

The Rise and Fall of the Empires

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Introduction

Indonesia was built by two empires with similar economic and political philosophies. The first empire was built on strong political influence, earned through military power and the struggle for independence. Its aim was to conquer the neighboring islands and to enhance the image, power and prestige of the nation. However, once it opened its borders to the politics of communism and socialism and as the wealth increased, the empire collapsed. Yet, it survived in the heart of Indonesians as a legend. It represents a symbol of political power and strength and an example of the love of the people have for the leader that a modern leader could never replace it. A proclaimer of independence, and the world's greatest leader in the eyes of the Indonesians, Sukarno earned a deep and abiding respect from his people. he was a people person and was greatly respected for his authority and his firm grip on power. However, the greater the power, the more the resentment it created - especially among the military who were against Sukarno's ideology of communism.

The second empire was raised through a strategy "*hand me down the throne*" that grew stronger with its military power and was able to maintain unity among the diversity of ethnic backgrounds. Suharto concentrated and exercised his power in a skillful and ruthless way, as well as employed a form of democracy for his own political advantage. The result was sustainable economic development, but also a growing gap between the rich and the poor. The leader's family and cronies benefited from this process more than others.

Sukarno nationalized foreign enterprises and required a lot of recapitalizations and a high foreign debt that eventually led to corruption while his family became rich in the process. Suharto privatized not only state-owned enterprises but also public goods from healthcare to electricity, radio and telecommunication, water, financial resources, television, and natural resources. The deregulation of the country's resources led to the creation of monopolies that took a major share in public goods and many of these monopolies were controlled and owned by Suharto's family and cronies. The policy also

led to more corruption as people paid bribes in order to secure licenses. The corruption, collusion and nepotism were of calamitous proportions. It eventually led to the downfall of Suharto and to the re-impoverishment of Indonesia.

Both Sukarno and Suharto had managed the country in a similar fashion - Sukarno embraced communism and socialism, while Suharto embraced capitalism. When Sukarno was ousted, the country was almost bankrupt, and food shortages were causing the people to go hungry and starve. When Suharto took power, the people slowly became better off. Hunger and starvation were slowly reduced. In the middle of his career as the country's leader, Suharto led the country into wealth and self-sufficiency. Honors and awards were lavished upon him. Suharto's family and cronies also became rich in the process - feeding on state funds. Although there was criticism of his family's business affairs and the interests that they held in the country's resources. Suharto managed to survive it all. Neither Sukarno nor Suharto believed that their system had flaws and required political and economic reform. Both started out by tackling poverty and both ended by leaving their people starving. Sukarno's rule ended with war, starvation and poverty. Suharto resigned, leaving the people to starve, amidst riots and demonstrations, war, poverty and worse - the country was technically bankrupt.

Sukarno invented economic policy reform and implemented a portion of it. He never took his policy to its logical conclusion and concentrated his energies on building the country's image and prestige. He built a lot of infrastructure as symbols of his glorious reign as a dictator. Suharto, on the other hand, continued with Sukarno's economic policy and took the credit for the impact of the reform. This economic reform, called the New Order, brought a lot of change in the life of the Indonesians. However, unlike Sukarno, Suharto manipulated his own people and used state funds for building infrastructure. This was done not to remind the people of his reign but to enrich his own family. He ignored the welfare of the people. Both, Sukarno and Suharto used the military to gain control, authority and power over the people but at the end of their political career, they gave credit to others. Sukarno gave credit to the communists while Suharto gave credit not only to Muslim technocrats but mainly to his family and his cronies.

Sukarno's last year was marked by a confrontation with the Chinese or the communists while the real culprit was a Muslim group not associated with the PKI or with the communist cells within the military. Suharto's career ended in a similar manner with a confrontation between Muslim extremists and the Christians in which the Chinese were involved. Both turned against the IMF and the World Bank which had helped in implementing economic reforms and had also provided aid to prevent bankruptcy. Neither one was willing to accept the IMF's economic reform conditions. Sukarno was required to stop attacking Malaysia but told the USA to "go to hell" with its aid and established links with Moscow and Beijing. Suharto as well found it difficult to fulfil IMF requirements of putting an end to crony capitalism and to the businesses run by his children. Instead, he preferred establishing links with Moscow and the People's Republic of China.

Nevertheless, in the end, barely hanging on to power, both Sukarno and Suharto were unable to satisfy the military. Both ended up losing power as the military's turned against them and sided with the civilians. Sukarno's career ended with a military coup; Suharto's ended with a civilian coup.

A tale of two leaders who became the products of outside thinkers - China v. Americans. And both ended up as victims of their adopted ideologies.