



**S. RAJARATNAM SCHOOL
OF INTERNATIONAL STUDIES**
A Graduate School of Nanyang Technological University

RSIS COMMENTARIES

RSIS Commentaries are intended to provide timely and, where appropriate, policy relevant background and analysis of contemporary developments. The views of the authors are their own and do not represent the official position of the S.Rajaratnam School of International Studies, NTU. These commentaries may be reproduced electronically or in print with prior permission from RSIS. Due recognition must be given to the author or authors and RSIS. Please email: RSISPublication@ntu.edu.sg or call (+65) 6790 6982 to speak to the Editor RSIS Commentaries, Yang Razali Kassim.

No. 182/2010 dated 30 December 2010

Indonesia's Electoral System: Finetuning the Reforms

By Sunny Tanuwidjaja

Synopsis

At the centre of the current debate on reforming Indonesia's electoral system is how to reduce the number of parties. Despite the broad agreement on its necessity, such a change will be difficult to achieve given the current political structure.

Commentary

ONE OF the most contentious issues in improving Indonesia's electoral system is how the new electoral law can reduce the number of parties. Since the beginning of Reformasi, Indonesia has been dealing with a fragmented parliament and party system. Indeed, it has experienced how such fragmentation created both instability and disturbances instead of checks-and-balances. Indonesia's fragmented party system has created political havoc as early as in 2001 where the late President Abdurrahman Wahid was sacked for his failure to manage the various interests of the parties in the parliament. The Bank Century scandal in 2009-2010 is the latest manifestation of this problem. The parliament, supposedly controlled by the coalition supporting President Susilo Bambang Yudhoyono (SBY), voted against the expressed will of the president and his supporters after months of parliamentary investigation which undermined SBY's credibility.

This has led to a commonly accepted understanding that reducing the number of parties in Indonesia is now a necessity so as to achieve effective government.

Why reform is difficult

Yet reform towards limiting the number of parties in Indonesia has not been effective and, in a sense, very limited. This phenomenon can be explained by the combination of three factors: fragmented politics since the initial period of Reformasi; the continuing uncertainty of the electoral competition; and the necessity to maintain coalition stability.

One of the most significant pieces of electoral reform in the Reformasi era was the introduction of proportional representation (PR). PR was chosen because the political elites believed that Indonesia needed a system which could accommodate multiple political interests and representation in a time of transition and uncertainty. This choice, however, led to a fragmented party system. Within this fragmented system, the parties have to come up with a new electoral rule for future elections. Thus, it is not surprising that under such a fragmented party system the parties prefer to maintain the status quo because it guarantees political access for more actors.

This fragmented party system combines a presidential and a multi-party system, which requires the government to form a coalition to secure support in the parliament. At the moment, debate is underway to determine the 2014 electoral rules. Two points of debate have been the size of the electoral district -- which is the number of seats allocated in an electoral district -- and the parliamentary threshold (PT) level. This is the threshold that parties have to surpass to be eligible for seats in the parliament.

The threshold range that has been proposed by the larger parties such as Demokrat, Golkar, and the Indonesian Democratic Party of Struggle (PDI-P) is around 5-10 percent; the medium and smaller parties in parliament prefer either no change in the parliamentary threshold or only a slight increase. The three largest parties control more than 50 percent of the seats in the parliament. However, it is difficult for them to push for a significant increase in PT which is necessary to reduce the number of parties.

The key explanation lies in the structure of the coalition supporting the Yudhoyono presidency. Four of six parties supporting the SBY government are medium-size parties: The Prosperous Justice Party (PKS), the People's Mandate Party (PAN), the United Development Party (PPP), and the National Awakening Party (PKB). All of these parties prefer a lower barrier to enter the parliament. While PKS is open to the idea of increasing the threshold to 5 percent, it prefers maintaining the current PT in 2014 but applying it to three levels of parliamentary elections -- the national, provincial, and district levels.

PAN has proposed that the new electoral rule allows the establishment of a "confederation". This is to allow smaller parties that are bound to be sidelined by an increase in the PT to cluster together as a confederation in order to secure representation in the parliament. Both PPP and PKB prefer only a marginal increase in PT -- to a level lower than 5 percent. Since the Demokrat Party needs the coalition supporting the government to be strong, and an increase in PT will likely threaten the basic political interest of the parties in its coalition, it is very likely that the Demokrat Party will be willing to lower its PT's preference.

Electoral uncertainty

The last explanation is increasing political uncertainty, including for the larger parties. They are uncertain whether they should push wholeheartedly for reducing the number of parties. While the common logic is that the larger parties prefer a higher PT, the presence of a high level of uncertainty in the election outcome will force the larger parties to play safe and thus prefer a lower PT. In Indonesia, the electoral uncertainty is high for the political parties. All parties with the exception of the Demokrat Party and PKS have experienced consistent decline since 1999, including the large parties: PDI-P and Golkar.

As the legitimacy of political parties continues to slump and distrust towards parties increase, voter attachment to parties continues to weaken. This has resulted in an increase in the size of the "floating mass" or swing voters. In the meantime, PDI-P understands that its leader Megawati's charisma is slowly declining, while Golkar continues to struggle with its problem of internal cohesion. These factors produce greater uncertainties for the large political parties, thus reducing their incentive to fully support more exclusive electoral rules.

In the end, there may well be changes to the electoral rules of the 2014 elections that will lead to an electoral system that potentially reduces the number of parties. These changes, however, are likely to be limited, half-hearted, and piece-meal at best.

Sunny Tanuwidjaja is a visiting fellow at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University. He is a PhD candidate at Northern Illinois University as well as a researcher at the Centre for Strategic and International Studies (CSIS), Jakarta.