The Threat to Indonesian Democracy in the New Gilded Age of Trump

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Abstract

This article examines the forces behind former Jakarta governor Basuki Tjahaja Purna’s recent imprisonment and the subsequent political upheaval in Indonesia. It delves into the murky ties between President Donald Trump’s most important Indonesian business partner, multi-billionaire Hary Tanoesodibjo and the latter’s relationship with pro-Islamist politicians and the military to evaluate the consequences of political turmoil on the future of Indonesia.

Keywords: Indonesia, Islam, business, politics, the military

The recent defeat in Jakarta of progressive reformer Basuki Tjahaja Purna (“Ahok”), a Chinese Christian, followed by his imprisonment for blasphemy, has alarmed western observers. Some in the west have attributed it to the increasing influence of Islamic extremism fueled by Saudi wealth. Others have pointed to nativist resentment of Ahok’s Chinese background. Recently Allen Nairn attributed it to a deep-rooted campaign by the once powerful Indonesian military to oust Ahok’s progressive mentor, Indonesia President Joko Widodo (“Jokowi”).

There is merit to all three analyses, which as we shall see are not mutually exclusive. But there is also another force in Indonesia at odds with the progressive reform tendencies represented by both Ahok and Jokowi. Importantly, Jokowi’s taxation and environmental policies have set him on a collision course with Indonesia’s largest foreign investor, the Phoenix-based Freeport-McMoRan mining company, whose third-largest stockholder, Carl Icahn, is the richest billionaire in the new billionaire Trump White House. We should remember also that Trump’s principal friend and business partner in Indonesia, multibillionaire Hary Tanoeodoibjo, announced a month before Ahok’s defeat that he had decided to back Anies Baswedan, the eventual winner.¹

All of these forces against reform in Indonesian are interconnected, and all are enhanced by increasing disparity of wealth in this new Gilded Age. However the fundamental Indonesian reform achieved in 2000, restoring police independence from the military, has not yet been seriously challenged.

Militant Muslim groups have indeed been proliferating in Indonesia. A major reason for this has been the millions of dollars spent by Saudi Arabia, starting about 1980, to promote a more rigorous Salafist Islam among Indonesia’s traditionally tolerant Sunnis. Many scholars feared that traditional Indonesian Islam, represented by the Nahdatul Ulama (NU) was now losing out to well-funded Salafi extremism. Margaret Scott, for example, warned in the New York Review of Books that it was “far-fetched” to think that Indonesia’s Islamic moderates “can stop Salafi recruitment, much less ISIS recruitment.”²

Some observers have blamed this funding for the riots in 2016-17 protesting the re-election campaign of the Christian Chinese governor of Jakarta, Basuki Tjahaja Purna (“Ahok”).³ Only
one person died in these protests, compared to the thousand killed in the riots preceding Suharto’s ouster in 1998. But it was alarming to see hundreds of thousands of Muslims shouting anti-Christian and anti-Chinese slogans, and to see him not only defeated, but convicted on a trumped-up blasphemy charge. (The judges ignored the much more lenient recommendation of Ahok’s prosecutors and capitulated to inflamed public opinion.)

The ethnic wealth gap has long fed resentment among poorer "pribumi", Indonesia's mostly ethnic-Malay indigenous people. During riots that led to the fall of Suharto in 1998, ethnic-Chinese and Chinese-owned businesses were targeted, and about 1,000 people were killed in the violence.  

There has been no blood-letting on that scale since then, but tensions have remained. President Joko Widodo was the subject of a smear campaign on the campaign trail in 2014 that falsely claimed he was a Chinese descendant and a Christian.

The MUI leader, Bachtiar Nasir, told Reuters that “the wealth of Indonesia’s ethnic Chinese minority was a problem and advocated an affirmative action programme for native Indonesians… ‘It seems they do not become more generous, more fair,’ the cleric said, referring to Chinese Indonesians,…” That's the biggest problem.”

Still others claimed that the protests were to be explained, not by those in the street, but by their backers in Jakarta’s power elite who, nostalgic for the Suharto era, were uncomfortable with Ahok’s modernizing campaign against corruption:

“Ahok is a unique case in recent Indonesian politics,” said Jemma Purdey, a research fellow at the Australia Indonesia Center. “He did not rise through the ranks of any party but was an independent, administrator-style politician who was backed by rival major parties.

Others saw the Muslim anti-Ahok protests as not so much anti-Christian as anti-Chinese, fueled by resentment that so much of the Indonesian economy was in the hands of the small ethnic Chinese minority. (Ethnic Chinese make up less than five percent of the population, but a 1995 study found Chinese Indonesians in control of 68 percent of the top 300 conglomerates in the country.)

According to Reuters, the National Movement to Safeguard the Fatwas of the Indonesian Ulemas Council (GNPF-MUI) “led the push to jail Jakarta’s Christian [and Chinese]

governor.” Reuters noted further that

Muslims protest against Jakarta Governor Basuki “Ahok” Tjaha Purnama, who is Chinese Christian in December 2016
to get into the position he is in today.”…. The truth is, Ahok always had a target on his back. His style and policies were a threat to Indonesia’s establishment, and the small circle of political leaders under whom most power still remains....

“The rise of such a virulent campaign against Ahok was surprising when it came, but the intent to find a way to get rid of Ahok had been building for some time,” said Purdey. “Clearly there were significant resources ready and willing to back this campaign when the opportunity arose.”

According to veteran analyst Allen Nairn, the campaign against Ahok was part of a larger campaign to defeat Jokowi, Ahok’s mentor in the fight against corruption. He claimed that the key figures in this larger campaign were “associates of Donald Trump in Indonesia,...army officers and a vigilante street movement linked to ISIS”: the FPI (Front Pembela Islam, or Islamic Defenders Front). “

Whereas the MUI was a mass movement, the FPI by contrast was a much smaller disciplined group notorious for hate crimes and religious-related violence in the name of Islam. It was founded in August 1998 with military and police backing, and at first served as their proxy to beat up left-wing protesters at a time of transition in Indonesian politics. (According to Ian Douglas Wilson, the FPI was in fact formed in 1997 and first made itself known in the May 1998 riots, when it formed part of the Pam Swakarsa militias “mobilised by Armed Forces Chief General Wiranto and Police Chief Noegroho Djajoesman as a ‘third force’ against the student-led reform movement.”) Much like their secular predecessors under Suharto, the Pancasila Youth depicted in Josh Oppenheimer’s film “The Act of Killing,” their raids on nightclubs and brothels “were said to allow the group - and its backers in the security forces - to extort protection payments from the [often Chinese] owners.”

In essence Nairn laid out a scenario that replicated one that TNI generals, above all Suharto’s one-time son-in-law Prabowo Subianto, were accused of plotting earlier in May 1998 (the riots leading to Suharto’s abdication), when Prabowo’s troops in Kopassus (Special Forces) brought thugs into the capital. (Earlier, in response to the 1998 Asian monetary crisis, Prabowo had also “accused Chinese-Indonesian businessmen of economic sabotage as a means of bringing down Soeharto.”)

A joint fact-finding team (Tim Gabungan Pencari Fakta), which included military and civilian officials, as well as volunteers from human rights and women’s organizations, determined that Prabowo Subianto was a key figure in military involvement with the rioters, after which Prabowo was demoted. He retired, went into business, and became a millionaire. In 2014, backed by parties of the “old forces,” Prabowo ran for the presidency and was narrowly defeated by Jokowi. The FPI backed Prabowo and his party Gerindra in the 2014 election; and in October 2014 it staged a violent rock-throwing protest against Jokowi’s ally and deputy Ahok, who was about to replace Jokowi as governor. (Ahok’s opponent in the 2017 campaign, Anies, was an ally of Prabowo, and “ran under the banner of Prabowo’s Gerindra Party.... Many expect Prabowo to take another shot at the presidency in 2019, and already Anies is rumored as a likely running mate.”)

In 2017, according to Nairn, Prabowo’s forces were again using the FPI to promote unrest in a “coup movement,” in order to weaken and hopefully overthrow Jokowi. Prabowo’s allies told Nairn that they and the army had helped
plan and support the massive Muslim protests in Jakarta against Ahok. But this time Prabowo was in the background, acting through his 2014 campaign manager Fadli Zon, who “is known for publicly praising Donald Trump and appeared with the candidate at a press conference at Trump Tower during the opening days of the [Trump] presidential campaign.”

All of the preceding analyses of the Ahok protests are essentially compatible, but with differing emphases on the ultimate purpose. Of these analyses, however, Nairn’s is the only one to link the campaign against a progressive leader in Jakarta, Jokowi, to the backers of an anti-progressive leader, Trump, in Washington. Nairn heard, for example, that funds for the coup movement came from Donald Trump’s business partner Hary Tanoe (Hary Tanoesoeibijo, in Chinese, 陳明立), who was repeatedly described to him “by key movement figures as being among their most important supporters.”

Hary Tanoe is a billionaire who is the local partner on two deluxe Trump Organization resorts in Indonesia, one in Bali and one outside Jakarta; and he was the vice-presidential candidate in Prabowo’s failed 2014 campaign. Members of the “coup movement” expressed excitement to Nairn about their closeness to Hary and his personal and financial relationship with President Trump, who along with his son Eric welcomed Hary to Trump Tower and the inauguration. They said they hoped Hary, who is building two Trump resorts in Indonesia, would serve as a bridge between Trump and Gen. Prabowo.

Nairn also pointed to the presence at an FPI rally of Munarman, a former Commander of the FPI’s paramilitary group Laskar Islam, whom the Freeport-McMoRan mining company in Indonesia engaged as its attorney. Freeport operates the multi-billion Grasberg gold and copper mine in West Papua, Indonesia, which has responsibility for a wretched history of corruption and environmental devastation. Since 2015 its third-largest shareholder has been Carl Icahn, the wealthiest of the billionaires in the new Trump administration, and the subject of a series of complaints about Icahn’s conflict of interest in actions he has taken as Trump’s economic adviser.

For years Freeport “assiduously courted Indonesia's longtime dictator, President Suharto, and his cronies, having Freeport pay for their vacations and some of their children's
college education, and cutting them in on deals that made them rich. In return, Suharto granted Freeport a decade-long tax holiday, as well as a reprieve from paying royalties. Meanwhile the company’s security became increasingly dependent on payoffs to the local Indonesian military and police, who were estimated by observers to have killed 160 people between 1975 and 1997.

Meanwhile the Indonesian government has slowly begun to deal with the human rights and environmental problems created by the mine. In 1991, the company signed a Contract of Work (CoW) which among other things required it to sell 51 percent of its stake to Indonesian entities by 2011, but at least through 2016 the company has postponed compliance.

In general Jokowi is considered friendly to business; but he has been under immense pressure, particularly from Indonesia’s largest Muslim civic organizations, to establish 51 percent Indonesian control over Freeport. In March 2017 the New York Times reported that “The dispute has put the brakes on production at the mine,” and that Icahn, “has brought [the problem] to the attention of the United States government.”

Then in April, as part of the first Trump White House trip abroad, Vice President Mike Pence visited Jakarta. Shortly afterwards Reuters reported that

Freeport McMoRan Inc collected a permit to resume copper exports from Indonesia on Friday after a hiatus of more than three months, hours after a state visit by U.S. Vice President Mike Pence, who discussed the copper miner’s dispute with Jakarta.... The dispute has cost the company and Indonesia hundreds of millions of dollars. Jakarta has said it would

halt exports again if negotiations over sticking points were not resolved within six months.

Freeport has also warned Jakarta, saying it had the right to commence arbitration by June 17 if no agreement was reached.

Pence thanked Indonesian President Joko Widodo for the interim solution to the Freeport dispute on Friday but said more steps were still needed, a White House foreign policy adviser said.

“We told them that there were more steps that needed to be taken,” the adviser said, noting this was the only business issue Pence raised in his meeting with Widodo on Thursday.

Clearly the new Gilded Age of great wealth disparity is global, playing out in Indonesia as well as in America, Russia, and China. In this new era the superwealthy, including those like Trump who are frequently at odds with the laws and media of their own countries, can reach out and reinforce each other, as well as secure their mutual investments. Both Hary Tanoesoedibjo and Carl Icahn are said to have invested in Trump’s campaign, while through Hary Trump has now “gained access to some of Indonesia’s top political figures, including Setya Novanto, the speaker of the House of Representatives, who was temporarily forced to surrender his leadership post because of corruption allegations in 2015.”

In this global partnership, the new superwealthy, exemplified by Trump’s many dubious business partners abroad, are united by their search for tax relief and freedom from governmental interference. Their combined wealth and influence may do at least as much to account for the ousting of progressive-
minded Indonesian political leaders like Ahok, as the Salafist extremist movements that are being funded from the Arabian peninsula.

One should not despair at this development. Indonesia took a major step towards a more open society when, in 2000, reformers separated the police from the military. This has made it possible for those guilty of corruption or official violence to be convicted and punished; and violence in general has abated considerably since the thousand deaths in the 1998 riots.

The future of Indonesia may depend on whether this huge structural reform can remain in place. To appreciate its importance, consider events in Poland in 1981, when the deployment of army units to assist the Interior Ministry in keeping domestic law and order was a necessary prelude to the imposition of martial law and the destruction of the Solidarity Movement. Americans in particular should worry more about their own country, where since 9/11 the army, in violation of the Posse Comitatus Act, now plays a significant role in homeland security. This includes the surveillance of U.S. citizens, and the permanent domestic deployment since 2008 of a U.S. Army Brigade Combat Team, which can be “called upon to help with civil unrest and crowd control.” So far Americans seem to be less concerned about the risk of martial law than Indonesians, who still retain such bitter memories of it.

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Notes

1 On the night of March 8, 2017, after Ahok failed to win an outright victory in the first round of his campaign for the governorship, Anies Baswedan, the ultimate victor, visited the home of Hary Tahoesoedibjo and secured his public support (Saeun Muarif, “Hary Tanoe Resmi dukung Anies, Kenapa FPI Diam?” Seword, March 10, 2017).

Muhammadiyah – their influence has waned a bit” (Douglas Ramage, quoted in Nithin Coca, “The Fall of Ahok and Indonesias Future.” The Diplomat, April 21, 2017.

3 E.g. Mohshin Habib, “Saudi Arabias ‘Lavish’ Gift to Indonesia: Radical Islam,” Gatestone Institute, International Policy Council, April 29, 2017: “Prior to Saudi Arabia’s attempts to spread Salafism across the Muslim world, Indonesia did not have terrorist organizations such as Hamas Indonesia, Laskar Jihad, Hizbut Tahrir, Islamic Defenders Front and Jemmah Islamiyah, to name just a few. Today, it is rife with these groups, which adhere strictly to Islamic sharia law, Saudi Arabias binding legal system, and which promote it in educational institutions. Like al-Qaeda and ISIS, they deny women equal rights, believe in death by stoning for adulterers and hand amputation for thieves, and in executing homosexuals and "apostate" Muslims. The most recent example of the way in which this extremism has swept Indonesia took place a mere three weeks after the Saudi king wrapped up his trip. On March 31, at least 15,000 Islamist protesters took to the streets of Jakarta after Friday prayers, calling for the imprisonment of the capital city’s Christian governor, who [was] on trial for ‘blaspheming the Quran.’”


5 It should be noted that of those 1000, the majority were urban poor non-Chinese, most of whom were trapped in shopping malls that were set on fire.


11 Susan Berfield and Dewi Loveard, “Ten days that shook Indonesia,” in Edward Aspinall, Herb Feith, and Gerry van Klinken, eds. The Last Days of President Suharto, (Clayton, Victoria: Monash Asia Institute, 1999), 57-58. Cf. Joseph Davies, “Did Prabowo Mastermind the May 1998 Riots?” The Indonesian Army. July 7, 2014: “Starting in the mid-1990s, Prabowo and his henchmen encouraged anti-Chinese and anti-Christian violence to divert attention from internal problems, suppress the ‘openness’ (keterbukaan) movement and, after the monetary crisis, strengthen the regime’s negotiating position with the IMF. Working through his Center for Policy and Development Studies (CPDS) (which he founded with General Hartono) and its progeny, the Institute for Policy Studies (IPS), Prabowo and his shady partners incited anti-Chinese and anti-Christian riots across Java during the late-1990s before the regional economic crisis. They used incendiary rhetoric, anti-minority conspiracy theories and Prabowo’s criminal underlings as paid provocateurs, all as part of a strategy to stunt the
budding democracy movement and deflect public dissatisfaction with New Order excesses.”

12 Tonny, “Prabowo and his anti-Chinese past?” New Mandala, June 2014.

13 Sita W. Dewi, “Jakarta Politics Heating Up,” Jakarta Post, October 4, 2014. More than ten police officers were injured in the riot, and at least 20 FPI members were arrested. Nevertheless, “Gerindra Party Jakarta chairman and council deputy speaker M. Taufik, who once spent several years in prison for graft, thanked the group for holding the rally and promised that he would do whatever was necessary to end Ahok’s career.”

14 Nithin Coca, “The Fall of Ahok and Indonesia’s Future.”

15 Nairn, “Trump’s Indonesian Allies in Bed With ISIS-Backed FPI Militia Seeking to Oust Elected President Jokowi,” The Intercept, April 18, 2017. Admiral Ponto also told Nairn that for the movement’s military sponsors, the Ahok issue is a mere entry point, a religious hook to draw in the masses, but “Jokowi is their final destination.”


17 Nairn, “Trump’s Indonesian Allies.” Hary’s attendance raised an ethical issue when he told media that “he attended the inauguration on invitation and as a business partner of the Trump organization.... If other people have difficulty getting to [Trump], I can do it easily. I communicate with his children over our businesses. I can meet with his kids anytime. I just need to pick up the phone. My WhatsApp messages are also responded” (Andrew Kaczynski and Nathan McDermot, “Trump's Indonesian business partner says he attended inauguration as a 'partner of the Trump Organization'”, CNNMoney, February 10, 2017).

18 See e.g. Matt Egan, “Trump adviser Icahn may have broken trading laws: Senators,” CNNMoney, May 9, 2917; Michelle Celarier, “Trump Adviser Carl Icahn Is a Blinding Supernova of Conflicts of Interest,” New York, January 2017.


21 Perlez and Bonner, “Below a Mountain:” The tensions erupted in a major riot in 1996, resolved by a high-level meeting which Prabowo reportedly chaired. Subsequently, “from 1998 through 2004, Freeport gave military and police generals, colonels, majors and captains, and military units, nearly $20 million. Individual commanders received tens of thousands of dollars, in one case up to $150,000.”


25 Fergus Jensen and Bernadette Christina Munthe, “Freeport collects export permit after
Pence visit,” Reuters, April 21, 2017.

26 Paddock and Lipton, “Trump’s Indonesia Projects, Still Moving Ahead, Create Potential Conflicts.” In 2015, Setya Novanto, the speaker of the House of Representatives, was temporarily forced to surrender his leadership post, because he was heard on an audio recording seeking a $4 billion payment from Freeport.

27 Hary, already one of Indonesia’s wealthiest men, may even become Indonesia’s Trump. “Like Trump, he built his fortune--an estimated $1.1 billion--in real estate and media on a mountain of debt. He tweets nonstop to more than 1 million followers. He stages beauty pageants. He loves reality TV. He has a glamorous wife. Just as the tabloids boiled down Trump into a first name, The Donald, the Indonesian press likes to refer to Tanoesoedibjo simply as Hary. And Hary doesn’t seem content to stop there. He too has started aspiring to political power--specifically, the presidency of the world’s largest Muslim country, its fourth largest by population and its sixteenth-largest economy by GDP. Like Trump, this billionaire sees the path to power through an antielitist campaign.... "Tanoesoedibjo has the money to finance the electoral machinery and the media to actually influence public opinion," says Rainer Heufers, cofounder of the Center for Indonesian Policy Studies, a Jakarta-based think tank. "He has, therefore, the potential to become a relevant political player in a relatively short period of time." To Heufers, Hary gives every sign of moving Indonesia from a participatory democracy to one with a more authoritarian bent” (Abram Brown, “Meet The Donald Trump Of Indonesia: Another Billionaire Who Wants To Be President,” Forbes, March 28, 2017).
