounting for the very different needs of households on different rungs of the poverty ladder. Realising this problem, a poverty alleviation program exclusively oriented to the very poor households of East Java was subsequently implemented.³³

Meanwhile, both the poverty alleviation program and extension of the market economy into the social sphere were core parts of the vision of Soekarwo’s East Java administration. These were meant to be realised through the implementation of good governance agendas, according to an academic who has worked as an East Java development consultant, Airlangga University lecturer Dirdjosuseno (2007: 120-21).

³² The Gerdu-Taskin program in East Java was more geared toward an integrated pattern of development and program management. It started in 2002 and continued till 2009. In 2010 and 2011 the program was renamed Gema Sejahtera (Prosperous Society Movement Program). This activity provides funds for savings and loans through microfinance institutions (MFIs) (Yulistyono & Wayono, 2012).

³³ See Program Jalan Lain Menuju Kesejahteraan Rakyat (Towards People Prosperity Program (2011) Bapemas.Jatimprov.go.id
This expert suggests that the ideas of good governance provide the best model to reconcile the competing tendencies of free markets versus economic planning, and private versus public good. In his view, the good governance agenda offers an anti-political formula that can transcend these contradictory tendencies. However, academics such as Dirdjosuseno overlook the constraints imposed by the specific power constellation in East Java. Actual practice shows that these good governance ideas can be utilised to manipulate local budgets and development programs for powerful private interests.

To reiterate, the actual practice of good governance in East Java facilitates rather than prevents the expropriation of public resources by local politico-business network alliances. Thus, we elaborate on the capacity of local businessman La Nyalla Mattaliti, the head of the famous gangster/youth organisation, Pemuda Pancasila, and simultaneously the Head of the East Java Chamber of Commerce and Industry (KADIN), to control both local development as well as local authorities in East Java.

Mattaliti’s close connection with Soekarwo provided him with greater control of local governance, such that he was able to influence East Java business activities and the distribution of the local budget. This was seen in the Soekarwo policy that all East Java businesses should register and pay financial contributions to the local branch of KADIN. The implementation of this local regulation provided La Nyalla Mattaliti with the opportunity to collect rent from East Java entrepreneurs, and to exercise authority over them due to his position in the business association. The great authority obtained from the Governor undoubtedly provided opportunities to advance

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his own diverse business interests.\textsuperscript{85} Mattalitti even had influence over the East Java Provincial Government’s projects, especially its social infrastructure program.\textsuperscript{86} According to BI,\textsuperscript{87} obtaining Mattalitti’s approval remains necessary for many businesses that intend to be involved in these projects. Not surprisingly, Mattalitti has insisted that the implementation of this KADIN regulation brings benefits to local business actors because it allows for co-ordination among East Java businesses.

The strong influence of Mattalitti in the distribution of the local budget can be seen in Governor Soekarwo’s policy of granting twenty billion rupiah (US$ 2 million) to KADIN from the regional budget’s allocation for social aid in the 2012-2013. As mentioned above, this part of the budget is meant for distribution to poor people, rather than to East Java’s local entrepreneurs (\textit{Suara Surabaya}, September 16, 2014).\textsuperscript{88} This governor’s decision was challenged by some East Java NGO activists, who were concerned about monitoring the local budget. As Nasiruddin (Co-ordinator of the NGO alliance in East Java) insists, the provincial government needed to explain how social aid is relevant to KADIN. He also states that the Governor’s policy of taking funds that were meant to assist poor people and allocating them instead to entrepreneur associations such as KADIN was irrational (\textit{Jurnal3.com}, September 16, 2014). The East Java KADIN case is a good example of how the actual implementation of good governance agendas, framed by local academics and

\textsuperscript{85}Interview with an East Java journalist BI, Jakarta, October 15, 2014.

\textsuperscript{86}Personal communication with East Java entrepreneur TX, February 19, 2015 suggests that, due to MON, a prominent East Java entrepreneur, who has close relationship with the East Java Governor, he co-ordinated the developers who focused on government infrastructural projects through the Indonesian Asphalt Concrete Association (AABI — Asosiasi Aspal Beton Indonesia). Because of their experience, most of the region’s infrastructural projects were conducted by fifty-three developers who became members of this association. Many of them had social backgrounds as members of prominent gangster/paramilitary organisation that has existed since the Soeharto era.

\textsuperscript{87}Interview in Jakarta, October 15, 2014.

\textsuperscript{88}See ‘\textit{LSM Pertanyakan Pemberian Dana Hibah Untuk Kadin Jatim}’ (NGO Asked the Social Assistance grant toward East Java Chambers of Commerce and Industry). \textit{Suara Surabaya}, September 16, 2014,
technocrats, can be easily manipulated by local power alliances without much transparency and accountability.

East Java provides other examples of the expropriation of the local budget by dominant politico-business alliances. One is the case of the Puspa Agro (Agricultural Modern Market Center) in Jemundo, Sidoarjo, which was built on an area of around 50 hectares. While originally a part of previous East Java Governor Imam Oetomo’s agricultural wholesale market program, local regulation No.14/2005 enabled it to be developed by PT Jatim Graha Utama, (a local state-owned enterprise), headed by Ir Erlangga Satriagung, a property entrepreneur and the head of the East Java Indonesian Real Estate Association. Subsequently, local regulation number 13/2008 granted PT JGU the authority to manage the land to develop Puspa Agro, which was intended to be the biggest and most complete wholesale market in Indonesia, integrating various agricultural products in one area.

There are several good reasons why such a wholesale market should be built in East Java. The first is the abundance of food production and horticulture in East Java; as indicated by the fact that East Java is able to supply food and horticultural products of up to around thirty-five per cent of the national stock. Second, there are still only limited opportunities for the sale of food produced by East Java’s peasants. Third, there are broad opportunities to increase agricultural yields into regional, national and international spheres (exports). 89

However, the implementation of the Puspa Agro project appears to have provided another way for businesses and politicians to plunder the local budget. As noted above, the Puspa Agro wholesale market is managed by P.T. Jatim Graha Utama. The Surabaya Pagi daily (August 12, 2012) reports that Puspa Agro had cost

89 The project profile of Puspa Agro, cited from Puspa Agro (2015).
the East Java budget around Rp. 450 billion (AUD 45 million) up to 2012. However, after five years of operations up to 2012, PT Jatim Graha Utama (JGU) only provided revenue of Rp. 2 billion (AUD 200,000).\textsuperscript{90} According to East Java legislator Badrut Tamam, the East Java parliament never received a financial report from P.T. JGU concerning its management of the Puspa Agro project. The implication is clearly that P.T. JGU provided a means through which the local budget could be expropriated, in this case possibly as a source of capital for powerful individuals in the lucrative property business.\textsuperscript{91} The case of Puspa Agro management offers an example of how the same kinds of social interests that were dominant in the Soeharto era are still pervasive in East Java, in spite of democratisation and decentralisation. It also shows how a project meant to extend the workings of the market across society, in this instance by more fully incorporating small scale enterprises, can be taken over by these same interests.

Yet the Puspo Agro case is not a particularly widely known example of abuse of power, notwithstanding the controversy it has courted. Indeed, allegations abound about how money has flowed to strategic actors in civil society, such as activists and journalists who had been previously critical of this project.\textsuperscript{92} Still, Professor Hotman Siahaan\textsuperscript{93} suggests that Puspa Agro case was less an example of abuse of power for


\textsuperscript{91}See Skandal Pembangunan Puspa Agro oleh BUMD (Badan Usaha Milik Daerah) PT Jatim Graha Utama (PT JGU) (The Scandal of Puspa Agro Market by Jatim Graha Utama Local State Owned Enterprise) Surabaya Pagi, August 12, 2012.

\textsuperscript{92}As stated by BI (interview in Jakarta, October 15, 2014), the dominant politio-business alliances transferred around Rp. 50 million (AUD 5,000) per person, to tackle the issues of corruption in the Puspa Agro case.

\textsuperscript{93}As the Head of the East Java Regional Research Council (based on East Java Governor’s Decision number 188/327/KPTS/013/2010 on the appointment of Regional Research Council members),
private financial gain than of a lack of communication between government and people. This problem of communication should be rectified, he suggests, by establishing a branch office in every region, to convey the importance and urgency of the project to the people. In making such a statement, Siahaan is effectively conceding that the role of intellectuals is to disseminate knowledge of good governance in ways that lend legitimacy to the policies of local power holders.

The East Java post-authoritarian experience yet again reveals the gap between good governance and participatory development ideals and their implementation as part of governance processes. The practices of governance in East Java in fact show similarities with those found at the national level. This is because, as mentioned by Robison and Rosser (2000: 190-192), the transition to free markets and democracy are not technical matters that can be overcome by reform agendas and institution building. The problem with Indonesia at the national and local levels is with the illiberal interests that are manifested in the politico-business alliances that dominate the bureaucracy and other political institutions.

Having explained the contradiction between the pro-poor, participatory development character of regional development planning and the practices of governance at the regional level, the next section elaborates specifically on how the social assistance program, as a fundamental part of regional development, can be utilised by predatory alliances to consolidate their local power and promote their own private interests.

Professor Hotman Siahaan and his institution has an obligation to assess local development projects in East Java, such as the Puspa Agro market project.

94 See ‘Puspa Agro Harus Punya Perwakilan di tiap Daerah’ (Puspa Agro Should have branch in every region). Lensa Indonesia, April 17, 2013.
5.3.Appropriating Social Assistance to Consolidate Local Power

It is now appropriate to examine how the social aid program to assist East Java’s ‘very poor’ households has been appropriated to defend the dominant power interests in East Java post-authoritarianism. At the same time, the program has also been incorporated into the political struggles among local elites.

The design of the social aid program, as a derivation of Jalin Kesra (Towards People’s Prosperity) for very poor households, took place with the assistance of East Java’s university lecturers and researchers who were selected by the East Java Province Work Units (SKPD). The program was initiated by the East Java government, with the stated aim of overcoming the problem of poverty in East Java, based on East Java Governor Regulation 56/2011, as the general guidelines implementation of the Jalin Kesra program. The East Java government argued that very poor households rarely become a priority of the government’s development program to alleviate poverty in the province. The Jalin Kesra East Java program was therefore established to concentrate on these very poor people; by considering and addressing the poverty issues specific to this group. This program was designed based on recommendations from East Java intellectuals who joined the East Java Regional Research Council, which collaborates with the Regional Research and Development Agency (Balitbangda) and with SKPD.

The politicisation of social aid programs by the dominant politico-business coalitions was achieved through collaboration between political actors in the

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95 SKPDs implement executive functions that must be co-ordinated in order to run local government. The legal basis for their establishment is Article 120 of Law number 32 of 2004 on Local Government. The Governor and his deputy, the Regent and his deputy, or the Mayor and his deputy are not included in this unit, because of their status as Regional Heads. The local bureaucrats who are included in SKPDs are from the Regional Secretariat, the expert staff, the Parliamentary Secretariat, various agencies and bodies, the Regional Inspectorate, and other local institutions that are directly responsible to the Head of Regions, sub-districts (or other equivalent units), and District/Village Chiefs (or their equivalents).
executive and legislative branches, which saw the politicisation of other social aid programs by dominant politico-business coalitions. This mechanism for control has been utilised to maintain and strengthen the political party coalition supporting Soekarwo. The Governor, it must be remembered, was also elected as Head of the East Java branch of the Democratic Party (the biggest political party in East Java from 2009-14, with twenty-two seats out of the 100 seats in the Provincial Parliament). Soekarwo thus ensured strong political support for himself in the regional parliament, by virtue of this party position. Further, Soekarwo intended to extend his influence over other East Java political parties. For instance, one of Soekarwo’s strongest allies was Martono S. H., who was elected as head of Golkar in East Java on 28 November 2009. As mentioned in Chapter Four, Martono was Soekarwo’s campaign manager in the 2008 East Java local election. He had a prominent role in collecting donations from businessmen on behalf of Soekarwo, and was deeply involved in campaign strategy. Soekarwo was also elected as Head of the 2010-14 Indonesian National Student Movement (GMNI) alumni association, which has a huge influence in one of the most prominent political parties in Indonesia, the PDIP (Quddus Salam, 2012: 84-85). Due to his position in the GMNI, Soekarwo was able to exert influence over the PDIP, especially given his close connections with the head of East Java’s PDIP branch, H. Sirmadji.

The utilisation of regional social budgets has been conducted through the enhancement of social aid programs, which dramatically increased between 2009 and 2013. It is suggested here that the social aid program provided members of the East Java legislature with the tools by which to establish localised patronage networks. NGO activist Abdul Quddus asserts that political party elites typically ensure the
participation of clients through the distribution of social aid at the grassroots level.\textsuperscript{96} Further, Quddus reports that the regional legislative members were able to benefit directly from the social aid delivered to the community. Since the distribution process requires recommendations from political elites, they are able to take their own ‘cuts’ from any recommended amount.\textsuperscript{97}

Therefore, the growth of the social aid program budget from 2010 to 2014 has benefited legislative elites; and East Java’s political parties more generally. In 2010, the East Java local budget allocated Rp. 827,326,000,000 for the Jalin Kesra aid program (with realisation to the amount of Rp. 730,034,000,000). The following year, the budget for the program was increased to Rp. 1,255,275,000,000 (the realisation of which was Rp. 1,220,650,000,000). In 2012 the amount increased again, to Rp.4,139,142,000,000 (the realisation was Rp.3,910,440,000,000), and in the 2013 local budget, Rp. 5,065,518,000,000 was allocated. During this time, there were several discrepancies surrounding the timing of the realisations of the program budgets annually. From 2009 to 2012 the realisation was conducted in the last quarter of each year; but in 2013, the budget realisation for the program was conducted in the second quarter of the year – just before the 2013 local election. As well, the social assistance program was conceived by intellectuals who served as advisors to the local government in the broader good governance reforms; which have become an integral part of the strategies employed by predatory elites to maintain their social

\textsuperscript{96}Abdul Quddus is an NGO activist who conducted the monitoring program through social aid (Surabaya, February 13, 2015). He also became a researcher and Secretary of Lakpesdam NU Jawa Timur (The Research and Development Institution under the East Java branch of Nahdlatul Ulama, which is concerned with monitoring local development and transparency issues related to the local budget).

\textsuperscript{97}Interview with the East Java NGO activist, Abdul Quddus Salam, Surabaya, February 13, 2015.
ascendancy.98 (Details of the intellectuals’ role have been outlined at the beginning of the present section).

Such programs and budgets are not free from contestation between competing predatory alliance elites inside the East Java bureaucracy. Thus, the social aid budget co-ordinated by the East Java SKPD constitutes material resources for political elites; enabling them to sustain competing patronage networks and to maintain support bases. For instance, before Soekarwo and Saifullah Yusuf became running partners in the 2013 election, there was tension between the two, due to the latter’s lack of access to social assistance funds. Governor Soekarwo himself is believed to have controlled such access.99 The importance of social aid schemes is illustrated by the case of Jalin Kesra, which resulted in corruption cases in localities such as Pasuruan, Bangkalan, Sampang, Madiun, Kediri and Mojokerto.100

However, while local intellectuals must be aware of the problem of corruption in the implementation of social aid programs, as ‘experts’ they effectively shift the problem from issues of local politico-business network alliances, to the problem of institutional inadequacies. According to Siahaan, for example, the problem of providing social aid to very poor people is related to the Internal Affairs Minister’s Regulation, which decrees that public project tender processes must be handled by the Provincial Government, rather than by administrators at the district level. This regulation makes it difficult, according to Siahaan, for the Government to deliver


99 Interview with an East Java politician based on political party ZX, April 14, 2013.

100 Reports from these areas indicate some manipulation of social aid funds, such as in the case assistance provided to a citizen who had sick and dying goats that needed to be replaced. In this case, the cost of four goats was stated by the local bureaucracy to be approximately Rp. 2.5 million; but the citizen only received 1 million rupiah in social assistance. See Surabaya Pagi, May 22, 2013; Koran Madura, 3 June 2013; Kabar Sidoarjo.com, May 15, 2013. This suggest social aid manipulation by the local bureaucracy for their own financial gian.
proper social aid to the people.  

By portraying the issue of manipulation of public money as a matter of institutional management, Siahaan obscures issues of power which enable predatory interests to be embedded in social aid programs. Other academics, such as Haryadi from Airlangga University, provide support for Hotman’s opinion. Haryadi refutes the possibility of the utilisation of social aid by the local power interests for their own political ends, including use during key political times such as in the lead up to local elections. Rather, Haryadi is on record as stating that since social aid is a policy which has been developed by the entire East Java executive, as well as its legislative branch, using accountable and transparent mechanisms, any accusations of politicisation of social aid for the benefits of the East Java dominant powers are irrelevant (Antaranews, September 11, 2013). However, others challenge Hotman’s claims. The head of East Java FITRA (Indonesian Forum for Budget Transparency), Ahmad Dahlan, has stated that civil society should be aware of the very real possibility of social aid manipulation, especially during key political moments such as local elections. Dahlan warned that the incumbent and dominant local powers have clear potential to utilise social aid for their own politico-business alliance’s interests.

The hegemonic functions of local intellectuals in East Java’s governance processes are not only conducted through the production of intellectual legitimacy, but also by participating in organising the governance agenda itself. As representatives of dominant interests, intellectuals clearly perform organisational and connective functions in civil society. Among these functions, they enable the

101 Interview with Professor Hotman Siahaan, Political and Social Science Faculty, Airlangga University; also head of East Java Local Research Council, April 19, 2013.

102 See Fitra Jatim Minta Kaum Muda Waspadai Dana Bansos Jelang Pilkada, (Fitra East Java branch Warns Young Activists to Beware of Social Assistance Fund Distribution Before Local Election) Selasar.com, June 5, 2015.
extension of political domination by powerful groups in political society, into the civil society arena (Gramsci, 1979; Sassoon, 1987; Davies, 2011).

In one example of facilitating the reach of political power into civil society in East Java, local academics created the technical assistance book which acts as a toolkit for social assistance volunteers. This book specifies that all vehicles and other forms of transport used for the distribution of social aid, as well as all banners advertising such aid distribution, must bear the following statement: ‘This is provided by Jalin Kesra social aid from the East Java Governor’. The Jalin Kesra technical manual also states that social volunteers should convince recipients of aid that the social aid program comes from the East Java Governor, making little attempt to separate the person from the office. In response to the book’s directives, the logo and banner of Jalin Kesra—which originally stated that the social assistance comes from the East Java Provincial Government—were changed in 2011, to state that the program derives from the Governor himself. Scholars were instrumental in making these changes,reported while looking ahead to the forthcoming electoral contest in 2013. Indeed, emphasis on the social assistance provided by local government figured prominently in the electoral campaign that year. East Java NGOs have reported that the volunteers who disbursed the social assistance during this time—in the form of money to purchase the following requirements of community organisations and religious schools: livestock; farm equipment, and seed for catfish farming—did more than just target very poor households with aid. NGOs report that

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103 See JAKSTRADA IPTEK (The Policy of Regional Development Strategies in the Field of Science and Technology), East Java Province 2011-2014, Regional Research Council of East Java Province 2011.  
104 Interview with NZ, a lecturer from prominent East Java University March 2, 2013.
the volunteers also encouraged aid recipients to vote for the incumbent KarSa pair.  

The activities are reportedly facilitated by the process of volunteer recruitment, whereby politicians and bureaucrats insert their own cadres and supporters as social aid volunteers. Further evidence of the malfunction of the social assistance program can be seen from the activities which took place during the regional meeting of the East Java province apparatus at Hotel Utami Sidoarjo in (July 5, 2013). At this meeting, East Java provincial bureaucrats provided funds amounting to Rp. 60 million (AUD 6,000) to each village head and these funds were taken from the regional budget. While distributing the funds, the bureaucrats reportedly reminded the village heads to support the incumbent pair (Soekarwo-Saifullah Yusuf) in the 2013 gubernatorial election.

The appropriation of East Java’s social aid program by local elites is an example of how the conduct of governance, with which local intellectuals are closely connected, can and often does facilitate aims that diverge greatly from what is intended on paper. From this viewpoint, the inadequate provision of social welfare assistance in East Java is not just the result of technical institutional problems. It is also due substantially to the dominance of predatory interests in the operation of the province’s social aid programs. The reality of governance processes in East Java looks similar to the reality of decentralisation processes in many other Indonesian provinces. As noted by Nordholt (2012: 239), since the implementation of regional autonomy, most local power holders in Indonesia have been able to build powerful

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105 These data were obtained from East Java Focus Group Discussions with NGO staff regarding good governance practices, Surabaya, October 24, 2013.

106 These data were collected through a Focus Group Discussion (Surabaya, October 24, 2013).

107 Interview with the researcher of LAKPESDAM NU (the research institution which focused on the monitoring and evaluation of local governance processes), Abdul Quddus Salam (Surabaya, February 13, 2015).
patron-client relationships based on their authority to manage local resources. Therefore, in Indonesia the processes of decentralisation and implementation of good governance are more about consolidating the power and private interests of the regional elites and their politico-business alliances, than about strengthening civil society in accordance with the promises which have been given.

The involvement of local intellectuals in predatory elites alliances, through the processes of local governance, also takes place through the intellectuals’ role as technocratic designers of social aid programs; as has been discussed above. These overlapping roles of intellectuals – as both political consultants and development experts — ensure that they are able to construct programs that can obtain useful grassroots support for dominant elites. For example, the utilisation of social aid to consolidate the power of dominant local predatory alliances is supported by technical training programs, which are designed by intellectuals and academics allied to these local powers. Undertaking such training is supposed to acquaint volunteers with a code of conduct governing how they carry out their duties. However, the 2013 Jalin Kesra manual for volunteers does little to stem the misuse of program funds for political objectives, such as attaining grassroots support for office holders as described above (which the manual actually encourages); in spite of the veneer of accountability that such a publication helps to create. This is perhaps to be expected, given the broader context within which the program takes place.

5.4. Local Development and Material Incentives

This section addresses the important question of why East Java local intellectuals participate in development programs that are hijacked by dominant local elites. As mentioned in the previous chapter, intellectuals tend to defend their participation in local governance as representing their broader commitment to the community. In this
way, they justify their acceptance of appointments by local leaders to strategic positions in provincial research agencies; as commisioners in local state-owned enterprises, or to administer provincial development projects. However, we have seen that their participation in predatory politics is influenced by the broader social and political environment in which intellectuals operate, which has tended to confine the options available to intellectuals, especially when taking into account their own interests in preserving their social status and attaining social advancement.

As is well known, rational choice theory would expect these actors to utilise institutions to maximise their utility and interest. From this perspective, good governance reform requires social as well as material incentives to generate new sources of support for intellectuals (Goetz, 2007: 404; Riker, 1990: 174). However, the East Java provincial initiative in question should not be understood on the basis of rational choice assumptions operating at the level of the individual. In reality, the choices of East Java academics cannot be separated from the broader social context in which they find themselves. The academics must navigate through a system of power, within which the implementation of reforms against the interests of entrenched predatory elites would be extremely difficult. Indeed, reforms that may be intended to push forward a reform agenda incrementally may mutate into yet another instrument to sustain those interests. This reality militates against East Java intellectuals choosing to resist the pressures pushing them towards maintaining the interests of dominant local elites, over those of the local people. While this is not to declare the irresistibility of this dynamic, the evidence indicates that this tendency is readily discernible.

Among the cases where local intellectuals have used their talents to promote the interests of dominant local elites, is the East Java program to disseminate and
socialise the new *Village Government Act*, which involved prominent Airlangga University lecturers. The program was conducted by a private research institute, itself an initiative of eight Airlangga University lecturers, but which also brought together other lecturers from universities across the province.\(^{108}\) Inevitably, this institute was closely connected to the provincial government, through persons trusted by Governor Soekarwo, including those who assisted with his reelection bid, such as II and QE.\(^{109}\) Many of these prominent local intellectuals, who were (and remain) close to the dominant local power, acted as mediators of this local development project conducted by this institute. The connection between these intellectuals and the CSWS (Center for Security and Welfare Studies), Faculty of Social and Political Science at Airlangga University, stems from the intellectuals’ roles as political consultants in the local elections, and from their authority in public institutions (such as the Regional Research Council).

The program to socialise the *Village Government Act* was a significant one, involving village-level officials from all 38 districts of East Java, including members of the executive branch, village leaders (*lurah-lurah*) and village legislative bodies (*Badan Perwakilan Desa*). The program aimed to support village leaders to implement development projects, manage transparent budgets, undertake conflict resolution, and co-ordinate democratic leadership, as stated in Regulation 6/2014 on Village Government.\(^{110}\) Funding for the 3-year program — around Rp. 30 billion (US$ 3 million) — was allocated from the local budget.\(^{111}\) This amount of funding

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108 Interview with TB, institute staff, Surabaya, April 16, 2015.
109 Interview with TB, April 16, 2015.
110 Interview with an East Java legislative member UI, Surabaya, April 14, 2015.
111 Interview with KI, a lecturer from prominent East Java university, who joined this program on April 25, 2015.
was sufficient to pay junior academic staff, who joined the program as instructors, at around Rp. 8 million (US$ 800), which represented a significant supplement to their university salaries. In an important sense, the program can be understood as a form of political reward, given by the dominant local elites to East Java academics, to acknowledge their support in the 2013 East Java gubernatorial election. Further, implementation of this program only took place after lobbying by academics with close connections to East Java’s government.\textsuperscript{112}

Indeed, the program cannot be disassociated from the workings of local patronage politics. As stated by TB,\textsuperscript{113} the social scientist from East Java prominent universities, there was a tendency to utilise this program to prepare village leaders to provide political support for future political campaigns. The East Java Governor and Vice-Governor (Soekarwo and Saifullah Yusuf respectively) regularly opened the training sessions and remained as participants, during which time they worked to garner support for future national elections (Governor Soekarwo), and for the governorship bid in 2018 (Vice-Governor Saifullah Yusuf). The local intellectuals who facilitated these opportunities appear to have been chosen deliberately for their inclination to uphold the interests of the dominant local elites, rather than resisting this dynamic in favour of the local people’s interests. The intellectuals in this case seem to have embraced the underlying power dynamic willingly, in order to secure significant financial rewards. As mentioned earlier, this reality cannot be separated from the access to privileges enjoyed by East Java intellectuals, whereby the latter can participate in local development projects for personal gain. In the case of the program to socialise the Village Government Act, local intellectuals have no choice but to use

\textsuperscript{112} Interview with UI the elite of Islamic political parties in East Java and the East Java legislative members, Surabaya, April 14, 2015.

\textsuperscript{113} Interview with Dr. TB at Surabaya, April 16, 2015.
their connections with certain prominent intellectuals — those with direct access to predatory local power in East Java — if they want to obtain access to the socialisation project.

But controversial cases such as these are not the exclusive domain of the Soekarwo Government, as the case of the P2SEM project illustrates. Before discussing the controversies surrounding this program, it will be important to provide some background. In the era of Governor Imam Oetomo, the *Program Pemberdayaan Sosial Ekonomi Masyarakat* (P2SEM — Social and Economic Society Empowerment Program) was implemented, geared to creating employment, building up poor people’s confidence, and increasing their purchasing power. The program involved providing financial assistance for social efforts such as building bridges, producing organic fertiliser and seeds, and improving farm- and village-based sanitation for poor inhabitants. This assistance was distributed through local NGOs, civil society groups, various Foundations and religious schools and was driven partly by local academics from state and private universities around East Java. By 2008, the program had distributed more than Rp. 200 billion (US$ 20 million) in funds. The recipient institutions were selected by the legislature; on the basis of proposals submitted by or on behalf of the institutions, and on the basis of recommendations by individual legislators. Proposals were collated by the Secretariat of the legislative branch, verified by regional co-ordination agencies at the district level, and forwarded to Bapemas (the Agency of Society Empowerment). After administrative requirements were met, the Governor ordered the East Java Financial Bureau to transfer funds to
the recipients’ bank accounts. Before such transfers, all grantees were invited to an orientation program, at which they were drilled about commitment to the project.\textsuperscript{114}

However, several politicians, including the Head of East Java’s parliament, K.H. Fathorrosjid, and the former Head of the Golkar parliamentary faction, Lambertus Wayong, became entangled in corruption allegations pertaining to the P2SEM project. The case has also ensnared a number of East Java academics, who are suspected of having misused project funds. In one example, an academic from the State University of Jember (UNEJ), Nuryadi, who was also head of an NGO called Insan Kreatif, was questioned about the use of Rp. 448,000,000 (US $44,800). His case involved collaboration with civil society leaders as well as local politicians.\textsuperscript{115}

Similarly, Lambertus Wayong’s case involved collaboration with the Institute of Research and Society Services (LPPM), within the University of National Development-Veteran (UPN Veteran) in Surabaya. Lambertus Wayong’s case pertained to misuse of funds amounting to Rp. 1.9 billion (US $190 thousand), which were allocated to UPN so that the university could implement seven separate project activities. After disbursement of the funds, however, UPN received only Rp. 700 million (US$ 70 thousand), with the remainder unaccounted for. An attorney dealing with the case cites an agreement between Wayong and university staff regarding ‘a cut’ that would be given to the former, who had recommended the university as a recipient of the funds.\textsuperscript{116}

\textsuperscript{114} Interview with former East Java head of Society Empowerment Agency, Totok Suwarto, by \textit{Tempo} newspaper (May 25, 2009).

\textsuperscript{115} Suara Surabaya (November 8, 2010) ‘Korupsi dana P2SEM, Dosen UNEJ Jember Nuryadi Dituntut 1,5 Tahun’ (University of Jember Lecturer be Sentenced for 1.5 years due to the P2SEM Fund Corruption).

It is well known that high ranking bureaucrats within BAPEMAS (East Java’s Society Empowerment Agency)\textsuperscript{117} have close connections with local state power holders. According to Fathorrosjid (Luwuraya.net, 2 January 2014), BAPEMAS is one of the primary institutions responsible for distributing social aid from the local budget; however, no bureaucrat from BAPEMAS has been implicated in this corruption case. This may be the result of negotiations between BAPEMAS officials and such institutions as the East Java courts, which, like other law enforcement institutions in Indonesia, is considered to be widely corrupt.\textsuperscript{118} Even a former East Java Governor from the New Order era, Basofi Soedirman, is on record expressing surprise that law enforcement institutions have not targeted the elite intellectuals from prominent state universities who engaged in questionable activities associated with the P2SEM project.\textsuperscript{119}

These examples show that political elites prefer to develop strategic collaborations with their business alliances and thereby gain control over public resources, rather than transform society in the direction of market receptivity through governance reforms. Local development in East Java has become an arena wherein various actors, including local gangsters, domestic capitalists and academics, utilise their connections to expropriate the local budget for their own interests. A major role for intellectuals is to provide academic validity for the programs that enable this to take place. When academics state that the problems associated with implementation of development initiatives are rooted in institutional frameworks, rather than pointing

\textsuperscript{117} The public institution under East Java Provincial Government co-ordination which is responsible for allocating social funds for society as a whole.

\textsuperscript{118} This was stated by Fathorrosjid during an interview in Medaeng Penitentiary in Surabaya, August 15, 2013. The same allegation was also made by Abdul Manab, the Director of Jatim One, the NGO concerned with political and law enforcement issues in East Java (Jaringnews, January 2, 2014).

\textsuperscript{119} *Kampus Jadi Tumbal P2SEM, Basofi Soedirman*, (The academics became scapegoat of P2SEM corruption case) Surya, March 3, 2010.
to the opaque political and economic alliances that preside over governance (including local budgets), these intellectuals are effectively helping to sustain the predatory alliances that control East Java’s democracy. Even local intellectuals’ efforts to reconcile the extension of the market as part of neo-liberal governance imperatives, and the demand to empower civil society through participatory democracy, have been absorbed into the logic of predatory power. Further, the processes behind the disbursement of rewards to academics, for implementing certain local development programs have become part of the mechanism by which academics are absorbed into existing predatory networks.

5.5. Conclusion

The cases of East Java and Surabaya show that the role and function of intellectuals and experts in regional development do not conform with the notion of social agents who promote reform and good governance agendas. The critical political economy analysis used in this chapter to uncover the role and position of intellectuals in local struggles over power shows that intellectual engagement in local development practices has not supported the aims of good governance, such as transparency and the elimination of corruption.

In the context of decentralised democracy, the role of local academics in governance practices is determined by highly political conditions, such as public receptivity, the dynamics of political processes between the executive and legislative branches of governance, and the power elite’s consolidation, which requires acceptance by the grassroots of their political domination. These processes have enabled local politico-business alliances to capture tangible resources for their own interests. Under these social circumstances, local academics perform a significant role in local governance processes, but their function actually strengthens dominant
predatory interests, rather than advancing the ideals of good governance agendas, such as transparency, accountability and anti-corruption efforts. In other words, the grandiose anti-political governance agendas which the intellectuals created, in an attempt to reconcile the imperatives of the free market and public participation, have only facilitated the dominance of politico-business interests, without advancing poverty reduction. Nor have their actions necessarily helped to extend the reach of neo-liberal markets into society.

Even though local academics are not protected by an authoritarian regime’s armour of coercive power, they have roles in the consolidation of predatory power alliances. They organise and design governance agendas, through which predatory elite alliances sustain their dominant position in local power. The absorption of progressive local academics into predatory power operations has resulted in local power operations directed by provincial and regional politico-business alliances. These alliances, in turn, make use of money politics throughout society, based on the alliances’ corrupted local clients. The capacity of dominant predatory powers to consolidate their hold on political society (in the executive and legislative branch, as well as in political parties), and the extension of their power into virtually every part of society, via money politics operations based on social aid programs, has strengthened and sustained these predatory power interests. This situation has blocked the development of critical and progressive social forces by which intellectuals would be able to advance good governance agendas, such as public transparency, social participation and anti-corruption programs.

It is clear that local intellectuals in East Java and Surabaya are situated as part of local predatory networks that seek to utilise the institutions of local governance and Neo-Institutional discourse to manipulate the governance agendas for their own
material gains. The function of intellectuals is significant in facilitating the consolidation of elite power in governance processes. Such a function involves influencing public opinion; organising governance agendas to enable the expropriation of concrete and tangible resources; and obtain the consent of the people to existing public policy. The case of local development in East Java and Surabaya shows that intellectuals systematically attempt to marginalise issues of corruption and alleged criminal activity from public debate, by portraying these as matters of institutional management. Hence, their claim to Neo-Institutionalist knowledge and expertise has enabled intellectuals and academics to enter into politico-business alliances and into local struggles over power and resources.

Meanwhile the subordination of intellectuals by dominant predatory alliances is also conducted through the appointment of academics to positions such as president commissioner of state-owned enterprises, or by the provision of projects that have pecuniary implications for those who share in them. In this way, the implementation of local governance in East Java is less related to neo-institutionalist solutions to improve the state apparatus or capacity of civil society, and more a vital part of the political co-optation of intellectuals by dominant elite alliances.

The next chapter considers the links between intellectuals and marginalised social groups, and examines how local intellectuals, acting as social agents, might envisage themselves as being organically connected to marginalised people and enablers of their political participation.
Chapter Six:
Intellectuals and Disorganised Social Movements in East Java: the Lapindo Mudflow Case

6.1. Introduction
This chapter concentrates on the links between intellectuals and marginalised social groups. It explains the position and contribution of local intellectuals as social agents who may see themselves as connected organically to marginalised sections of society, and as able to facilitate these marginalised groups to participate in governance processes. It reinforces the dissertation’s argument that the contribution of intellectuals to local governance processes and democratic politics in East Java is achieved not only through their roles as governance knowledge producers, but also through their actions as direct participants in a concrete struggle over power and wealth. As shown, Soeharto’s state successfully co-opted most of East Java’s intellectuals, while also creating social alliances between politico-business elites and prominent intellectuals. It has also been shown that intellectuals’ alliances with marginalised social groups have been tenuous, ill developed and largely politically ineffective. In effect, such marginalised groups as the peasantry or the urban proletariat have been too disorganised to produce their own true organic intellectuals in the Gramscian sense.

The previous two chapters have shown how the relationship between intellectuals and the predatory forces previously incubated by the New Order have evolved under conditions of free electoral competition and democratic governance. While many prominent intellectuals in East Java have become increasingly entangled
in the activities of predatory elites, this chapter examines the extent to which intellectuals play a role in grassroots political participation, or contribute to articulating the aspirations of marginalised communities. This would be expected within Neo-Institutionalist arguments about good governance reforms that would produce greater public participation in policy-making processes — even if only to produce citizenries that comply with the imperatives of life directed by the exigencies of the market.

The marginalised communities of concern to Indonesia’s intellectuals are understood here as consisting of community members, mostly poor, who may be integrated into development programs to some degree, but remain excluded from setting development priorities within a system of power dominated by elites (Bayat, 2012: 18; Castells, 1983). Of course, this is not to say that these people are completely subject to the whims of others. Bayat (2012: 26) has argued firmly that the marginalised can potentially construct domains to conduct counter-hegemonic struggles. It seems, however, that efforts to develop social movements with the aid of intellectuals in East Java are obstructed by the realities of the local constellation of power.

This chapter specifically analyses intellectuals’ contribution to the response to the 2006 Lapindo disaster, which had devastating consequences for the properties, homes and living conditions of thousands of families in twelve villages around Porong, Sidoarjo (Schiller, Lucas & Sulistyanto, 2008: 52). It especially focuses on the role of intellectuals in the social movement that developed out of the case. It is shown that the ensuing social struggle over matters of responsibility for this event, and for appropriate compensation, was influenced greatly by the balance of power between national oligarchs and local predatory elites on the one hand, and the largely
disorganised masses on the other. This was the context within which intellectuals who were pro-Lapindo victims had to operate.

The ongoing legacy of the deep political disorganisation of civil society fragmented the social bases of the movement that came together around the Lapindo mudflow victims — rendering the latter susceptible to elite efforts to engender internal divisions. The critical discourse articulated by some intellectuals seemed disconnected from the dynamics of the gathering social movement, as few intellectuals had previously played strategic roles in sustained social resistance, despite the experience of some of them in the relatively brief period of widespread popular insurrection at the very end of the Soeharto regime.

Joseph’s observations on the importance of the structural basis for successful discursive and social practices are pertinent in this regard. As he explains, the articulation of counter-hegemony cannot be separated from its material place in social practices and structures (Joseph, 2002: 104). The implication is that the various political initiatives of intellectuals in the Lapindo affair — such as to create a counter-hegemonic discourse disseminated through mass media, and even to help victims launch their lawsuits — have had limited success in the absence of well organised civil society movements. Without these, it is difficult to sustain counter-hegemonic discourses that fundamentally challenge the position of dominant interests.

Insofar as there is a minority of intellectuals that have tried to buck the trend of incorporation into predatory alliances, many of them are linked to Non-Government Organisations (NGOs); although we have already seen that these are also not always beyond the reach of the co-optive powers of dominant local elites. By utilising entry points provided by these NGOs, intellectuals have tried to compensate for the lack of organisation within civil society, by making direct contact with local
communities. Such a tendency was apparent in the Lapindo case, and will now be analysed closely in the remainder of the chapter.

6.2. The Chronology of the Lapindo Case and State Policies

The Lapindo mudflow was a disaster that engulfed Sidoarjo and its citizens. It began on 29 May 2006, after a blowout of hot water, gas and mud triggered by exploration drilling for natural gas, nearly two miles below the earth’s surface, close to the blowout location. From the start of the disaster until at least 2008, the hot mudflow has comprised 100,000 to 150,000 cubic metres from deep within the earth, drowning 1,500 hectares of agricultural and industrial areas in Porong, Sidoarjo and threatening human beings, animals and plants, and the whole Porong ecosystem. Several other localities besides the city were submerged by mudflow, including the villages of Renokenongo, Siring, Jatirejo, Glagah Harum, Kedungbendo, Ketapang and Besuki. The disaster has caused the deprivation of people’s livelihood, due to their land being submerged by the Lapindo mud. Many people lost their homes, land and other

\[120\] The historical context of Indonesia’s intellectuals during the New Order era (1970s up to 1990s) demonstrates the importance of NGOs as bases for intellectuals who organise civil society and criticise the government. The origin of Indonesia’s modern NGOs in the New Order era can be traced back to the early 1970s, when many intellectuals and former student activists who had been politically aligned with the military in 1965-66 tried to promote the ideology of modernisation outside the New Order political system. The reason intellectuals and former student activists were creating NGOs was because other spaces for political participation in the Soeharto political system were so narrow. The first wave of NGOs tended to compromise with the state, by also promoting the ideology of modernisation. However, since the 1970s and the failure of modernisation promises to deliver change for marginalised groups, a shift in orientation has occurred among intellectuals in NGOs-based on populist agendas. This trend has positioned intellectuals based within NGOs to challenge the elitism of the modernisation tradition; and has created radical critics of the authoritarian regime (Aspinall, 2005: 90; Eldridge, 1995: 38-39). This critical tendency among NGOs was most marked in the 1990s — during the later years of the Soeharto era, after the New Order regime implemented keterbukaan, its ‘openness’ era. The willingness of intellectuals inside NGOs to criticise the government tradition was triggered also by corruption within the state realm – by the ruling party Golkar, the military and the bureaucracy, with land grabbing by military officers and the state apparatus – and by the absence of independent political parties inside the political system. This political situation contributed to the radicalisation of intellectuals in non-government and campus organisations and study clubs, and in political organisations such as PRD (People’s Democratic Party), which evolved into a critical culture of discourse toward the state in the New Order era. This situation contributed to the rise of NGOs as part of an alternative tradition among Indonesia intellectuals; one which tried to articulate marginalised people’s interests (Eldridge, 1995; Dhakidae, 2003: 509).
property as well as their jobs. Whole communities were devastated and physical infrastructure destroyed across numerous villages. In total, since 29 May 2006 the disaster has destroyed approximately 824 hectares of land and 10,430 houses belonging to citizens. The mudflow has also resulted in the destruction of thirty-one factories around the location, causing 2,441 people to lose their jobs (Azhar, 2012: 88).

According to the East Java Mudflow Information Centre, the disaster forced more than 37,100 residents (over 6,800 families) from the Porong and Tanggulangin sub-districts to move to temporary shelter camps (Schiller, Lucas, Sulistiyanto 2008: 54). According to Rohman Budijanto, the chairman of Jawa Pos Pro-Otonomi Institute (the research institute under Jawa Pos media), there were approximately 75,000 internally displaced persons in Sidoarjo district by 2008 who qualified for relief, the majority of whom moved to alternative accommodations after living in refugee camps for several months (Schiller, Lucas & Sulistiyanto, 2008: 54). There were also other costs that cannot be easily quantified, relating to damage to community ties, the destruction of local culture and the scattering of informal and formal social networks in the entire Porong and Tanggulangin communities.

The National Planning Board (Bappenas) estimated that the total cost of dealing with the disaster in its first year alone was Rp. 44.7 trillion, which is more than $US4 billion. This estimate factored in the costs of some of the disaster’s peripheral environmental damage, such as subsistence. Although the consensus among scientists who independently assessed the situation was that the mudflow was triggered by exploration activities, the explanation propagated by some intellectuals linked to elites was that this was a natural disaster, triggered by earthquakes near the city of Yogyakarta. Since the mudflow was deemed a natural disaster by the North
Jakarta and South Jakarta district courts — on the basis of one expert witness statements\textsuperscript{121} — the company responsible for the drilling activities was ruled to have no responsibility to compensate for the losses caused by the mudflow (Schiller, Lucas & Sulistiyanto 2008: 70; Kurniawan 2010: 117).

The corporate identity at the centre of the controversy is PT Lapindo Brantas Inc. (PT LBI). This company is a subsidiary of PT Energi Mega Persada TBK, which is in turn part of the Bakrie & Brothers business group, owned by the family of one of Indonesia’s most prominent politicians, Golkar leader Aburizal Bakrie. State responses to the case tended to protect Lapindo’s interests. This occurred in two ways. Firstly, high-level state institutions in the executive, legislative and judicial branches tended to focus on allocating state funds to respond to the Lapindo mudflow crisis, thereby concurring with the view that Lapindo Brantas was not responsible for the disaster. Secondly, Presidential decisions gradually decreased the Lapindo portion required to fund the response (Gustomy, 2010: 75; Batubara & Utomo 2012: 165-178; Azhar, 2010: 105). Agreement among the high-level state institutions to protect Lapindo Brantas’s interests is demonstrated by the policies and statements outlined below. All of these developments highlight the power and influence of the Bakrie family, which remains an integral part of the oligarchy inherited from the New Order period.

Firstly, the National Mudflow Handling Supervisory Team, put together by the Indonesian House of Representatives, treated the Lapindo case as a natural disaster. A meeting of the Fifth Commission of the House of Representatives held after the disaster received advice from East Java Governor Imam Oetomo, who

\textsuperscript{121} The expert witness to the court, Ir Agus Guntoro, a Lecturer of Geology in the Engineering Department of Trisakti University, convinced the panel of judges that the Lapindo Mudflow was triggered by a Yogyakarta earthquake on May 27, 2006, and completely unrelated to human error. His explanation was backed by other experts, including Prof Dr. Ir Sukandar Asikin, a Professor of Geology from the Engineering Department of the Institute of Bandung Engineering.
recommended that the Indonesian Government allocate funds from the 2007 National Budget and the 2008 Draft National Budget to repair public infrastructure damaged by the mudflow. The House of Representatives’ description of the Lapindo mudflow case as a natural disaster had consequences for justice, in particular by prompting the decision by police investigators to issue a termination of investigation letter, to block investigation of the case as a criminal matter (Azhar, 2010: 142).

Secondly, the claim of a natural disaster was supported by the commander of the 5th Brawijaya Regional Command in East Java. General Syamsul Mappareppa went on public record to assert that the cause of the mudflow was not mining exploration but underground friction which lead to an earthquake in the Yogyakarta region (Radar Surabaya, June 5, 2006). This statement is significant, given that the military had no direct role in the Lapindo case; the release of such a statement indicates the degree to which public opinion was being actively steered by powerful players in the direction of the interests of the powerful Bakrie family.

Thirdly, the President declared Peraturan Presiden Republik Indonesia (Presidential Decree Number 14 of 2007 and Presidential Decree No. 40 of 2009) on the Sidoarjo Mud Disaster Agency, stating that Lapindo Brantas was only required to pay compensation to parties in mudflow-affected areas up until 22 March 2007, and only through commercial transaction mechanisms. Reference to these mechanisms meant that Lapindo was only obligated to meet 20% of its obligations immediately with the remaining 80% to be paid in instalments. Crucially, the dates specified in the ruling also meant that all areas newly affected by the expanding mudflow after 2007 would be deemed to be the state’s responsibility. The regulatory policies regarding the Lapindo case after 8 September 2006 include Keppres No. 13/tahun 2006 (Presidential Decree no. 13/2006), which related to technical and social problems and
the appointment of a national team to handle them, to be financed by the Lapindo Brantas corporation. Subsequently, the Government published Perpes no. 14 tahun 2007 (Presidential Regulation no. 14/2007), which regulated the management of land and house transactions in the affected areas.

Fourthly, the Court of South Jakarta (December 26, 2007, reference 284/Pdt.G/2006/PN Jaksel) denied a lawsuit by Walhi (The Indonesian Forum for Environment)\(^{122}\) against Lapindo Brantas and its corporate partner in the Banjar Panji 1 exploration venture, and government office-holders such as the Indonesian President, the Minister of Energy and Mineral Resources, various oil and gas executive agencies, the Indonesian Minister of the Environment, the East Java Governor and the Sidoarjo Mayor. The court declared that the defendants were not guilty, because the disaster was caused by natural events (the purported Yogjakarta earthquake). This legal precedent was strengthened by an assembly of judges at Central Jakarta Court, whose decision (number 384/Pdt.G/2006/PN.Jkt Pst) was reinforced and legitimised by the nation’s Supreme Court (decision number 270 K Pdt/2008). In addition to supporting the legal decisions, the Supreme Court on April 3, 2009 declared the Lapindo mudflow to be a natural disaster. This Supreme Court decision was supplemented by the Constitutional Court, which authorised the use of the 2012 National Budget to finance the restoration of infrastructure destroyed by the Lapindo mudflow in Sidoarjo. This legal decision was further strengthened by the Constitution Court decision rejecting the law suit by Tjuk Sukiadi, Ali Akbar Azhar and Letjen TNI Marinir (purn) Soeharto,\(^{123}\) to test Article 14/Law 4/2012, which

\(^{122}\) This Indonesian NGO focuses on environmental and ecological problems in Indonesia. It was established in November 1980.

\(^{123}\)Tjuk Sukiadi is senior lecturer in Economics at the Faculty of Economics and Business, University of Airlangga. Ali Akbar Azhar is the author of *Konspirasi SBY-Bakrie*, a book which reports on the predatory oligarchy collaborations in the Lapindo mudflow case. Soeharto is a retired marine general
legitimated the use of the National Budget for handling the Lapindo mudflow disaster. This decision reinforced the state position declaring that Lapindo Brantas Incorporation was innocent in the mudflow case.\textsuperscript{124}

The Government then appointed the Badan Penanggulangan Lumpur Sidoarjo (BPLS — Sidoarjo Mudflow Countermeasures Body) as the state institution responsible for handling the disaster outside the Lapindo mudflow impact map, as well as managing a variety of technical problems, including channelling the mudflow into the Porong River so that it could bedispersed into the sea and building and maintaining a dike to hold back the mud. This new institution, created by Presidential Regulation Number 40/2009, was to be financed only from the National Budget, and was to be chaired and vice-chaired by the Indonesian Minister of Public Works and the Minister for Social Affairs respectively. Meanwhile LBI’s only accorded responsibility was for land-house transactions, and earthworks to remove the mudflow. On July 17, 2008, the Government issued Perpres no. 48/2008 (Presidential regulation no. 48/2008), which addressed additional substantial compensation for the people of Porong. This policy recognised a new group of victims: those people who lived in areas that had become submerged by mud after 22 March 2007 (the date referenced in Presidential regulation no. 14/2007). The restitution of these victims was to be financed from the National Budget, with Lapindo Brantas only financing technical issues such as the prevention of mudflow. This regulation was reinforced by Perpres No. 40/2009 ( Presidential regulation No. 40/2009).

who became involved in the fight to defend the Lapindo mudflow victims. Both Sukiadi and Azhar are among the activists who supported the efforts of Lapindo mudflow victims, including participating in the victims’ group which claimed that Lapindo Brantas Incorporated was guilty of causing the Lapindo mudflow disaster through its resource exploration near the mudflow site.

State regulations tended to be insensitive to the Lapindo victims’ views and needs, while tending to protect Lapindo Brantas’ interests. Further, state policy and legal decisions have sought to protect LBI from the obligation of compensating the victims – not only for their material losses, but also for the many social and environmental costs related to education, social cohesion, workplaces, and pollution from disaster. State policy regarding the compensation scheme (20% down-payment and 80% instalment) also protected LBI from victims’ demands for other compensation. An array of victim groups, supported by intellectuals and social activists, lobbied for a ‘cash and carry scheme’ whereby Lapindo would pay for social and environmental damage immediately, but were unsuccessful (Batubara & Waluyo 2012; Mudhoffir, 2013; Azhar, 2010). Leaders and co-ordinators of these victims’ groups voiced their concerns that government regulations regarding the disaster were made without consulting with the affected parties, or hearing their voices.

The state policies which have been so unresponsive to the interests of the Lapindo mudflow victims can be analysed in relation to the involvement of a major Indonesian oligarch in this case. The Indonesian political constellation in place at the time ensured that the Lapindo victims did not get sufficient support from political parties and parliament. This failure includes the Indonesian parliament’s formal declaration that the Lapindo mudflow was the result of a natural disaster — a decision widely seen as evidence of Bakrie’s influence within Indonesia’s ruling elites. President SBY and the parliament signalled a willingness to protect Bakrie’s interests, in particular with the formal declaration by the Minister of the State Secretariat (and Chairman of the National Mandate Party), Hatta Rajasa, that because the Lapindo mudflow was a natural disaster, all investigations into the possibility of human error were to be dismissed (Azhar 2010; Batubara and Waluyo 2012).
State protection of Lapindo Brantas is inseparable from the fact that the largest shareholder in Lapindo Brantas — the Bakrie family — is the family of Golkar Party Chairman and former Welfare Minister Aburizal Bakrie. Bakrie was also head of Kadin (Indonesian Chamber of Commerce and Industry) during the Soeharto era. The Bakrie family business survived the nation’s 1997 economic crisis and the ensuing International Monetary Fund-instigated reforms. Aburizal Bakrie himself was able to adapt to the new political and economic climate after the fall of the New Order and to thrive as politician and businessman.\(^{125}\)

\[^{125}\] The emergence of Bakrie as a prominent domestic business player in Indonesia is connected historically to the introduction by Soeharto of Presidential Decisions (Keppres) 14, 14a and 10 in 1979 and 1990. Under the terms of Soeharto Keppres, the State Secretariat assumed control of allocation of contracts and of supply and construction related to government projects. The primary mechanism for allocation of the contracts was the so-called Team Ten. The State Secretariat’s important position within Soeharto’s complex politico-business relationships lay also in its control over Banpres (The Presidential Assistance Fund). This fund was an important access mechanism through which extra budgetary funding was channelled to the President, to be spent as he pleased. However, the primary social impact of Sekneg and Team Ten’s authority lay in the recruitment and consolidation of the \textit{pribumi} (indigenous/non-ethnic Chinese) business group, with regard to allocation of contracts for supply and construction. Sekneg and Team Ten used their authority and control to assist the \textit{pribumi} bourgeoisie, who were linked to the Soeharto patronage system and the Soeharto family. Under Soeharto’s politico-business relations, some figures were connected to the aforementioned domestic bourgeois family, and to the former Pertamina director Ibnu Sutowo. Among these business figures were Fadel Muhammad, Imam Taufik, Ariffin Panigoro and, most important of all, Aburizal Bakrie (Robison & Hadiz, 2004: 59-60; Winters, 1996: 123-41). Bakrie’s business empire developed in the Soeharto era. Based on his connection with the inner circle of Soeharto’s oligarchical relations, Bakrie became an important supplier of steel pipes to Pertamina; and expanded his interests though his involvement with the Soeharto family in plantations, mining, cattle ranching, oil distribution for Pertamina, and shares in Freeport mining (Robison & Hadiz, 2004: 85-86). Bakrie’s access to New Order state power was further strengthened by his position in political arenas. He became one of the \textit{pribumi} bourgeois layers and Soeharto cronies who took MPR seats as representatives of functional group delegates in 1997 (Robison & Hadiz, 2004: 141-42).

After Soeharto’s fall, Bakrie maintained his position and power. It is widely believed that one factor which made this possible was the subsidised credits which he obtained from the Minister of Cooperatives, Adi Sasono, during the short Habibie presidency. Bakrie’s successful adaptation in the post-Soeharto era is also widely believed to be related to his transition-era role as Head of Kadin under the Habibie presidency. During this time, there was a general flood of capital from Chinese entrepreneurs out of Indonesia. As head of Kadin and Indonesia’s largest \textit{pribumi} conglomerate, Bakrie called on the government to redistribute the Chinese conglomerates’ assets to \textit{pribumi} (ethnically Indonesian, non-Chinese) entrepreneurs, in order to overcome the economic crisis. Bakrie even stated that the Chinese exodus was a golden opportunity for \textit{pribumi} entrepreneurs to redistribute Chinese assets to \textit{pribumis}. President Habibie took a similar attitude and arranged a meeting with Kadin in July 1998, stating that if the businessmen did not return in two weeks, he would instruct Kadin to take over the distribution of basic commodities. In terms of concrete policy, BULOG decided to allocate a quota of rice and other commodities to \textit{pribumi} entrepreneurs (Eklof, 2003: 232).
The Bakrie influence in the Indonesian political constellation was also indicated by his strong contribution to President Susilo Bambang Yudhoyono’s Presidential campaign in 2004. Bakrie became Co-ordinating Minister of People’s Welfare in SBY’s 2004-09 Cabinet. President SBY also had a politico-economic interest in protecting Bakrie in the Lapindo mudflow case. SBY’s support for Bakrie’s interests cannot be separated from Bakrie’s contributions to SBY’s presidential candidacies in 2004 and 2009. Bakrie family contributions to SBY’s candidacies include Bakrie’s contributions to facilitating the Freedom Institute, a think-tank and political campaign institution led by Rizal Mallarangeng, as part of SBY’s political campaign institutions (Azhar 2010: 28).

Another obstacle which prevented SBY from adopting decisive policies direction towards Lapindo Brantas was in the legislative political arena. In the People’s Representative Council (lower house of Indonesia’s national legislature) at the time President SBY’s Democrat Party held relatively few parliamentary seats, in comparison to Golkar and the PDIP. This political configuration was reflected in the membership of Tim Pengawas Penanggulangan Lumpur Sidoarjo (Sidoarjo Mudflow Mitigation Monitoring Team), which had been established by the People’s Representative Council, and whose 24-person membership included six representatives from Golkar Party and four from the Democrat Party (Azhar, 2010: 28). Bakrie’s influence was also in evidence on the occasion when opposition party members attempted to use their interpellation right to clarify government policy in the Lapindo case. This political initiative was a threat to the Golkar Party, given that Bakrie’s power network forms part of this politician’s political elites. The attempt to interrupt the order of parliamentary business, by demanding an official explanation (interpellation) was also perceived to be a political threat to President Yudhoyono, so
the Democrat Party likewise blocked this. In this situation, Bakrie thus obtained the support of two major political parties – the Golkar Party and the Democrat Party. The interpellation initiative, which was supported by 130 members of parliament from various parties, was eventually dropped when it received support from only one faction of the national legislature — the PKB. This example shows clearly how Bakrie and his political alliances were able to consolidate political support in the national parliament to protect their interests (Gustomy 2010: 72).

By investigating the relationships between oligarchic power and intellectuals in civil society arenas, and observing how these relationships have protected the Lapindo Brantas Corporation and Bakrie family interests in the Lapindo mudflow case, it becomes clear that civil society in East Java cannot be described according to the Tocquevellian liberal perspective, as the defender of political freedom and a counterbalance to the state. The entities of civil society, such as the educational system, the universities and the mass media, act largely to secure the dominant ruling class’s interests through practices of hegemony. In the Lapindo case, only a few small progressive factions of academics engaged in the struggle against the company, while prominent academics tended instead — through deploying their authority as knowledge experts — to advocate for oligarchic interests, to legitimate state policy and depoliticise the case.

6.3. Intellectuals in the Lapindo Struggle

This Lapindo mudflow case shows that although intellectuals may have succeeded in articulating victims’ interests, both through discourse that swayed public opinion and through organised protests against the state’s tendency to protect the oligarchy behind corporate interests, these efforts were constrained greatly by the manoeuvres of elite coalitions, whose interests exert a profound influence on state policy. The local
intellectuals’ initiatives to open up the political field were thwarted by factionalisation within the Lapindo victims’ social support groups, and also by the efforts of the opposing camp of intellectuals, who actively supported the oligarchic interests by legitimising the state’s policies and the manoeuvres of Lapindo Brantas Corporation.

It is important to acknowledge the efforts of some intellectuals in support of the Lapindo victims’ claims for compensation. The Lapindo victims required a viable strategy to advance their compensation claims, and to redress other injustices they felt they had suffered. Several intellectuals took a significant role here, including to articulate victims’ concerns and helping to organise protest actions. They also attempted to give deeper political meaning and significance to the Lapindo case (Eyerman & Jamison 1991: 98), portraying it as a symptom of systemic social injustice. These intellectuals emerged from NGOs such as WALHI (The Environment Forum), YLBHI (Indonesian Legal Aid Institution), Urban Poor Linkage, Relawan Korban Lumpur Lapindo (Volunteers for Lapindo Mudflow Victims), and included academics from Airlangga University who established Serikat Dosen Progresif (Progressive Lecturers’ Union), as well as young activists from Nahdlatul Ulama and Muhammadiyah (the two biggest Islamic mass organisations in Indonesia).126

One NGO which continues to advocate for the victims of the Lapindo mudflow is Yayasan Lembaga Bantuan Hukum Indonesia (YLBHI — Indonesian Legal Aid Institution Foundation). YLBHI argued that the government has ignored the cultural, political, and economic rights of the victims in its handling of Lapindo mudflow problems.127 According to YLBHI’s Surabaya office, the state has tended to

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126 Interview with Herlambang Perdana Wiratraman a member of the Progressive Lecturers Union, July 10, 2013.
127 Taufik Basari S. H. the officer of YLBHI in ‘Majelis Hakim Tolak Gugatan Lumpur Lapindo’ (The Panel of Judges Rejected the Lapindo Mud Lawsuit), on November 27, 2007, kapanlagi.com
denigrate victims’ rights — especially the right of people who did not have land certificates.\textsuperscript{128}

Another active NGO is the Urban Poor Consortium (UPC), founded by Wardah Hafidz, which focuses on the problem of urban poor marginalisation as a result of political oppression and economic exploitation. According to a former East Java UPC representative in the Lapindo case, Ambo Tang Daeng Matteru, the crucial problem is the state’s continuing denial that Lapindo Brantas’ activities in the Sumur Banjar Panji, Porong, and Sidoarjo regions were the primary cause of the disaster. UPC argues that in the interests of justice, the Lapindo Brantas Corporation should be found guilty in the mudflow case, and should be compelled to finance all costs for restitution of people’s rights and to redress the social, cultural and environment damage for which it is responsible.\textsuperscript{129}

Another active victims’ support group is the aforementioned group of local academics in Surabaya, the Serikat Dosen Progresif (SDP—Progressive Lecturers Union). As noted, SDP was founded by several young academics from Airlangga University, predominantly from the law faculty (Joeni Arianto Koeniawan and Herlambang Perdana Wiratraman) and the social and political sciences faculty (Eddy Herry).\textsuperscript{130} This group differentiates its perspective from that of some elite academics from Airlangga University, who use the good-governance Neo-Institutionalist approach to facilitate the Lapindo corporate interest and moderate victim articulation to build compromise agreements between the Lapindo Corporation and its victims.

\textsuperscript{128} Faiq Assidiqi, Division Co-Ordinator of Land and Environment (LBH), Surabaya. \textit{Iddaily.net}, December 31, 2008.

\textsuperscript{129} Private communication with Ambo Tang Daeng Matteru, November 17, 2013.

\textsuperscript{130} This group also obtained support from several senior lecturers at Airlangga University who contributed to Lapindo victim advocacy; including prominent sociologist Professor Soetandyo Wignyosoebroto and economics Professor Tjuk Kasturi Sukiadi.
According to SDP, the implementation of the Neo-Institutionalist approach in the Lapindo mudflow case serves only to justify the interests of the politico-business client-led powers behind Lapindo Brantas, which should instead be held legally responsible for the drilling negligence which caused the mudflow disaster.  

Serikat Dosen Progressif has identified several fundamental problems in the government’s approach to handling the Lapindo case. First and foremost, there was a close relationship between the state apparatus of the SBY Cabinet and Bakrie himself, which, along with the fact that the Bakrie family owns Lapindo Brantas, led to corrupt government/private collaboration to manipulate government processes to the corporation’s advantage.

Several intellectuals agree that the other major problem with government policy on this issue is that all policy remains based on the erroneous claim that the mudflow was the result of the Yogyakarta earthquake. SDP’s co-ordinator, Koerniawan, has criticised President SBY’s protection of PT Minarak Lapindo Jaya (PT MLJ), the company designated by the Bakrie to settle payments to mudflow victims and Bakrie’s economic interests, as a clear example of state institutions’ tendency to overlook corporate negligence in this and other cases. This view was perhaps presented best by Koerniawan, a lecturer in law, in a chapter in a book on the

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131 Interview with Herlambang Perdana Wiratraman, a member of the Progressive Lecturers Union, July 10, 2013; and Joeni Arianto Koerniawan, Co-ordinator of the Progressive Lecturers Union, September 17, 2013.

132 Interview with Joeni Arianto Koerniawan, Co-ordinator of the Progressive Lecturers' Union, SDP, September 17, 2013.

133 PT Minarak Lapindo Jaya, a subsidiary of PT Lapindo Brantas Corporation was responsible for distributing compensation payment on behalf of the latter, under a number of different schemes (www.tribunnews.com, June 19, 2015 ‘Menteri Basuki panggil PT Minarak Lapindo Jaya dalam waktu dekat’) (Basuki Minister Called PT Minarak Lapindo Jaya in the Near Future).
Lapindo case, ‘Lumpur Lapindo: Sebuah Potret Mitos tentang Negara Hukum Indonesia’ (Lapindo Mudflow: a Portrait of Indonesian State Law Myth).\(^{134}\)

The activists and academics who advocate for the victims of the Lapindo mudflow have certain ideas in common about the issues at hand. Firstly, they agree that the mudflow was not caused by Yogyakarta earthquakes, but was triggered by corporate exploration activities. They consider that the absence of firm state action towards the corporation is related to the occupation of state authority by interconnecting oligarchic interests, resulting in a tendency to protect Lapindo Brantas from any accusations of wrongdoing. Secondly, they have sought to force Lapindo Brantas to compensate fully for the losses suffered by Lapindo victims. From their perspective, the corporation and the state did not adequately compensate the victims for all the damages they experienced after the disaster. Thirdly, they supported the Lapindo victims’ struggle for the fulfilment of their civil, social, economic and cultural rights after they were expelled from their own properties and communities in the wake of the mudflow disaster. These intellectuals considered that Lapindo Brantas and state authorities had not fulfilled the Lapindo mudflow victims’ basic rights as citizens. In other words, these victims’ social interests were articulated as a human rights matter.\(^{135}\)

WALHI, one of the prominent NGOs involved in the case, conducted a critical analysis of the ecological political economy. Based on this analysis, WALHI believes that in a case such as the Lapindo mudflow issue, the environmental problems cannot

\(^{134}\) The book in which this appears is entitled Bencana Industri: Kekalahan Negara dan Masyarakat Sipil dalam penanganan Lumpur Lapindo (Industrial Disaster: The State and Civil Society Defeat in the Lapindo Mudflow-Handling Processes). This book was published through a collaboration between local intellectuals in East Java and the Desantara Foundation (an activist publisher which has close connections with the religious organisation Nahdlatul Ulama).

\(^{135}\) Interview with Joeni Arianto Koerniawan, the Co-ordinator of the Progressive Lecturers’ Union, SDP, September 17, 2013.
be separated from Indonesia’s core strategic development paradigm, which focuses on the extraction of natural resources by the state apparatus. The ecological crises facing Indonesia – and there are many – cannot be separated from these connection between political power and the extractive industry, which, as the WALHI analysis shows, often exploit natural resources irresponsibly for private interests. As observed by WALHI’s East Java director, Oni Mahardhika, this connection is shown clearly in oil and gas exploration permits which have been awarded for more than 20 blocks mining areas in the region; and evidenced further by the fact that the mining exploration undertaken by Lapindo Brantas violated government spatial plans, in that it explored in areas allocated not for exploration but for residential activity. These observations together reveal how not only the mismanagement and injustice in the aftermath of the disaster but also the disaster itself were a consequence of the oligarchic alliance between SBY and the Bakrie family; an alliance which utilised state institutions with impunity to enable natural resources exploitation that damaged the livelihoods of ordinary citizens while supporting their own interests. Based on WALHI’s analysis, the close power connection between Susilo Bambang Yudhoyono and Aburizal Bakrie in the government, and the dependence of the state on corporate natural resources exploration, were among the chief causes of government policy implementation favouring the power of capital over the mudflow victims. Further, Mahardhika avers that the problem of the Lapindo mudflow cannot be solved by payment of compensation and by displacing people from their homes. He says that the

solution to the Lapindo mudflow would be to restore to the people all their basic needs and rights that were held before the mudflow’s eruption.\textsuperscript{137}

The Lapindo victims’ advocacy movement employed various strategies in response to the elite political agendas, with the aim of gaining broader public support for the mudflow victims. The aforementioned NGOs played significant roles in the movement, by spreading information through press releases, writing papers in books, educating people about the issues, disseminating information throughout society, and by suing Lapindo Brantas and the state. All strategies were peaceful and did not violate the rule of law. Most of the NGOs involved in the Lapindo movement agreed to establish a core organisation consisting of thirty-eight NGOs and community organisations, to create a social movement group, Gebrak Lapindo (Kick-Out Lapindo), in an effort to advance the movement.\textsuperscript{138}

Based on their assessment of the problem, WALHI and YLBHI advocated for the mudflow victims by suing Lapindo Brantas and other institutions as co-defendants, such as Energi Mega Persada Corporation, Pan Asia Incorporation, Kalila Pan Enterprise, Santos Brantas Incorporation, the then President of Indonesia, the then Minister of Energy and Mineral Resources, the Oil and Gas Executive Agency (BP Migas), the then Environmental Minister, the then East Java Governor, and Sidoarjo Mayor in Southern Jakarta State Court. The WALHI lawsuit was based on the argument that there had been an unlawful act, which resulted in environmental damage. YLBHI also sued the Indonesian President, the Minister of Energy and Mineral Resources, the State Minister of Environment, the Oil and Gas Executive Agency (BP Migas), the East Java Governor, the Sidoarjo Mayor, and Lapindo

\textsuperscript{137} Interview With Oni Mahardhika, The Coordinator of East Java Walhi (Environmental Forum) November 23, 2012. \textsuperscript{138} Interview with Herlambang Perdana Wiratraman in Jakarta, August 10, 2013.
Brantas in Central Jakarta State Court, on the basis of the occurrence of unlawful conduct including the denial of the economic, social and cultural rights of the mudflow victims, as stipulated in the 1945 Constitution, regulation number 39/1999 on Human Rights, and regulation no. 11 2005 on the ratification of the International Covenant on Economic, Social and Cultural Rights (Kurniawan (2012: 122-23)). This strategy was also supported indirectly by SDP, through the provision of legal education for the victims of Lapindo in Porong Sidoarjo, at a facility established for the purposes and known as the Sekolah Hukum Rakyat(SHR) or Peoples’ Law School. As Joeni Arianto Koerniawan, a lecturer in the law faculty at University of Airlangga, and the Co-ordinator of Legal Aid for Victims of the Lapindo mudflow, observed:

The activities of the People’s Law School (SHR) for Victims of Lapindo have some clear objectives: First, is to raise awareness of rights and to promote legal literacy programs for victims, in order for them to know and understand what rights they have, and which rights have been violated by the mudflow events. Second, this program also has the mission of letting people know what legal recourse they have and how they can take this, in order to defend their rights. The structure of this teaching was chosen deliberately, because I think that this is the appropriate kind of activity for academics and particularly lecturers to undertake; an endeavour that is a kind of educational program for the public. The materials provided in the courses at the People’s Law School help to facilitate legal education in specific areas most relevant to the issues faced by the victims, such as human rights, Land Law, Environmental Law and the like; and must be modified in such a way that they are
more easily understood by the general public, who are not students of the Faculty of Law.\textsuperscript{130}

This legal education program aimed not only to educate victims about their social rights as citizens, but also to develop people’s capabilities to defend their rights through legal action. The course endorsed the pursuit of judicial review to the Supreme Court’s Presidential Decree No. 14 of 2007, which is the legal basis for regulating efforts to solve the social and environmental problems caused by the mudflow.

However, the Lapindo victim movement was not totally unified. Below, this chapter identifies the most prominent victim groups involved in the movement, and explains their individual distinct grievances and fundamental inter-group disputes.

6.3.1. Pagar Rekontrak

Pagar Rekontrak was created as the result of a collaboration between academics and social activists: Serikat Dosen Progresif — Universitas Airlangga (Progressive Lecturers’ Union — University of Airlangga), YLBHI, WALHI and UPC. This joint effort has a home base at Porong Market, a location set aside by the Sidoarjo Regency as a refuge site for Lapindo Mudflow victims (Gustomy, 2012: 56-58; Batubara & Utomo 2012). The main aim of this group was to oppose the compensation which had been offered by Lapindo Brantas Corporation and strengthened by Perpres No.14/2007. This group demanded instead the implementation of the proposed cash and carry scheme, through which the Lapindo Brantas Incorporation would settle all the material costs of residents via cash payments immediately. The members of Pagar Rekontrak agreed to reject the state’s other decisions and Lapindo offers, because

\textsuperscript{130}Personal communication with Joeni Arianto Koerniawan, March 16, 2015.
compensation based on transactions (buying and selling property) would involve people losing their land ownership. Pagar Rekontrak’s position was developed following discussions between the intellectuals and the Lapindo mudflow victims, which produced the consensus that the cause of the mudflow was corporate error, rather than natural events. Given this, the group argued, paying instalments through transactions only, without the social-environmental costs added on, would benefit Lapindo Brantas but not the people (Mudhoffir, 2013; 38). Pagar Rekontrak set goals of pursuing not only economic compensation, calculated on the basis of victims’ property and land, but also the restoration of people’s broader social and ecological environment (Mudhoffir, 2013: 38). In Pagar Rekontrak’s estimation, it was essential that victims’ basic needs and rights prior to the mudflow eruption were restored to them. Pagar Rekontrak thus did not accept that victims be paid compensation and physically relocated.  

The Pagar Rekontrak group formulated its demands based on a number of principles. Firstly, it resolved to defend the social rights of residents. This meant holding the government responsible for restoring people’s rights to housing, health needs and reasonable work, in accordance with what they had held prior to the disaster. Secondly, Pagar Rekontrak sought for the government to restore people’s social communities and local environment, again commensurate with their social and environmental conditions before the mudflow incident. Pagar Rekontrak argued that the ecological damage and associated inability to raise livestock equated to lost income and livelihoods, and further, that the government’s option of relocating victims from Porong, Sidoajo to new areas was not sufficient, because the new locations were environmentally unfit for livestock. To this day, many people whose

\[140\text{Interview with Ony Mahardhika, the Director of East Java Walhi, November 23, 2012.}\]
communities and livelihoods were destroyed by the mudflow are still struggling to be granted restitution and acknowledgement of their social and environmental rights. Remarkably, these include many victims who remain unrecognised as victims, because their land, although clearly damaged or lost, was listed as falling outside the areas defined as “affected areas” by Lapindo Brantas and state policy.

6.3.2. GKLL (The Lapindo Mudflow Victims’ Coalition)

This group comprises the first refugees from the Lapindo mudflow disaster, whose land was able to be registered on the official “affected areas” map, based on Perpres number 14/2007. The Gabungan Korban Lumpur Lapindo (GKLL — The Lapindo Mudflow Victims’ Coalition) group accepted the state’s regulation which set up the aforementioned compensation scheme based on the cash and carry system, (20% down-payment and the remaining 80% to be paid in instalments). Some intellectuals, including Emha Ainun Nadjib, an artist from Yogyakarta, and Khairul Huda, General Secretary of GKLL and lecturer at the University of Muhammadiyah Sidoarjo, joined this group and determined its direction. The GKLL has aims which are in some ways different from those of the Pagar Rekontrak group. One key difference is that GKLL has been much more likely to compromise with the government and accept state regulations regarding forms of compensation for victims. As mentioned, GKLL accepted the state regulation which established the cash and carry compensation scheme. In contrast, as Khairul Huda (the General Secretary of GKLL) states, Pagar Rekontrak chose to fight for compensation for victims that comprised 100% cash, distributed immediately and has fought as well as for recognition and redress, by Lapindo, of important immaterial losses (social-environmental costs), including those associated with education, health, the environment, and community and social needs. Huda’s position, on behalf of GKLL, isthat these are unrealistic demands (Mudhoffir,
2013: 35). GKLL’s meek approach has won them some benefits: the group has negotiated successfully with the government on compensation rates including Rp. 120,000 (US$12) per square metre for paddy fields, Rp 1,000,000 (US$100) per square metre for lost gardens, and Rp 1,500,000 (US$150) for destroyed buildings, in addition to winning modest living allowances and social assistance for victims. Of all the victims’ groups that have attempted to fight for their rights and compensation for losses in the wake of the Lapindo mudflow, this is the group that has almost always reached agreement through negotiation with Minarak Lapindo Jaya (Mudhoffir, 2013; 33).

GKLL’s success with respect to accepting compensation from PT MLJ cannot, however, be considered a strong victory for the Lapindo victims movement. Under the direction of well-known intellectuals Emha Ainun Nadjib and Khoirul Huda, the GKLL group tended to depoliticise the case, with the aim of reaching quick agreement with and obtaining compensation from the company. By following a strategy of depoliticisation, GKLL chose not to criticise the government’s operations or question where responsibility may lie in this case. Khoirul Huda observed that since GKLL represents the largest group of victims in the Lapindo mudflow movement, the group’s refusal to question political motives enables a large number of victims to receive compensation from Lapindo Brantas, at least to the level specified by state regulation. 141 Going one step further, Emha Ainun Nadjib is on record stating that Lapindo Brantas Incorporated cannot be blamed. He notes that during the Supreme Court’s legal deliberations, Lapindo Brantas stated its innocence in this matter, which, according to Nadjib, means that Lapindo’s decision to compensate victims for their losses can only be interpreted as an act of charity by Lapindo Brantas.

141 Pengujian UU APBN Bisa Rugikan Korban Lapindo (hukumonline.com, June 20, 2012). (The Legal Examination on National Budget Act can harm the Lapindo Victims)
toward mudflow victims. \textsuperscript{142} These views about Lapindo Brantas’ lack of legal responsibility for the mudflow and its aftermath were also circulated by several local academics in East Java, as well as in the national public sphere.

Such compliant statements by Emha Ainun Nadjib and Khairul Huda served to influence the perspectives and political initiatives of the GKLL group. The group mandated Emha Ainun Nadjib and Khairul Huda to make a deal with Lapindo Brantas Incorporated. By advancing the strategy of compromise with the company, GKLL effectively marginalised the political manoeuvres of other activists, who were attempting to criticise and conduct a more resistant approach toward the corporation and associated state decisions. Khairul Huda released a public statement criticising the efforts of activists to seek a judicial review into how the 2012 National Budget was used to finance the Lapindo mudflow compensation. Huda stated that these legal efforts were creating further problems for victims, who wanted instead to obtain their compensation immediately through negotiations with the company. \textsuperscript{143} This statement by Huda, however, overlooked and sidelined the activists’ initiatives on behalf of the victims. As is so often the case in Indonesia, however, efforts by the people to seek legal redress though the courts were blocked by the courts themselves. The Constitutional Court ruled against allowing the lawsuit to proceed. Khairul, in his role as General Secretary of GKLL, came out in support of this decision and declared that the ruling supported the finalisation of compensation processes arranged by the state. The Commissioner of PT Minarak Lapindo Jaya, Gesang Budiarso, then concluded

\textsuperscript{142} Bakrie Sudah Habis Rp. 6,2 Triliun untuk Korban Lapindo (Republika, September 10, 2009). (Bakrie has spent Rp 6.2 Trillion for Lapindo victims)

\textsuperscript{143} Pengujian UU APBN Bisa Rugikan Korban Lapindo (The Legal Examination on National Budget Act Can Harm the Lapindo Victims) (hukumonline.com, June 20, 2012).
that the Constitutional Court’s ruling strengthened the Supreme Court’s decision regarding the innocence of Lapindo Brantas of the mudflow.¹⁴⁴

However, things did not progress smoothly for GKLL in their negotiations with Lapindo Brantas. The group became divided, producing an off-shoot faction called Geppress (to be discussed below). The split within GKLL occurred following PT MLJ’s refusal to pay compensation to victims as demanded by Presidential Decision number 14/2007, which ordered Lapindo to make an immediate 20% down-payment to victims, with the remaining 80% to be paid by mid-2008. To justify avoiding its financial commitments, Lapindo queried the legal status of land ownership, and also cited the global financial crisis. In particular, Lapindo neglected to pay the final 80% of payments, citing as its reasons the incomplete land certificates of the victims, and the financial difficulties of the corporation following the GFC. Minarak Lapindo Jaya then attempted to change the compensation process from 20% immediate cash and 80% in instalments to a “cash and resettlement” mechanism, whereby Minarak Lapindo Jaya paid only the 20% down-payment, and would then build housing as part of a resettlement scheme for Lapindo mudflow victims. In response, some GKLL movement leaders continued to make concessions to Lapindo Brantas Corporation, and associated state actors, which others in GKLL believed disappointed many Lapindo victims. These concerned members of GKLL formed the breakaway Gepress group. The dispute within the GKLL group, and the formation of the new fraction Gepress, represented the new political articulation of the Lapindo mudflow movement.

6.3.3. Geppress (The Movement for Supporting Presidential Regulation No.14/2007)

Geppress was officially established in the Renokenongo village hall in July 2008. The creation of Geppress as a faction of GKLL was provoked by the actions of some of the group’s leaders — in particular Emha Ainun Nadjib, who, on March 22, 2008, made a unilateral agreement with Lapindo Brantas regarding terms of compensation to victims, without seeking approval from or consulting with other victim groups. The agreement between Emha Ainun Nadjib, other GKLL leaders and PT MLJ approved the change in compensation from the cash and carry mechanism to the cash and resettlement mechanism (20% of compensation given as cash, and the remainder to be provided as resettlement). The ‘resettlement’ promised by PT MLJ involved a house and land for Lapindo mudflow victims, as part of purpose-built housing called Kahuripan Nirwana Village Complex (Utomo, 2010; 189).

As noted, PT MLJ argued that the previously-arranged 80% of compensation in instalments could not be paid to the many land owners who did not hold property certificates; PT MLJ claimed that such payment would be against both the Agrarian Basic Law and Presidential Regulation No.14/2007. However, PT MLJ’s statement on this matter is not in accordance with the National Land Agency Letter (Surat Badan Pertanahan Nasional) to the Head Office of the Sidoarjo Regency Land, which arranged the compensation mechanism not only for certificate holders, but also for non-certificated land owners (Letter C, Pethok D. or S. K. Gogol).\textsuperscript{145} This discrepancy between what PT MLJ was claiming could be done and what the official government letter indicated could be done did not pass unnoticed among many GKLL members who resolved to leave GKLL and form Geppress. As one of the intellectuals who

\textsuperscript{145} Menuntut Tanggung Jawab Lapindo (Kanal/Volume 1/August 2008). (Demand for Lapindo Responsibility)
supported Geppress, Paring Waluyo Utomo, observed, the unilateral agreement made between PT MLJ and GKLL’s leadership highlighted the incapability of the state to guarantee the execution of its own regulations; in this case, the fulfilment of the original agreed compensation scheme for Lapindo mudflow victims (Utomo, 2010: 187).

The change of compensation scheme triggered protests from victims. Rois Hariyanto, a member of the GKLL victim group, stated that he was disappointed with Nadjib. Hariyanto reported that victims through GKLL gave cash to pay Nadjib thirty million rupiah per village to resolve the problem, including paying for his services to connect the people with the corporation and the dominant political elite in Jakarta, including the Indonesian President. Nadjib also persuaded the Lapindo victims to achieve a non-political approach to the Lapindo case, through showing that the case was not related to political and legal problems. Nadjib said that the Bakrie family had already funded victims to the tune of Rp. 6,200,000,000. He reiterated to victims that Bakrie and Lapindo Brantas were not responsible in this case, while also reiterating Bakrie’s “charitable” contribution to Lapindo victims.

Geppress employed various strategies in order to articulate their interests, including undertaking mass demonstrations and blockading all access into the mud embankment, in order to stop construction work. Geppress also sought mediation

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146 Paring Waluyo Utomo, Bangkit Ditengah Keterpurukan. Op.cit, 188-89. (The Victims Rise after the Downturn)

147 Rois Hariyanto’s accusation toward Emha Ainun Nadjib has been refuted by Khoirul Huda, who said that GKLL never collected cash from people in order to give cash to Nadjib personally. As Huda states, the cash collected from the people by GKLL had been used for group activities. Further, Huda stated that Nadjib’s role in liaising between GKLL and Minarak Lapindo Jaya and the then President, Susilo Bambang Yudhoyono showed clearly that he was only a mediator, and never directed the solution to the Lapindo Brantas Incorporation (Mubahalah Kasus Lumpur Lapindo, August 12, 2008, bangbangwetan.com)

148 Keluarga Bakrie Buka Puasa dengan Korban Lumpur, (kompas.com, September 9, 2009). (Bakrie Family Iftar with Mudflow Victims.)
through the Human Rights National Commission, in an effort to meet the Minister of Public Works, Joko Kirmanto. This meeting conducted on September 2008. The group met the Minister, accompanied by Syafrudien Ngulma from the Human Rights National Commission. At the meeting, the Minister advised that victims should accept the new Lapindo cash and resettlement proposal, and refused to support the group’s aspirations to execute Perpres 2007 and compel Lapindo to pay the people through the original cash and carry mechanism. Geppress rejected the Minister’s recommendation and continued their protest, by undertaking demonstrations at Merdeka Palace and at the house of Aburizal Bakrie. These protests were not received positively by either the Government or Lapindo Brantas (Utomo, 2010: 186-2012).

Geppress’s demands for compensation based on Presidential Decision No.14/2007 met with similar failure to the efforts by Pagar Rekontrak described earlier. As mentioned above, Geppress demanded that the state defend its own decision on the case, instead of accepting other solutions that deviate from its policy that were recommended by Lapindo Brantas Incorporated. However, the state’s acceptance of the agreement was made between PT Minarak Lapindo Java and the GKLL group, shifting the terms of compensation and indicating the failure of Geppress’s efforts to struggle for their demands. The lack of success from their protests lead to many Geppress members drifting back to join GKLL again, and to accept the solutions dictated by PT Minarak Lapindo Jaya. Other Geppress members continued to resist — including through publication of a bulletin called *Kanal Saluran Aspirasi Korban Lapindo*, issued by Paring Waluyo Utomo *et al.* and broadcast over community radio around Sidoarjo; as well as through the creation of a protest website.

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149 As mentioned previously, the terms of compensation have been changed from 20% in upfront cash and 80% in instalments, to a ‘cash and resettlement’ mechanism, whereby Minarak Lapindo Jaya paid only a 20% downpayment, and would then build housing as part of a resettlement scheme for Lapindo mudflow victims.
(Mudhoffir, 2013: 41). Although these initiatives did not sway the negotiation process in the direction of protecting the rights of the mudflow victims, they did represent a counter-hegemonic discourse in the Lapindo case.

The efforts of some intellectuals to articulate victims’ interests is important to acknowledge, regardless of the lack of success with respect to producing positive practical outcomes for victims. The willingness of some intellectuals to use discourse to challenge public opinion, and to organise protests against a state position that protects the oligarchy behind corporate interests – in particular the collaborative efforts between intellectuals and the victims of Lapindo who joined Pagar Rekontrak, did have some affect on political consciousness, and was able to exert political and legal pressure on the state and Lapindo Brantas Corporation.

There are several reasons why Pagar Rekontrak’s efforts did not deliver positive outcomes for the mudflow victims who joined this group. Firstly, Pagar Rekontrak’s attempts to fight for their own compensation scheme was ignored by the government and by Lapindo, which chose to focus on the agreement reached between the state and the much larger GKLL group — which tended to agree with Keppres No. 14/2007. This alternative agreement became an excuse for the state apparatus to neglect the aspirations of Pagar Rekontrak (Mudhoffir 2013: 38). Secondly, the state chose not to involve Pagar Rekontrak in the participatory mechanism for discussing compensation scheme options, but instead quietly attempted to generate

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150 The Pagark Rekontrak members was 600 family, compared with the much higher 11,000 family for GKLL.

151 However, it should be noted that the commitment between GKLL and the state to approve Keppress No.14/2007 had been made before another dispute between the GKLL, Gepress and PT MLJ due to the other agreement between the company and GKLL, which changed the terms of compensation from cash and carry into cash and resettlement, which resulted in the split between the GKLL and Gepress.
conflict between the victims’ group and the market traders in Porong Sidoarjo.\textsuperscript{152} Another government effort to weaken Pagar Rekontrak’s resistance included the government’s cancellation of various types of social assistance in Porong.\textsuperscript{153} Thirdly, these systematic political efforts by the state to undermine Pagar Rekontrak led to some of the group’s members gradually weakening and losing trust in Pagar Rekontrak’s leadership and in the intellectuals who advocated on the group’s behalf. Most Pagar Rekontrak members eventually joined GKLL, in order to obtain at least some compensation. GKLL also remained supported by intellectuals, such as Emha Ainun Nadjib and Khairul Huda.

Close examination of the role and position of intellectuals in the Lapindo mudflow social movements shows that local intellectuals’ attempts to open up the political field were unsuccessful, due largely to the lack of organisational cohesion among victims’ groups to facilitate supportive social conditions for effective protest. Each of the various groups in the Lapindo mudflow movement had different agendas and strategies, leading to an overall lack of cooperation, and even divisions between groups within this movement. The factionalisation and lack of social consolidation among the groups, driven by the contradictory agendas and strategies, weakened the movement’s efforts. In particular, GKLL’s approach was not helpful, including their opposition to other intellectuals’ and victims’ attempts to take legal action, which GKLL predicted would result only in the court declaring that the mudflow was caused by natural disaster and that Lapindo’s actions were not legally responsible for the

\textsuperscript{152} The traders’ market in Porong Sidoarjo had been used to accommodate the victims of the Lapindo mudflow. Subsequently, this market became the base camp of the Pagar Rekontrak group.

\textsuperscript{153} Interview with Joeni Arianto Koerniawan, Co-ordinator of the Progressive Lecturers’ Union, SDP, September 17, 2013.
Friction within and between groups was also exacerbated by the lack of clarity in the state’s policies with regard to who should be held responsible for this disaster, and the state’s implementation of a buying and selling mechanism, which victims responded to differently, based on their different social interests.

6.3.4. The Pro-Lapindo Intellectuals

The Lapindo mudflow victims’ resistance in Sidoarjo East Java faced the additional problem of the prominent academics from East Java universities who advocated strongly in support of state policies and oligarchy agendas. These academics supported Lapindo interests because of their connection with dominant politico-business alliances in local and national contexts, and did nothing to help create an autonomous space to support the victims of Lapindo. This shows that democratic institution building, which began in 1998, has not yet produced free association as understood in concepts of liberal democracy. The East Java academics’ support for LBI and for state policies reflects the continuing illiberal conditions in East Java civil society. Within the latter society, the Lapindo mudflow victims movement has not had access to an appropriately free public sphere to advance the process by which the respective groups appropriated democratic forms and practices for their own use.

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154 State policy on Lapindo was framed by Keppres number 13/2006 and Perpres number 16/2007, which do not clarify whether the disaster was natural or triggered by human error. Policy was formulated gradually, based on the situation in the territories flooded by mud. The chronology of regulatory policies regarding the Lapindo case after September 8, 2006 include the government-produced Presidential Decree number 13/2006, which concerned technical and social problems and set up a national team to handle the Sidoarjo mudflow financed by Lapindo Brantas. The government appointed the Badan Penanggulangan Lumpur Sidoarjo (The Agency of Lapindo Mud Prevention) as a representative body. The administration and infrastructure was to be financed from the national budget, while Lapindo Brantas was responsible for land-house transactions and earthworks to remove the mudflow. On July 17, 2008, the government issued Presidential Regulation number 48/2008, which related to additional substantial compensation for Lapindo victims and the people of Porong. This policy identified new victims as being the people who lived in areas that became submerged by mud-flood after March 22, 2007 (as stated by Presidential Regulation number 14/2007), whose restoration should be financed from the national budget, with Lapindo Brantas only financing technical matters. This regulation was reinforced by Presidential Regulation number 40/2009, which regulates additional extensive compensation. This regulation appoints the BPLS to handle compensation for areas outside the Lapindo mudflow impact map. The compensation was to be financed only from the national budget.
East Java civil society arena, including mass media and social organisations, has remained susceptible to penetration by the powers of large corporations and by state policy, instead of acting as an association to empower the critical articulation of oppressed social forces.

By elaborating on the intersection of oligarchic power, political elites and intellectuals in civil society arenas which have protected Lapindo Brantas Incorporated and the Bakrie family’s political economic interests in the Lapindo mudflow, I show that the realm of civil society in East Java’s post-authoritarianism era cannot be described according to the Tocquevellian liberal democracy perspective, as a defender of political freedom and a counterbalance to the state. Key entities of civil society in Indonesia’s post-authoritarian era, including the education system, universities and the mass media, have acted to secure the dominant ruling class’ interests through practices of hegemony. With the exception of a few progresive factions of academics who have engaged in the victim movement’s struggle against Lapindo Brantas Inc., most prominent academics — through deployment of their authority as knowledge experts — have advocated for the oligarchic interests by using Neo-Institutionalist perspectives to legitimate state policy and depoliticise the Lapindo case.

The tendency for predatory power to tame and subjugate the mass media for its own interests was shown with the Lapindo Brantas manoeuvre to co-operate with certain elite intellectuals in East Java, and to use the local media to create a positive perception of Lapindo activities in Porong, Sidoarjo. Lapindo Brantas was able to use this collaboration to facilitate its efforts to create public agreement that the corporation should not be blamed in this case. Lapindo Brantas’ co-operation with JTV (a television network which was part of the Jawa Pos Group) led to the Bakrie
clan buying this media organisation and producing a television show called ‘Pojok Pitu’ (Seven Corners), which aimed to create a positive image of Lapindo Brantas.

The Bakrie family also bought the newspaper *Surabaya Postholding*, to produce and disseminate positive news about Lapindo Brantas’ activities; the family ensured that free copies of this newspaper were circulated to mudflow refugees in Porong (Gustomy 2010: 71). Two Lapindo executives, Bambang Prasetyo Widodo and Gesang Budiarso, were appointed as directors of the newspaper. The Lapindo executives appointed as managers of the newspaper ensured an atmosphere of hostility to support for the Lapindo mudflow victims, so that most intellectuals were reluctant to investigate or challenge the oligarchic and predatory power operations in this case. This situation also resulted from the weak interconnection of the prominent fields of civil society, given that most of the major intellectual figures supported oligarchic power. Once some prominent local intellectuals in the civil society arena became the ideological troops of dominant predatory alliances, any social movement initiatives that aimed to fight against oligarchic and predatory interests lost much of their potential power.

According to Schiller, Lucas and Sulistiyanto (2008: 69) some professionals and academics from ITS (Surabaya Institute of Technology), such as Kresnayana Yahya, together with Professor Hotman Siahaan from Airlangga University, were involved in organising meetings related to the Lapindo mudflow. These intellectuals

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155 Gustomy, Rachmad (2010: 70-71). The intellectuals’ activities in the Lapindo Brantas social network are discussed in a previous section.
can be seen as acting in a role which attempts to manage governance processes in a time of crisis. However, it must be noted that Schiller, Lucas and Sulistiyanto (2008) do not refer to the fact that other academics and public intellectuals played active roles in support of Bakrie’s political manoeuvres. The attempt to protect Bakrie family interests through intellectual activity was not confined to eliciting support from geological experts friendly to Lapindo Brantas Incorporated, but also involved obtaining support from social scientists at Airlangga University. Their role was effectively to help create public consent for the idea that the Bakrie family could not be held responsible for the repercussions of the Lapindo mudflow. The function of prominent intellectuals in this case was to protect oligarchic interests by attempting to depoliticise potential sources of broad-based conflict. They used the language of governance to defuse critical public opinion (Davies, 2011: 118; Bourdieu, 1984: 462). Another opinion about the collaboration between oligarchical power alliances and intellectuals at the national and local level was expressed by another SDP member from the Airlangga University law faculty, lecturer Herlambang Perdana Wiratraman, who concurred with other observers cited earlier, that the oligarchic alliance’s political manoeuvres and Bakrie’s economic interests had been hidden by prominent national and Surabaya intellectuals through using Neo-Institutionalist knowledge in this case. As Herlambang argues:

The contribution of some prominent intellectuals in the Lapindo Mudflow case utterly strengthens the Bakrie clan’s interests, instead of advocating for the interests of the Lapindo victims. By using the authority of their knowledge as academics, they utilised their authority to deploy the Neo-Institutionalist framework, with state, corporate, and civil society collaboration as social
capital and social glue, connecting common purposes in order to hide the problems related to the manipulation of state institutions to protect Bakrie family wealth and his political reputation.\textsuperscript{156}

These intellectuals’ engagement in the Lapindo case developed into a struggle between academics protecting Bakrie family interests, and intellectuals who sought to hold Bakrie responsible for the disaster and were critical of what they saw as his abuse of power. The collaboration between Bakrie family interests and Surabaya social scientists was initiated at a meeting at the Shangrila Hotel in Surabaya in 2007. The result of the meeting included the publication of a weekly bulletin called \textit{Solusi} by the academics who attended. This bulletin was published for 34 editions. Those who took positions as editors of the bulletin included senior political scientists such as Priyatmoko Dirdjosuseno, Haryadi, Wisnu Pramutanto, and academics from the Surabaya University Law Faculty, such as Martono—who whose contribution to support Lapindo interests helped him to be promoted to head of East Java’s prominent political party. These social scientists also worked together under the auspices of a non-governmental organisation called La Cassa.\textsuperscript{157} This bulletin was circulated among strategic civil society institutions, such as the national and local mass media, universities as well as national and local government institutions.\textsuperscript{158}

Significantly, the \textit{Solusi} bulletin played a major role in supporting the position that the Lapindo mudflow was the result of a natural disaster. It also deployed a raft of

\textsuperscript{156}Interview with Herlambang Perdana Wiratraman in Jakarta, August 10, 2013.

\textsuperscript{157}Interview with JI, an employee of Lapindo Brantas (February 13, 2013); Interview with Professor Soetandyo Wignjosoebroto, Professor of Sociology, Airlangga University, who was invited by Lapindo Brantas to make a commitment to support Bakrie at the Shangrila meeting, but who declined the invitation (January 3, 2013).

\textsuperscript{158}Interview with JI, an employee of Lapindo Brantas (February 13, 2013); Interview with Herlambang Perdana Wiratraman in Jakarta, August 10, 2013.
Neo-Institutionalist, social capital and free-market arguments to provide solutions for the socio-economic and environmental disaster that was caused. In general, the publication tried to influence public perception and create consent for oligarchic interests. Bakrie clan power interests deployed three strategic communicative persuasion techniques, as discussed below.

Firstly, the public intellectuals who supported the Bakrie position helped to suppress and divert discussion about responsibility for the disaster; shifting the discourse instead to technical problems related to the management of mudflows. Secondly, by using the ideas of interconnection and social capital with respect to the partnership between state, citizens and private collaborators, editions of Solusi tried to depoliticise the problem and divert attention from the political struggle between Lapindo victims and the politico-business dominant power. Thirdly, after easing the political tension between the elites and marginalised people, the publication explained the experts’ argument that the mudflow disaster was caused by earthquakes, rather than by corporate negligence. The publication also tried to build a common positive consensus about the Lapindo mudflow disaster, including through the argument that rather than harming victims’ long term economic interests, the event could be considered as a stimulant for residents’ economic productivity.

From the first edition, the editors of Solusi described their publication as being geared to solving problems arising from the Sidoarjo mudflow, and claimed they would accommodate the variety of interests connected to the case. Despite this claim, the publication had a clear tendency and agenda to protect the interests of the Bakrie family. The first publication of Solusi featured an article by political science lecturer from East Java prominent university II, which focused attention away from the problem of oligarchical interests — arguably in order to protect the oligarchs’ wealth.
— and drew attention instead to technical problems for handling mudflows. Later editions of the publication continued to direct the public’s view away from questions about the responsibilities of the politico-business power alliances involved in the case. At the same time, the bulletin persuaded its readers to consider the state’s responsibility for financing the mudflow’s managerial governance. *Solusi*’s second edition, released on November 27, 2007, is an example of these efforts. In the edition, one of the key articles expressed concern about the damaging impact of the mudflow upon East Java’s economy and infrastructure. The publication then put forward the argument that the Government should allocate funds for BPLS (the Sidoarjo Mudflow Countermeasures Agency), to rehabilitate East Java and Sidoarjo infrastructure damaged by the mudflow. This was despite the fact the KPK (Corruption Eradication Commission) had warned the Government not to allocate such funds before the courts had decided whether the Bakrie-owned company Lapindo Brantas was guilty of the damage. The same edition also voiced the opinion that the KPK should not be ‘prejudiced’ against the corporation, by suggesting that Lapindo Brantas may not carry out its responsibilities if found guilty.

*Solusi* also tried to influence its audience by presenting some academic claims that the disaster was caused by an earthquake. This was done particularly in *Solusi* Volume 15, which continued *Solusi*’s policy of featuring opinions favourable to LBI, but muting critical voices. The March 4–10 2008 edition of *Solusi* was dedicated to reports by a few geologists, including Dr Adriano Mazzini from the University of Oslo in Norway, who said that the mudflow was part of a natural phenomenon, possibly connected to a Yogyakarta earthquake and unrelated to Lapindo’s drilling activities. In contrast, *Solusi* chose not to publish the findings of research by Richard J. Davies, Richard E. Swarbick, Robert J. Evans and Mads Huuse, whose 2007 paper
‘Birth of a Mud Volcano: East Java, 29 May 2006’, published in *Geological Society of America Today*, argued that the mudflow was triggered by mining exploration in the Banjar Panji I area. Nor did *Solusi* include any mention of the World Geologists’ Association (AAPG) meeting at Cape Town, South Africa, on 26-29 October 2008, at which the majority of participants agreed that the Lapindo mudflow was triggered by mining exploration.

As further demonstration of its pro-Bakrie bias, *Solusi* presented some highly unusual arguments about the mudflow having positive consequences, including that it could become an object of tourism. In Volume 18, 2008, *Solusi* published an article entitled ‘Piknik ke Lumpur’ (Picnic at the Mudflow) anda prominent academic from Surabaya University who is also a senior Golkar politician, Anton Priyatno, wrote an opinion piece about the tourism potential of the mudflow, although he was careful to state that he was not suggesting that others should benefit economically from the suffering of the Lapindo mudflow victims.

*Solusi* (Volume 9, 22-28 January 2008) further highlighted the positive aspects of the disaster by suggesting that it stimulated economic entrepreneurship among the local population. The people were depicted as embracing the opportunity to create a motorcycle passenger tour service, as well as selling Video Compact Disks about the Lapindo mudflow and preparing food for visitors to affected areas. *Solusi* underlined that this sort of economic creativity would result in economic improvements, because of the new opportunities for entrepreneurship created by the disaster.159

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159Such accounts contradict news published by the national daily newspaper *Kompas*. According to *Kompas*, on June 2, 2013, victims of the disaster numbered 11,881 families who were still waiting for Lapindo Brantas to fulfil its promises to them for payment for their submerged land as per purchase agreements. The newspaper reported that many people became trapped in a pattern of unemployment, and many experienced depression. *Kompas* also suggested that the economic benefit from new economic opportunities for the local population was limited at best. However *Kompas* also devoted space to the arguments on the subject made by the prominent Airlangga University Political Science lecturer QE. Arguing along Neo-Institutionalist lines, he suggested that all strategic actors must collaborate and create networks of governance in order to construct a solution for the general interest.
In summary, there are strong indications that Surabaya academics were involved closely in efforts to neutralise attacks on the oligarchic system of power. The intellectuals’ involvement in solving the problem for marginalised people in the political arenas dominated by the oligarchic power network were absorbed by the latter to uphold their own interests. Further, the intellectuals’ expertise and perceived authority in governance knowledge and utilisation of Neo-Institutionalism and social capital ideas, which tended to be insensitive to power constellation problems, ensured that their contributions acted as powerful hegemonic tools of oligarchic power in the civil society arena.

The role of prominent intellectuals in this case was to protect oligarchic interests by attempting to depoliticise potential sources of broad-based conflict. Through Solusi, they used the language of governance to defuse critical public opinion. By mixing technical Neo-Institutionalist argument and social capital ideas on agency collaboration, this publication tried to neutralise the spontaneous political discourse of marginal people and to censor the argument that opposed the dominant power interest. In short, this publication could be seen as a hegemonic manoeuvre initiated by prominent intellectuals in civil society to bolster the particular dominant interests and translate them into common interests (Davies, 2011: 118; Gramsci, 1971; Bourdieu, 1984: 462).

By elaborating on the role and position of intellectuals in civil society arenas which protected the Lapindo Brantas Corporation and Bakrie family political economic interests in the Lapindo mudflow case, I have shown that the entities of civil society in the post-authoritarian era, including the educational system, the universities and the mass media, acted to secure the dominant ruling class’s interests

He also said that strategic actors must identify what kind of aspirations could be included to reach a broad solution.
through practices of hegemony. Aside from the few progressive factions of academics who engaged with the victim movement’s struggle against Lapindo Brantas Inc., most prominent academics — through deploying their authority as knowledge experts — advocated oligarchic interests by using Neo-Institutionalist perspectives in order to legitimate state policy and depoliticise the Lapindo case.

6.4. Conclusion

This chapter reinforces the idea that the nexus of national-and-local political processes is continually being contested, and therefore that the local constellation of power influences outcomes greatly at the local level. Where the social agents of political liberalism or social democratic (or even more radical) reform are relatively weak, and are organised incoherently — as they are in East Java and Indonesia more generally — great difficulties may be encountered in inserting the interests of marginalised people into the contest. The illiberal tendency of civil society in the Lapindo case shows that, in practice, civil society has become an extension of dominant social forces to create consent for their benefit and interests, rather than a free public space for articulating citizens’ rights and resisting abuse of power by an oligarchical system. We see this tendency in the case of East Java — particularly with regard to the Lapindo mudflow case — despite the existence of a host of intellectuals affiliated with active civil society organisations, including environmental groups and other non-government organisations, and the opportunities for intellectuals to support these groups and the people’s causes they advocate, during public debates. The reality of grassroots political participation in East Java local governance processes shows the capacity of dominant local elites to use their superior political economic resources to steer the governance agenda and exclude the broader citizenry, in order to protect the
elites’ personal interests by using organic intellectuals derived mostly from prominent universities.

This chapter has also demonstrated how criticism of oligarchic power in the Lapindo case were neutralised by adopting strategies focusing on the potential economic opportunities created by the disaster, and by using a social capital framework which created opportunities for public-private collaboration between the contested agencies; in particular, collaboration with the meeker, more compliant victims’ groups. The aim was to effectively marginalise the social movements that were campaigning for the Lapindo Brantas to face criminal prosecution. Although the efforts of some intellectuals to defend the rights of the disaster victims have not yet led to policy changes, this does not take away from the significance of their struggle against the oligarchic power alliances. These efforts, including attempting to sue the corporations involved and relevant state institutions in court, writing and publishing books, educating victims about their interests and rights as citizens, organising press conferences, and producing opinion pieces in the mass media to improve public awareness about this case, can be seen as principled and indeed courageous in the context of the powers arrayed against them, despite being insufficient, to date, to withstand the tremendous resources of the powerful elite.

The position and approach of some other elite intellectuals and prominent agents of civil society, who engaged in political transactions with predatory power interests and utilised their social authority to legitimise suppression of the interests of the Lapindo mudflow victims, shows the fragility of civil society in Indonesia. It also demonstrates that some dominant agents of civil society choose to act as a shield for predatory interests, and to suppress the grassroots interests that are articulated by the
more sympathetic intellectuals and activists, thereby rejecting the bolder choice of becoming a vanguard of democratic struggle.

Clearly, the utilisation of a good governance-inspired framework by local dominant elites to carry out their role does not mean that neo-liberal regulatory regimes will become entrenched, as some of the purveyors of neo-Marxist critical perspectives have argued (Davies, 2011; Davies & Pill, 2012). As shown here, when local predatory elite networks effectively hijack the local institutions of governance, the entrenchment of the neo-liberal agenda is also curtailed. The problem is especially clear at the local level: there is, as yet, no real social base for a democratic institution-building reform agenda which local intellectuals in Indonesia can latch onto. Similarly, the incoherence of civil society organisations which seek to represent the interests of a broader, marginalised citizenry provides few opportunities for the development of local intellectuals that can foster a ‘war of position’ — or intellectual struggle in which one class pursues hegemony through establishing cultural counter-hegemony — against predatory elites.
Chapter Seven: Conclusion

This thesis has shown that intellectuals are not separate from the constellation of power and interests in which they find themselves and that this hinders their ability 'to speak truth to power' (Said, 1994: 60-63, 75). Such ability to challenge power is also compromised by their social position, which is constructed within the context of specific social struggles within specific contexts. In particular, the social position of contemporary East Java intellectuals cannot be separated from the power relations that were created during the authoritarian Soeharto era, and which continue to prevail in the democratic era. The alliances in which intellectuals participate can be traced ultimately to those that were forged to overthrow Soekarno and demolish Leftist social forces in the 1960s. It is clear that the consolidation of New Order rule involved control over intellectual life through de-politicisation, and that de-ideologisation was part of state strategy to suppress resistance from below. This created a relationship between intellectuals and the state whereby the former became strongly dependent on the latter’s apparatus, and were generally isolated from much of the rest of society. Indeed, deep-level state intervention in intellectual and social life created a specific process of inclusion and exclusion of types of knowledge, which contributed to the production of a form of mainstream ideology that served the interests of the holders of state power. From this specific knowledge-power mechanism, a particular kind of academic authority was created, which helped to legitimise New Order rule. Intellectuals have remained embedded within powerful coalitions at both national and local levels in the post-authoritarian era, while also being required to adapt to the new context of democratisation and decentralisation. In
the process, they have become increasingly involved in the challenges of political life and competition over control of resources.

The research undertaken here has also shown that there are no vibrant liberal reformists or social democratic forces that have been able to challenge dominant local predatory alliances in East Java’s post-authoritarian politics. This greatly limits the options available to intellectuals. Such conditions make it exceedingly difficult for intellectuals to take up roles as independent critical agents. Instead, many have joined well-established predatory alliances as political consultants or as members of the technocratic apparatus of the local bureaucracy. In a nutshell, their contribution facilitates a range of practices that contradict the notions of good governance that are claimed to underlie institutional reform in Indonesia, and for which these same intellectuals frequently voice support.

For the same reason, the actual practice of governance tends to follow the logic of predatory politics, neither serving the creation of liberal markets (as expected by neo-liberals) nor deepening people's participation (as expected by democracy promoters). Predatory interests in East Java, nurtured since the New Order, have shown the capacity to selectively utilise ideas associated with technocratic good governance and neo-institutionalist reform for their own purposes. East Java intellectuals, as producers and disseminators of good governance and neo-institutionalist knowledge in the public domain, have played a major role in enabling this, effectively creating a kind of hegemonic knowledge that helps to domesticate dissenting ideas (Gramsci, 1971: 5-7). Many of these intellectuals claim academic credentials as lecturers of prominent universities, though some are also journalists and social activists. Their notional authority over scientific knowledge, including that
pertaining to good governance, has allowed intellectuals to play decisive roles within
elite coalitions comprising political and business interests.

Through close analysis of important events and controversial issues, this
dissertation has demonstrated that intellectuals in East Java have worked
systematically to influence public opinion and help organise governance agendas in
order to facilitate the expropriation of tangible resources by local elites, who have
benefitted greatly from democratisation and decentralisation. At the same time, the
intellectuals have helped to ensure public compliance with public policy that has the
potential to harm the interests of ordinary people. In particular, the provincial and
local electoral contests which this research has scrutinised have been marked by
collaborations between formal and informal networks that connect intellectuals and
civil society institutions — such as the mass media — in ways that assist the
entrenchment of existing relations of power. It has been seen, for example, that
intellectuals tend to marginalise issues of corruption and abuse of power from public
debate, often by portraying these as matters of institutional management rather than of
political struggle.

Nevertheless, it has been shown too that there are a number of intellectuals
who go against the current, and attempt to develop connections to the marginalised
and oppressed. To date, the social effects of these intellectuals’ activities have been
quite limited, because reformist and progressive intellectuals lack an adequate social
base from which to advance counterhegemonic agendas. The disorganisation of civil
society, which remains a major legacy of the New Order, helps to ensure the absence
of such a social base. This is the case in spite of a multitude of intellectuals with
backgrounds in NGOs and other civil society organisations in East Java, as is the case
in much of Indonesia. In the Lapindo affair, for instance, some intellectuals did resist
the Bakrie-owned Lapindo Brantas Incorporated but their efforts were inconsequential when pitted against the tremendous resources of their foes. The support of some intellectuals for the Lapindo mudflow victims failed as a result of their weak connections to civil society at large, and the fact that major fellow intellectuals were in the service of oligarchical power.

This dissertation began by providing a critique of major scholarly approaches that address the role of intellectuals in politics. It has been shown that three of these approaches — the Neo-Institutionalist, the Neo-Foucauldian, and the Neo-Gramscian — were deficient with respect to explaining adequately the proliferation of good governance discourse in contemporary Indonesia, and specifically the role played by intellectuals in both its proliferation and its mutation into actual practices that contradict core assumptions of the good governance agenda. Not one of the three approaches seriously considers the possibility that entrenched local elites might utilise neo-liberal agendas of institutional reform to accumulate wealth, or to protect their own political and economic interests. As a result, it was found, the three standpoints are not able to adequately grasp how intellectuals may play a significant supporting role in the local elites’ appropriation of the good governance agenda.

Evidence has been put forward herein, questioning the assumptions of the neo-institutionalist approach, which assumes that local intellectuals can enhance democratic and governance institution-building due to their knowledge and expertise. It has been seen, on the contrary, that the predatory alliances which emerged during the New Order authoritarian era retain their resilience, fashioning new and intimate relationships with both the national and local-level intellectual apparatus, so as to preserve and enhance their social and political interests. It has also been shown that,
in practice, intellectuals in local politics and governance tend to serve these predatory interests, instead of furthering good governance reforms.

The inadequacy of the Neo-Foucauldian claim that neo-liberal governance programs have the capacity to discipline and create neo-liberal order was also demonstrated. It has been shown that dominant national and local predatory alliances effectively block such a possibility with the help of local intellectuals, who have in reality become organically connected to them. Rather than enforcing a neo-liberal order, intellectuals facilitate practices that maintain predatory power even as the language of neo-liberal reform is selectively adopted.

The Neo-Gramscian approach claims that intellectuals and national as well as local elites have become the loyal tools of global capitalist interests, acting as their comprador agents, has also been shown to be mistaken. It has been demonstrated, in contrast, that transnational capital’s interests can be hindered by an existing power structure which facilitates politico-business alliances that actively seek to promote their own interests, utilising their control over the institutions and resources of the state. Rather than agents of global capitalist interests, it has been further demonstrated that the local intelligentsia in East Java have become the agents of these local alliances.

In contrast, the thesis has offered a critical political economy approach to the study of intellectuals and politics. It has shown that the role and position of intellectuals in post-authoritarian East Java should be understood in relation to concrete struggles over power and resources in which predatory alliances compete with each other, and which involve state as well as civil society-based institutions. The absence of challenges to these alliances restricts the ability of intellectuals to advance good governance as well as broader democratic agendas. A decade and a half
after the fall of Soeharto, there remains little in terms of coherent social forces from which to launch such challenges, and to which a significant number of intellectuals can latch onto in order to press for more genuine reforms in the East Java political arena.

There are some limitations, however, regarding what has been analysed and achieved within this study. First, this research has concentrated on the social role of local intellectuals; especially academics, but including other types of intellectuals, such as journalists and social activists. The thesis has not, however, analysed social struggles related to the governance of universities in East Java, which provides some of the context for the role of intellectuals in politics today. Such struggles involve matters to do with privatisation of tertiary education. Further research, which captures the struggles within the university as an institution, could contribute to understanding market processes in Indonesia’s educational field, and how these have affected the social standing and material interests of intellectuals and therefore their political propensities.

Second, the thesis does not address the role of religious intellectuals such as ulama in contests over local governance. As Gramsci (1971) contends, clerics can be categorised as traditional intellectuals whose roles as the articulators of traditional land-owning groups also contribute to the social struggle. A study that focuses on traditional intellectuals such as the ‘ulama’, who are socially influential in East Java because of the historical standing of the NU, may uncover more dimensions to the study of local contests over local power. Though East Java’s social structure is different from that of Italy in the twentieth century, the NU happens to be dominated by ‘ulama’ emerging from traditional land-owning families in the province, thus
presenting some interesting historical commonalities with the case of the Catholic Church that Gramsci had encountered.

Third, this study has focused on local social struggles over particular matters that have little to do with the direct interests of international donors. Further research could examine local social welfare programs in relation to contests for access to international aid funds. Again, this may uncover another dimension in the struggle over local power in the period of democratisation and decentralisation in Indonesia, and the role played by intellectuals within it. This is especially the case given that intellectuals have often mediated between governments and international donors, due to traditional claims to neutral scientific knowledge as well as the attributes of selflessness and asceticism often associated with intellectual life.

In spite of such limitations, the findings of this dissertation might have broader relevance for contemporary Indonesia more generally. It has been suggested here that the empirical evidence of the absorption of local intellectuals into predatory local alliances is a reflection of the political economy structure of Indonesia in the post-authoritarian era; in other words, that the case of East Java can be seen in some ways as a miniature version of the Indonesian case itself. If this is accepted, then much of the discourse about the desirability of a technocratic cabinet consisting of experts and intellectual figures, and who are not members of political parties, is shown to be potentially naive. This study has demonstrated longstanding relationships between intellectuals and state power holders in East Java that contradict completely the notion of non-partisan intellectuals scientifically enforcing good governance agendas without the interference of social interests. Of course, determining the extent to which this situation may hold more broadly requires similar research in other Indonesian provinces.
As mentioned earlier, this dissertation has shown that intellectuals who have taken the route of supporting social movements have not had much success. In fact, the research indicates that the creation of a vibrant social movement to challenge powerful predatory alliances does not depend on the availability of intellectuals to contribute to the development of such a movement. In contrast, the effectiveness of intellectuals to promote particular social agendas is determined largely by the capacity of civil society-based interests to organise coherently. From this point of view, it is not intellectuals who produce social movements, but rather the latter’s capacity to produce its own organic intellectuals, more or less in the Gramscian sense, when sufficiently well organised. Much of this observation has been drawn from the experience of the failure of the social movement that coalesced, always tenuously, around the Lapindo case. Again, establishing how broadly this suggestion holds within Indonesia will require analysis of other social movements emerging out of disputes in other Indonesian regions.

Despite the normal limitations in scope inherent in any dissertation, and the importance of further research, this work has established clearly that the problems of predatory power and oligarchic domination in Indonesia cannot be overcome by the injection of Neo-Institutionalist norms and agendas, or by depending on capacity-building initiatives that are facilitated by experts and academics. Such experts and academics have been shown to be anything but devoid of self-interest. Initiatives to address the problems of predatory capitalism in Indonesia in the post-authoritarian era should be understood as belonging firmly in the realm of political struggle. The revamping of the constellation of power in post-authoritarian Indonesia is ultimately a political project, one that would have revolutionary implications. It is certainly not a
technocratic project, as understood by Neo-Institutionalists, which can rely on intellectual tinkering for its realisation.
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