



## Election Update

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### Money Politics at a Time of Financial Crisis

***With less than two months to go before Indonesians go to the polls in April 2009 for the third time since the restoration of democracy in 1998, campaigning has been underway for months. No fewer than 38 political parties are taking part and newspapers are full of reports about campaigns across the country for seats in the Dewan Perwakilan Rakyat (DPR), the national parliament. Winning seats in the DPR is essential in order to have a say in determining who becomes the country's next president. Indonesia is now governed by a combination of a presidential and a multi-party system. Nominations for president can only be made by parties represented in the DPR.***

Once elected, it is for the president, as the head of the executive, to appoint the members of his or her government. Given the proliferation of parties since the fall of Suharto's New Order dictatorship in 1998, the next parliament, like the last one, will be composed of numerous parties, none of which is likely to have an absolute majority. Hence the focus these days is on creating coalitions.

But another major focus is the corruption that has bedevilled the political system for years. While no one would argue that the corruption that has become a part of political life in Indonesia is the inevitable concomitant of democracy, it is worth considering whether the conditions under which political parties now operate are part of the problem.

According to the law on political parties enacted since *reformasi* (the era of reform that followed in the wake of Suharto's downfall) began, political parties are required to have branches in at least 60 percent of the country's provinces as well as in at least fifty percent of the districts, sub-districts and municipalities in those provinces. In a country the size of Indonesia, organising political parties and

maintaining effective facilities to publicise and promote party programmes and their day-to-day activities is a hugely expensive undertaking. Despite these arduous requirements, 38 parties succeeded in passing this threshold, and hence will participate in the parliamentary elections.



Ubiquitous party banners.

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But how many of them can mobilise the funds needed to fuel their electoral machinery? And what will be the consequences of the global financial crisis that struck a severe blow to the country's economy as campaigning was getting into top gear?

## **THE BURGEONING ROLE OF 'BIG MONEY' POLITICIANS**

In the past few years, there have been significant changes in many of parties with wealthy businessmen coming to the fore in the party leaderships. The most striking example is GOLKAR, whose leadership fell into the hands of Jusuf Kalla, a wealthy businessman from South Sulawesi. He defeated Akbar Tanjung in a battle over the party's chairmanship in December 2004, only two months after the presidential election. For the first time in Indonesia, the president and vice-president were chosen by direct elections along the lines of US presidential elections. The successful candidates were Susilo Bambang Yudhoyono (SBY) and Jusuf Kalla, who won with a comfortable majority. However within days, huge problems emerged.

**Another major focus is the corruption that has bedevilled the political system for years**

SBY's political vehicle, *Partai Demokrat* (Democratic Party) was a new political party which performed reasonably well as a middle-ranking party without achieving an absolute majority in parliament. Jusuf Kalla was a prominent member of GOLKAR, but was far from being one of its most influential leaders. GOLKAR won almost 25 million votes, giving it 21.6% of parliamentary seats and making it the largest party in the DPR. This meant that the backing of GOLKAR was crucial, in particular because Akbar Tandjung, who chaired the party at the time, was determined to lead the opposition against the newly-elected government. In December 2004, a national GOLKAR congress was held in Bali and at the last moment Jusuf Kalla made a bid for the leadership. Although the odds were heavily stacked against him, he won a substantial majority with 326 votes to 156. It was alleged at the time that large sums of money were paid to

delegates to switch their votes in favour of Jusuf Kalla.

The term 'money politics', which has now become part of the vernacular, has been recognised as a normal part of Indonesian politics for decades, but after the fall Suharto in 1998, the term took on a new meaning. While in the Suharto days, the flow of money came only from one source, the Suharto clique, money politics in the post-Suharto era has become more complex. Power is no longer in the hands of a single group and economic interests are quite diversified.

This has been strongly reflected in the DPR. During the Suharto era, parliament was nothing more than a rubber stamp; laws were never drafted in parliament but produced by the executive and passed into law without a murmur by the DPR. In those days, there were only three parties: GOLKAR always held the vast majority of the seats, with a small number of seats occupied by the PDI, to represent the nationalist stream, and the PPP to represent the Islamic stream. It was in effect a one-party system with a minimal outward appearance of being a democracy.

In post-Suharto Indonesia, the DPR has become a powerful body, which diligently and laboriously performs its legislative tasks. But whenever an important law is under discussion, money politics start to play a role. All too often, big-business interests have succeeded in getting laws enacted by bribing members. Such practices are well reported in the press and hence widely known to the public. Numerous corruption scandals involving parliamentarians came to light in 2007 and 2008 thanks to the activities of the KPK, the Anti-Corruption Commission set up by SBY and Jusuf Kalla. The simple fact is that campaigning incurs heavy costs; if not enough money is available, some DPR members are tempted to resort to illegal practices. Such practices are also facilitated by them securing positions either within the national government, the local governments or through the legislature.

In the absence of state funding parties would normally be expected to rely on membership fees as well as on donations from supporters to

cover their election costs: printing leaflets and stickers to popularise the party's image; hiring halls for mass meetings or sound equipment to hold open air rallies; or handing out T-shirts and food packets to attract voters who may have travelled long distances to attend party events. But Indonesia is certainly not the only country where mass-membership parties are a thing of the past, making it almost inevitable that some parties will resort to illicit fund-raising efforts or rely on wealthy individuals or businesses to keep them going.

### **EXPLOSIVE GROWTH OF CORRUPTION AMONG LEGISLATURE MEMBERS AND PROVINCIAL OFFICE HOLDERS**

While in the Suharto days all the provincial leaders, such as governors and district heads (*bupati*) were appointees, nowadays they are elected. There has been a lot of public grumbling about the numerous elections in the past two years and the number of people who do not vote has grown exponentially. These days, there are plenty who complain: "We can't afford democracy, organising local elections is too costly".

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To a certain degree, it is true that Indonesia has changed enormously in the past decade. Free and fair elections have become one of the trademarks of the post-Suharto era. The public now elect provincial governors, *bupatis* (heads of districts), mayors and provincial legislature members as well as members of parliament. A negative consequence has been the price tag

that has become associated with every elected position. As in the US, to be a candidate for a governorship, for example, needs a certain amount of money for campaigning, leafleting, buying radio and TV time aimed at attracting voters from the several layers in society. The amount of money involved is actually quite large. Many voters will often not be satisfied just receiving a free T-shirt or a drink. Candidates are often expected to hand out small packages with basic things such as cooking oil, rice and flour. This is even more so in these days of economic crisis which is bearing down hard on the Indonesian economy.

President Obama's campaign was a landmark because his election team was able to mobilise new strands of the electorate and at the same time raise huge amounts of money. Democracy in Indonesia has moved in the same direction but with a very important difference. While a candidate like Barack Obama was able to raise large amounts of money from the public, more often than not in Indonesia, a local candidate for *bupati* will not be able to raise much money from the relatively poor electorate. The fact is that each district position in Indonesia has a price tag. The more wealthy districts can cost up to 15 billion rupiah (around US\$1.25 million). Anyone standing for the position of *bupati* will have to make 'business deals' with rich businessmen in order to acquire funds. After the elections, the elected *bupati* will have to return the favours in a variety of ways.

Corruption in the DPR follows a similar pattern. Recent scandals have revealed that the legislative body will, for example, reverse a previous decision. A decision to establish an area as a nature reserve might be overturned so that a lucrative harbour site can be built. On the island of Bintan in Sumatra a scheme involving several local high officials involved a bribe of Rp.2.25 billion to several DPR members. The Anti-Corruption Commission (KPK) has doggedly pursued this case and the suspects, Al Amin Nur Nasution and Aswar Ches Putra, are being tried before the special anti-corruption court.

Azwar Ches Putra admitted in court that he had received several instalments of bribes, in different currencies from several people and also admitted to handing over hefty sums to fellow DPR members. The case involves a number of other DPR members including Yusuf Erwin Faishal and Hiram Indra. Sofyan Rebuin (high official of the South Sumatra local government), Syahril Oesman, (former Governor of South Sumatra) and the businessman Chandra Antonio Tan, who will also face charges.

In a similar recent case in South Sumatra, a protected mangrove forest in Banyu Asin was transformed into a harbour. Here too, high officials, including the governor of South Sumatra, will be appearing in court as witnesses while six DPR members from Commission IV are facing bribery charges. According to reports in the press, Sarjan Tahir from *Partai Demokrat* and his colleagues Sujud Sirajuddin, Mufid Busyairi, I Made Urip, Mawahal Silalahi and Wowo Ibrahim from other parties are all alleged to have received hefty bribes.

A case against Tamsil Linrung from the fundamentalist party, *Partai Keadilan Sejahtera*, PKS, (Prosperous Justice Party) has created quite a stir. This party became popular among the electorate because of its high-profile campaign against corruption. Tamsil Linrung has now admitted to receiving 3 lots of money: Singapore \$2,000 and Rp12 million in 2006 and US\$2,000 in 2007. The money has been returned to KPK. Tamsil also alleged that his PKS colleagues in the DPR Suswono, Samsul Hilal and Anwar Sanusi admitted that they had received bribes.

Another spectacular case concerns Bank Indonesia, the Central Bank. It became clear from this bribery case that acquiring pivotal positions is a lucrative business. It is for the DPR to confirm the appointment of the Bank's governor and his or her deputies. In this case, DPR members were approached to support a particular candidate for the position of deputy-governor. Bulyan Royan from *Partai Bintang Reformasi* (Star Reformation Party) was caught red-handed in a hotel with US\$ 66,000, €5500 and Rp79 million. A colleague, Agus Condro

from the PDI-P (Partai Demokrasi Indonesia – Perjuangan) confessed to receiving Rp500 million which was paid into his bank account and a brand new Mercedes Benz limousine. Other members of parliament alleged to be involved in the same case are Hamka Yamdany and Anthony Zedra Abidin.

Indonesian Corruption Watch (ICW), Indonesia's best known NGO campaigning against corruption, has been pursuing its aims relentlessly and has produced a list of nine DPR members allegedly involved in smaller-scale corruption such as the misuse of travel expenses while on official trips to the UK, the US and the Holy Land, receiving unauthorised bonuses and tax evasion.

**“We cannot afford democracy, organising local elections is too costly”**

A new body called BAWASLU (*Badan Pengawas Pemilu*, Election Watch) was established in April 2008 but it took some time before it could function properly. In its most recent report in February 2009, it revealed that it had filed 2,452 cases, mostly arising from complaints by the public. The majority of cases relate to financial irregularities by political parties. Two parties in particular feature prominently in the complaints: *Gerindra*, (*Partai Gerakan Indonesia Raya*, Great Indonesia Movement Party) the party of Lieut General Prabowo and *Partai Demokrat*, the party of President SBY. They have been accused of 'bribing' the public with seedlings and fertilisers (*Gerindra*) and cash handouts (*Partai Demokrat*).

A number of leading civil society organisations have organised a campaign to prevent candidates with a problematic track record from winning seats in parliament. The movement is called: *Gerakan Nasional Jangan Pilih Politisi Busuk* (GANTI POLBUS, National Campaign Against Voting for Rotten Politicians) and assesses candidates' records according to four

key criteria: corruption, environmental issues, human rights and gender issues. The criteria are interpreted in very pro-active ways: For example, candidates are targeted even though they may not have been directly involved in corruption but misused their power in order to obstruct corruption cases or for failing to participate fully in anti-corruption drives.

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### **POWER BASES AND OLD-BOYS' NETWORKS**

Members of Parliament actually earn hefty salaries. Their official wages are around Rp 40 million (approx US\$ 3,500), but in addition to their monthly earnings they receive plenty of extra privileges such as a limousine with driver, a home in a wealthy residential area, easy credits from the bank, and many other earnings. People wonder why so many elected legislative members have become so corrupt.

As already explained the power of DPR members has increased enormously and is not limited to exercising control over the government. The DPR not only drafts new laws but also revises laws and governmental instructions, all of which can become a very lucrative business. The DPR also has the authority to approve important appointments in government institutions, including positions in the armed forces and state companies.

This accumulation of power has created a powerful network where DPR members link up with their respective political party bosses and big business including banking tycoons. A network of contacts between political and economic groups has developed with the result that money flows to the DPR members. The networking goes even further: candidates for

DPR seats are increasingly determined not on merit but based on their good connections with the party establishment. This then determines the constituency in which the candidate will stand and how high he or she is placed on the party's election list. Businessmen with large reserves of money can easily make a political career by 'buying' a high number on a party's list of candidates.

This kind of money politics is not just an Indonesian characteristic. In most democracies the tradition of 'money politics' exist to some extent. In the western world, it is normal for businesses to employ strong lobbies in the legislature. In the world's two large but poor democracies, India and Indonesia, money politics manifests itself very strongly, not least because of the huge disparity between rich and poor. Politics remains primarily a middle class or establishment affair and the electorate serves its purpose once every four or five years when election time comes round.

**A network of contacts between political and economic groups has developed with the result that money flows to DPR members**

An important trend that has emerged in the post-Suharto era has affected allegiances to the leadership. During the Suharto era, politicians were like civil servants, showing a high degree of loyalty towards the State leadership which paid their salaries at the end of every month. In a young democracy like Indonesia with a much reduced amount of money flowing from the state coffers, members of DPR need to make extra efforts to raise money to fund their office, subsidise the party and maintain good relations with the electorate.

## **PARTY SUBSIDIES SLASHED**

The problem of corruption was exacerbated by a decision in 2005 to cut state subsidies for political parties. As one observer has noted, 'most consolidated democracies provide substantial state subsidies for parties in order to counter the kind of tendencies that have emerged in Indonesia'. According to Marcus Mietzner, lecturer in Indonesian studies at the Australian National University, in 75 percent of liberal democracies, the state provides financial assistance to political parties. Moreover he states: 'The more consolidated a multi-party democracy, the more likely it is to view public party funding as the best available option to maintain the independence and professionalism of the parties'. [See: Marcus Mietzner, *Party Financing in Post-Soeharto Indonesia: Between State Subsidies and Political Corruption*, Contemporary Southeast Asia, August 2007].

**Corruption has been exacerbated by a decision in 2005 to cut state subsidies for political parties**

After the downfall of the Suharto in May 1998, the three parties that were allowed to exist under his New Order regime were confronted by a sudden, drastic fall in their funding. Under Suharto, they had all been substantially financed by the regime; after his downfall, he and his family were still in control of a phenomenal store of wealth accumulated during his dictatorship. He had created a number of foundations through which he channelled his wealth to cronies and family enterprises. He was also in control of a party fund amounting to Rp900 billion (approximately US\$80 million). During the decades when GOLKAR was riding high, its provincial branches had enough money to finance their activities out of the interest earned from their bank accounts. The term *dana abadi* or 'never-ending funds' came into popular use to

described their financial security. The party which had monopolised the political arena throughout the New Order now realised that it could no longer rely on its disgraced paymaster after he made it clear that he would continue to fund the party only if it agreed to accept his continued influence.

For more than three decades, GOLKAR was the sole party in power and its three stakeholders were the armed forces, the bureaucracy and party officials, while Suharto was the ultimate decision-maker. After May 1998, GOLKAR lost its monopoly of power and became the scapegoat for everything that had gone wrong under Suharto. Akbar Tanjung, a very skilful politician who chaired the party at the time, managed to consolidate the party while freeing it from the clutches of the Suharto clan. He got rid of many powerful army officers while millions of bureaucrats who were members left its ranks and joined other parties. Having been transformed by these dramatic events, GOLKAR then had to rely on sugar daddies and big businessmen to keep it afloat.

The two other parties had to start raising money from external sources. The PPP, (*Partai Persatuan Pembangunan*, United Development Party), which representing the Islamic stream, was far smaller than GOLKAR; it had been barred from functioning below the district level. Now it was confronted by the additional problem of funding the expansion of its organisation necessitated by the requirement to set up branches at every level of regional and local administrations in 60 per cent of the provinces.

The third party, the nationalist party of Megawati Sukarnoputri, under its new name the PDI-P (*Partai Demokrasi Indonesia – Perjuangan*, Indonesian Democracy Party – Struggle), had lost control of the assets it previously owned and needed to start building a new party framework from scratch.



PDI-P publicity.

In 1999, there was a proliferation of new parties all of which were keen to take part in the first free and fair elections to be held in the country since the mid-1950s. Although the 1999 law on political parties stipulated that parties were entitled to state funding, no system was in place, forcing them to find alternatives. The most convenient source was the *Komisi Pemilihan Umum* (KPU - Electoral Commission) set up to organise the election and composed of representatives from all the participating political parties.

According to Mietzner, a post-election audit of the KPU funds discovered that US\$13 million of its huge budget had gone missing and some had been divided among the parties represented on the Commission. There were also reports of the widespread misuse of funds provided by the United Nations Development Programme, UNDP. The parties themselves, all of which had been short of cash during the election, were unapologetic; they proposed that the money left over from the KPU's budget should be distributed among them.

While it has never been established precisely how these KPU funds were used, this experience led to a decision in 2003 to alter the composition of the KPU. Thereafter, it excluded political party representatives and consisted only of independent figures, thus blocking the Commission as a source of party political funding.

When Abdurrahman Wahid was facing impeachment in the final days of his presidency

(October 1999 - July 2001), his administration issued a government regulation on Financial Assistance to Political Parties, which, according to Mietzner, was a move designed to appease the parties about to impeach him. Be that as it may, this was a positive move which succeeded in placing party funding on a more manageable basis than the *ad hoc* arrangements that had been in place until then.

The regulation decreed that each party would annually receive Rp1,000 for each vote they had won in the 1999 elections, while local governments were instructed to grant subsidies to local parties in accordance with their financial capabilities. Thanks to these arrangements, state subsidies then became a significant source of income for the parties.

According to calculations cited by Mietzner, the PDI-P, which had emerged as the leading party in the 1999 elections is thought to have collected no less than US\$47 million between 2001 and 2004 in official state funding.

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However, the financial arrangements set in place under Wahid were heavily criticised and underwent a major overhaul. In 2002, the calculation for funding was changed from a vote-based to a seat-based formula without specifying the remuneration for each seat. In 2005, a new government decree made provision for parties to receive Rp21 million per seat won in 2004, while leaving it to local governments to make their own funding arrangements.

The seat-based formula resulted in a sharp fall in income for the major parties, with the PDI-P, for example, receiving only Rp 2.3 billion in January 2006 as compared to Rp 5.7 billion in January in 2004. The new arrangements

appear to have caught many party activists unawares and to have caused disarray among the parties as well as deep dissatisfaction among party cadres in the centre and at the grassroots.

With the decline in state subsidies, political parties were of necessity compelled to turn for help to wealthy supporters or businesses. Donations were limited to Rp1bn from individuals (approx. \$84,000) or Rp5bn from companies (approx. \$420,000), while contributions from government agencies were strictly prohibited.

## **PAY INCREASES FOR PARLIAMENTARIANS**

In late 2005, a decision was taken to compensate for the decline in state subsidies by increasing the take-home pay of parliamentarians, along with allowances to cover costs for office maintenance, family allowances and housing and providing a lump sum for so-called 'honorary money'. The overall increase amounted to about 82 percent, bringing the total monthly income of a parliamentarian to Rp50 million. When the increases were made public, the media accused politicians of being 'greedy and insensitive' while the vast majority of Indonesians were living on or below the poverty line and those working as public servants, teachers or medical professionals were having to survive on far more meagre salaries.



Who will represent the poor...?

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Salaries of local assembly members have gone up and down like a yo-yo. In October 2005, a government regulation was issued limiting the amount which local parliaments could pay to their members while granting higher salaries for faction leaders. This met with protests from members who argued that they were required to cover many routine expenses such as party management, office maintenance and cadre training out of their personal salaries.

Faced with complaints from the parties, some of whom accused the government of seeking to curb their legitimate activities and pursuing a political objective, the government reversed the decision in November 2006, granting a 150 – 200 percent increase in allowances for local parliamentarians. This decision was greeted with widespread public protest, so much so that some of the parties felt embarrassed by the criticism heaped on them for allegedly seeking personal profit. Some of the parties even advised their parliamentarians to refuse the increase or return allowances that had already been received. However, in January 2007, there was yet another U-turn: the earlier decision was reversed, making remunerations for parliamentarians much lower than had previously been agreed.

Media and public responses to these changes in remuneration suggest that there is little public appreciation of the activities of local or national representatives and little awareness that holding public office frequently incurs expenses that may be perfectly legitimate. This is not to deny that self-seeking members are well-placed to use their privileges to excess, thus lowering the esteem they can expect from the public.

To further aggravate the situation, there have since 1999 been several high-profile scandals about the misuse of public money by politicians. In 2002, the chairman of GOLKAR, Akbar Tanjung, was convicted and sentenced to several years in prison for diverting funds from the national logistics agency, Bulog, to a fictitious foundation, which was nothing more than a front for the party's fund-raising activities.

Later, Abdurrahman Wahid was accused during his presidency of having misused Bulog funds for his own benefit and diverting substantial amounts of state money to foundations close to the Muslim organisation, *Nahdlatul Ulama* of which he was the chairman. This led to his impeachment and removal from office.

**The monthly income of a parliamentarian increased by about 82 percent while the vast majority of Indonesians were living on or below the poverty line**

Besides the misuse of substantial sums of money to support business deals that are being promoted by certain parties, cases have also come to light of politicians who hold positions of leadership in party branches making use of party facilities for personal gain or using state-owned vehicles and publicly-owned meeting halls for party events.

Summarizing the effects that have resulted from the cuts in state subsidies to parties and the conflicting decisions taken about personal remuneration for parliamentarians, Mietzner writes:

*'In this regard, it is difficult not to view the Government Regulation 37 of 2006, which exponentially increased the salaries of local parliamentarians as a rather clumsy attempt to provide compensation for the dramatic decline in direct state subsidies in the preceding year. However, the damage to political parties as a result of this planned compensation has been considerable, with widespread allegations of self-enrichment and corruption, sending their reputation to new lows. Given the loss of most state subsidies, the exploitation of parliament and government resources has now become one of the major funding sources for political*

*parties, attracting significantly more negative publicity than the annual payments made under the pre-2005 financing system.'*

The increasing role of men and women of business in party politics is also reflected in their growing presence in parliament. Mietzner cites research carried out in 2006 which showed that 39.8 percent of all members of the 2004 national parliament were businessmen, a sharp rise as compared to 1999. In the case of one party, PAN (*Partai Amanat Nasional*, National Mandate Party), no fewer than 60 percent of its members were entrepreneurs who had gained seats largely thanks to their own private contributions. Mietzner quotes one PAN member as saying that 'only owners of companies can survive in parliament'. If I think about how much of my private wealth I've spent in politics, I get sick.'

## **2008 FINANCIAL CRISIS STRIKES HARD**

The onset of the global financial crisis has inevitably struck a severe blow for political-party funding. The impact has been felt primarily by the parties which rely first and foremost on wealthy donors from the world of business.

**The exploitation of parliament and government resources has now become one of the major funding sources for political parties**

According to the weekly, *Gatra*, in an analysis published in mid-December, among the parties which have been compelled to cut back their spending plans was PAN, whose chairman Soetrisno Bachir, himself a wealthy businessman, said that the party had been forced to trim its spending on expensive advertising items such as television and focus instead on the print media and the radio. There

would be a 70 per cent cutback from Rp500 billion to around Rp150 - 200 billion. Donations to the party had fallen dramatically because of heavy financial losses suffered by supporting companies, some of whom were now bankrupt. His own business empire, which includes foreign trade, construction, real estate, agri-business and stocks and shares, had been severely affected by the crisis, which had caused him personal losses of trillions of rupiahs. Economies would be made by cancelling meetings in expensive hotels or restaurants. There would also be fewer give-aways such as T-shirts.

GOLKAR which won the largest number of seats in the DPR in 2004 also relies heavily on entrepreneurial donations. Its present chairman, Jusuf Kalla who has been Vice-President of Indonesia since 2004 is also a wealthy businessman. While he would not mention the size of the party's election budget, he told *Gatra* that it would be cut back by 30–40 percent. Even so, spending in 2009 would exceed the budget in the previous election, he said. Another party from the New Order era, the PPP also acknowledged that it would have to economise but told the magazine that it was unable to say how much it would need to save.

**The global financial crisis has inevitably struck a severe blow for political-party funding**

The only party that claims to be able to weather the financial storm is *Gerindra*, which was set up in 2008 whose chairman, Prabowo Subianto, has already announced his intention to stand for president in 2009. Prabowo, who married a daughter of Suharto during the New Order (since divorced) is known to have a huge stash of money in banks in Western Europe; he also enjoys the support of a wealthy brother now living in London. There has been no let-up in Prabowo's appearances on television. He was also planning to buy up a newspaper title

to carry his message. Recent polling surveys have placed him high up among the prospective presidential candidates, which has led many to conclude that his ability to pay for TV ads accounts for his current success in the ratings.

While television appearances are brief and focus solely on the party's main vote-getter, visual methods certainly have a huge advantage over the print media. They can popularise a public figure with more lasting effect than reading newspapers among a population where illiteracy or semi-literacy is still widespread.

*Gatra* drew attention to the fact that the only other party still able to pay for TV ads for its electioneering is the PKS (*Partai Keadilan Sejahtera*, Justice Prosperous Party) though far less frequently than *Gerindra*. According to the weekly, whereas in October 2008, six parties were advertising on the *Trans 7* channel, this had fallen to two in December. The PKS is one of the few older parties that has been growing in strength and relies more on its cadres going out to the branches for face-to-face meetings with members and potential supporters.



The PKS is growing in strength.

The PDI-P benefits from the patronage of Taufik Kiemas, husband of the party's chairperson, former president Megawati Sukarnoputri. Although Taufik Kiemas owns a string of businesses, including a dozen petrol stations complete with restaurants and other amenities, the 2004 elections were a financial

and political disaster for the PDI-P. Despite being the incumbent, Megawati lost heavily to the SBY-Kalla team while her party, the PDI-P lost its position as the largest party. Soon afterwards there was a split when important businessmen including oil tycoon Arifin Panigoro and former minister Laksamana Sukardi left the party.

The PDI-P's deputy secretary-general has been quoted as saying that it relies heavily on the financial resources of the candidates to cover the costs of electioneering but this is not entirely true because many provincial governors and district chiefs are PDI-P stalwarts who have been able to cough up huge sums of money. This also appears to be the strength of *Partai Demokrat*, nominally the political vehicle of President SBY. It is true to say, if one looks at the list of candidates of the bigger parties, that there are plenty of candidates who have enough money while younger candidates need to rely on financial support from friends, family as well as from the party. Many of the small parties contesting the elections have been set up and are run by wealthy businessmen. It is as if politics has become a pastime for people who have been very successful at making money.

**It is as if politics has become a pastime for people who have been very successful at making money.**

Although campaigning was not officially due to start until January 2009, the streets of the major cities were full of posters, banners and flags already in the second half of 2008. Some newspapers predict that, as a result of the global crisis, only two of the presidential candidates will be in a position to spend as much as Rp1 trillion for their campaigns. President SBY (who has barely started his campaign) will be supported by Hartati Murdoyo, arguably the richest business-woman in Indonesia, together with Aburizal Bakrie at

present serving as Minister of Social Affairs, the eldest son of a wealthy family. Before the economic meltdown, Bakrie was listed as the country's richest tycoon but as a result of subsequent debt defaults, he is probably no longer among the ranks of the top ten richest men.

With no-one predicting an early end to the financial crisis, political parties have all been compelled to review their election campaign strategies and rely more heavily on the activities of local cadres and members to campaign for votes. This could force the parties to attract more support at the grassroots and ensure that their programmes more closely reflect the pressing economic and social issues bearing down on the vast majority of Indonesians, such as unemployment, the lack of free medical facilities for mothers and children and free education for all children, all of which are sorely lacking in some parts of the country.

As recent events show, the economic downturn, globally as well as in Indonesia, has been a painful experience. But the results could be positive if it forces parties to rely more heavily on the rank and file of their members and the general population.