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Emergency powers and the rule of law in Indonesia

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Abstract
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1. Introduction

While Indonesia has had experience in dealing with the use of emergency powers for more than fifty years, it has had to face severe problems that have challenged its goals of national resilience, development and, more importantly, the absence of the rule of law. The focus of my chapter is the tensions inherent between emergency powers and the rule of law in Indonesia, particularly in the post-Suharto era.

From 1998 Indonesian politics has progressed to a fully functional democratic system: all political parties can easily participate in general elections for the Parliament and for the office of the President. There is no restriction placed on establishing new political parties. Contrary to previous years, the military, at least ostensibly, is not involved in the political realm. The 2004 General Election in Indonesia was illustrative. The Indonesian people exercised their constitutional rights to rotate elites, to select leaders and to express grievances and desires, in free and fair elections.

Despite Indonesians' willingness to embrace the processes of democracy, as the biggest Muslim country in the world Indonesia has also faced the problems of terrorism, such as in the Bali bomb blasts of 12 October 2002, the attack on the JW Marriott hotel in Jakarta in 2003, and the further one against the Australian embassy in 2004.1 Indonesians were abducted when they found that foreign tourists had become the targets of terrorism. At the time there was general incredulity that the people

I am grateful to Victor V. Ramraj, Simon Chesterman and Arun K. Thiruvengadam for their insightful comments on an earlier draft.

situation would become worse. Therefore he decided not to implement the Decree.\textsuperscript{10}

Habibie, as Vice-President, replaced Suharto. While his government revoked the Anti-subversion Law, the most controversial issue of Habibie’s tenure as President was the status of East Timor. On 26 January 1999, Habibie raised the option of giving the province independence or it refused a special autonomy package. Thus he laid the seeds for the horrific events which broke out there following the 30 August referendum. In his mind, the offer of independence was the most sensible solution to a two-decade-old problem. The territory was both a drain on scarce resources and a foreign-policy millstone.

However, unlike Suharto, who had been a five-star general, Habibie, a civilian president, could not control the military effectively. He then declared martial law in East Timor in an effort to restore peace. Militias in the former Portuguese colony had been on the rampage for three days. The declaration of martial law meant the military had the power to arrest anyone suspected of causing a disturbance.\textsuperscript{11} However, the declaration of martial law failed. This rule by martial law was then abolished by Habibie through Presidential Decree No. 112 of 1999 and subsequently Habibie accepted the presence of an international peacekeeping force in East Timor.

General Wiranto proposed to Habibie the draft law concerning state security (Undang-Undang tentang Keselamatan dan Keamanan Negara). Afterward, on 6 September 1999, the Parliament changed the title of the law to ‘A Law Concerning Emergency Situations’ (Undang-Undang tentang Keadaan Bahaya).\textsuperscript{12} However, the passage of the law ignited the most violent turmoil. Students objected to both the content of the law, which they said would grant sweeping new powers to the military to impose martial law, and the way it was approved, in a hastily arranged vote on the next-to-last day of the parliamentary session. Four people were killed and more than one hundred were injured, leading Habibie to refuse to sign the bill, despite the fact that Parliament had already passed it. To date, the national security law currently operating in Indonesia is the old 1959 law, which was created under Sukarno. Any attempt to issue a law such as the above-mentioned Emergency Situation law would be considered against

\textsuperscript{9} The MP under the Suharto regime had 1,000 members, which consisted of the 500 members of Parliament and another 500 representatives of different functional groups and of Indonesia’s 27 provinces. The appointment of these 500 delegates, together with that of the 100 appointed members of the military faction of Parliament, was in the hands of the President. In practice, Suharto controlled the appointment of 60 per cent of the delegates in the assembly which elected him. But Suharto managed to get 100 per cent support.


\textsuperscript{12} A. T. Ashari et al., "Dari Kasus Wiranto Jenderal Purnawirawan Kerabat di Tengah Bum" (Jakarta: IdN Indonesia, 2003), p. 35.

\textsuperscript{13} More information can be found in J. Parmenter, "Various Perspectives in Understanding the East Timor Crisis" (2000) 14 "People International and Comparative Law Journal" 73.

the Saharto government. However, since 1998, Indonesia has amended its Constitution four times. There existed a school of thought that the Amendments would convert Indonesia into a negara hukum (literally, a nation of law), which is based on the rule of law, not the law of the ruler. But, is it true that Indonesia now is a negara hukum?

A. Negara hukum in Indonesia

The term negara hukum, or rechtsstaat, is used in Indonesia as a practical equivalent of the Western notion of the rule of law. According to Lindsey, the rule of law ‘is a highly charged notion that has played a central role in Indonesian political and legal thinking.’ However, as Lindsey has correctly pointed out, ‘the use of common law traditions of “the rule of law” to understand negara hukum is problematic’ since no consensus has been reached on the exact meaning of negara hukum. The literal meaning of rechtsstaat was stipulated in the Elucidation of the 1945 Constitution. However, the Elucidation did not explain the notion of rechtsstaat. It said only that ‘Indonesia is a state based on law (rechtsstaat), not merely based on power (machtsstaat).’ In other words, the spirit of the 1945 Constitution is that Indonesia is based on right rather than might. The constitutional amendments in 1999–2002, however, abolished the Elucidation, and did not make any attempt to define the concept of negara hukum.

The debate over the meaning of negara hukum in Indonesian legal history is reflected in the writings of (to name but a few): Sunaryati Hartono, who interpreted negara hukum in the light of the rule of law; Oemar Seno Adjji, who opined that negara hukum has its own Indonesian characteristics, based on the family principle; Padmo Widyono, who

22 S. Hartono, Apokri Rechtsstaat (Bandung: Almuni, 1982), chap. 5.

related the concept of negara hukum to the political philosophy of organic state (integralism or integralist)25 Ianai Suny, who adhered to the literal meaning of negara hukum as rechtsstaat;26 and Hartono Mardjono, who took the view that the elements of negara hukum are the supremacy of the law, equality before the law and the due process of law.27 This debate reflects a similar controversy in German legal theory over the concept of rechtsstaat in the early nineteenth century. Some have tried to distinguish the rule of law from rechtsstaat by stressing that the former is a theoretical ideal while the latter is concerned with actual obedience to the law.28 However, the concept of rechtsstaat has evolved over time in Europe to incorporate democracy and fundamental human rights.

Recent debates in Asia juxtapose competing ‘thin’ and ‘thick’ versions of the rule of law. The ‘thin’ version focuses on the formal or procedural aspects that any legal system allegedly must possess to function effectively as a system of laws, regardless of whether the legal system is part of a democratic or non-democratic society, capitalist, liberal or theocratic.29 The civil law rechtsstaat is often described, by Peerboom30 and Lindsey for example, as a ‘thin’ version of the rule of law. A more apt label for this version might be ‘rule by law’, for it entails no connotation of legal limitations. The idea of rule by law is that law is a means by which the state operates in the conduct of its affairs; that whatever a government does, it should do through laws.31 Another theoretical version of the rule of law is the ‘thick’ (substantive) concept.32 It consists of the basic elements of the formal rule of law, and then goes further by adding content requirements in various combinations of particular economic arrangements... forms

25 P. Widyono, Gare Prinsipal: Sumberdaya anek Prof. Dipoerwanto, SH (Jakarta: Lembaga Pelestari Fakultas Ekonomi Universitas Indonesia, 1984).
27 E. Mardjono, negara hukum yang Demokratis (Jakarta: Yurista Karya dan Pengembalian, 2001), p. 130.
30 Ibid., passim.
31 T. Lindsey, Legal Infrastructure and Governance: Reform in Post-Crisis Asia: The Case of Indonesia (2006) 18 Pacific Review: Literature 1 at 17.
33 While Peerboom has classified the rule of law into the ‘thin’ and the ‘thick’, Paul Craig has used the terms ‘formal’ and ‘substantive’. See P. Craig, Formal and Substantive Conceptions of the Rule of Law (1997) Public Law 87.

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of government . . . or conceptions of human rights. That is what makes this conception of the rule of law 'thicker' than the formal version.

Although the concepts of negara hukum, rechtstaat, and the rule of law have different meanings, I take the position that they share the common view that the government and the State apparatus should be subject to the law, that areas of discretionary power should be defined and limited, and that citizens should be able to turn to the courts to defend themselves against the State and its officials. The rule of law entails equal protection of the human rights of individuals and groups, as well as equal punishment under the law. It protects citizens against arbitrary state action. It ensures that all citizens are treated equally and are subject to the law rather than to the whims of the powerful. The law should also afford vulnerable groups protection against exploitation and abuse. In this context, it is important to highlight that the rule of law should be recognised as an essential element of constitutional government in general, and of representative democracy in particular.

B. Implementing the rule of law: economic and political pressures

Debates over the meaning of negara hukum and the rule of law will continue, but all Indonesian jurists agree that Indonesia needs law reform as a basis for becoming a negara hukum. However, history has shown that such an ideal is not easy to achieve. Both the Sukarno (1945–66) and the Suharto (1966–98) governments used the notion of negara hukum in their rhetoric. Neither government created appropriate institutions and frameworks, nor did they establish basic infrastructure. Legal frameworks are necessary for creating a predictable and secure living and working environment for ordinary citizens, and for entrepreneurs and investors. Those legal frameworks have long been absent in Indonesia.

22 Preethi, 'Varieties of Rule of Law', p. 4.


24 Sorensen distinguishes the following elements of the rechtstaat principles: the constitutional state, liberty and equality, the separation and control of government authority, legality, judicial protection, a system of separation and the prohibition of the excessive use of government authority; See F. Sorensen, Constitutional Comparisons: Japan, Germany, Canada and South Africa as Constitutional States (Cape Town: Juta & Co., 2000), p. 49.


26 In the remainder of this chapter, I use both terms (negara hukum and the rule of law) interchangeably.

27 In the Subharto era, Indonesia was a complex web of corrupt deals and political payoffs. Subharto's New Order government focused mainly on economic development, in order to provide steadily improving standards of living for Indonesians. However, the economic performance was built on debt. It was not from a convergence of expectations based on commonly understood and enforced legal rules, but from a system of hierarchical relationships: unlimited state power, control and authority, in which orders flowed down from the 'top' with little input from the 'bottom'. This is one explanation as to why Indonesia, under Subharto, was quite successful in economic development terms, even though there was little regard for the state of its laws and legal system. Both political and legal systems were engineered to support the development strategy of the nation, but this also explains why Indonesia was so fragile when it was hit by the economic and political crises. Unlike other Asian countries, and without the support of the rule of law, Indonesia faced chaos and riots.

What went wrong with Indonesia's choice of development rather than the rule of law? It was an economic crisis, not an economic achievement, which launched Indonesia into its transition. In other words, the Subharto legacy suggests that legal flaws were an important element of the economic and political crisis which hit Indonesia during 1997–8, and therefore legal reform is considered essential for a stable future.

The transition which took place immediately after the resignation of Subharto begins with the assumption that law reform is an inherently political process, i.e. one that is explicitly rooted in the give-and-take of mundane conflicts over the distribution of power. Apart from an economic crisis, it was politics which opened the window for the law reform movement to develop. Law reform is not only political, but also a struggle between the status quo and change for the better. As Gary Goodpastor observes, '[s]imply put, Indonesia will find that it cannot manage and function effectively in the global economy, nor continue strong economic growth, without the rule of law and widespread rule-based behaviour.'

A lesson to be learned from the Subharto era, then, is that the centralisation of power in the hands of Subharto damaged the idea of the rule of law. Subharto's intervention in the military, the courts, political parties and
Parliament was against the concept of the rule of law. Suharto's power was reflected in the corrupt behaviour of many military officers, much of government apparatus and judges. There was neither transparency nor a system of checks and balances.

After Suharto's resignation, Indonesia had to deal with economic, political and legal crises. Accordingly, during the economic, political and legal crisis, Indonesia adopted the neo-liberal adjustment policies imposed by the International Monetary Fund. Despite the fact that not all aspects of the reform agenda pursued in the post-Suharto era were driven by the IMF, it was clear that this drive led the Indonesian government to revisit the connection between the rule of law and economic development. It is in this context that the idea of a 'thick' version of the rule of law was proposed. For instance, during the Habibie period (May 1998 to October 1999), the Indonesian government was required to sign no less than sixteen Letters of Intent to the International Monetary Fund, indicating its agreement to act in accordance with several reform programmes. Some of the agreements required the cancellation of huge industrial projects and trading cartels at the heart of the Suharto regime. Moreover, the two crucial IMF demands were those relating to the recapitalisation of Indonesia's banks and the decentralisation of administrative authority (otonomi daerah). In these areas, the IFIs (international financial institutions) played a very active role in 'helping' the Indonesian government to draft the required bills.

The basic assumption of the 'thick' version of the rule of law can be traced back to the new law and development movement, now frequently couched in terms of the rule of law and good governance. In the 1990s, the World Bank and the International Monetary Fund required loan and aid recipients in the developing world to adopt Western-style commercial law as a condition of receiving help. This emphasis on Western-style

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46 See the official documents of Indonesia and the IMF at www.imf.org/extranet/country/id indo/index.htm希望自己99.
48 Commercial law contains assumptions about the importance of establishing the rule of law in developing countries, in the light of the pressures exerted by global economic and capital markets.
49 In this sense, one of the criticisms which have been advanced relates to the use of legal transplants. The IFIs often suggest importing foreign legislative schemes or institutional models to developing countries. Critics assert that one of the most significant reasons for the failure of IFI programmes is the naive belief that the Western legal system, particularly the American model, can easily be transplanted to recipient countries. Günther Teubner has examined the difficulty of legal transplants, preferring to describe a foreign legal element as an 'irritant' rather than a transplant. According to Teubner, the transfer of a legal concept from one system to another will have unpredictable effects, because structural coupling will change.
50 There is little agreement among scholars on transplant feasibility and the conditions for successful transplants, or even how to define 'success'. Those who oppose legal transplants generally point out that it is a form of colonial imposition and, as such, contrary to the principles of democratic governance. It interferes substantially with the sovereignty of the
recipient country and clashes with the concept of local ownership of the reform process, as the process does not originate in a home-grown product, but is externally imposed. From this perspective, the rule of law promoted by IFIs is seen as a form of economic, legal, cultural and political hegemony.46

Another significant criticism is that the donor community is imposing neo-liberal models of governance on the developing world. Onsegoe labels the model as ‘the neoliberal rule of law of the 1990s.’47 It is often seen as synonymous with the phrase ‘Washington Consensus’, coined by Williamson in 1990,48 which focuses on privatisation, deregulation, trade liberalization, and so on. The phrase ‘Washington Consensus’ has become a lightning rod for dissatisfaction among anti-globalisation protestors, developing-country politicians and officials, trade negotiators, and numerous others. The critics also claim that most of the reforms that President Habibie made as the successor of Suharto were driven not by government commitment to change, but rather by the pressure of the IMF or ‘IMF conditionality’.49 It appears that President Habibie’s interest in legal reform was geared primarily toward meeting the minimum requirements for the continuation of international financial assistance, including a US$ 43 billion IMF financial assistance package, tied to an economic reform programme. The World Bank, and over thirty countries comprising the Consultative Group on Indonesia, pledged another $7.9 billion in aid to Indonesia. For instance, the Habibie government received technical assistance from donors in preparing for the June 1999 general election and in the voting process concerning the East Timorese conflict.50

C. Toward rule of law in Indonesia

Despite the criticisms above, it is worth noting that, after assuming office, President Habibie began the release of political prisoners.51 In total, during its sixteen months in office, President Habibie’s government released 215 political prisoners.52 In order to deal with the protection of human rights, President Habibie issued Presidential Decree No. 129 of 1998, on the National Human Rights Plan. The Decree states that Indonesia, as a member of the international community, holds in high esteem the Universal Declaration of Human Rights and the 1993 Vienna Human Rights Declaration and Programme of Action. On 23 September 1999, a month before the presidential election, President Habibie signed Law No. 39 of 1999 on Human Rights. This law implemented MPR Decree XVII on Human Rights, which had been adopted by the MPR at its session in November 1998. Law No. 39 of 1999 sets out a long list of internationally recognised human rights which Indonesia is obliged to protect.

Significant reforms were also undertaken in the area of press freedom. Habibie signed Law No. 40 of 1999 on the Press. This law is broadly acceptable to the media in Indonesia and forms the basis for meaningful legal protection for the Press for the first time in Indonesia’s history. The stampede into publishing began as soon as Suharto stepped down. In the year following his resignation, the government granted 718 new press licences, quite a leap from the 289 issued in the fifty-three years of the country’s independence. The proof is on the streets, as broadsheet newspapers compete for public attention with saucy entertainment magazines, racy tabloids and a host of full-colour magazines.

In addition, in April 1999, the Anti-subversion Law, which had carried a maximum penalty of death and made it a crime to engage in acts which could distort, undermine or cause deviation from the state ideology, or the broad outlines of state policy, or which could disseminate feelings of hostility, or arouse hostility, or cause disturbances or anxiety amongst the population, was repealed by the Parliament.53 The excessive vagueness of this law made it possible to prosecute

46 See B. M. Heger, 'The Rule of Law: Defining It and Defending It in the Asian Context', in The Rule of Law: Perspective from Pacific Rim (Monash Centre for Pacific Affairs, 2001), www.mcpa.org/programmes/policies/03articles/03articles.pdf. It should be noted, however, that Heger’s article defends the notion of rule of law.


51 See Presidential Decree Nos. 80, 81, 82, 105, 123, 124 and 125 of 1998.


persons merely for peaceful expression of views contrary to those of the
government. The other significant step in Indonesian law reform is the reform of the
1945 Constitution. When Suharto was in power, he did not permit any
attempt to propose amendments to the 1945 Constitution since this Con-
stitution gave him greater authority than the legislative and judicial bodies.
However, since the end of his presidency in 1998, Indonesia has amended
the Constitution four times (1999–2002). This achievement is notable
for a number of reasons. First, it has broken the 'sacred statement' of
former President Sukarno that people must not change their Constitution.
Second, constitutional reform is a critical aspect of Indonesia's transition,
for the original form of the 1945 Constitution was an inadequate founda-
tion for democracy. Third, the amendments have altered the basis of the
political structure. For instance, the First Amendment limits presidential
Tenure to two terms. There is a new Chapter comprising ten Articles
regarding human rights. The structure and the power of three bodies (executive, legislative and judiciary) are reformed. In fact, thirty-one
articles (84 per cent) have been amended or modified and only six articles
(16 per cent) have not been changed.

Despite some significant achievements, noted above, all the govern-
ments in the post-Suharto era have been unable to punish perpetrators of
human rights abuses involving top military officers, and to bring Suharto
to justice, as demanded by the reform movement. The changing of the Press
paradigm has not led to professionalism in the Press. Corruption is still a
common practice. What we see today is the product of the overcrowded

54 Indonesia's National Human Rights Commission (Komnas HAM) commented on the
anti-subversion law. The Anti-subversion Law can be used to punish people whose ideas
are different from those of the government. It allows prosecutors and judges to act as if
they can read the accused's mind. See Jakarta Post, 9 April 1996.

55 See N. Hosen, Sharia and Constitutional Reform in Indonesia (Singapore: ISEAS, 2007);
Indonesia = Commentary and Analysis on Indonesian Politics and Economics. See also
T. M. Lubis, 'Constitutional Reforms', in Hadi Suswoto (et al), Governance in Indonesia:
Challenges Facing the Megawati Presidency (Singapore: ISEAS, 2003); T. Lindsay, 'Indonesian
International and Comparative Law 244; B. A. King, 'Empowering the Presidency:
Interests and Perceptions in Indonesia's Constitutional Reforms, 1999–2002' (unpublished

56 See Article 7 of the First Amendment of the 1945 Constitution: 'The President and the
Vice President hold their office term for five years, and afterwards, can be re-elected for
the same position, for only one office term.'

57 See Chapter 5A, Articles 28A–39 of the Second Amendment of the 1945 Constitution.

58 See the Third and Fourth Amendments of the 1945 Constitution.

reform agenda, hurried through in a very short time. For instance, the
draft bill on the Press was discussed for only thirteen working days. On
the other hand, every time Indonesia has a new government and Parlia-
ment as a result of a general election, it always proposes and then issues
a new electoral law. This shows not only that Indonesia is still in the
process of finding the right direction, but also that Indonesian elites are in
a battle to gain benefit from the new electoral laws. These problems have
occurred mainly because of huge problems left by the Suharto govern-
ment, and the fact that all parties, such as students, new political parties
and non-governmental organisations (NGOs), including the IMF, World
Bank and other international donors, required the government to reform
the economic, political and legal systems simultaneously.

Suharto made himself the fulcrum between civilians and soldiers, Chris-
tians and Muslims, indigenous Indonesians and ethnic Chinese. He was the
only effective institution for thirty-two years. When he fell from power,
the balance was shattered. Its components, including the reform group,
were left to battle each other. This means that the 1998 reform move-
ment did not sweep aside the political forces nurtured by the New Order
government. In such circumstances, through the networks, power, money
and political machinery they had developed in the past, they could take
advantage of the opening-up of political space. This partly explains why
the Golkar party and the military still play a significant role in the post-
Suharto era. In Lindsey's words, 'the compromises inherent in the politi-
cal process... are often the only way effective reform can be achieved
from a realpolitik perspective'.

So far I have examined the shifting focus of the discourse on the rule of
law in Indonesia. Under Suharto the focus was on economic development
with little attention to the rule of law, whereas in the post-Suharto era the
focus was more on a 'thick' version of the rule of law (formal rule of law
plus human rights protection and economic development). I have also
mentioned several problems faced by the reform movement: corruption,
human rights protection, lack of effective institutions, political battles
between old and new forces, and so on. It is time to move to the period
after the 2002 Bali bombing, wherein Indonesia faces a dilemma between
maintaining the rule of law and maintaining its national security. One
thing never changes: Indonesia is under pressure from the political and

59 The latter laws in the post-Suharto era: Law No. 10 of 2008, Law No. 12 of 2003 and Law
No. 5 of 1999.
60 Tim, Chapter 6. 61 Lindsey, 'Legal Infrastructure and Governance Reform', at 36.
economic power of foreign governments. Ignoring such pressure would be impossible, given the importance of Indonesia's strategic location, its size and also the significant fact that it is the world's most populous Muslim country, which is still in search of a path to constitutionalism.

IV. Post 9/11 and Indonesia's dilemma

Post 9/11 concerns over terrorism have brought attention to the rule of law as a means to hold terrorists accountable and to legitimise their capture and punishment, often through the promulgation of national defence and anti-terrorism laws. The question then is the extent to which the 'thick' rule of law in Indonesia has to support this 'war on terror'? First, before assessing whether the anti-terrorism and emergency powers regime is compatible with a 'thick' concept of the rule of law, I need to examine the international and domestic pressure to facilitate the use of emergency powers. Second, I answer the main question posed in this chapter by specifically focusing on the use of the Perpu as a legal instrument to deal with emergency situations. As has been shown earlier, the Indonesian government has used this instrument extensively. In the context of constitutionalism and the rule of law, I argue that the use of the Perpu is problematic. Finally, I examine several cases in order to illustrate my point that the anti-terrorism and emergency powers regimes in fact undermined Indonesia's attempt to uphold the rule of law in the post-Suharto era. More importantly, Indonesia would step back from a 'thick' version of the rule of law discussed above to what I call a 'stick' version of the rule of law – a combination of formal and substantive elements of the rule of law, and when necessary the use of the stick – means at all to protect national security.

A. Under pressure

While Indonesia is clearly in need of US and Australian assistance in terms of military and economic support, Western governments also need Indonesia's full support in the 'war on terror'. The potential and centrality of Indonesia has long been noted: the outcome of how Indonesia deals with the future will almost certainly have a ripple effect in other, smaller countries in the region facing similar economic and political situations. Given its size and importance, including its strategic location, Indonesia is critical to stability in Southeast Asia.

public was angered, resulting in mass demonstrations against the USA in several cities. As the protests intensified, Megawati bowed to pressure and revised her position to issue criticisms of the US-led military campaign in Afghanistan.89

B. Emergency response

Without being known by the Indonesian public, the Indonesian government drafted the Anti-terrorism Law in April 2002 in response to the events of 11 September 2001. However, the Bali bombing on 12 October 2002 forced President Megawati, six days after the attack, to issue Perpu No. 1/2002 and Perpu No. 2/2002. This was because of US allegations that Indonesia was one of the most important headquarters of terrorist organisations, especially that of Jamaah Islamiyah, an affiliate of al Qaeda.

The Australian government was also not happy with the Bali bombing, with the killing of 202 people and injury to a further 209, most of whom were Australian. Both US and Australian governments asked the Megawati government to take the problems of terrorism seriously, and to provide the necessary legal framework to deal with the attack. It was clear then that the Indonesian government treated the attack as an emergency matter and therefore took over the debate within Parliament on the Anti-terrorism Bill.

According to the Constitution, a Perpu must obtain the approval of Parliament during its next session. The Indonesian parliament approved the two Perpu on terrorism. Perpu No. 1 was adopted by the DPR through Law No. 15 of 2003 on 4 April 2003, whereas Perpu No. 2 of 2002 was adopted in the form of Law No. 16 of 2003. Perpu No. 2 of 2002 (or Law No. 16 of 2003) merely states that Perpu No. 1 of 2002 can be used retrospectively with respect to the Bali bombings. The two anti-terrorism laws were used as the basis for the arrest, prosecution and conviction of twenty-five of the now infamous Bali bombers. Given that the laws were enacted only after the bombings had occurred, the suspects were tried and punished for a crime which, according to law, was not strictly a crime at the time it was committed.73

Manykur Kadir was found guilty under Article 13(a) of Law No. 15 of 2003 of assisting the Bali bombers. Lawyers for Kadir claimed that he had

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been investigated, charged, prosecuted and convicted under an unconstitutional law (Law No. 16 of 2003). They argued that Article 28(1) of the Indonesian Constitution provides citizens with a right not to be prosecuted under retrospective laws. The Constitutional Court agreed, exercising its powers of constitutional review to declare Law No. 16 of 2003 to be invalid. 52 The decision of the Indonesian court was reached by a majority of five justices to four. The decision demonstrates the potential dilemma faced by the court. On the one hand, the majority displayed their commitment to upholding the Constitution, 53 but on the other they were criticised for providing an unjust outcome, particularly for victims of the bombings and their families, both Indonesian and Australian.

The dilemma continues: should all the convicted Bali bombers use the Constitutional Court's decision and the constitutional invalidity of the law as a basis for an appeal? Butt and Hansell report:

Apparently fearing that the convictions would be lost, Justice Minister Yudhoyono and Constitutional Court Chief Justice Professor Dr. Jimly Asshiddiqi announced their own interpretation of the decision to the press. They claimed that the bombers would remain in jail because the Constitutional Court's decision itself could not operate retrospectively. In other words, the decision, while binding, only prevents future investigations, prosecutions and convictions being carried out prospectively. It would not, therefore, impact upon convictions that have already been obtained. This statement, particularly from Asshiddiqi, constitutes an inappropriate politicisation of the court. That Asshiddiqi's statement and that of the Justice Minister were announced at around the same time, and concurred the same views, gives the impression that Asshiddiqi may have collaborated with the government, even though he might not actually have done so. 54

Specifically, the dilemma is this: Do we want to keep the terrorists in jail, although they were convicted under an unconstitutional anti-terrorism law, which is basically against the principles of human rights and the rule of law; or to let them go free, which puts the country at higher risk from the bombers themselves, and also from the criticism of foreign countries, including the USA and Australia, which certainly will not be happy to see the convicted terrorists walk free? As has been stated above, Justice Minister Mahendra and Constitutional Court Chief Justice Asshiddiqi take the view that the court's decisions affect only the application of the law in the future, and therefore Masykur Kadir and other convicted bombers should remain in jail. This is a clear example of Indonesian potentially moving toward a 'stick' version of the rule of law, when the court bow to international pressure and pressure from the government.

Apart from the matter of retrospectivity, the use of the Perpu itself as a legal instrument to deal with emergency power remains questionable. Under Indonesia's Constitution the President is given emergency powers to issue a Perpu in situations where the government must take swift and decisive action to guarantee security. Before a Perpu is formalised, the President is required to outline the threat to security which has prompted its introduction. It is still open to interpretation in what types of emergency situation the state must be deemed to be for a President to have the right to issue a Perpu.

I have mentioned earlier that the Megawati government also issued a Perpu (No. 1/2004) on 11 March 2004, which amends the Forestry Law. The Parliament then approved this Perpu. NGOs unhappy with this decision requested the Constitutional Court to review the validity of that Perpu. One of their arguments was that the government did not explain the emergency situation which led to the President issuing this Perpu. Moreover, Article 22 of the Constitution, which has been used frequently to issue Perpus in emergency cases, must be related to Article 12 ('The President may declare a state of emergency') and Law No. 23 of 1959 on National Security. In Perpu No. 1 of 2004, President Megawati did not refer to them. The question of whether such a condition existed in relation to mining in protected areas consumed hours of hearings and pages of the court's decision. To the great concern of civil society, the Constitutional Court found that whether there is a pressing crisis is not measured objectively by reference to whether there exists a national emergency which cannot be dealt with by Parliament. Instead it is a subjective measurement at the discretion of the President. The court cited as precedents previous Perpus, most of which date from the time of Sukarno's New Order regime. The court did not even refer to the Perpu on terrorism to illustrate its point.
There were allegations that the government's hand was forced primarily by pressure from the Australian government, which held twelve closed-door meetings with high-ranking officials before the regulation was issued. Australian Embassy spokesperson Elizabeth O'Neill told the *Jakarta Post* that several meetings between Australian and Indonesian representatives had indeed taken place, but dismissed the allegation that they were not transparent. She said Australia had been concerned for some time about the impact of the 1999 Forestry Law on Australian mining firms operating in Indonesia, as many of them had signed contracts with the government prior to 1999 to develop mineral resources and had already made significant investments. This suggests that the neo-liberal approach to the rule of law remains influential in Indonesia. Meanwhile, NGOs alleged that several legislators took bribes prior to the start of the House plenary session to vote on the Perpu, when several State Secretariat officials had been seen lobbying the legislators. The judges considered evidence (including testimony from a number of parliamentarians) that parliamentarians received bribes of US$5,000 to $15,000 in order to ratify the Perpu but concluded that the Constitutional Court was unable to consider the bribery issue until it was proven in a criminal court. Once again, this illustrates the difficulties in Indonesia of prosecuting cases involving allegations of corruption, which is inconsistent with the idea of both 'thin' and 'thick' rule of law.

According to NGOs, the thirteen companies had demonstrated very bad performance in environmental management in Indonesia, as could be seen from the disposal of their industrial waste into the environment. The NGOs were upset that the government ignored these violations. The Director-General of Geological and Mineral Resources, Simon Sembiring, also told the *Jakarta Post* that the regulation was expected to spur new investment of about US$17 billion for the next three years. The Constitutional Court responded to the issue by stating:

> Although this Court shares the opinion of all the experts brought by the appellants regarding the danger and negative impacts of open-pit mining in protected forests, nevertheless this Court also understands the reasoning for the need for a transitional regulation which continues the rights or legal status gained by mining companies before the advent of the Forestry Law (1999)."
criteria or the time-frame within which the powers may be exercised. This failure, in turn, facilitates the justification and use of these powers. The only limitation is Parliament's ability to approve or disapprove the Perpu. However, this is exactly the second concern of this paradox: the unstable nature of political alignments, the weakness of party structures, economic crisis, along with international pressures, all contribute to a pragmatic and politically oriented rule of law. For instance, the basis of discretion in establishing Perpu may be questioned if it is seen as derogating from the tenets of the rule of law. This has resulted in more emphasis being placed on empowering the state, rather than limiting its powers. It seems the finality of discretionary power would rest with the primary decision-maker.

Third, Indonesia's experience of the inability of Parliament and the courts to limit emergency powers is dissonant to the Gross–Dayanahu debate. Dryanzhaus retains some faith in the ability of the courts (or specialised administrative tribunals under judicial supervision) to uphold the rule of law in emergency situations, while, for Gross, the solution lies outside the courts (it should involve a political check on abuses of power). The debate assumes either Parliament or the courts can provide adequate checks and balances—a function that has not been fully exercised by either institution in Indonesia because of its choice of pragmatic rule of law in some cases.

Fourth, while I share the concerns expressed by Anil Kahlau and Vasuki Nesiah on the risks of using emergency powers and the premises of liberal constitutionalism, respectively, I take the view that Indonesia's experience shows how constitutionalism and the rule of law do matter in a normative sense. Given the vagueness of emergency powers and the Perpu stipulated in the Constitution and the very fact that the national security law currently operating in Indonesia is the old 1959 law, I suggest that constitutional reform in this sense remains unfinished. The 2002 Bali bombings and other terrorist attacks should not interrupt this process.

A hard lesson to be learned from Indonesia is that gradualism and long-term planning are critical to the agenda of a reformist government. Understanding the paradox above, together with the challenges from international and domestic pressures, would assist us to acknowledge that there

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62 See the debate in V. V. Ramraj (ed.), Emergencies and the Limits of Legality (Cambridge: Cambridge University Press, 2008).

63 See, in this volume, A. Kahlau, "Constructivist and 'Extraconstitutional' Colonial Emergency Powers in Postcolonial India and Pakistan" (Chapter 4) and V. Nesiah, "The Polity Import: Stories of Law and Polity in the Exercise of Emergency Powers" (Chapter 5).