Political parties are a crucial part of democratic political systems. With democratisation, operational controls on Indonesia’s political parties, and the ban on establishment of new political parties, were lifted. Subsequent electoral reform has been designed to reshape the party system by encouraging fewer, larger, parties. This chapter looks at this process from a comparative perspective, situating the Indonesian reforms in a broader Asian context. It also attempts to answer some basic questions about institutional reform: What are the trade-offs inherent in different electoral rules and party system configurations? Where does the Indonesian party system sit within the spectrum of party systems around the world? And how do trends in Indonesia’s party system compare with those elsewhere in the Asia Pacific region?
Electoral and Political Party Reform

The number of East Asian regimes that can be considered to meet the basic Schumpeterian definition of democracy – that is, governments chosen via open and competitive elections – has snowballed over the past twenty years.¹ While at the end of the Cold War only Japan could lay claim to being an ‘established’ East Asian democracy, the years since then have ushered in a new era of liberalization and democratization across the region.² Major transitions from authoritarian rule towards democracy began with the popular uprising against the Marcos regime in the Philippines in 1986 and the negotiated transitions from autocratic governments in Korea and Taiwan in 1987, before moving on to the resumption of civilian rule in Thailand in 1992, the United Nations intervention in Cambodia in 1993, the fall of Indonesia’s Soeharto regime in 1998, and the international rehabilitation of East Timor which culminated in 2001. As a result of these transitions, more East Asian governments are today chosen through competitive and freely-contested elections than ever before.

Indonesia, the largest of these new democracies, has now experienced several peaceful transitions of power since the end of the Soeharto era in 1998. Using Samuel Huntington’s ‘two-turnover test’ of democratic consolidation – that is, when the party or group that takes power in an initial election loses a subsequent election and turns over power, and if those election winners then peacefully turn over power to the winners of a later election – then Indonesia (along with Korea, the Philippines, Taiwan, and Thailand) clearly passes this minimal test of democracy.³ But while Indonesia has had three further turnovers of power since the fall of the Soeharto regime, although only one of these (the election of President Susilo Bambang

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Yudhoyono in 2004) has come as a direct result of the electoral process.⁴ A more sober assessment of democratic consolidation thus suggests that Indonesia should probably be viewed as an emerging democracy. Despite the rapid progress of democratization to date, Indonesian democracy could not yet said to be truly consolidated, in the sense of democracy being considered the ‘only game in town’ and any reversion from it unthinkable. Nonetheless, particularly using a minimalist, Schumpeterian definition of electoral democracy, Indonesia has clearly made great strides in a relatively short period of time.⁵

In this essay, I argue that democratization in much of East Asia, including Indonesia, has opened up opportunities for political elites to engage in overt ‘political engineering’ – that is, the conscious design or redesign of political institutions to achieve certain specific objectives. In East Asia in general and Indonesia in particular, political engineering has predominantly been applied by incumbent politicians in the search for a more consolidated, aggregative and majoritarian political system that improves political stability while also limiting potential challengers to the established political order. The emergence of this distinctive regional model of institutional design has been facilitated by deliberate reform strategies whereby the region’s electoral democracies have sought to transform the way their political systems operate in order to achieve certain specified outcomes – for instance, more stable government, stronger political parties, and so on.

Drawing on a book-length study, this essay examines the impact of these changes of ‘political architecture’ – “the complex of rules that make up the constitutional structure and party system”⁶ – both in Indonesia specifically and in a comparative context. This process of institutional reform was, at heart, an attempt to engineer political stability through the design of democratic institutions which reflects the

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⁴ Indonesia’s first democratically-chosen president, Abdurrahman Wahid, was elected by the members of parliament, not via a mass-suffrage election.

⁵ This is the definition suggested by Adam Przeworski, Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America (Cambridge: Cambridge University Press, 1991).

interest of incumbent powerholders keen to protect their own positions. Political reformers have sought to encourage more majority-favouring elections, while encouraging nationally-focussed parties and limiting those based around regional or ethnic ties.7

Background

The Asian approach to political engineering illustrates one of the recurring themes animating the choice of political institutions: the trade-off between efficiency and representation. Classically, ‘representational’ institutions were considered to facilitate the direct translation of popular preferences and cleavages into the political sphere with as little interference as possible, via political parties representing distinct social groups, proportional representation elections, and low barriers to minority enfranchisement. Together, these institutions should ideally lead to the development of a diverse multiparty system in which all significant social groups and interests are separately represented. By contrast, ‘efficient’ institutions that can deliver clear parliamentary majorities offering distinct policy alternatives are more often associated with majoritarian elections and ‘catch-all’ political parties that command electoral support across social cleavages. In theory, these make it more likely that minority and majority interests alike will be aggregated into a few large parties which alternate in power over time.

By the terms of this long-running debate, most of the political reforms in the Asia-Pacific over the past decade have clearly come down on the side of efficiency and against representation. The move away from proportional representation systems – in which each party receives seats in close proportion to their overall share of the vote, thus advantaging smaller parties and minorities – towards majoritarian ones, which tend to advantage large parties via ‘winner-takes-all’ outcomes – has been one of the Asia-Pacific’s more striking reform trends. Major electoral system changes in Japan, Korea, Indonesia, Taiwan, Thailand, and the Philippines, as well as reforms to existing systems in Cambodia, Indonesia, Malaysia and Singapore, have all promoted

7 See Benjamin Reilly, Democracy and Diversity: Political Engineering in Asia and the Pacific (Oxford: Oxford University Press, 2006).
the interests of incumbent parties by making it more difficult for smaller parties or minority movements to gain representation.

The interplay of competitive electoral politics with social cleavages – such as the multiple cultural, linguistic, religious and regional schisms at play in Indonesia – is thus an important piece of the reform picture. Many Asian and Pacific states have long experience with the problems caused by the inter-relationship between democratic government and ethnic diversity. At the end of World War Two, independent and nominally democratic regimes were installed in post-colonial Burma, Indonesia, Malaysia, the Philippines and Singapore, as well as in Japan. With the exception of Japan, all of these new states were ethnically diverse; by 1972 all of them, Japan again excepted, had also fallen under some form of non-democratic rule. In each case, the adverse impacts of social diversity upon competitive politics provides part of the explanation for the shift towards autocracy and the failure of democracy.

Thus, Indonesia’s first chaotic democratic experience, between 1950 and 1957, was characterised by “ethnic conflict of two kinds, religious-based and cultural/regional-based, [which] threatened to tear apart the infant republic” 8 The failure of this abortive initial period of democratic government was at least in part a problem of competitive representative politics preceding the development of robust civic institutions. Today, some scholars see new Southeast Asian democracies like Indonesia, Thailand and the Philippines as suffering a similar legitimacy crisis, whereby “invocation of primordial loyalties by political leaders for their own ends …[is] compounded by the key features of the democratic system (universal suffrage, freedom of association, free expression, participation, and contestation) – making for bitter conflict, turmoil, and generally a zero sum political game in these countries”. 9 The persistent threat of regional intra-state conflict and secessionist movements in

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Indonesia is perhaps the most obvious manifestation of this legitimacy crisis which the state faces.

In sum, weak party systems, fragmented legislatures, and an inability to maintain stable government have all been identified as reasons for these ineffective and ultimately unsuccessful initial experiences of democracy.\(^\text{10}\) Traditionally, many East Asian states have been seen as lacking the kind of broad-based, institutionalised, programmatic political parties necessary for democracy to work effectively. Some analyses identify the close links between social cleavages and party systems as being part of the reason for these problems. For example, acute political gridlock and polarization – caused in part by the politicization of social cleavages – is often blamed for the early failure of democracy in Indonesia in the 1950s.\(^\text{11}\) Similarly, the quasi-authoritarian political systems of both Malaysia and Singapore evolved partly as a result of a perceived need to control the political expression of ethnicity, and the management of communal relations has remained a cornerstone of politics in both states.\(^\text{12}\) In the Philippines, where family, clan and regional identities are key political commodities, democracy remains fragile and “candidates for national office have tended to be elected in large part on the basis of their ethnolinguistic and regional ties”.\(^\text{13}\) Even in Thailand, where an assimilative, civic Thai identity has long been present, democratic politics retains a marked ethno-regional dimension, apparent in

\(^{10}\) Minxin Pei, ‘The Fall and Rise of Democracy in East Asia’ in Diamond and Plattner, Democracy in East Asia, 57-78.

\(^{11}\) See, for example, Herbert Feith, The Decline of Constitutional Democracy in Indonesia (Ithaca NY: Cornell University Press, 1962).


the growing rural-urban cleavage between the affluent middle class population of Bangkok and the peripheral regions of the north, northeast, south and west.\textsuperscript{14}

The interplay of social cleavages with processes of democratization can unleash powerful political pressures for segmental politics, presenting aspiring political entrepreneurs with the temptation of exploiting ethno-political divisions in their quest for electoral success. In recent years increasing elite awareness of these problems, combined with the inevitable calculations of self-interested actors seeking to advance their own political prospects, have stimulated a search for appropriate ameliorative responses through changes to the rules of the democratic game. Across the region, these reforms typically sought to improve government stability, encourage party aggregation, restrict the enfranchisement of regional or ethnic minorities, and foster majoritarian political outcomes. Indonesia has taken these measures the furthest, introducing a range of reforms to voting rules, electoral arrangements and political party regulations that are all aimed to producing a more consolidated party system. These will now be examined in more detail.

Electoral Reform

One particularly striking reform trend in recent years has been in the area of electoral system design. Because electoral systems determine how votes cast in an election are translated into seats won in parliament, they are the central ‘rule of the game’ determining who governs. The constituent elements of any electoral system – such as the formula for translating votes into seats, the way electoral districts are drawn, the structure of the ballot, and the extent to which voting is candidate or party-centred – all exert an independent influence on the behavioural incentives facing political actors, and hence on the development of political parties and the kinds of campaign strategies and policy appeals they employ.

Despite the considerable differences in forms of government, political culture and democratic consolidation across the Asia-Pacific region, increasingly convergent reform patterns are evident, with Japan, South Korea, Taiwan, the Philippines, and

Thailand all enacting similar electoral reforms over the last decade.\textsuperscript{15} A clear trend has been the increasing adoption of ‘mixed-member’ electoral systems, in which both proportional and district-based elections are run side-by-side, in parallel. Under such systems part of the legislature is elected, usually at a national level, by proportional representation (PR), and the rest from local districts, usually by plurality rules. While mixed systems have become common around the world in the past decade, they have been a particularly popular choice in Asia’s new democracies – perhaps because they appear to combine the benefits of proportional outcomes with the accountability of district representation.\textsuperscript{16}

In Indonesia, the seven-member team of government officials and academics set up in 1998 to examine alternative electoral models, \textit{Tim Tujuh,} also favoured a mixed-member model.\textsuperscript{17} Under their proposed ‘district plus’ system, 76 percent of seats would have been allocated to single-member districts, with the remaining 24 percent elected by proportional representation. While popular with electoral reformists, this proposal was opposed by Indonesia’s main political parties, who succeeded in establishing instead an unusual hybrid system for Indonesia’s 1999 elections. This comprised a unique combination of party list PR with ‘personal vote’ characteristics, whereby the votes parties gained in particular districts/municipalities (\textit{kabupaten/kota}) within each multi-member electorate would be used to determine which individual candidates would be elected. In theory, locally-popular candidates who attracted an significant proportion of personal votes in a given \textit{kabupaten/kota}  

\begin{itemize}
  \item \textsuperscript{16} For more on mixed-member systems, see Andrew Reynolds, Ben Reilly and Andrew Ellis, \textit{Electoral System Design: The New International IDEA Handbook} (Stockholm: International Institute for Democracy and Electoral Assistance, 2005).
  \item \textsuperscript{17} For a good account of \textit{Tim Tujuh}’s work, see John McBeth, ‘Dawn of a New Age’, \textit{Far Eastern Economic Review}, 12 September 1998.
\end{itemize}
would thus increase their chances of gaining a list seat. In practice, however, this provision proved almost impossible to administer, and was widely ignored by the electoral authorities.

In the run-up to Indonesia’s 2004 elections, a more conventional model of ‘open list’ proportional representation was adopted. This time, all candidates were chosen from party lists, but voters were able to influence the composition of these lists by voting directly for a chosen candidate. Again, the motivation for this reform – common in Europe, but unique in the Asia-Pacific – was to give voters more influence over which candidates from a given party list would be elected, thus in theory strengthening the link between voters and politicians. As in 1999, however, this provision had a negligible influence on election outcomes: only two seats out of 500 were chosen this way, as an exceptionally large number of personal votes were needed to alter a candidate’s position on the party list. In some ways this may have been fortunate, given that the broader thrust of electoral reform in Indonesia aimed to encourage party cohesion by centralizing control of party organizations – an objective incompatible with open list voting, which “allows entrants to free-ride on the party label while simultaneously encouraging them to curry a personal reputation for the provision of particularistic goods”.18

Nonetheless, demand for some form of district-based system remains strong in Indonesia, fuelled in part by the expectation that democratic prospects would be enhanced if the power of party elites was reduced and politics brought closer to the masses.19 In response to these widely-expressed sentiments, one reform that did get implemented was a drastic reduction in ‘district magnitude’ – that is, the number of members elected from each electoral district. In contrast to previous years, where provincial units delineated constituency boundaries, Indonesia’s 2004 elections were conducted using much smaller constituencies, capped at a maximum of 12 members per district. This raised the threshold for electoral victory considerably and made it


much more difficult for smaller parties to win seats than at previous elections, when
districts were based around entire provinces.\textsuperscript{20} The overall effect – as in the other
Asian cases – was to make Indonesia’s 2004 electoral arrangements considerably
more majoritarian than previously.

Indonesia also held its first direct national election for president and vice president in
2004. Like the new party laws, the presidential voting system contained several
measures designed to ensure that only broadly-supported, nationally-oriented
candidates could be elected to office. First, only parties winning at least five percent
of the vote or three percent of seats in the parliamentary elections were able to
nominate candidates for the presidency, sideling smaller parties. Second,
presidential and vice presidential candidates had to run together as a team; as a result,
it was assumed that major parties would choose a combination of Javanese and outer
islands candidates in order to maximize their appeal. Third, the election was
conducted over two rounds of voting; to avoid the second round, first-round winners
had to gain an absolute majority of votes nationwide as well as at least 20 percent in
half of all provinces.\textsuperscript{21} This latter provision – known in the scholarly literature as a
“distribution requirement” – was borrowed from Nigeria, another large and ethnically
diverse country. Again, the aim was to ensure that the winning candidate not only
commanded support from a majority of voters, but also from different parts of the
country. This made it difficult for candidates with strong regional support but limited
nationwide appeal to win. In this respect, the presidential electoral system shares with
the party formation laws a common centripetal logic, in that it aims to promote
nationally-focused politics by advantaging parties with a cross-regional support base.

How did these provisions work in practice? At the July 2004 presidential elections, no
candidate gained a majority of votes in the first round of elections, necessitating a
second round runoff in October, which was won convincingly by Susilo Bambang
Yudhoyono of the new Democrat Party, a secular and relatively progressive Javanese

\textsuperscript{20} Stephen Sherlock, ‘Consolidation and Change: The Indonesian Parliament after the 2004 Elections’
(Canberra: Centre for Democratic Institutions, 2004), 4.

\textsuperscript{21} The second round of voting entailed a straight runoff between the two leading candidate teams, with
no distribution requirements.
ex-general who teamed up with GOLKAR stalwart Jusuf Kalla from Sulawesi as his vice-presidential running mate to sweep the field, carrying 28 of Indonesia’s 32 provinces. Yudhoyono’s opponent, incumbent president Megawati Soekarnoputri of the PDI-P, won only the predominantly Hindu island of Bali (a traditional PDI stronghold) and a few smaller provinces in eastern Indonesia. Thus, while not put directly to the test, the overall outcome of Indonesia’s first direct presidential election did result in the election of a candidate with broad cross-regional support, in line with the aspirations inherent in the presidential electoral provisions.

**Political Party Reforms**

Scholars of democracy have long considered political parties to play a crucial role not just in representing interests, aggregating preferences, and forming governments, but also in managing conflict and promoting stable politics. However, the extent to which parties can play these roles varies significantly depending on the nature of the party system. In two-party systems, for instance, parties must cultivate and maintain support across a range of social groups to win elections, and therefore need to provide broad public goods – that is, goods which benefit everyone without exclusion, such as property rights, the rule of law, public education, health care, roads and other basic infrastructure – in order to maximize their chances of success. In fragmented multiparty systems, by contrast, parties may need only a small plurality of votes to win office, and can thus focus on providing sectoral benefits to their own supporters, rather than to the broader electorate.22 This is a particular problem in culturally-diverse societies such as Indonesia’s, as it means that political parties will often form around distinct social cleavages based upon ethnic, religious or regional differences.

Democracy in Indonesia, for instance, has been hampered recurrently by the consequences of social cleavages and party fragmentation – both in recent years following the collapse of the Soeharto regime, but also earlier, during the country’s initial democratic interlude in the 1950s, when shifting coalitions of secular, Islamic,

nationalist, communal and regional parties led to six changes of government in seven years, providing a ready pretext for the overthrow of democracy and the declaration of martial law by president Sukarno in 1957. As one of the most ethnically complex states in the contemporary world, Indonesia’s array of social and religious cleavages, as well as the long-standing regional division between Java and the outer islands, have strongly influenced the development of the Indonesian party system. For instance, the ongoing relevance of aliran – the cleavage within the Javanese Muslim community between the santri, who identify fully with Islam, and those called abangan, who retain traditional pre-Islamic beliefs and customs – which continues to exert a profound influence on Indonesian politics, with the santri usually supporting Islamic political parties while abangan tend to join together with Christians and Hindus in supporting ‘nationalist’ parties. These cleavages overlap with other regional and cultural markers: abangan Muslims, for example, are more influential in Java, while santri Muslims predominate in Sumatra. As a result, the more secular parties tend to get much of their support within Java, while Muslim parties often have strong bases in the outer islands.

The result in Indonesia has been a highly fragmented political party system during its periods of competitive democracy (that is, during the 1950s and again today). This is far from being an optimal form of party system for democratic consolidation and stable government. Rather, a range of comparative studies have emphasized the benefits of ‘moderate multipartism’ for the survival of new democracies. G. Bingham Powell’s work on democratic durability suggests that the most favourable party system comprises a limited number of cohesive and broad-based parties, rather than many small, fragmented, personalized or ethnically-based parties. Diamond, Linz and Lipset’s multi-volume comparison of democracy in developing countries concluded that “a system of two or a few parties, with broad social and ideological bases, may be conducive to stable democracy.” In the same vein, Myron Weiner and


Ergun Özbudun found that the one common factor amongst the small number of stable third world democracies was the presence of a broad-based party system, prompting them to conclude that “the success of democratic politics in developing societies is strongly associated with the presence of broadly-based, heterogeneous, catch-all parties with no strong links to the cleavage structure of society”.26

If we know that they are desirable, the next question is surely how such aggregative parties and party systems can be encouraged to develop. Clearly, forging cohesive party systems, particularly in societies riven by deep communal cleavages, is easier said than done. Nonetheless, recent reforms in states such as Indonesia have attempted to strengthen parties and remodel party systems through a variety of institutional incentives and constraints. While only three officially sanctioned and controlled ‘national’ parties were allowed under Soeharto’s New Order regime, its collapse in 1998 saw over one hundred new parties emerge in a matter of months, many with extremely limited support bases. This mushrooming of new parties provoked widespread fears that Indonesia’s emerging party system could be too fragmented, with too many parties, for democracy to function effectively.27 At the same time, there were overriding concerns, particularly with the breakaway of East Timor in 1999, of secessionism in provinces such as Aceh and Papua, and a very real fear of the country breaking up under separatist pressures. With Indonesian politics in flux, a widely-held view was that the country needed nationally-focused parties that could gain the support of voters from across the archipelago and form legitimate, stable governments. Indeed, the development of such a national party system was seen as an essential step in countering secessionist sentiment and building a viable democracy.

To achieve these twin goals – promoting broad-based parties while resisting the emergence of separatist ones – Indonesia’s political reformers introduced a complex

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collection of incentives and restraints on party system development. On the one hand, all parties were required to demonstrate a national support base as a precondition for them to compete in the transitional 1999 elections. Under the new rules, each party was required to establish branches in at least one-third of Indonesia’s (then) 27 provinces, as well as offices in more than half the districts or municipalities within these provinces, before they could contest the election. As King notes, “where previously the number of election contestants was stipulated by law, permitting only three, now they were limited on the basis of insufficient geographical coverage and depth of penetration of their organizations”. The bias in favour of national parties was so strong that regional parties were even banned from competing in elections to the regional assemblies, where again only national level parties were permitted. This takes the national bias in the electoral system to an extreme: instead of allowing regional governments to be representative of their own constituent populations, the law forces them to be comprised of the same parties which compete at the national level.

These new rules had an immediate impact on party numbers: of 141 parties that applied to contest the 1999 elections, only 48 gained approval to run, and of these only five attained significant representation at the election itself: the Indonesian Democratic Party (PDI) led by then president Megawati Soekarnoputri; GOLKAR, the party machine created by Soeharto; and three Islamic parties, the National Mandate Party (PAN), the United Development Party (PPP), and the National Awakening Party (PKB) of Megawati’s predecessor, Abdurrahman Wahid. For the next elections in 2004 the party laws went even further: new parties had to establish branches in two-thirds of all provinces and in two-thirds of the municipalities within those provinces, while each local party unit had to demonstrate that it had at least 1,000 members (or at least one-thousandth of the population in smaller regions) before being permitted to compete in the elections. This led to a further drop in party


numbers, with only 24 parties qualifying for the 2004 elections: the six top parties from 1999, plus 18 new parties that met the membership requirements.

At the April 2004 parliamentary elections, most of these major parties were able to attract a significant spread of votes across western, central and eastern Indonesia. While there were clear regional strongholds (the Islamic parties dominated in Sumatra, PDI did best in Java/Bali, while GOLKAR remained strong in eastern Indonesia), in contrast to 1999 all major parties gained seats across the archipelago. Whereas the 1999 assembly was dominated by the “big five”, Indonesia’s 2004 parliament featured the “big seven”: the five main parties from 1999, plus two new entrants: the Justice and Welfare Party, and the Democrat Party. Of these, GOLKAR and PDI together controlled around 40 percent of seats, and five others each between 8-10 percent. While King argues that Indonesia’s post-Soeharto elections broadly replicated the societal and religious cleavages present in 1955, the fact that the major parties were able to command such cross-regional support is actually a significant difference. As well as being important for Indonesia’s longer-term democratic prospects, this also had implications for electoral violence: as parties and candidates needed to have cross-regional appeal, election-related conflicts were for the most part “limited in number and local in scope”.

As well as restricting regional parties, Indonesia’s new party laws also attempt to limit party numbers by introducing systemic pressures for smaller parties to amalgamate with each other. Following the 1999 election, parties that failed to gain more than two percent of seats in the lower house of parliament or three percent of seats in regional assemblies had to merge with other parties to surmount these thresholds in order to contest future elections – a provision that resulted in a number of smaller parties amalgamating prior to the 2004 elections.

How did these provisions work in practice? In Indonesia, the absolute number of parties competing in the elections dropped from 48 parties contesting the 1999

30 See Sherlock, ‘Consolidation and Change’.
31 King, Half-Hearted Reform, chapter 7.
election to 24 parties for the 2004 poll – again, a fifty percent decline over one parliamentary term – and a similar but less extreme decline in the number of parties in parliament, from 21 in 1999 to 17 in 2004 – although the effective number of parties in parliament actually rose, from 5.4 in 1999 to 8.3 in 2004, as votes that had gone to the smaller parties in 1999 were spread more evenly across the established larger parties.

In sum, the major impetus behind the new Indonesian party laws was to reduce the overall number of parties, consolidate the party system, and make monoethnic, regionalist or separatist parties unviable. As a result, it is virtually impossible for a party to get its name on the ballot in Indonesia today unless it can demonstrate a level of national support that is likely to be beyond the reach of even the most well-organized regional movement (although at the time of writing an exception appears to have been made for Acehnese parties as part of the peace deal in Aceh). The new presidential electoral laws only strengthen this approach.

But party engineering has costs as well as benefits. As evidenced by the fifty percent reduction in party numbers between 1999 and 2004, Indonesia’s electoral laws benefit incumbent parties by restricting the level of political competition and placing barriers on potential new entrants into the political marketplace. As a result, there is a real danger of overkill inherent in the new party provisions, especially given that plans for future elections include raising the barriers to smaller parties and new entrants even higher. Under existing legislation, most parties elected at the 2004 elections will be barred from competing at the next elections in 2009 because they failed to win more than three percent of seats. These parties will be encouraged to amalgamate with others in order to reach this support marker. Even more severe restrictions will be placed on future candidates for the presidency: under current plans, only parties that win at least 20 percent of the vote at the 2009 parliamentary elections, or at least 15 percent of seats, will be entitled to enter candidates for the presidential and vice-presidential race. All of this not only discriminates against smaller parties, but tilts the electoral playing field markedly in favour of incumbents and established parties more generally.

**Conclusion**
As Larry Diamond has noted, a one paradox of democracy is that in some circumstances “a political system can be made more stably democratic by making it somewhat less representative”.33 This clearly has been the strategy pursued by many Asia-Pacific reformers, including in Indonesia, as they seek to encourage more programmatic party politics and stable executive governments. Harking back to the success of the East Asian ‘Tigers’ and their unorthodox but successful interventions in the economic arena, East Asian democracies have sought to manage political change by institutional innovations aimed at changing the way their political systems function. Many of these reforms had multiple objectives: protecting incumbents, limiting ethnic or regional movements, and promoting more centrist and stable politics by encouraging broad-based parties.34

Indonesia has been at the forefront of this region-wide movement. Through a combination of spatial registration requirements for political parties, incentives for smaller parties to amalgamate into larger ones, reductions in the proportionality of the parliamentary electoral system, and regional vote distribution requirements for presidential elections, political reformers in Indonesia have attempted to engineer the development of their party system towards a system of a few, large parties with a national reach. This is not a functionalist argument. The interests of incumbent politicians is a key part of the reform story, as restrictions on new entrants to the political arena and on the multiplication of smaller parties inevitably worked in favour of established political elites and the larger, better resourced political parties. But it would be a mistake to see these reforms as purely self-serving. Opinion surveys in Indonesia, for instance, have found a widespread preference for a system of moderate multipartism, rather than party fragmentation.35

This attempt to engineer Indonesia’s emerging party system is particularly significant in the context of that country’s troubled democratic history. Many Indonesians blame


34 For more on this, see Reilly, *Democracy and Diversity*.

the fragmented and polarized party system of the 1950s for the failure of democracy then and are determined not to see it happen again. Building a consolidated party system has thus been seen as an essential step towards building a consolidated democracy. By providing incentives for cross-ethnic accommodation in the context of electoral competition, Indonesia’s political reforms are in effect trying simultaneously to manage communal divisions and consolidate democracy – an audacious and potentially influential political engineering approach.

However, the results of these ambitious exercises in political engineering have so far been rather ambiguous. Despite all the institutional incentives promoting greater party system consolidation, Indonesia experienced an increase in party fragmentation between 1999 and 2004, while measures to promote nationally-focused parties and limit the enfranchisement of minorities have not yet changed fundamentally the nature of electoral politics. On the other hand, Indonesia’s new electoral laws have played a modest but important role in curbing the natural fragmentation and regionalisation of electoral support by encouraging parties and candidates to compete for votes across the archipelago, rather than relying on regionally-concentrated support alone.

Of course, the fact that political reforms may have met some of their stated objectives does not mean that they are therefore the most desirable or appropriate models. Whether this ambitious exercise in political engineering in itself will be enough to change the way party competition works and forge more durable and stable democratic politics remains to be seen, however. Indonesia’s new laws have been rightly criticized for locking minorities out of power, and for placing unreasonably high hurdles in front of potential new parties. As one observer has noted, if the laws requiring parties to prove minimum membership numbers all the way down to the local district level are strictly enforced, “parties may, instead of collecting dues from members, be paying them to sign up in future.”

Similarly, restrictions on political fragmentation and ethnic politics can also have clear downsides. While they may improve the prospects for a nationally-consolidated party system, the new rules could also undercut the ability of all but a few established parties to form and mobilize support. If ethnic or religious groups are unable to

36 Tan, ‘Anti-Party Reaction in Indonesia’, 488.
mobilize and compete for political power by democratic means, they will likely seek to achieve their objectives in other ways. A balance therefore needs to be struck between encouraging national parties, which is generally a positive strategy, and restricting regional ones, which can have clear downsides. The danger of overkill – placing so many incentives in favour of party aggregation and against regional or ethnic parties that they form a pattern of systemic discrimination and disempowerment – is clearly present.