

# Indonesia: A Country at a Crossroad

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## Introduction

Indonesia is currently undergoing a fundamental transformation as it moves from a closed, traditional and semi-authoritarian state, to an open and democratic one.

It is widely believed that this process of change was caused by the economic and financial crisis that swept the nation beginning in mid-1997. An alternative view, to be explored, is that the political process of change had already begun before the economic crisis hit. In this view the collapse of the economy served as a catalyst to accelerate the political transformation that was already underway, even if it was moving slowly.

This monograph is an attempt to understand the political transformation that is taking place in the country. This monograph is written with the faith that to fully understand Indonesia, one must not only know the present facts but the significant history of the people. It will attempt to identify factors that were moving the nation to a more open political society before the events of mid-1997 and explore the subsequent interactions between the economic crisis and the move towards political change it engendered

Overall, this monograph contains three chapters. Chapter 1 will discuss how the economic crisis and political change occurred. This chapter seeks to provide an account and accounting of the events leading and following the rise and fall of the New Order, inasmuch as possible in the span of a short work. Chapter 2 will explore how the East Asian financial crisis was a watershed

moment in Indonesian history. To understand Indonesia today and to be able to say meaningful things about Indonesia tomorrow, it is essential to know and understand the events that are unfolding in the post-crisis period, for these are the origins of many of the forces that are transforming the nation today. It also counts the significant and lasting achievements in democratic state building that the Indonesian citizen should perhaps be thankful for and feel worth fighting for, for the road is still long and arduous. Based on discussion and analysis in the previous chapters, Chapter 3 will explore the challenges ahead and tries to identify the main hurdles to solidifying the nascent democratic institutions, and charts possible courses to surmount them.

The three chapters of this monograph were written while the author was residing at Harvard University as Visiting Scholar with the Weatherhead Center for International Affairs. They are the author's contribution to a joint work on Indonesia's economic crisis and political change with a colleague at Harvard University, Professor Joseph Stern, from the Kennedy School of Government. This monograph is intended as the main teaching material for a course given by the author at the Graduate School of Asia-Pacific Studies, Waseda University, Tokyo, Japan.