Madam Chair,

Distinguished Participants,

My Friends.

I am pleased and grateful that the Centre for Democratic Institutions at the ANU has chosen as the subject of its first seminar, 'The Indonesian Elections: Challenges, Opportunities and the Role of the International Community,' and I am honoured to deliver this opening statement. By organising and sustaining this forum on the coming elections in Indonesia, the ANU will be making a constructive contribution to the cause of democracy, not only in my country or in our region but everywhere.

Democracy is a difficult pursuit: we in Indonesia have for over a year been through a most difficult and soul-searching period and we now know from experience just how formidable it is. It is not just a carefree breaking of chains, nor is it, as one contemporary Asian politician has expressed it, 'the best revenge.' Democracy has more to do with the courageous acceptance of responsibilities, with capacity-building to meet these responsibilities, and with relentless socio-political education of the public in support of a process of interminable reform. As I understand it, democracy is never in a state of perfection, but must constantly strive to become more of a democracy. It is a dynamic process rather than a static concept.

With the forthcoming general elections in June, we the people of Indonesia have a unique opportunity to achieve a much more democratic society than we have ever had.

As to how the elections will turn out, there are only three possibilities, the first being that the general elections will be altogether successful. That will propel us on the high road of democracy and bring about a new era of political stability and along with it
the confidence so necessary for the resuscitation of our national economy. An entire horizon of splendid possibilities will arise in our national life.

On the other extreme, the general elections could turn out to be an utter failure. That means there is a widespread perception among our people that violence, intimidation, fraud and money politics won the day at the polling booths, that their aspirations for a democratic society has been totally defeated. In that case, Indonesia will suffer another political debacle with enormous social and economic impact. All sorts of dark possibilities will then loom on the horizon such as a continuation of squabbles and bickering. That is what we Indonesians must guard against at all cost.

Between these two extremes, between total success and utter failure, there lies a broad spectrum of probabilities. To the extent that the success of the elections is tainted with any unfairness, there will be volatility and perhaps lack of stability, but no chaos unless the situation further deteriorates. To the extent that its failings are mitigated by the general acceptability of the results, there will be hope for further reforms, for greater stability and the eventual onset of confidence.

It is my hope that the general elections in June will come as close as possible to total success. And it seems to me that this hope is somehow gaining ground, as a national political debate becomes more and more orderly. There is no denying that clashes between Muslim and Christian communities are occurring in some parts of the country, reputedly as a result of the incitements of agents provocateurs unleashed by forces against reform and also resulting from perceptions of discrimination, and these constitute a major problem that must be addressed by the government and by community leaders at the local level. But there have been fewer and fewer disruptive political demonstrations in recent weeks. New Laws designed to reform the electoral process are in place, and though they are far from being of ideal quality, many thoughtful Indonesians, including such opposition stalwarts like Dr Amien Rais, have found them acceptable enough. An independent verification team has reduced the 141 registered political parties to a more manageable 48. The electoral process will be keenly observed by the international community and Indonesian and international NGOs will be closely monitoring its conduct. I note that ex-US President Jimmy Carter may be among those who will be there.

On the economic front, the problems remain formidable but the situation continues to improve. The rupiah has remained stable in spite of the prodigious strength of the dollar. The World Bank has revised its assessment of poverty incidence in Indonesia from 30 to 40 percent to a more tractable 14.8 percent. Reforms are being carried out in all economic sectors, notably the banking sector. A week or so from now, a good number of banks that cannot prove their viability will be liquidated. And though it may not be realistic to expect positive economic growth in 1999, I believe that we have finally begun to see the light at the far end of the tunnel.

After fairly successful general elections in June and the election of only the fourth President the following November, the Indonesian people can expect to live in a new political setting. It will indeed be a new stage in the history of the Indonesian Republic.
The first President of the Republic, Sukarno, was preoccupied with asserting Indonesia's independence amidst the turbulence of the Cold War, to such an extent that social and economic development was neglected if not actually sacrificed on the altar of international political activism.

Our second President, Soeharto, paid close attention to social and economic development in a climate of an imposed security-based political stability. This resulted in three decades of sound economic growth, but the socio-economic structure, under its impressive surface, suffered major weaknesses as the political stability on which it reposed lacked a number of essential elements: accountability and answerability of public and private sector leaders, transparency of transactions and the broad-based participation of the citizenry so that their real needs and aspirations, and not the pipe dreams of leaders, are addressed.

The third President of the Republic, Bacharuddin Jusuf Habibie, has rightly recognised that the essence of his job is to expeditiously carry out reforms to prevent national collapse. He has been carrying out social-political and economic reforms, especially in the financial and corporate sectors. The Reform - Development Government is now implementing a national plan of action on human rights. Labour and criminal laws are being reviewed with a view to ensuring that labour and individual rights of citizens are protected. And as mentioned earlier, new and more democratic election laws are in place. But his time is limited and though he has a clear constitutional mandate to serve as President, he does not enjoy a clear-cut popular mandate to do more than he is now actually doing.

Understandably, if he wants to succeed himself, it would be because he wanted to carry forward the reforms he started. Thus, whoever will be the fourth President of Indonesia will have his job cut out for him: he will have to concentrate on consolidating, refining and completing and, where necessary, adding to all the reform measures that were launched by the current administration. When that happens, we will have an excellent chance to heal the wounds of our society and to repair the ruptures in our national economy.

Much of that depends on the Indonesian electorate: for in the polling booths and in the vigil during the counting of votes, it is they who are the final arbiter of the quality of the elections. Will they allow themselves to be intimidated? Will they be silent in the face of fraudulence? Will they sell their votes?

Or will they vote intelligently according to their conscience? It is my hope that we will seize this opportunity and demonstrate that we are mature enough politically and that we are worthy of this opportunity that providence has laid before us. That is what we all wish to happen.

In this delicate and critical exercise, we need the support and encouragement of all our friends in the international community, in particular Australia, which, I am pleased to acknowledge, has not only supported us financially in a considerable way, but has otherwise been most positively and constructively responsive in this regard.

In conclusion, let me again commend the Centre for Democratic Institutions of the ANU in organising this seminar and I wish you all a most successful outcome.
Thank You.