There are starkly differing views about the state of Indonesian democracy. According to Indonesia’s government and many governments with which it enjoys close relations, Indonesia is a democratic success story. After more than ten years of transition, which began with the collapse of the authoritarian Suharto government in May 1998, democracy in Indonesia is being consolidated, symbolised by the 2009 national elections, the second to be held since the first transition elections in 1999. These were peaceful and widely considered to be free and fair. Moreover, the presidential race produced a remarkable first round victory for incumbent leader Susilo Bambang Yudhoyono, who received 60.8 per cent of the vote, pointing to high satisfaction with the government. Yet even, those with positive views admit that, problems remain. For example, rule of law institutions are weak, and the government face difficulties delivering high-quality services to the population. Such problems point to one conclusion: what is needed now is not so much democracy assistance broadly defined, but governance assistance.

Many domestic civil society activists, intellectuals and journalists, in contrast, believe that while democracy is not immediately endangered, it does face serious risks of backsliding and erosion. Such critics agree that improved governance is a key challenge, but they bemoan what they see as complacency in the international community about Indonesia’s democratic successes, and declining donor interest in supporting civil society.

Taking these widely diverging views of Indonesian democracy as our starting point, this paper will show that Indonesia presents two chief sets
of lessons. On the one hand, there are many valuable lessons about what can be achieved by democracy assistance from the halcyon days of the early transition. Almost all recipients of donor assistance interviewed for this research agreed that such assistance was important at the micro level (their own democratic organisations), the meso level (key sectors of democracy advocacy) and at the macro level (the process of democratisation as a whole). On the other hand, Indonesia also provides salutary lessons about the dangers of declaring success too early. Managing a transition in democracy assistance from an early period of turbulent democratic transition with weak government, to a later period of consolidating democracy with strengthening government where underlying systemic problems of democratic quality remain, is a challenge experienced by many countries. In the Indonesian case, this transition has been further complicated by the country’s transition from poor to middle-income status and its growing weight in world affairs.

This paper examines the views of Indonesian civil society actors, especially leaders and members of prominent Jakarta-based advocacy NGOs. This builds on the author’s own prior research experience.\(^3\) It is acknowledged that a focus on assessing views of government officials, political party activists or parliamentarians, would have produced a different set of findings. Most likely, these findings would have been less alarmed about the state of Indonesian democracy, less impressed by the positive benefits of past democracy assistance, and more sanguine about prospects of its future decline.

### Overview of donor activities: from democracy to governance assistance

Over the last decade, Indonesia has been a major recipient of democracy assistance. The origins can be traced back to the final decade or so of the authoritarian New Order regime of President Suharto (1966–1998). Led by various European NGOs and foundations, international donors began to fund human rights organisations and other Indonesian NGOs with increasing frequency from about the 1980s. It was only in the mid-1990s, however, that bilateral donors, notably USAID, began to move into democracy assistance in a significant way, with that assistance again mostly being funnelled to civil society organisations (but always being tempered by the strong sympathy that the US and other Western governments had for the Suharto regime, for geopolitical and economic reasons). Donor assistance and the civil society groups that donors supported did not contribute to the 1998 regime change directly. Instead, the regime fell as a result of a combination of factors: the impact of a massive financial crisis, the ossification and inflexibility of its own political structures, and a wave of protests led by students. Nevertheless, donor assistance did play an important role by supporting organisations that put notions of human rights and democratic reform on the political agenda, preparing the ground for democratic transition when the regime finally collapsed.\(^4\) Many Indonesian CSO activists view donor support they received during the late Suharto years as having been crucial for Indonesia’s democratic success.

After Suharto's government fell in 1998, democracy assistance expanded dramatically. Indonesia underwent a very rapid political transition, during which had to construct or revitalise virtually all of its major political institutions. A bewildering array of challenges of the highest order were suddenly on the agenda: constitutional reform, restructuring the security sector, far-reaching political and fiscal decentralisation, strengthening human rights and rule of law, and dealing with ethnic and separatist violence in the regions, to name a few. Successive governments were both weak – as a result of political turbulence and the lingering effects of the 1997 financial crisis – and receptive to foreign assistance; and a vigorous civil society clamoured for help. In this context, there was a massive influx of democracy assistance. Numerous bilateral donors which

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had previously not been particularly interested in Indonesia entered the country and started democracy programmes. Major existing donors like USAID increased their programmes dramatically. Organisations with a long-standing presence in the country, such as the Ford Foundation, The Asia Foundation, and the German party-linked foundations, also expanded their work and moved into politically sensitive areas that had been off-limits under Suharto.

Indonesian CSOs were a major recipient of the largesse. A programme officer for USAID at this time, for instance, recalled that the approach of USAID was ‘to pump money into NGOs to support advocacy. Almost all of the democracy assistance went to NGOs’. Indonesian NGO leaders today recall wistfully how easy it was to access donor funds at that time. But there was also significant donor support for government institutions deemed important for the political transition, such as the General Elections Commission (KPU), the National Human Rights Commission, the Supreme Court, and the national legislature.

Now, more than ten years into the democratic transition, there have been many changes to democracy assistance in Indonesia. They include an overall reduction in the amount of support being provided and growing emphasis on governance, government institutions and even government control of donor programmes. Before examining these shifts, it is helpful to examine the diversity of the field.

The diversity of contemporary democracy assistance

Democracy assistance programmes in Indonesia are so varied that it would be difficult to summarise them adequately in a single paper, let alone in a few paragraphs. A great variety of players are involved; ranging from big bilateral donors with programmes worth many millions of dollars per year, to small foreign NGOs which do not have offices in Indonesia and support only one or two partner organisations.

Looming at the apex of the aid system are the big bilateral donors such as USAID, which has been the most important over the last decade. Overall, US development assistance to Indonesia is not decreasing, and USAID’s democratic governance programme – one of the biggest such US programmes – has remained steady. The budget of USAID’s ‘Democratic and Decentralized Governance’ programme over the past five years has totalled USD 129 million, and has focused on areas like legislative strengthening, elections, justice sector reform, conflict mitigation, and, especially, decentralisation and local governance support. As elsewhere, USAID runs its democracy assistance mostly by contracting out its programmes or providing grants to other agencies, typically to government contractors/private development companies or non-profit development agencies with lengthy experience in Indonesia, like The Asia Foundation.

When the research for this paper was conducted in late 2009, USAID had just completed the development of its five year strategy (entitled ‘Making Democratic Governance Deliver’) and was beginning to implement some changes in direction. Over the next five years there will be additional emphasis on the rule of law and anti-corruption field (in part because USAID will be picking up from the Millennium Challenge Corporation in this area, partially as this was identified as a major priority in a democracy and governance assessment of Indonesia). USAID will also be providing direct support to local civil society organisations for the first time in over five years. Support for local governance – which at USD 60 million over the past five years was the second biggest USAID programme of its kind in the world – will no longer dwarf the rest of the democratic governance portfolio. Peacebuilding work will be scaled down largely due to progress that Indonesia has made in resolving internal conflicts.

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5 See the ‘Effective Democratic Governance’ Fact Sheet available at http://usaidindonesia.org/en/Programme.3.aspx
A new emerging giant in the democracy assistance field in Indonesia is AusAID, the Australian government’s overseas development arm. During the early years of the democratic transition, AusAID was not a major supplier of democracy assistance, except in certain key areas such as facilitating technical assistance to the Indonesian General Elections Commission (KPU). It was, and to a large extent still is, known for being especially averse to funding programmes that might invite political controversy or support groups that criticise the Indonesian government. This was particularly so early in Indonesia’s transition, because of hostility to Australia felt within Indonesia’s political class given its role in the 1999 East Timor UN intervention. However since then, and especially after significant Australian government assistance following the Indian Ocean tsunami of December 2004, as well as greatly improved bilateral ties during the Yudhoyono presidency, Australian development assistance has increased dramatically, with an annual assistance programme worth approximately AUD 452.5 million, and still climbing fast.

Australia’s ‘Democratic Governance’ programme includes three separate sections: the legal system, followed by the elections is the most important, while support for parliament is less substantial. Support for the legal system support includes an anti-corruption component, including assistance to the KPK (Corruption Eradication Commission), and a human rights component, including assistance to the National Human Rights Commission and the National Women’s Commission, all of which are currently being reconsidered. AusAID also runs a significant decentralisation programme, though unlike the case of USAID, this forms part of a separate unit.

No other bilateral donor has a democracy assistance package to match those of the US and Australia. Moreover, most European countries do not maintain large aid bureaucracies of their own in Indonesia, directing most of their funding through organisations like the World Bank and UNDP. The World Bank, whose major theme is ‘investing in Indonesian institutions’ is not interested in democracy assistance per se, so much as in augmenting the capacity of government institutions to improve services for the population. To that extent, its activities are relevant to the strengthening of Indonesian democracy. UNDP, by contrast, is a major player. It has a large ‘democratic governance’ programme that covers a huge range of activities which are divided, in a familiar pattern, into three main areas: electoral and parliamentary support; decentralisation and local governance reform, and legal and justice sector reform. Most of the major bilateral donors, including USAID and AusAID, channel at least some of their assistance through UNDP. Its trademark approach involves close cooperation with Indonesian government agencies, especially Bappenas, the national development planning agency (the key development coordinating agency). This is widely acknowledged in donor circles for being successful at promoting Indonesian government ownership of programmes, but also for producing programmes that tend to be slow and inflexible.

Although second-tier donor programmes are generally much smaller, some are often mentioned by civil society recipients as having an important impact on their activities. Countries like Norway, Switzerland, Sweden, Finland, the Netherlands and Denmark (and in the past, Canada) are frequently mentioned by Indonesian civil society activists as being interested in supporting activities in the human rights area, and their embassies have access to funds which can be used in relatively flexible ways.

Other major donors, such as Japan (providing over USD 1 billion in aid in 2006, mostly in loans), do not emphasise democracy assistance as part of their development assistance portfolio, though even JICA had a civil society programme for a while in the early 2000s. The German development agency GTZ, not widely recognised as a significant democracy assistance player either, also places major emphasis on governance, especially in the field of decentralisation, where it has been a leading supplier of technical advice and support over the past decade.

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2 Nevertheless, during the early to mid 2000s, AusAID did provide substantial funding to CSOs, through programmes like the “Australian Community Development & Civil Society Strengthening Scheme (ACCESS): http://www.indo.AusAID.gov.au/projects/access.html
4 For an overview of the programme, see http://www.undp.or.id/programmeme/governance/
After the bilateral donors, we come to a range of large to medium sized organisations which either distribute their own funds or act as implementers for the bigger donors. The Asia Foundation competes for-profit agencies in bidding for USAID, AusAID and other projects. It usually competes for programmes in the USD 3–5 million range over a typical three-year period. It has run some of the most important democracy assistance programmes of the last two decades and is well known for having staff with thorough Indonesia experience, as well as strong links with Indonesian CSOs, especially Islamic ones. The German political party foundations are also significant, especially the liberal Friederich Naumann Stiftung (FNS) and the social democratic Friedrich Ebert Stiftung (FES), both of which have been in Indonesia for 40 years. The FNS runs several programmes, including a successful programme of ‘democracy schools’ for political party activists, which trained over 1300 legislative election candidates in the lead up to the 2009 elections. The FES has an annual budget of about EUR 700,000 – making the Indonesian office its best funded in the world – with programmes in democracy and media, conflict prevention, gender, labour, as well as a special programme in Aceh. The Ford Foundation, with an office in Indonesia since 1953, handed out USD 13 million in grants to its partner organisations in 2008, but only some of its programmes are now in the field of democracy assistance; for example it has a governance and civil society programme. The Open Society Institute works in Indonesia by funding Yayasan TIFA, an organisation established by Indonesian activists and which for 2008–2010 defines its strategy as ‘Accelerating and increasing the quality of the consolidation of democracy in Indonesia’, and focuses on five areas: human rights and access to justice, citizenship and equality, civil society and democracy, local government and media and information.\(^{11}\)

After these middle-ranking organisations we come to a huge range of smaller donors, mostly overseas NGOs which direct most of their support toward partner Indonesian CSOs. Such smaller foreign NGOs are especially important for many of the advocacy organisations active in politically sensitive areas such as human rights. European NGOs, such as HIVOS, ICCO, Oxfam and its Dutch affiliate NOVIB, are especially prominent in this field, as are church-linked organisations from both Europe and North America. Many foreign NGOs which support Indonesian CSOs do not even have offices in Indonesia.

In summary, the activities supported by donors fall into the following major categories:

1) **Decentralisation.** Indonesia’s reform has involved dramatic devolution of political and economic power to over 500 district governments Donors – especially the big ones – have provided considerable support in this field, especially by way of training and technical support to improve service delivery by local governments, as well as (especially in the past) support for CSOs to carry out watchdog, participatory budgeting and similar activities.

2) **Electoral assistance.** This has historically been a major target of donor assistance, especially during the 1999 and 2004 elections. Support here has fallen into three main categories: technical and institutional support for the major election implementers, especially the KPU (General Elections Commission), voter education, and non-governmental election monitoring. Donor support has declined markedly in the first two areas, and all but disappeared in the third.

3) **The legal sector, the rule of law and security.** Most donors believe that improving the rule of law and legal institutions is key to the long-term success and quality of Indonesian democracy and have provided considerable support to reforming or supporting major legal institutions such as the Supreme Court and the wider court system, and the Corruption Eradication Commission (KPK). The police have also received considerable support, but most of this has been directed at improving anti-terrorism capabilities, rather than developing community policing or improving democratic control. Wider security sector reform (especially of the armed forces and intelligence services) was a major focus in the past, but it has stalled over the last five years and few donors now have significant programmes in this area.

4) **Parliament and political parties.** Here the main activities focus on Indonesia’s national parliament, especially the DPR (People’s Representative Council) with programmes focusing on building up the capacity of the DPR Secretariat to provide technical support, research and policy advice to DPR members, as well as training for MPs.\(^{12}\) Political parties are one of the hardest areas


The changing face of democracy assistance in Indonesia

Major changes have been occurring – and continue to occur – in democracy assistance in Indonesia. There has been a reduction in the amount of assistance provided (though this is hard to quantify) and, more importantly, two closely related changes in is character: first, a shift from democracy assistance broadly understood, with a large component for civil society support, towards governance assistance, much of which focuses on government institutions; and, second, a shift toward greater Indonesian government input and control in designing and implementing the democracy assistance agenda. Neither of these trends is absolute, and one can identify many exceptions, but together they are reshaping the landscape of democracy assistance in Indonesia.

Why have these changes occurred? The simplest explanation is that Indonesia has already passed through the most turbulent period of its democratic transition. In the years after 1998 many donor organisations moved into Indonesia aiming to support democratic actors, institutions and processes, at a time when they believed that the fate of Indonesian democracy hung in the balance. To cite just one example, after 1998 many donors supported development of a free media. Numerous organisations supporting journalists and media freedoms established offices and programmes in Indonesia. More than a decade on, Indonesia has a vibrant, diverse and independent commercial media landscape, most of that assistance has come to an end, and most local journalist advocates agree that large-scale support is no longer necessary.

Such successes have given rise to what many recipients of donor support, and even some individuals in the donor community in Jakarta, describe as a trend towards complacency among donors. As one long-time observer of the democracy assistance scene in Jakarta put it: ‘There’s a strong sense of relief on the part of donors that Indonesia is a success story and this is undermining democracy assistance’. Some staff members in donor organisations deny that complacency is a problem among their field officers, but agree that it is a problem higher up the chain. As one USAID staffer described it: ‘It’s a constant struggle in the field to make the case to Washington that it’s important to keep support levels high. The ‘success story’ view is the prevailing view in headquarters around the world, but not in the field here in Indonesia. A big part of our job is keeping Indonesia on the radar back at headquarters’.

As well as Indonesia’s democratic success, another major factor leading to changes in the democracy assistance field is wider trends in the international development assistance world, especially the adoption of the key principles of the 2005 ‘Paris Declaration On Aid Effectiveness’. The declaration promotes a broad commitment to notions of ownership, whereby recipient governments set their own goals and strategies, and alignment, whereby donors countries fall behind those objectives and use ‘country systems and

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13 Another issue is the fact that there are competing priorities world-wide and some argue that needs elsewhere in the world have grown more significant.
procedures to the maximum extent possible’ (point 21). In Indonesia, this approach has given rise to the ‘Jakarta commitment’, which was issued by the Indonesian government in January 2009 and endorsed by 22 major donors, including USAID, the Australian government, and the UN system in Indonesia.\textsuperscript{14} The Jakarta commitment stresses the principles of ownership and alignment, explaining that:

\begin{quote}
Development partners will align their programming cycles with those of government, use the government format for reporting their assistance, and increasingly use the government’s financial management and procurement systems. Where they do not make use of systems, development partners will transparently state their rationale for not using government systems and indicate how they will work with the government (including through capacity development) to align in the future.
\end{quote}

This new approach is reinforced by other trends. With per capita GDP reaching USD 1500, Indonesia was declared as having middle-income status in 2006, and this has had important implications for the significance of development assistance and for the leverage of donors. Already, foreign development assistance accounts for less than one percent of the national budget (down from 10–20 per cent in the crisis years after 1998). The government thus feels much less dependent on foreign assistance, and donors are aware of this shift. As a 2005 AusAID paper on Indonesia put it: ‘Indonesia is becoming a strong state, which will increasingly see donors as minor partners in development’.\textsuperscript{15} An Indonesian staffer for one a big international development agency spoke more frankly: ‘[The decline] weakens the donors. The government can say it doesn’t need their aid, it can do without it […] The government might end up being like India where if some big bilateral does something it doesn’t like, it throws it out of the country’. Reinforcing this trend is Indonesia’s growing weight in world affairs and its improving bilateral relations with donor countries. Under the Yudhoyono presidency, countries like Australia and the US have vastly improved relations with Indonesia, and Indonesia is becoming an increasingly important global player in forums like the G-20, strengthening donor countries’ desires to build good government-to-government relations above all else.

In short, bilateral donors increasingly see the Indonesian government as a successful democracy, as a significant world force, and as being truly in charge of its own development agenda, including in the democracy field. This changing situation has produced what appears to be an overall drop in the amount of democracy assistance provided, though it is difficult if not impossible to quantify this reduction. Some of the large donors, such as AusAID and USAID, are maintaining their programmes or even expanding them. Set against this trend, however, is the reduction of programmes by some smaller donors and the end of programmes altogether by others, especially various private foundations and NGOs that began operating in Indonesia only after the democratic transition began in 1998. Among the bilateral donors, the UK development agency, DFID, for example, ended democracy assistance around 2004. Another example is Sweden, which decided in 2007 to considerably reduce its annual assistance to Indonesia as part of a wider shift in its overseas development programme to a smaller number of recipient countries; it still maintains a human rights programme but one that stresses building relationships between Swedish and Indonesian institutions on the basis of ‘mutual benefit’. Even some of the organisations that have traditionally supported many of Indonesia’s most outspoken advocacy NGOs are at least partly moving away from classical democracy assistance: FES, for example, now emphasises support for Indonesian ‘social democracy’, whereas the major Dutch NGO NOVIB (the affiliate of Oxfam) which for decades was a major sponsor of Indonesian human rights organisations, now emphasises work in the social and economic justice field to end its relations with the major human rights advocacy group Kontras).

More important, then, than any reduction in the overall amount of democracy assistance are the subtle and not-so-subtle changes in its nature. Most major donors have made assessments that the main threats facing Indonesian democracy derive from poor government capacity, as well as corruption, problems with the rule of

\textsuperscript{14} The full name of the document is ‘Jakarta Commitment: Aid for Development Effectiveness, Indonesia’s Road Map to 2014’. A copy of the Jakarta Commitment can be found at http://www.unrco.or.id/files/JakartaCommitment.pdf

law and related issues that threaten the government’s ability to deliver effective services and improved living standards to citizens. Such diagnoses, along with a growing respect for government priorities, push donors toward governance programmes, assistance for government institutions and see them folding democracy programmes into broader development assistance: ‘Now, the only way the big donors are interested in the democracy agenda is if it’s in a development context’, as one informed observer of the donor scene in Jakarta put it. Perhaps the starkest example of these trends can be seen in AusAID, because of all major donors, it is the Australian government which views its bilateral relationship with Indonesia as being most important. One of the underlying goals of AusAID assistance is, in a context where it is believed that Indonesia is moving out of developing country status, to position Australia so that it has good relations with Indonesia even after Australia stops providing development assistance. As a result, as one person knowledgeable about the AusAID approach explained, an important focus is ‘creating closer links between the Australian and Indonesian governments’. This approach also makes AusAID reluctant to fund groups that might be critical of the Indonesian government.

Reinforcing the trends discussed above, the Paris Declaration and Jakarta Commitment agenda of aid ‘harmonisation’ and ‘ownership’ has provided the Indonesian government with greater input into and control over development assistance from major donors, including in the democracy sector. This harmonisation works through donor coordination steering committees that are usually chaired by Bappenas (the national development planning agency) and which include as members both donors and relevant government ministries (hence, representatives of the Ministry of Home Affairs – a notorious redoubt of anti-reform conservatives – sit on the steering committee for electoral assistance). Perhaps not surprisingly, AusAID has gone furthest in taking to heart the principles of the Jakarta commitment. In the past AusAID would identify a need and take a proposal to Bappenas for approval, to which Bappenas might then propose minor changes. Now, AusAID tries to integrate Bappenas or the relevant ministry into the planning process from the beginning. But these principles are also having an effect even on USAID, which is often mentioned by other donors as being the least receptive to close coordination of its democracy assistance programme with the Indonesian government. A senior USAID official explained that the ‘spirit’ of the Jakarta Commitment has been very influential on USAID’s work, with Indonesian government representatives being consulted on the design of programmes and being invited to sit in on some of the proposal reviews.

Overall, the effect of these changes is mixed. Some interviewees stress that Bappenas and other government agencies still lack capacity to scrutinise all development or democracy assistance programmes. Yet it should come as no surprise that government officials are more interested in having donors provide assistance to government agencies than to CSOs, especially ones that might criticise the government, and that their input is having an effect on the nature of democracy assistance. In some cases – with the clearest example being in the electoral assistance arena, which we return to below – government officials have effectively vetoed donor assistance for some civil society groups. Some critics of this tendency say that it is reshaping democracy assistance. As one senior Indonesian advisor to a European development organisation put it ‘Now with the emphasis on harmonisation the mindset is very much: “Let’s just do what Bappenas says we should do”. So there’s a big drop in civil society support and support for NGOs. Democratisation has taken the wind out of democracy assistance’. Another long-time participant in Indonesia’s democracy assistance field agrees: ‘I think there is more governmental control now than in the Suharto period. Donors are being told by the government and Bappenas that civil society is not where you should be. The government thinks that Indonesia has democratised, so there’s no need for democracy assistance. The government now vets democracy programmes. This didn’t happen even during the Suharto years’.

Before proceeding, it is necessary to make two important caveats. First, even among the big bilateral donors, the trend away from civil society and democracy assistance towards governance support is not absolute. Thus in an electoral assistance package being planned by AusAID there is a large civil society component; USAID has made an evaluation that the pendulum has swung too far away from civil society assistance in its Indonesia programming over the last five years, and plans to push it back to the middle. Secondly, it must be remembered that the democracy assistance field is very diverse; even if the big bilateral donors are increasingly coordinating their assistance programmes with the Indonesian government, there is much less
control further down the chain, though medium-sized actors and smaller NGOs also report a growing interest by security bodies in monitoring and controlling the activities of foreign agencies, expecting the steering-committee model of government direction to affect them too eventually.

**Views of recipients: looking back at Indonesia’s transition to democracy**

Not surprisingly, the views of recipients of democracy assistance regarding its effectiveness are highly diverse, almost as much as the spectrum of political inclination in Indonesia. Recipients of such assistance include a large variety of political actors, ranging from officials in government institutions and political parties, for whom democracy assistance programmes are often only peripheral to their activities, or even sometimes an obstruction to them, through to activists in civil society organisations which are highly – and sometimes totally – dependent on foreign donors for their activities.¹⁶

Nevertheless, my own experience, which chimes with the input of informed contributors to this research, suggests that views of the usefulness and impact of donor assistance on Indonesian democracy development, or particular sectors of it, tend to be most mixed and least enthusiastic among recipients from political parties and, especially, the government bureaucracy in particular. Political party activists, for instance, sometimes view the political training programmes run by foreign foundations or other bodies as useful for them as individuals, but rarely believe that such programmes have significantly affected the shape of party life in Indonesia (and, indeed, such a claim would be hard to sustain). Among government officials, there are mixed assessments of the impact of assistance programmes, not least because such programmes sometimes challenge established habits, power configurations, and patronage networks. Almost every foreign donor or consultant can recount inspiring stories of individual government officials who are enthusiastic allies, supporters or sponsors of reform efforts run by their agencies, along with nightmare tales of individuals who have stymied and frustrated programmes at every turn.

The views of civil society activists on the impact of democracy assistance is generally more positive, though coupled with complaints about dealing with particular agencies (see below). At the macro level, regarding the impact of democracy assistance on Indonesia’s democratisation overall, activists working at the coal face of issues like constitutional reform and human rights protection are cognisant of the role that donor assistance played in supporting the groups that placed core issues on the political agenda, and thus tend to assess democracy assistance as having had an important overall impact. Yet even these individuals will always qualify such statements by emphasising that the drivers of the transition were domestic political currents and popular aspirations. ‘We would have achieved democracy without donor support, but perhaps the quality of our democracy would be weaker’ is a common view.

At the meso level, regarding the impact of democracy assistance in particular sectors, the picture is not surprisingly less uniform. Much more comprehensive research would be required to develop an authoritative view, but the general pattern seems to be that in sectors that have been more dependent on donor support, such as human rights and constitutional reform advocacy, there is considerable recognition of the positive role played by donors; but much less such recognition exists in sectors where support has been more peripheral, for example, support for pluralism among Indonesia’s Islamic organisations. For a time, this was a major focus of donor activities, especially in the form of a large ‘Islam and Civil Society’ programme that was funded for a decade from 1997 by USAID and run by The Asia Foundation. Activists in Islamic groups who were recipients of support under this programme, while appreciative of that support and disappointed about its discontinuation, also stress that it merely supplemented the democratic and moderate currents that welled up from deep within Indonesia’s major Islamic organisations (indeed, the programme itself was

¹⁶ In preparing this report, I did not attempt a comprehensive survey of all such recipients of democracy assistance but instead, as explained above, focused on the views of activists in key Jakarta-based advocacy CSOs.
premised on just this idea).¹⁷

When it comes to assessing the impact of democracy assistance on particular sectors of governance and government reform, such as reform of the legal system and the strengthening of the rule of law, civil society activists tend to point to the continuing problems (in this particular case, continuing widespread corruption in law enforcement institutions) as evidence of the failure of donor-supported governance programmes to have had sufficient impact on the quality of Indonesian democracy. Thus, as one prominent legal reform advocate put it: ‘Donor support has been crucial for all our activities, and our progress. NGOs active in this field haven’t been able to mobilise private funds. But the question we keep asking ourselves now – despite all our activities – is there really progress? If we look at our ‘done’ list, it seems like there’s progress. But if we ask whether people can now get justice from the courts, we have to say that the answer is no’.

It is at the micro level where recipients of democracy assistance talk about impact on their own organisations that Indonesian CSO informants are at their most frank about the crucial importance of donor assistance. This reflects the simple fact that domestic funding for Indonesian CSOs, especially advocacy organisations, remains very weak. Thus, when asked what elements of donor support they most appreciate, civil society actors tend to speak plainly. As one leader of a prominent election NGO put it: ‘Well, if we are honest about it, what we most appreciate from overseas donors is their money’. Time and again while conducting research for this paper I heard a similar view. A human rights activist explained: ‘So long as NGOs in Indonesia are not able to raise their own funds – and I fear that will be a long way off – we’ll have a great need for international funding [sic]. I can’t imagine what the human rights situation in Indonesia would be like without it’. Another, from an electoral reform body, said ‘We can’t deny it: what we most need from donors is their money! Without that, we couldn’t work at all – for example when we ran the campaign to introduce the idea of direct presidential elections – there were lots of jingles, TV advertisements and all that – that takes a lot of money’.

But recipients also point to technical assistance, and in particular, the opportunity to learn from counterparts in countries that have recently democratised as also being very valuable. Several informants recalled visiting or receiving such counterparts – for example, Election Commissioners from Thailand and the Philippines, legal experts involved in Truth Commissions in South Africa and Chile, or freedom of information activists from India – as being both inspiring and informative for them personally, but as also said these experts helped convince parliamentarians and government officials of the need for reform through their participation in workshops, public hearings and seminars. More generally, CSOs working in highly technical areas, such as electoral reform, report that technical assistance and expert advice they received, especially early on in the transition, was crucial for expanding their own expertise: ‘A lot of work in the electoral arena is very complex and technical, such as the question of boundary delineation for electoral districts. We needed ideas on what’s important. Or on how to transfer votes between candidates, there are various formulae for that. Very often our ideas come from our discussions with donors or foreign experts in organisations like IFES’. Now, however, considerable domestic expertise has built up in Indonesia on many such technical issues, at least among the major CSOs.

Factors weakening the impact of democracy assistance

When asked about key factors weakening the impact of democracy assistance, Indonesian recipients from CSOs overwhelmingly pointed to the same underlying structural problem afflicting Indonesian democracy as a whole: the entrenchment of corrupt and authoritarian actors and practices within the new, formally democratic state. Virtually all CSO informants identified the same syndrome as the major obstacle, though they had different ways of expressing it. As one of them put it: ‘We still have the old people in power, old

¹⁷ See Robert W. Hefner and Krishna Kumar, Summary Assessment of the Islam and Civil Society Programme In Indonesia: Promoting Democracy And Pluralism In The Muslim World (USAID, PPC Evaluation Brief No. 13).
in terms of their mindset [...] these old players from the New Order are still the masterminds of Indonesia politics’.

Civil society actors, naturally enough, emphasised the particular manifestations of the problems in their own sectors. Those from anti-corruption NGOs point to the pervasiveness of the corruption in state institutions; those in legal reform NGOs point to what is known in Indonesia as the ‘court mafia’ in determining the outcome of cases; and those in human rights groups emphasise the impunity still enjoyed by members of the security forces, and so on. Informants varied greatly in their levels of optimism about how readily such problems could be overcome. Many, but not all, said they believed Indonesia was at some sort of turning point. Some – perhaps over-dramatically – believed that the space that had previously opened for civil society input into Indonesia’s reform process was closing. One NGO leader who had been involved in lobbying and legal drafting leading to major breakthroughs such as the establishment of a constitutional court and the introduction of direct presidential elections stated that ‘now we are ambivalent about reopening the constitutional revision process, although we can see that there are still things wrong with the constitution. But we feel if we reopened the process now it would lead to a weakening of the constitution, not a strengthening of it’.

It follows from such assessments, that many civil society actors believe that another barrier to the success of donor programmes is that the big donors, at least in recent years, have misunderstood the basic problem facing Indonesian democracy. I heard many variations of this theme. When asked to identify the least satisfactory aspect of working with donors, one senior human rights advocate expressed it thus: ‘Of course, the worst thing at the moment is their attitude which says that democracy in Indonesia is now okay, that it’s taken for granted […] [The problem is] the attitude of the donors who give too much credit to democracy using a narrow and procedural definition’. Another, the leader of a major anti-corruption group, said: ‘The donors believe that institutional reform is the key, and after that everything will be okay. But in reality, the institution is not the whole issue, it’s not only the institution but the people inside it, the culture of the institution that is important’. Another commented: ‘The donors think that if some bill about reform has been passed, that’s okay, it’s ticked off the list. That’s how the bureaucracy of the development agencies work: they have their logframes and their outputs so they look for their evidence of success in something concrete, like the passage of a law. But they ignore whether that law is properly implemented or not. They ignore the substance of how well democracy works in practice’. Others are scathing about the impact of particular governance programmes, with justice sector reform being a particular target: ‘How many millions of dollars has been poured into the Supreme Court over the last ten years?’, one of them asked, ‘How many training programmes and study tours have there been for judges? And yet the Supreme Court is as bad as it ever was – it frees corruptors and human rights abusers every time’. Another, from a human rights group, complained: ‘The judges in the ad hoc human rights courts had been trained in international human rights law by the donors – and what did they do with that training when it came to deciding on the Tanjung Priok [a 1984 massacre in Jakarta] and East Timor trials? All their decisions freeing the perpetrators drew upon cases and judgments from overseas – they used their training to find reasons to free the perpetrators!’

In fact, the views of many donors – or at least their field staff – on the state of Indonesian democracy and the problems afflicting it are often not so different from those in the local CSOs, though donors tend to express their concerns in more euphemistic language about ‘challenges’ to ‘governance’, ‘accountability’ or ‘government effectiveness’. However, whereas often the donors often seem to conclude that programmes for improving the effectiveness of government institutions are the appropriate remedy for these defects is programmes to improve effectiveness of government institutions, CSO informants interviewed for this study question the effectiveness of such programmes. This is not, however, to say that all of the CSO informants I interviewed rejected support for governance programmes, on the contrary many do agree that improving the quality of government institutions should be a priority. But unlike the donors who when analysing Indonesian democracy tend to stress technical deficits, they see democratic deepening as fundamentally political, pointing to systemic and structural problems with the character of state power, and continuing needs for a strong civil society as a counterweight to the government. As one of them put it:
Donors are pulling out of democracy assistance now. I don’t necessarily disagree with that. In 1998–99, donors were able to greatly strengthen the demand side of democratisation. They were able to make the demand side so strong. But the supply side is very weak. The government has such weak capacity to deliver. The law now gives lots of powers to the districts, but they are so weak. We strengthened local NGOs, so the demands placed at the district level went up. But there’s no way most district governments can deliver. They just don’t know how to do it; it’s not necessarily because of corruption or whatever. So we do also need to strengthen the government to match the demands, otherwise you end up creating unfulfilled demands and that can be dangerous. That’s the donor position now. But the problem is that the emphasis has shifted too far to the other side. Now they want to have little to do with NGOs, even though ten years is not enough to consolidate Indonesia’s democracy. The demand side is still very important.

In making this case, my informants pointed to numerous examples of backsliding in Indonesia’s reform efforts, ranging from attempts to introduce bills that threatened civil liberties, to a growing tendency by authorities to use criminal defamation charges against civil society activists. When I was conducting this research, in November 2009, Indonesia was embroiled in a massive controversy caused by an attempt by leading police and prosecutors, acting in concert with several corrupt business people, to undermine the credibility of Indonesia’s Anti-Corruption Commission, the KPK, and to frame two of its Commissioners on false corruption charges. Most informants pointed to this scandal not only as a worrying sign of backsliding, but also as crucial evidence of the importance of the media, NGOs and other elements of civil society as providing a counterweight to government, because such groups were then leading a campaign to defend the KPK that put enormous public pressure on President Yudhoyono.

Importantly, civil society activists feel that the shift of interest by donors toward cooperating with the government and the morphing of democracy assistance into governance programmes has had a concrete effect on their own activities. To provide a flavour of these views, it is worth quoting at length one of Indonesia’s most respected and experienced human rights advocates:

We started to feel a decline in donor support around 2004; 2004 was the turning point. Lots of the donors thought that the election that year showed that Indonesian democracy was fine. And then the government signed the Helsinki MoU [bringing to an end the conflict in Aceh, in 2005], and this seemed to show that now Indonesia would follow a non-violent path to resolving conflict. This [reduction in support] has had a big effect on NGOs active in the human rights field: programmes have been slimmed down and networking capacity in the regions has also declined, because this can be quite expensive. That’s a general tendency. Just recently our NGO friends in Papua needed lawyers, because of all the trials for flag-raising there [there has been a series of trials of Papuans who have raised or displayed the Bintang Kejora Papuan nationalist flag]. We asked around the Jakarta NGOs to find some good Jakarta lawyers and send them, and they virtually couldn’t help. There’s now no pool of resources we can use suddenly if a need arises. In the past, around the time of the East Timor referendum and conflict, for instance, we never had difficulties getting money for lawyers – even at the time of the Santa Cruz massacre [in 1992] we could send some of Jakarta’s top human rights lawyers there for weeks. So now in fact the financial situation of human rights NGOs is worse than it was in the Suharto years.

Of the NGOs whose members and leaders I interviewed for this research, almost all had experienced a significant decline in donor support. For example, the leading electoral reform NGO, CETRO, now has a staff of only nine, whereas five years ago it was almost 40: ‘The only reason is the decline in donor support’, I was told. The budget of Indonesia Corruption Watch (ICW), arguably Indonesia’s most prominent anti-corruption NGO, has declined by about half over the last 3–4 years, causing it to scale back its activities and reduce support for NGO networks in the regions. Many NGOs told similar stories.
The nature of cooperation with donors, at least big donors like USAID and AusAID (or their contractors) has also changed. As one informant put it: ‘most donors now work with the government, if they work with NGOs it’s mostly to hire the NGOs or, more commonly, individuals from them as consultants to work for the government’, for instance in legal drafting. Another, from a different group, complained: ‘When they talk about civil society involvement, often the donors think it’s enough to get one, two or three consultants from civil society groups involved’. The NGOs-as-consultants approach narrows the scope of donor support, because only a limited range of NGOs have high-level legal drafting or similar skills. More importantly it undermines the institutional capacity and weight of these NGOs themselves, contributing to the evisceration of civil society: not only do the NGOs lose, at least for a time, their talented leaders, but they also lose financial support for basic institution-building. ‘Donors seem to no longer see the need for replenishing the capacity of NGOs’, said one long-time participant in Jakarta’s NGO scene. Another put it in more practical terms: ‘Now they just come to us if they want a report, but it’s very hard for us to do our basic work of collecting data and monitoring of corruption’.

Moreover, some NGOs see that donors’ growing interest in engaging NGOs as part of their attempts to strengthen government undermines NGOs’ own advocacy role. A leader of an anti-corruption NGO explained:

Let’s say we are involved in a USAID project to draft a bill on Campaign Finance Transparency. Well, we did our job, produced a draft, and then that was it. If we wanted to do advocacy on that – to promote the bill publically and explain why it was important and to try to get it adopted – the donor wouldn’t support us to do that. They didn’t let us use their money for advocacy or campaigning. Even to hold a press conference on campaign financing we had to eat into our own resources. If this keeps going we’ll soon be bankrupt. They said the mandate was only to give recommendations to the government. They obviously don’t understand how you get laws passed in this country, how you need to lobby, gather academics and MPs together in seminars, and so on.

Another was even more blunt: ‘Now if we approach AusAID, the first questions we get from them are “What are your project’s results for the government? Does it give any benefit for the government?” If it doesn’t they won’t support us. Members of a prominent human rights advocacy organisation said ‘Now when we do programmes with AusAID we have to frame it all in a language of supporting the government’s laws and their implementation, because it will all be assessed by Bappenas and Sekneg [the State Secretariat] […] and if we run events in the regions we always have to invite people from the government […] usually we try to get around that by just inviting them to one session where the least important stuff is being discussed’. Such comments point to the indirect role that the Indonesian government is increasingly playing – through donor coordination steering committees – as director and veto player in democracy assistance. Many CSO activists I interviewed decried this tendency, though some could sympathise:

Actually, there are splits among the civil society groups about whether the donors should work closely with government as they tend to do now. Some say that it’s a way for the government to control the agenda; others say that it’s a positive development, that it’s our government, that there should be Indonesian ownership of development. But part of the problem is that the government requires all the CSOs to be registered, and many are not registered. That’s a problem. Lots of the national advocacy groups in particular refuse to register [as a matter of principled rejection of government control]. The groups who get the support from UNDP and other donors who work through the Bappenas ministry of home affairs framework are the ones who are registered. There’s a big debate among local groups now about this.

In fact, another caveat is called for here: overall the picture is not as bleak as some of the previous comments have suggested. Not all advocacy NGOs are experiencing significant funding problems. For instance, leaders of Kontras, arguably now Indonesia’s leading human rights advocacy group, say that their organisation is not experiencing a funding crisis but that levels of support are remaining steady. But what is striking about Kontras is that much of its support comes from European and North American NGOs (though it does project
work for USAID and other bilateral donors, or their contractors); other major advocacy NGOs, such as ICW, also now receive most support from European NGOs. In this respect, the funding picture in Indonesian civil society is increasingly similar to the Suharto years, before bilateral donors like USAID launched democracy assistance programmes, and when overseas NGOs, especially European ones, were the key sources of support.

Of course, one underlying issue that this commentary points to is the question of civil society sustainability, a vexed question in most developing and democratising countries. Indonesian advocacy NGOs are painfully aware of their dependence on donors, and view this as a critical weakness. Many of them have attempted, at least tentatively, to raise funds domestically but have run into problems because of the limited tradition of philanthropy in Indonesia, the lack of a supportive regulatory framework (for example tax deductibility for donations to non-profit organisations), the country’s meagre middle class, and their own suspicions of rich private donors and companies which they believe will offer money tainted by corruption or else come with a hidden agendas. Some organisations, including the Ford Foundation, have programmes in Indonesia to develop domestic philanthropy. Several of my CSO informants did identify this as a critical need, adding that they also need to develop programmes of public fund-raising, as well as the skills required to access social service funds in local government budgets. But they also realise that donor support will be crucial for many years to come.

Democracy assistance on the ground: views from civil society

When it comes to more micro-level problems that Indonesian civil society recipients identify as limiting the effectiveness and impact of democracy assistance programmes, one hears a litany of complaints about working with donors with which people who work in the field or who have read the comparative literature on democracy assistance will be familiar. These criticisms arose in discussions far more frequently, and with much greater vehemence, than references to more philosophical or political differences, and so they deserve to be emphasised in this report, though many readers will be familiar with such criticisms from other contexts.

Project-based rather than institutional support: One particular problem that was commonly identified was that most donors do not fund CSOs for their basic institutional expenses, but only for particular short-term projects. This approach reflects worldwide tendencies in the democracy assistance field, and was also a deliberate choice by major donors early on at a time that, in the recollection of one USAID staffer, ‘we thought that it was best to keep recipients flexible and competitive, and not to encourage complacency’. This tendency, however, causes problems among CSOs who often have to live from hand to mouth from one project to the next, whose staff numbers and networking abilities fluctuate dramatically, and who often have difficulties in carrying out long-term strategic planning. More insidiously, it has also given rise to a widespread tendency on the part of CSOs to disguise their institutional costs in the project proposals and financial reports they send to donors, for example, by inflating costs for some services or levying ‘taxes’ on the salaries or honorariums paid to their staff. As one person put it, donors would tell them about good governance principles, but ‘It is you who teach us manipulation!’

Reporting requirements and bureaucratic inflexibility: A closely related problem is the financial reporting requirements that donors require of their grantees and the related inflexibility this builds into their programmes. In fact, this was identified by every one of my informants as the most frustrating part of working with donors.

\[\text{For one insight into such practices see Frieda Sinanu, ‘Everyday Politics of Global Civil Society: a Study of Relationships between Local and International NGOs in Indonesia’ (PhD dissertation, Australian National University, 2009).}\]
Every informant had their favorite horror story about this or that agency and their grueling or (in their view) unnecessarily detailed reporting and financial accountability requirements, and the difficulties this caused especially for working with smaller NGOs or volunteers in regional Indonesia. Perhaps not surprisingly given its global reputation in this regard, USAID was frequently a target of such criticisms, but it was by no means the only one. One informant called the EU ‘notorious’ and explained ‘nobody wants to touch EU money, it takes so long to do the reporting requirements’, while the UNDP is regularly criticised for being bureaucratic, slow and ineffective.

Another common gripe was that different donors have different reporting systems and requirements, increasing the administrative burden on sometimes very small organisations. As one NGO leader explained: ‘Different donors have different financial systems. So we need to employ a special person who can just keep on top of all that. It costs us more and it slows down our work’. A leader of another group (who otherwise only had positive things to say about the group’s donors) explained: ‘The key problem is that they all have different reporting standards and they all want their reports at different times of the year. It would be a great help to us if the donors could cooperate to require similar reports and at similar times’.

Another problem, however, for many informants was that although donors demand strict adherence to reporting procedures and schedules for completion of projects, they are often inefficient themselves. As one NGO leader put it, ‘The worst thing is when their funds come late! That happens often after the programme is already well underway, and we’ve had to scratch around to fund it from other sources. How do they expect us to be able to do that? We don’t have a lot of money’. Another commented: ‘It causes big problems when they do their audits late, that can be very disruptive. Sometimes the audit takes place a year after the programme is finished, when the person responsible for running the programme has already moved on to another organisation’.

As well as the demands these requirements place on organisations, what many recipients most dislike about them is that they imply that donors do not trust them. Thomas Carothers’ reference to ‘an organisational culture of distrust at the agency – a systematic distrust of all recipients of USAID’s assistance that is woven into the basic bureaucratic workings of the agency’ could have been written with the Indonesian experience in mind, so commonly did I hear this complaint from NGOs who had worked on USAID programmes. ‘We hate it when they treat us as their subcontractors, not as their partners’, was how one interviewee expressed it. Interestingly, another striking commonality to arise from the interviews was that it was often the European embassies, funding agencies and NGOs that Indonesian NGOs believed were the most congenial: ‘I don’t know why […] the Europeans tend to listen more, it’s just more comfortable working with them. They trust us more, they tolerate us more […] if a financial report is late and there’s a good reason for it, they don’t view it as a breach of contract’. Another referred to cooperation with the British embassy: ‘this was so simple, we didn’t need to prepare a detailed proposal, the reporting method was very simple. It was like they trust us. It was so much easier’.

Donor ‘exploitation’ of local actors: In some cases, recipients’ relations to donors – or more precisely to the implementing agencies that carry out donor programmes – give rise to a feeling that they have been exploited. This experience was particularly reported by those who have had dealings with the private development companies contracted by USAID. I heard several reports from NGOs in the legal and electoral reform sectors who were approached by for-profit agencies to help them prepare bids for USAID projects, and drew on their expertise and standing to do so, only to change when the project was won:

When [the USAID contractor] changed things, this was because they wanted to take most of the money. It was as simple as that. They were using us. Four organisations were involved from the beginning, and helped them to create the programme proposal. We helped them get the project. We were their partners. But when the got the project they treated us like outsiders and we had to apply to cooperate with them just like other organisations. I learned a lot from that. So now we are very careful about working with these organisations.

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Another group had a similar experience: ‘They asked us to join as equal partners, but when they got the project they changed everything – we felt like they were cheating us. We had to bargain all the time [...] it took up so much time. Then by the time all the bargaining was over, the programme was running too late for those who needed it in the field’. Yet another explained that ‘we had developed a project with [the contractor] and thought it was good. But some of their consultants insisted on changing it, even though we had developed it together. They insisted. So we stopped the cooperation. Basically, they wanted to instruct us’.

Quality of personnel: A closely related topic concerns the staff, especially the foreign and expert staff, of donor organisations and their implementing agencies. Once again, recipients’ assessments are divided. Some organisations (The Asia Foundation and Ford Foundation were often mentioned) were acknowledged as having staff who are ‘grounded’ and have ‘local knowledge’ about the political context and the needs and priorities and context of local actors. While recipients often remember with appreciation the expert advice they received early on in the transition – when they were still learning highly technical skills required for electoral system design, opinion polling, and the like – they have been less impressed recently, when expertise in local civil society has expanded dramatically. One member of an election-related NGO complained ‘It’s true that in the past we often needed such experts; but now around Indonesia there are lots of people who have real expertise, so they shouldn’t be depending so much on people who come from abroad but know nothing. Sometimes, they know little about Indonesia, or they even have little knowledge about elections, or they know a lot about electoral systems that are not comparable to ours’. Sometimes recipients even feel the direction of knowledge transfer has reversed; as one NGO leader put it: ‘These experts come and gather us together and use all our brains and for that they get a lot of money, which goes to the ‘expert’ rather than to our programmes’. Another held a similar view:

A lot of the time with some of these big projects, their consultants come to us and they don’t know anything about Indonesia. We have to spend a lot of time telling them basic information about the Corruption Courts, about the Supreme Court, the Judicial Commission and so on. The project advisors don’t know anything basic about the Indonesian situation and they say they are trying to help us, but we end up helping them to understand Indonesia. Donors shouldn’t bring these professors who don’t know Indonesia well. Most of the donors are like this, except for the NGOs.

And of course, local recipients often resent the much greater salaries and other benefits that foreign staff and experts receive, when compared to even better-qualified locals: ‘They treat people so differently: us and them. Do they think we don’t know that?’

Political disagreements: Finally, a significant sub-group of interviewees reported political disagreements and frictions with donors, especially in the post-9/11 years. A typical response was the following: ‘most NGOs rejected the invasion of Iraq and Afghanistan. There was pressure from USAID not to be critical of the invasion or the war on terror. For example when we released public statements that were critical of the invasion, we received a reprimand from our programme officer. That wasn’t helpful. As a result I broke links with USAID. As an advocacy NGO we didn’t want to sanitise our grantees, on the basis of their beliefs on the war on terror’. Indeed, this was a major issue at the time, when several major Indonesian NGOs – such as the lead environmental group Walhi – decided they would no longer receive funds from foreign donors because they ‘didn’t want to be dictated to’, with this decision having a devastating impact on the group’s capacity to run its programmes.

Many Indonesian NGO informants blame some or all of the problems described above as stemming from what they call the ‘commercialisation’ of democracy assistance, notably the tendency of large donors to sub-contract their programmes out to other agencies, especially to companies that work on a for-profit basis. As the leader of a legal reform NGO explained ‘This [commercialisation] is a big source of so many of the other problems we face.’ She went on to explain that when agencies run democracy assistance for profit, their tendency is to stress deliverables that can be measured in quantitative terms (cost, number of persons participating in a seminar etc) rather than deeper or contextual issues. The same outlook in turn accounts for a range of problems, such as the tendency of sub-contractors to treat local NGOs like employees rather
than partners, or even insensitivity to security issues that can endanger local partners working on politically
dangerous topics in the field. A non-Indonesian consultant with a major donor organisation agreed: 'A for-
profit contractor has no incentive to understand Indonesia or use Indonesian personnel. Contractors make
their money out of personnel, so there’s almost an in-built disconnect from the local partners.' According to
many recipients, this commercialisation of democracy assistance has accelerated over the last seven to eight
years, leading to a concomitant worsening of relations between local recipients and some donors.

In this section I have mostly compiled critical comments by CSO recipients about their relations with donors. It
should be stressed that many of them also reported excellent working relationships with particular donors,
and there were many stories of productive collaboration. In fact, the democracy activists in Indonesian
CSOs – who, it should be remembered, collectively comprise a highly professional, skilled, and experienced
group, with many major reform achievements under their belt – now have a rather clear idea of what kind
of relationships with donors they like, and of what kind they dislike. When asked what worked best in terms
of democracy assistance, local informants tended to stress key terms like ‘ownership’, ‘flexibility’ and
‘partnership’. Rather than being merely clichés of development-speak, for many of these individuals these
terms had real meaning, and they could often point to particular experiences in which they had worked
together with donors on a project from start to finish, brainstorming needs, designing a strategy, selecting
partners, consulting closely on problems that arose during the course of the project, and making adjustments
where needed. As one NGO leader commented:

We always say things work better when it is a proper partnership, not when they just view us
as their contractors, or subcontractors, so that we have to obey them. It’s better to discuss
the projects together, develop the draft together, work closely together from the start. This can
happen, but it doesn’t happen often enough.

A case study: electoral assistance

The story of Indonesia’s 2009 legislative and presidential elections sheds light on possible pitfalls of
democracy assistance in a consolidating democracy, including dangers of complacency about democratic
progress, effects of growing government ownership of democracy assistance programmes, and declining
support for civil society.

Indonesia’s first two post-Suharto elections in 1999 and 2004 were widely viewed as very successful. The
1999 poll was rather chaotic from an administrative point of view, but it was peaceful, its results were
legitimate, and it helped lock in democratic reform. It also involved one of the largest electoral assistance
programmes the world had seen, with intense donor involvement at every level including planning and
execution of the polls, and massive support for non-government election monitors that mobilised tens
of thousands of volunteers. The 2004 legislative elections, and direct presidential elections (Indonesia’s
first) likewise received considerable donor support. Observers viewed these elections as logistically very
impressive. As one official from an international elections body in Jakarta described them, they were ‘the gold
standard of transitional elections’.

The 2009 elections, in contrast, were plagued by administrative and technical problems. As one observer has
since concluded: ‘While the elections did not end in the organisational and political disaster that many had
envisaged, there is no doubt that the overall quality of the ballot was lower than in 1999 and 2004. In almost
all areas of electoral management, the level of professionalism, transparency and consistency declined’.20

In part, the problems were due to the nature of the new KPU (General Elections Commission). After 2004,
a large number of KPU commissioners and staff were imprisoned for corrupt dealings in the procurement
process for election supplies, leading to loss of expertise and institutional memory in the commission. The
new KPU commissioners were mostly undistinguished bureaucrats, in part because ‘the KPU recruitment
committee had disqualified several respected academics and NGO activists in the first round of the selection

20 Marcus Mietzer, ‘Chaos and Consolidation’, Inside Indonesia 97, Jul-Sep 2009. Available at http://insideindonesia.org/content/view/1221/47/
In the institution’s defense, the commissioners point to an array of obstacles, including an inflexible electoral timetable, late delivery of funds by the government, and key areas in which the commission lacks independence from government control. Moreover, the government budget for the 2009 election was also much reduced. All of these factors produced a relatively weak KPU whose commissioners, in the view of one foreign technical expert, ‘never found their voice as advocates for a properly-run electoral process […] they were never aggressive enough with the government about pushing for what they needed’.

Space does not permit full consideration of the administrative failures that plagued the elections. One of the major problems involved the voter registry. Compilation of the registry had been taken over by the Ministry of Home Affairs in 2006. The budget for this programme was enormous, at around 8 trillion rupiah and many informants believe that the patronage opportunities this provided were a major incentive for officials at the ministry. The data the ministry eventually provided to the KPU was outdated and contained many errors. When IFES ran an analysis of the data in late 2008, it discovered 600,000 duplicates on a list of 2.2 million voters. Door-to-door verification of the registry by the KPU did not go as planned, because funds were running late, and only limited time was allowed for voters to check themselves whether they were listed, and this process itself was hardly publicised. The upshot was that huge numbers of voters were not on the list, and the election was only saved from disaster by a last minute decision of the Constitutional Court that allowed people to vote merely by showing their national ID cards. There were many other problems, and though it was hard to judge, there is a widely shared feeling that fraud in the vote counting process increased this year, especially in the regions.

There is consensus among donors and civil society activists that donor complacency contributed indirectly to these problems. As one senior USAID official in Jakarta recalled: ‘Electoral assistance could have been done much better in the lead up to the 2009 elections, but nobody is sure if it had been much better if the results would have had a major impact on the outcome. We went into this election cycle with some assumptions: that the institutions were in place; that the last election would be a stepping off point and we’d go up from there. So the donor community scaled back its assistance substantially’.

Total donor assistance had been about USD 100 million in 1999 and USD 85.4 million in 2004. Exact figures for 2009 are not available but seem to have been between USD 20 and USD 25 million. Thus, the programme of the main implementing agency for donor support, the UNDP had cost USD 66 million in 1999, about USD 32 million in 2004 and only USD 11 million in 2009 (with funds provided by Britain, Canada, the Netherlands, Spain and Australia). USAID provided about USD 24 million for the whole election cycle in 2004; in 2009 it provided USD 9 million.

The UNDP programme had several components, including technical assistance to the KPU and coordination of donor assistance. Assistance to the KPU involved aspects like training for commissioners and staff on procurement procedures (and the fact that, unlike 2004, this procurement was relatively clean in 2009 is seen as a major achievement: ‘no KPU officials ended up in prison this time’, as one UNDP staffer put it). A major focus of UNDP was voter education, in partnership with the Ministry of Home Affairs, and with considerable funding being channelled to NGOs. USAID ran the biggest donor programme outside of the UNDP framework, funding IFES, NDI, and IRI. AusAID supported UNDP but also funded the Australian Electoral Commission to provide training to commissioners and to prepare crucial technical manuals, as well as providing civil society support, with the total AusAID package worth something in the vicinity of AUD 6 million.

Informants from donor organisations, local CSOs and the KPU point to several ways by which donor assistance may have contributed to, or failed to prevent, problems with the elections (though on the flip side it is worth bearing in mind that some informants also thought that donor assistance contributed to averting an even bigger potential disaster):

Restricted scope of donor support. Not only was donor support reduced in 2009, but it was also more limited in scope and design. To take the UNDP as an example, it changed (as one senior UNDP technical adviser explained) from ‘direct assistance in the execution of the election in 1999’ to ‘indirect assistance involving
capacity building and transfer of knowledge’ in 2009. It was a guiding principle that UNDP and other donors would ‘not be involved in core functions of the KPU’. One reason for this was that ‘the donors felt, perhaps prematurely, that Indonesia was now able to competently organise its own elections’. More important was the Indonesian government’s attitude, which believed that it was now time for the KPU and government institutions to take full charge of election management.

For example, in the steering committee which coordinated the donor effort, Ministry of Home Affairs officials made it clear that donors were not to touch the voter registry. As the same UNDP official recalled: ‘UNDP was told from the start that the government didn’t want donors to get involved in this area. It was a big no-no’. Ministry officials insisted that voter registry data was highly sensitive and a national security concern, and foreigners could under no circumstances access it. However, IFES, however, did perform with the KPU in April to June 2008 a series of voter registration diagnostic tests with the KPU in April to June 2008, alerting Indonesia’s policy makers, civil society leaders, donors and others of the serious problems that were looming on this score. One UNDP official, perhaps picking up on criticisms later expressed by Indonesian government officials, described this assistance as ‘not in the framework of donor assistance’, though in fact, it was explicitly mentioned in the MoU signed by IFES and the KPU, and it was reported on by USAID to the steering committee. In the view of another well-informed participant, ‘The steering committee was often telling KPU what they needed, for instance Ministry of Home Affairs officials were telling the KPU that they shouldn’t allow IFES to work with them on the voter registry’, a process which amounted to ‘growing micro-management of the [supposedly independent] KPU’ by the government.²³

Lateness and bureaucracy. Numerous informants agreed that donor efforts, especially the government-sponsored effort coordinated by the UNDP, were late getting started, as well as bureaucratic and inflexible. Instead of being well ahead of the KPU, helping to plan a long way in advance and point to looming pitfalls, the main donor effort was instead running to keep up with an official election administration body that was itself unable to maintain the pace it needed to deliver a high-quality election. As one international advisor explained: ‘Major programme assistance came into line only when we were already two-thirds of the way into the electoral cycle. This was much too late’. Most donors stopped their electoral assistance soon after 2004, although ‘the period between elections is when you need to do capacity building and preparation’. Thus, donors went into the 2009 elections, according to one participant, in a state of ‘collective amnesia’. In particular, UNDP signed its MoU with the KPU in March 2008, but funding was only in place much later in 2008, little more than six months away from the election. As a senior official from a bilateral donor providing electoral system support recalled: ‘Before the 2009 elections there was something of a blasé attitude and the UNDP probably got caught up in this. It thought that everything was fine and the only problem was publicity [...]. IFES and The Asia Foundation argued that they could see problems coming over the horizon and that this should ring warning bells: they were right’. The USAID election programme started earlier, in March 2007, and was criticised for not going through the official donor coordination framework. One USAID official recalled: ‘In a sense, that criticism was right: we should have been doing this with the government, but at the time we started our programme the government/UNDP mechanism had not been set up and we felt that we couldn’t wait.’

Restrictive donor coordination mechanisms. Another problem with the donor coordination mechanism identified by many actors was that – precisely by promoting government ownership of the donor effort – it restricted donors’ ability to identify problems and act on them swiftly. As one senior official with a donor organisation recalled: ‘There is quite a lot of donor coordination in electoral assistance, and it is controlled by the government. The coordination meetings always take place in front of colleagues from the government, and so donors sometimes feel they can’t be frank about the nature and extent of the problems that were coming up’. Another commented: ‘The mechanism was problematic (…) because it limited the ability of the donors to ask critical questions. UNDP is nationally directed, and of course it was directed to do whatever was not considered sensitive’. Yet another stressed that the government role in the UNDP programme meant that it was ‘not sufficiently responsive or agile’, concluding that ‘UNDP does work with the Jakarta commitment, and that promotes government ownership, but it has definite costs’.

²³ It should be stressed, however, that at no point was IFES instructed to cease its work, and it continued to report its work to the government, including via the steering committee framework and, directly, by providing briefings to Bappenas staff.
Restricted civil society involvement. In past elections, donors had provided considerable support directly to CSOs as election monitors, in voter education and in other parts of the election efforts. Donors were restricted in their ability to do this in 2009 by the role played by the Ministry of Home Affairs in the coordination of donor support via the steering committee structure. As one staff member in a major bilateral donor organisation explains: ‘Bappenas is open to civil society support and so is the KPU but MOHA is really resistant. They really push back on cooperation with NGOs. Sometimes, other parts of the government are on board with civil society involvement, but then it goes near MOHA and it gets slaughtered’. The ministry made it clear there was to be no more donor support for election monitoring by civil society groups, so in the main this did not take place. More generally, there was a widespread perception among Indonesian CSO informants interviewed for this research that the only donor assistance provided as part of the UNDP-coordinated programme to civil society groups for voter education (with voter education being the only major civil society component of the UNDP-coordinated effort) was screened by government officials. As the leader of one Indonesian election advocacy group explained:

In 2009 we didn’t even try to get money from UNDP, because most of that money went through the government. There was a proposal committee that involved people from the government: Bappenas, UNDP, the Ministry of Home Affairs, KPU and so on. So we decided not to seek money from there, not just because we were concerned about the process, but also […] because it was so late, we were not interested.

There were clear instructions from the Ministry of Home Affairs that only NGOs registered with the ministry would be eligible to compete for voter education projects under the UNDP programme. Registration is a step that many of Indonesia’s most independent-minded and important NGOs refuse to take, so the result, according to one NGO leader, was ‘only the CSOs that were close to the government got money’. However, one UNDP official argued that although only those CSOs meeting the government’s publically announced criteria – including registration with the government – were considered for bids, once they had overcome this hurdle a fair selection process based on the criteria set out by the ministry took place. According to the official, the UNDP’s role in the process prevented government officials involved from ‘ganging up’ to exclude critical NGOs. Reflecting on this experience, one experienced (foreign) democracy assistance expert in Indonesia reflected, ‘Sometimes it is hard to distinguish between the government trying to have control over donors and it trying to have control over – and even repress – its own civil society organisations’.

An election controversy

The International Foundation for Electoral Systems (IFES) ran a programme valued at USD 3.3 million for the 2009 elections, using funds supplied by USAID. Working with the KPU and not through the UNDP framework (but still with Indonesian government approval) it cooperated with the KPU on some of the core technical issues that proved most difficult and challenging in 2009. It organised with the KPU a crucial early test on the source data that would become the voter registry, pointing to major problems with the population data provided by the Ministry of Home Affairs, something that government officials disapproved of because of its potential for opening up sensitive information to foreigners. IFES was finally catapulted into media headlines by another part of its assistance programme: technical assistance it provided through the KPU’s implementation of an SMS Election Results Information System (SERIS). This results reporting system, by which officials at 104,000 polling booths (a little under a quarter of the total) pre-registered through secure access codes and then transmitted results by SMS message to the KPU servers, allowed for a much quicker result to become known than that provided by the laborious paper-based vote count. On the night, approximately 90,000 of the polling stations which had securely pre-registered to participate transmitted results through the SERIS system, though the figure was initially reported as being 40,000. When an official on duty was asked by the press why not all of the 104,000 stations had reported through the system he directed journalists to IFES.

Campaigners for the losing ticket of Megawati Soekarnoputri and Prabowo Subianto, who had run on a strongly nationalist platform, seized on these comments to allege that the IFES role was a sign of insidious foreign intervention in Indonesia’s election, a lack of independence for the KPU and that foreign sabotage
was responsible for the poor quality of the election and even, they implied, for manipulation of its results and their defeat. For some weeks, the press was full of comments by academics and other commentators alleging sinister foreign intervention into the elections. The lack of KPU independence due to the involvement of IFES in the SERIS program was mentioned in a challenge to the validity of the election results that the Megawati-Prabowo team took (unsuccessfully) to the Constitutional Court.

Summing up the unfortunate turn of events, one informed participant explained that ‘IFES got a black eye for helping the KPU in the crucial areas where it most needed technical assistance: how to record and issue results, and how to clean the voter registry data’. The UNDP, working under government direction, had focused on issues like voter education that the same person described as ‘programme lite’. These issues were less controversial but also ‘less crucial to the success of the election’.

The irony is that the lesson that both the KPU and many donors drew from the IFES controversy was to be even more careful about future electoral assistance. As a senior officer in a bilateral agency put it: ‘The debacle with IFES, when it got accused of interfering in the Indonesian elections, left a bad taste in the donors’ mouths, even though the accusation was totally unjustified. IFES was absolutely not responsible for problems with the elections. But we will be very cautious in the future in terms of providing support for electoral work’. An experienced Indonesian civil society expert thinks the government will draw the same lesson: ‘in the future programmes like those run by UNDP and AusAID will go through Bappenas and the Ministry of Home Affairs. It could be that they will limit the areas in which foreign donors can work. KPU will avoid cooperation on sensitive issues that relate to voter registration and tabulation of votes, though these are the areas where it most needs help’. One of the KPU commissioners concluded, glumly, that ‘working with donors is important, but this year the political costs were too high’.

Regarding the lessons learned from the near-debacle of the 2009 elections, the views of civil society recipients, KPU officials and donors are remarkably similar, despite their sometimes very different analyses of particular parts of the election. Most concluded that the short-termism of both Indonesia’s election commission and the donors needs to change. One local civil society leader explained ‘Donors shouldn’t just look at an election as an event, just as a short period of time when the voting actually occurs. They should view elections as a cycle […]. The problem with electoral assistance is that it’s always running late’. A UNDP expert put it this way: ‘Consistency of attention to the process is key. Donors have a limited attention span and tend to focus on the quantifiable achievement of election as an event; this undercuts attention to long-term institution building. The key question needs to be: has the capacity really developed in the system to such an extent that we can maintain the quality of elections, rather than carry out event intervention to lift an election over a hurdle?’ It is only by carrying out long-term programmes of technical assistance and capacity building well in advance of the election ‘event’ that lasting outcomes can be expected.

**Conclusion**

There is much in this account that is specific to Indonesia, but arguably there are lessons too for democracy assistance in other countries at a relatively advanced stage of democratisation. The Indonesian story is one in which a confluence of factors – the success of the initial democratic transition, wider global trends in development assistance, Indonesia’s transition to middle-income status, its greater global prominence and the increased desire of its government to control the activities of donors – have come together to cause a significant shift in democracy assistance. Major donors have increasingly aligned their programmes with those of the Indonesian government, moved away from the civil society support that characterised their programmes earlier on, and emphasised governance assistance. They have done so in part because they viewed Indonesian democracy as largely out of the danger zone and saw improved effectiveness of government institutions as the major challenge.

But Indonesia’s story is not one of untrammelled democratic success, just as it is not one of dramatic breakdown. The experience of the 2009 elections, in the view of many recipients and donors alike, provides important lessons about the dangers of complacency that can creep in after a period of progress. The move
away from civil society assistance has left many of the key civil society groups that were crucial in many aspects of Indonesia’s democratic transition feeling abandoned by many donors, and has arguably weakened the civil society sector as a whole. As one person in charge of one major donor democracy programme explained, ‘We have feedback from everywhere that NGOs are the key to push the process along […] yet we feel we can’t fund groups that criticise the government’. Interestingly, some of the major donors – particularly USAID – have themselves concluded that the pendulum has swung too far and that they will reinvest in the Indonesian civil sector (though stressing that CSOs will themselves need to work in partnership with government institutions).

Overall, the Indonesian experience suggests that providing democracy assistance in countries that are consolidating but imperfect democracies can pose serious political, almost philosophical, challenges. As the head of one big bilateral donor’s democracy programme put it: ‘what does it mean to work in full partnership with the government: the lesson is that it’s important, but also that it is slow and inefficient’. This is probably an issue for many countries at similar levels of economic development. But bundling democracy assistance into a government-controlled framework raises questions about aid effectiveness. It also raises deeper questions about what local ownership actually means in a country like Indonesia in which much democratic progress has been made but where many of the chief obstacles to improved democratic development are located inside the very government that is now positioning itself as the leading player in controlling its own democracy assistance agenda. As one experienced (foreign) player in Indonesia’s democracy assistance world put it: ‘It is important for donors serious about a democracy, governance and rule of law agenda to recognise that in the absence of support for civil society as watchdogs and counterbalance it can be very problematic just to put money in the hands of the government because the government is not always serious about pursuing those agendas’.
Appendix: Country Report Methodology

Scope and aims of this report

This report assesses external democracy assistance in one country according to the views of local democracy stakeholders.

The report does not aspire to provide an exhaustive record of external democracy assistance to the country in question. Neither does it aspire to be a representative survey among local civil society at large. The scope of this project allows reports to provide only a rough sketch of external democracy assistance to the country assessed, and of the tendencies of local civil society activists’ views on the latter.

Sample of interviews

The report’s findings are based on a set of personal interviews that were carried out by the author between spring and autumn 2009.

For each country report, between 40 and 60 in-country interviews were carried out. The mix of interviewees aimed to include, on the one hand, the most important international donors (governmental and non-governmental, from a wide range of geographic origins), and on the other hand, a broad sample of local democracy stakeholders that included human rights defenders, democracy activists, journalists, lawyers, political party representatives, women’s rights activists, union leaders and other stakeholders substantially engaged in the promotion of democratic values and practices in their country. Wherever possible, the sample of interviewees included representatives from both urban and rural communities and a selection of stakeholders from a broad range of sectors. While governmental stakeholders were included in many of the samples, the focus was on non-governmental actors. Both actual and potential recipients of external democracy support were interviewed.

Donors

The term ‘donor’ is here understood as including governmental and non-governmental external actors providing financial and/or technical assistance in the fields of democracy, human rights, governance and related fields. Among all the donors active in the country, authors approached those governmental and non-governmental donors with the strongest presence in this sector, or which were referred to by recipients as particularly relevant actors in this regard. An exhaustive audit of all the donors active in this field/country is not aspired to as this exceeds the scope of this study. While many donors were very open and collaborative in granting interviews and providing and confirming information, others did not reply to our request or were not available for an interview within the timeframe of this study. While we sought to reconfirm all major factual affirmations on donor activities with the donors in question, not all donors responded to our request.

We do not work to a narrow or rigid definition of ‘democracy support’, but rather reflect donors’, foundations’ and recipients’ own views of what counts and does not count as democracy assistance. The fact that this is contentious is part of the issues discussed in each report.

Anonymity

External democracy assistance to local activists is a delicate matter in all the countries assessed under this project. It is part of the nature of external democracy assistance that local non-governmental recipients, especially when openly opposed to the ruling establishment, fear for their reputation and safety when providing information on external assistance received to any outlet that will make these remarks public. In a similar vein, many donor representatives critical of their own or other donors’ programmes will fear personal consequences when these critical attitudes are made public on a personal basis. In the interest of gathering a maximum of useful information from our interviewees and safeguarding their privacy and, indeed, security, we have ensured that all interviewees who requested to remain anonymous on a personal and/or institutional basis have done so.
Interview methodology

In order to carry out field work, authors were provided with a detailed research template that specified 7 areas of focus:

1. A brief historical background and the state of democracy in the country;
2. A short overview of donor activities;
3. A general overview of local views on impact of democracy aid projects on the micro, meso and macro levels (including best practices and variations of the local and international understandings of the concept of ‘democracy’);
4. Local views on specific factors that have weakened the impact of democracy aid;
5. Local views on diplomatic back-up to aid programmes (including conditionality; diplomatic engagement; donor coordination; relevance, quality, quantity and implementation of programmes, etc);
6. An illustration of the above dynamics in one or two key sectors of support;
7. A conclusion outlining the main tendencies of local views on external democracy assistance.

Along these lines, semi-structured one-on-one interviews were carried out by the authors in the country between spring and autumn of 2009.

Key sectors of support

Transitions to democracy are highly complex political, economic and social processes. No study of this scope could aspire to fully justice to them, or to external assistance to these processes. Aware of the limitations of our approach, we have encouraged authors to let their general assessment of local views on external democracy support be followed by a closer, slightly more detailed assessment of the dynamics in one or two key sectors of support. These were chosen by the respective authors according to their estimated relevance (positively or negatively) in the current democracy assistance panorama. In none of the cases does the choice of the illustrative key sectors suggest that there may not be other sectors that are equally important.