

**The Indonesia – U.S. Caucus of Indonesia’s Legislature:  
How it Views its Roles in Indonesia’s  
Democracy and Foreign Policy**

*An Open Forum Panel Discussion with*

**Hon. Priyo Budi Santoso, Hon. Bobby Adhityo Rizaldi,  
and Hon. Eva Kusuma Sundari**

Moderated by the Honorable Edward E. Masters



**April 27, 2012**

**Introduction**

Indonesia's democratic consolidation has led to the transformation of its national legislature (DPR RI) into a more functional and powerful legislative branch of the government. The DPR RI has recently re-launched its Indonesia-United States Caucus (DPR RI Indonesia - U.S. Caucus) and is seeking to play an important role as part of the increasingly developed patterns of Indonesia's bilateral relations with the United States, including the Indonesia – U.S. Comprehensive Partnership and strengthening Indonesia's inter-parliamentary relations.

A multi-partisan group, the DPR RI Indonesia - U.S. Caucus encompasses a wide range of cooperation areas, including legislative governance, trade and investment, tourism, education, culture, security, energy, and mining.

On April 27, USINDO welcomed three distinguished members of the DPR RI Indonesia - U.S. Caucus, Hon. Priyo Budi Santoso, Hon. Bobby Adhityo Rizaldi, and Hon. Eva Kusuma Sundari, to speak at a Special Open Forum Panel Discussion to discuss their views of democracy in Indonesia, the changing role of Indonesia's parliament in the democratic era as well as the opportunities they see for the role of the DPR RI Indonesia - U.S. Caucus. Hon. Santoso is currently the Deputy Speaker of DPR RI and Chairman of DPR RI Indonesia – U.S. Caucus. Hon. Rizaldi is the Deputy Chairman of DPR RI Indonesia – U.S. Caucus, as well as a member of DPR RI Commission on Energy and Environment and DPR RI Papua Desk. Hon. Sundari is a member of DPR RI Commission on Law, Human Rights, and Security; DPR RI State Budget Accountability Body; and, DPR RI Indonesia – U.S. Caucus.

This event is moderated by the Honorable Edward E. Masters, USINDO Co-Chair Emeritus. This brief is USINDO's summary of the talks.

### **Keynote Speech – Progress of Democracy in Indonesia**

(Hon. Priyo Budi Santoso)

Hon. Priyo Budi Santoso expressed his appreciation of USINDO's open forums, which offer a rare opportunity for both Indonesians and Americans to exchange ideas and strengthen the relations between the two countries. As well, this was the first time for USINDO to host Indonesian parliamentarians to speak at a USINDO Open Forum.

Both the U.S. and Indonesia share similar values in embracing diversity and pluralism. Indonesia, home to the world's largest Muslim population, has been able to exercise its democracy along side its religious and local values.

Democracy in Indonesia found its momentum in 1998. Democracy is not new to Indonesia, and therefore Indonesians consider 1998 as the beginning of the democratic reform era. The country has since amended its constitution, whereby the president no longer holds the sole power and the checks and balances mechanism between executive, legislative, and judicial branches is now well established and more democratic.

There have been four major developments following the Constitutional amendment. The **first** one is decentralization and regional autonomy. Regional governments now have the power to make their own policies. This applies to elections, too. All leaders, from the president to the village heads, are now directly elected. Voter turnout is over 80 percent and there is a 30 percent quota for women's representation in the Parliament. Indonesia even elected its first female president in 2001.

**Second**, Indonesia has established several institutions to strengthen the checks and balances mechanism. These include the Constitutional Court (MK), the Regional Representative Council (DPD) – similar to the U.S. Senate but with severely curtailed power, the Judicial Commission (KY), and the Corruption Eradication Commission (KPK).

**Third**, free press and association. The press is the fourth pillar of democracy, complementing the other three pillars: the executive, legislative, and judicial branches.

**Fourth** is the abolition of the military dual functions. The military has now resumed its only function as the nation's defender.

Indonesia's reform is different from other countries' evolution. It did not go through generations of political revenge like what happened in the Philippines. It also differs from the Egyptian uprising, as Indonesia's Muslim population is more diverse. However, Indonesia's reform has been costly. There is a social cost generated by the newfound freedom. The democracy euphoria sometimes leads to social conflicts. The direct election also needs to be accompanied by strong civic education to prevent a sporadic and anarchic people power movement. State and people power should complement each other.

On the regional level, Indonesia consistently supports the democratic process through the development of ASEAN Community 2015. Indonesia also initiated the Bali Democracy Forum to facilitate discussion on democracy among Asia Pacific countries.

Hon. Santoso concluded by expressing his wishes to further the efforts to develop Indonesia – U.S. Legislative Strategic Partnership between the two countries' parliaments.

### **The U.S. – Indonesia Relations**

(Hon. Bobby Adhityo Rizaldi)

The U.S. investment is the fourth largest investment in Indonesia and close to 60 percent of oil produced in Indonesia comes from U.S. companies. There is also a new trend in the region. In the past, many young Indonesians went to the U.S. to study, but now many choose to study in other countries, including China.

With regard to the financial turmoil, Indonesia was resilient during the 1998 crisis. Indonesia has also recovered faster in 2008, when the U.S. was badly hit by the subprime mortgage crisis. Indonesia has a more dynamic fiscal policy. In the energy sector, there has been a game change following the Japan 2011 tsunami. When the price of gas slightly decreased in the U.S., it was high in the Asia Pacific region.

There is a need to redefine U.S. – Indonesia relations. It should not be crisis driven; rather it should be forward looking. Indonesia should not only be seen as a market, but as an equal partner. Both countries share similar situations in many aspects. In the energy sector, for example, both rely on foreign companies. Gas is among the future energy resources and Indonesia has a big reserve in liquid natural gas (LNG), but there has not been enough regulation to stimulate the LNG industry.

Following the Constitutional amendment, DPR RI now has stronger power. They need to participate and work together with the Indonesian government to further the U.S. – Indonesia Comprehensive Partnership. Civil society groups such as USINDO should also develop a strong relationship with DPR RI and work together to create a favorable environment for investment, good policy to stimulate industries, and more jobs. The U.S. does not invest in Indonesia as much as it does in China. Indonesia would like to see more of U.S. investment so it can grow as fast as China.

Hon. Rizaldi echoed Hon. Santoso's call for legislative partnership between the two countries, as well as seeking support from civil society groups and U.S. companies.

## **Democracy and Human Rights in Indonesia**

(Hon. Eva Kusuma Sundari)

Hon. Sundari began by stating her position with regards to human rights (HR): that every nation has to protect the people, and must have democracy *both* in politics *and* economy. This applies to the protection of HR in Indonesia. On the HR situation in Indonesia, there are three things worth highlighting: (1) past HR abuses committed by the military, (2) civil and political rights, and (3) economic and communal rights.

With regards to ***past military abuses***, President SBY has recently stated that there would be a formal apology from the GOI. DPR RI, however, recommended four more actions in addition to the formal apology: (1) find the thirteen missing activists; (2) compensate their families, including those whom have already been found/rescued; (3) ratify the international convention for the protection of all persons from enforced disappearances (DPR RI is currently preparing the bill); and (4) establish an HR court. The GOI has committed and hopefully will soon fulfill these recommendations.

The discussion on the law on the commission of truth and reconciliation, however, has been put on hold. DPR RI is currently waiting for the government to submit the bill. Another challenge involves how to convince the military to agree that all crimes conducted by the military should be tried in the criminal court.

On the ***civil and political rights***, there have been some ups and downs with regard to the religious freedom of the minority. A small branch of an Islamic group has mobilized the masses to block minority groups, not only the Christians, but also small Islamic groups. This is a big challenge for Indonesia. There is a pressing need to have a strong civic education. The capability and the capacity of the police force have so far been focused on preventive measures. The police force needs to develop a standard procedure on how to control unrest without sacrificing religious freedom.

On the ***economic and communal rights***, the National Commission on HR reported that in 2011 there have been at least 100 cases where people have lost their access and rights to resources due to investment projects. Stronger legislation is needed to prevent conflicts when national interests overlap with the regional or local ones. Investment incentives are important, but they should work in harmony with the legislation that protects the rights of the people. There has to be dialogue between investors and those directly affected by the investment.

Overall, Indonesia is moving forward. Indonesia has also played a role in the protection of HR in the region, including in Myanmar. Many members of their political parties have come to Indonesia to learn from Indonesia's experience in this field.

## Questions and Answers

***Q: You mentioned that the U.S. does not invest in Indonesia as much as it does in China. But the recent establishment of a U.S. military post in Australia suggests that our geopolitical interest is in the (SEA) region. Can you elaborate more on that?***

Hon. Rizaldi – I am not saying that they are not significant; rather we would like to see more of U.S. investments in Indonesia. In China, the U.S. invests greatly in advanced industries and in electronic devices, but in Indonesia the focus is more on natural resources [extraction] industries. More investments lead to more job creation. Jobs empower people. More investments can also lead to reduced conflicts; conflicts can be avoided when people are empowered and have jobs. What we need from the U.S. business community is to figure out what kind of legislation needed to promote more U.S. investment in Indonesia.

***Q: Many American companies are distraught by the rules and regulation that make it difficult to invest in Indonesia. Does the Indonesian parliament have the power to influence the labor law?***

Hon. Rizaldi – One research suggests that the problem [in doing business in Indonesia] does not rest with the labor law (which is ranked 8<sup>th</sup> among the issues in doing business), but with infrastructure. We are currently in the process of revising the labor law. Tension is certainly high. The outsourcing mechanism is at the heart of the labor union objection.

***Q: Currently there is a strict conditionality to fuel pricing policy. What is the parliament's role in the budget policy, taking into account the goal of maintaining the deficit?***

Hon. Santoso – Fuel subsidy is a complicated matter; we cannot look at it merely from an economic standpoint. Even with an outright majority of votes, President SBY is careful not to hasten the decision to increase fuel prices to ensure fiscal sustainability. In many countries, fuel hike protests often lead to the delegitimization of the leaders. Our role as the parliament is to allow the president a full authority, as this issue falls under the mandate of the executive branch. I think our fuel price should be adjusted to global oil price fluctuation. President SBY is currently calculating the political consequences of the hike in fuel price. I agree that the president has to be brave and forthright regardless of the political consequences, because it may be good for the country as a whole.

***Q: With regards to civic education for election, how is it structured and how would you expand to teaching history as well as understanding democracy?***

Hon. Santoso – This is indeed our concern. We need a more structured design to educate our people about democracy. We are willing to learn from our U.S. counterparts to safeguard our democracy through civic education. Civic education is key in addressing social, religious, or human rights conflicts. It is an enormous undertaking to educate 250 million people about democracy. It took the U.S. hundreds of years to establish their democracy. It is a long

process. We have just entered our eleventh year, but we are certain that we will not revert back to authoritarianism despite the conflicts we are facing.

Hon. Sundari – our MPR (People’s Consultative Assembly) is currently preparing to institutionalize *Pancasila* (Indonesia state philosophy) civic education into our education curriculum.

***Q: Can you elaborate on the issue of political prisoners in Papua and Maluku?***

Hon. Santoso – I was a former member of the DPR Papua desk. This is an issue of the past; we do not have any political prisoners anymore. I am very surprised by the question. As a leader of the parliament, I find that the development of Papua is extremely important. Current budget allocations to Papua and Aceh are significantly large. Other provinces cannot be resentful about this arrangement.

***Q: Indonesia is well-known for embracing new media. Is there any regulation concern in terms of encouraging or regulating new media?***

Hon. Sundari – Indonesia now has a cyber-law (*UU ITE* – the law on electronic information and transactions). It regulates the management or the dissemination of electronic information as well as the relevant criminal sanctions. We certainly need improvement in this area, but at the very least we do have the legal basis to address any misconduct in the social media reform and scrutinize social media impact on society.

***Q: There are a couple of religious/minority rights related cases; one involving two churches and another one concerning the Ahmadiyah [small Islamic sect] followers. Do you have any updates on the current situation?***

Hon. Sundari – There is an interesting development arising from a dialogue between GKI (Gereja Kristen Indonesia or Indonesian Christian Church) churches and others that DPR RI organized two months ago. Initially the authority was leaning toward pushing for a more sociological approach. However, Bara Hasibuan (of PAN – the National Mandate Party) suggested that we must use a legal approach in addressing this issue. Representatives from GKI churches were happy with this direction. A follow up forum is being planned to get more attendance. There were reports that some radical groups in Bekasi tried to instigate similar cases. We can stop this tendency if the legal approach works for the GKI Yasmin church case.

Hon. Santoso – Religious tolerance is strongly supported in Indonesia. The cases mentioned earlier happened in a small city (Bogor). Democracy requires that we yield authority to the local governments to handle local incidents; hence, making it problematic for us to get involved. But we are going to address this as best as we can to avoid such cases from happening elsewhere.

***Q: What are the top priorities for Indonesia-U.S. Caucus?***

Hon. Santoso – We hope to strengthen the relations between the people of the two countries. We are going to sign an MOU on the strategic partnership between DPR RI and U.S. Congress. We also hope that USINDO and its members can play a leading role in strengthening the relations and contribute ideas. Indonesia is the world's third largest democracy with the world's largest Muslim population, of moderate Muslims who are taking a stand against terrorism. We hope USINDO can help us to spread the message that there is no more militarization, political prisoners, or ethnic cleansing. The recent incidents were minor instances; this is the social cost that we have to pay to uphold democracy.