

### Historical Annex – New Order period

In what is known as the New Order period (from 1966-1998), General Suharto, Indonesia's second president, sought and maintained friendly relations with western countries in his efforts to boost Indonesia's economic development. The United States, especially, was close to the Indonesian army (of which General Suharto was part) before General Suharto took power, and as part of its Cold-war policy and growing distrust of Indonesia's first president, Communist-leaning President Sukarno, and an increasingly popular Communist Party, the PKI, the U.S. provided training, funding, and advice to the Indonesian army from 1958-65.<sup>1</sup>

Historian John Roosa argues persuasively using a wealth of declassified U.S. documents and other primary sources that leaders of the U.S. wanted Sukarno out of power,<sup>2</sup> and they provided assistance to those who challenged him – including the Indonesian military, “precisely so that it could turn itself into a state within a state.”<sup>3</sup> Leaving the details of September 30, 1965, and the

---

<sup>1</sup> John Roosa, “Suharto, the Indonesian Army, and the United States,” in *Pretext for Mass Murder: The September 30<sup>th</sup> Movement & Suharto's Coup d'état in Indonesia* (Madison: University of Wisconsin Press, 2006), 177-78.

<sup>2</sup> Ibid. Sukarno's declared neutrality and his inaction against the spreading plantation rebellions impacting multinational corporations, in addition to what appeared to be a quickly rising Communist party in Indonesia were factors mentioned for intervening in Indonesia's affairs. Declassified documents referred to by Roosa include e.g., wires from ambassadors, CIA analyses, reports written for U.S. presidents.

<sup>3</sup> John Roosa, “Suharto, the Indonesian Army, and the United States,” in *Pretext for Mass Murder: The September 30<sup>th</sup> Movement & Suharto's Coup d'état in Indonesia* (Madison: University of Wisconsin Press, 2006), 176-201, 177.

massacres that followed to others elsewhere,<sup>4</sup> Suharto's coming to power with backing by the U.S. is relevant here to illustrate the many possible forms and branches of what could be described as Escobar's development discourse, or system that favored players and ideas from the West. In this case, we see a Western country not liking the direction of a developing country and deploying resources (not to the country's ruling government, but to its military) to 'help' the country change course. And not just any course, but one that resulted fairly quickly in foreign direct investment and open access into Indonesia's natural resources.<sup>5</sup> RoL assistance is somewhat ironically further implicated in this example because the legalistic manner in which Suharto assumed control, following Constitutional procedures to the letter, helped legitimize Indonesia's new military dictatorship in the eyes of the world.<sup>6</sup>

The significance of the 'new science' of development economics as described by Escobar was also felt in Indonesia, becoming the lens through which to conduct development operations,<sup>7</sup> and thereby also contributing to the professionalization and institutionalization of development in Indonesia.

Economics was a key part of the aforementioned U.S. aid to the Indonesian military – with Berkeley-trained economists becoming leading technocrats of

---

<sup>4</sup> See e.g., March 15, 2014, *Against the Grain* radio interview of John Roosa discussing his book *Pretext for Mass Murder: The September 30<sup>th</sup> Movement & Suharto's Coup d'état in Indonesia* as well as the recent documentary by *Act of Killing*, at <http://www.againstthegrain.org/tag-directory/john-roosa>.

<sup>5</sup> E.g., Roosa, *Pretext for Mass Murder*, 196-97.

<sup>6</sup> *Ibid.*, 196-201.

<sup>7</sup> See Linnan, "Indonesian Law Reform," in *Indonesia Law and Society*, 80-82 and 88-89.

Suharto's ruling dictatorship.<sup>8</sup> Given the overarching attention that international development paid to economic law reform (including the arguably competing 'development strategies' of financial deregulation on the one hand, and legal institution-building via newly drafted economic laws, such as banking and capital markets laws, on the other), the Indonesian agencies and/or ministries that were the target of legal reforms included what were considered both lawyers' institutions (e.g., Ministry of Justice, the Supreme Court, the Attorney General's Office) and economists' institutions (e.g., Ministry of Finance, the Coordinating Ministry for the Economy, the Ministry of Industry),<sup>9</sup> thereby putting in place a system of donor-assisted RoL promotion that spans across many institutions and agencies of the vast Indonesian government bureaucracy.

The end of Suharto's dictatorship, 1998, marked another major uptick for international development interventions in Indonesia, with the system that supports RoL assistance, in particular, becoming more robust and sophisticated. Known as the period of *Reformasi*,<sup>10</sup> Indonesia's transition from Suharto's authoritarian regime to a representative democracy included significant reform efforts of existing legal institutions, as well as the formation of new legal institutions, including a Constitutional Court, and the KPK, Indonesia's Corruption

---

<sup>8</sup> See e.g., Roosa, *Pretext for Murder*, at 186; Tim Lindsey and Mas Achmad Santosa, "The Trajectory of Law Reform in Indonesia: A Short Overview of Legal Systems and Change in Indonesia," in *Indonesia Law and Society*, 2d. edition, ed. Tim Lindsey (The Federation Press, 2008), 10.

<sup>9</sup> Linnan, "Indonesian Law Reform," 77-82.

<sup>10</sup> See Chapter 4, Section II (b)(iii) for discussion of *Reformasi* and its phases.

Eradication Commission.<sup>11</sup> Legal NGOs flourished and according to some local actors interviewed for this dissertation, the time period immediately after the fall of Suharto to some extent embodied 'local ownership' because donors came to them and asked what was needed.<sup>12</sup>

---

<sup>11</sup> See e.g., Bivitri Susanti, "The Republic of Indonesia," in *Rule of Law for Human Rights in the ASEAN Region: A Base-Line Study* (Human Rights Resource Centre, 2011): 87-118. KPK is abbreviated from the Indonesian, *Komisi Pemberantasan Korupsi*.

<sup>12</sup> See e.g., Informants 35 (interview with author, September 19, 2012), 21 (interview with author, April 25, 2012).