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Indonesia: The Cloudy Presidential Succession

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An Intelligence Assessment

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An Intelligence Assessment

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Key Judgments*Information available
as of 15 August 1985
was used in this report.*

Jakarta is unprepared for a presidential succession even though the issue is surfacing more frequently in discussions among both senior members of the government and outsiders. Although President Soeharto, who is 64 years old, has publicly mentioned his intention to turn power over to a younger generation and has begun the process of generational change within the active military leadership, he has done nothing to designate or groom a successor and, in our view, will not do so to avoid becoming a lameduck before his term ends in 1988.

The leading contenders to succeed Soeharto are a group of less than a half dozen key aides, all of whom are longtime Soeharto loyalists and members of Indonesia's ruling military-bureaucratic elite. If Soeharto were to die or become incapacitated unexpectedly, a gathering of senior generals would probably select his successor from this group in order to ensure continuity of the current political system, protect the interests of the ruling elite, and maintain Indonesia's nonaligned, but basically pro-Western stance in foreign affairs.

If Soeharto should remain in office for another five-year term after 1988, as we expect, the current top contenders probably would be out of the running, and a younger generation of military leaders would replace them. We have no evidence that the younger leaders differ at all from their seniors in political outlook—they share an anti-Communist, nationalist outlook, and have a strong distrust of radical Islam. There are occasional reports of dissatisfaction with the venality of some of their seniors, but we would expect no basic change in Indonesia's political and economic arrangements.

Even over the longer term, we see little chance that a successor would come from outside the ruling elite if the transition takes place under relatively tranquil political circumstances. On the other hand, if Soeharto's departure from office should coincide with a period of domestic economic and political unrest—an increasing likelihood later in the decade—there would be a greater probability of a reformist taking office or, under extreme circumstances, a successor opposed to the Soeharto government's policies. During such a period, there would certainly be pressure to eliminate the most blatant forms of corruption (which would probably include a crack-down on the extensive financial dealings of the Soeharto family), and possibly pressure for shifts in foreign policy.

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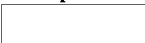
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Components of the Succession

Twenty years after the end of the Sukarno era, expectations of another regime change are emerging in Indonesia.¹ Generational change in the military is already under way as younger officers advance to senior command positions. Soeharto, however, has not yet made plans for a presidential transition despite his repeated references to a transfer of power since the 1977 and 1982 elections. As in the past, he continues to remove any subordinates whose influence threatens to overshadow him and is careful to choose vice presidents who—though acceptable to the military leadership and the public in that office—lack the political muscle to challenge him. Most observers believe the current vice president, Umar Wirahadikusumah, would be only a figurehead president with no real political influence if he were to succeed Soeharto.

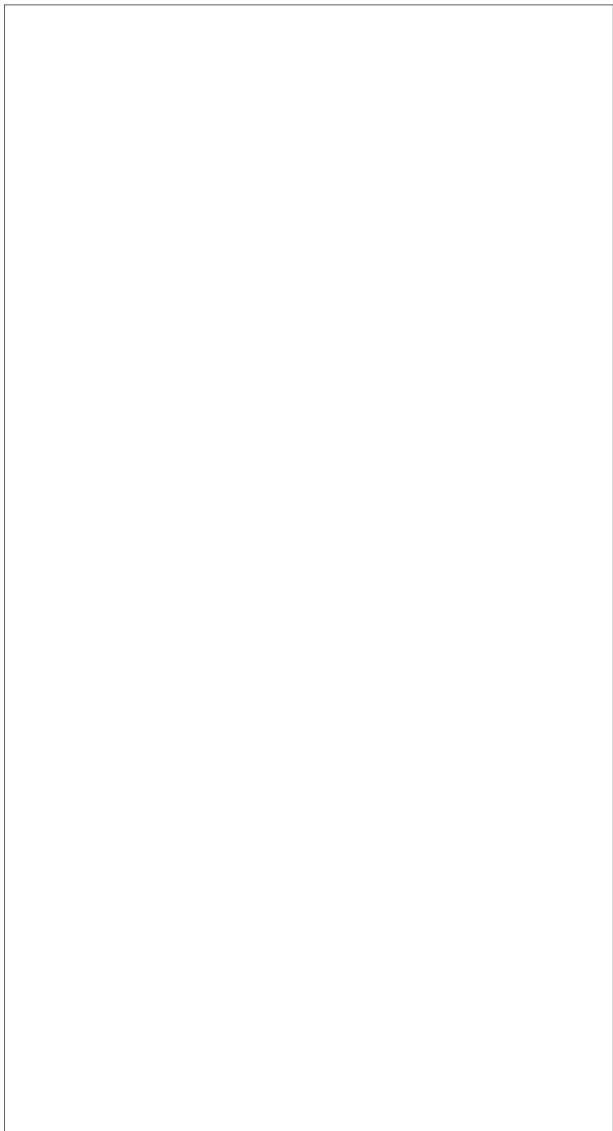


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Traditional Javanese patron-client relationships within the military leadership will be the key determinant in any succession. If Soeharto should die or become incapacitated soon, we believe the selection process would involve a gathering of the senior Javanese generals, including retirees, to choose a consensus candidate—most probably from within their own ranks. This could result in an extended transition with a figurehead leader until a firm consensus evolves within the military leadership. In such a case, the presidency would remain in the hands of the ruling elite and we would expect no basic shift in Indonesia's political system. Under present circumstances, a cohesive military and a divided opposition virtually assure that Soeharto will be succeeded by another member of the current elite. As long as the succession decision remains in the hands of Soeharto or his followers, a peaceful transition also is assured.

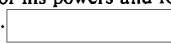


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¹ Sukarno's fall was precipitated by an attempted coup by the Indonesian Communist Party against the military leadership on 30 September 1965. General Soeharto, who was then head of the Army's Strategic Command, led a counterstrike and effectively wrested control from Sukarno, who was discredited by his links to the Communists. In the period that followed, Soeharto gradually stripped Sukarno of his powers and formally assumed the presidency in March 1968.



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Current Contenders

We believe five prominent individuals would be front-runners if the succession were to occur in the near future—Armed Forces Commander Murdani, State Secretary Sudharmono, Home Affairs Minister Soepardjo Roestam, Coordinating Minister for Political and Security Affairs Surono, and the constitutionally designated acting successor, Vice President Umar Wirahadikusumah. All but Murdani meet the criteria most Indonesian political observers consider necessary for a successor: that he be a nominal Muslim Javanese general. All, however, have close ties to Soeharto and have sufficient influence within the military-bureaucratic hierarchy to be contenders. []

How any of these individuals would act on specific issues once in office is not predictable, but they most probably would maintain Indonesia's quietly pro-Western international stance. Some differences on North-South issues probably would arise, but we expect no reversal of current positions. The current top military leaders all are strongly anti-Communist and consider China the chief security threat to Southeast Asia. Consequently, they support close ties to the West, which offer security advantages and, in their view, far more economic benefits to Indonesia than the Communist countries. []

Although both of Soeharto's two top aides, General Murdani and State Secretary Sudharmono, are well positioned, we believe neither is assured the presidency unless Soeharto should designate one of them in advance—a prospect many observers consider doubtful. Murdani's Catholicism, according to most observers, rules him out as a presidential candidate in a country whose population is more than 85 percent Muslim. In addition, his rise to power through the ranks of the intelligence apparatus has not endeared him to more senior field commanders who consider major command experience the primary prerequisite for the presidency. Since becoming Armed Forces Commander in 1983, he has further alienated large numbers of junior officers by sharply reducing their promotion prospects in a major reorganization of the military command structure. Furthermore, although there is strong support (undoubtedly including the tacit approval of President Soeharto) for Murdani's

**Succession Scenarios:
The Range of Possibilities**

Soeharto's Status	Key Succession Decisionmakers	Political/Economic Effects
Medium term through 1990		
Remains in office	Soeharto	No change
Sudden death	Military leadership	Elite retains power
Incapacity	Soeharto and military	Elite retains power
Voluntary retirement	Soeharto and military	Elite retains power
Assassination	Military leadership	Elite retains power
Post 1990		
Sudden death	Military leadership	Elite retains power
Prolonged incapacity	Soeharto and military	Elite retains power
Voluntary retirement	Soeharto and military	Elite retains power
Assassination	Military faction	Uncertain
Deposed in palace coup	Military faction	Uncertain
Deposed in revolution	Uncertain	Uncertain

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"mysterious shooting"² campaign against known or suspected criminals, we believe his succession prospects probably will be weakened by his reputation for ruthlessness and willingness to circumvent judicial processes. This predilection could be threatening to potential opponents and establishes an image that many would not consider fitting for Indonesia's national leader. []

Sudharmono is a military lawyer who also lacks the troop command experience considered necessary by the senior generals. He wields enormous political and financial influence through his position as head of Golkar (the government's political party) and as State Secretary with the power to award all major state contracts and to determine who has access to the President, but he lacks critical command support.

² The "mysterious shooting" campaign began in 1983 as the military tried to curb a growing crime problem by arbitrarily shooting known or suspected criminals without judicial process. []

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Both Murdani and Sudharmono have sought to strengthen their political power bases by placing loyalists in key positions in the military and the bureaucracy, but their influence still depends wholly on Soeharto. None of the other three contenders wields as much influence within the regime as Murdani and Sudharmono, but each has a strong chance at the presidency in the post-Soeharto era, given the importance of informal ties and personal relationships among Indonesia's military leaders. [redacted]

If Soeharto wishes to be succeeded by a contemporary from his inner circle or one of his "Generation of 45" Army comrades, the time for an easy transfer of power is nearing an end. Most of those who have not yet reached retirement age are no longer personally close to the President or soon will be too old to be contenders for national leadership. Death has already removed some of Soeharto's longtime associates, such as Ali Murtopo, from the scene, and advancing age and deteriorating health are diminishing the prospects of remaining members of the inner circle. [redacted]

Looking Further Ahead

The passage of time will introduce new faces into Jakarta's leadership, increasing the uncertainty of the succession outcome. Furthermore, the lack of a suitable precedent clouds the issue. The extent to which Soeharto might take an active personal role in the process is unclear. Many observers believe Soeharto might rely on fate to determine his successor, reflecting his acceptance of Javanese mystical belief in the mandate of heaven. In addition, a number of developments now under way—the reorganization of the military, generational rivalry, economic austerity, and Islamic social and political dissent—complicate efforts at forecasting a successor. For example, the military leadership has streamlined the command structure, reducing the number of officer billets, and dampening career prospects of junior and midlevel officers. It is nevertheless possible to speculate on the prospects of the younger military leadership and to identify several leading candidates. [redacted]

The Younger Military Leadership. If Soeharto should remain in office until the 1990s, younger military leaders will become the front-runners for succession. Their performances in command positions over the

next several years and their ties to influential patrons will be the major determinants of their prospects, assuming Indonesia manages to avoid widespread domestic unrest. There seems only a small possibility that the military would not be able to maintain its complete control over Indonesian political life. The leadership has frequently demonstrated its willingness and ability to control opposition through a mix of force and co-optation. Despite occasional complaints against the regime's tolerance of high-level corruption or the financial ties between the elite and Chinese businessmen, most observers see no evidence that junior officers selected for leadership desire to break with the current system. [redacted] 25X1

A Future Darkhorse. If Soeharto should remain in office beyond the early 1990s, even younger leaders will come to the fore. Although none of Soeharto's children shows an inclination toward government or military affairs, his 32-year-old son-in-law, Capt. Subianto Sumitro Djojohadikusumo Prabowo, exemplifies the type of officer who could rise to national leadership. Because of his age, he represents no current threat to the President, but he has all the requisite qualifications: he is a Javanese Muslim military officer with combat experience in Timor and has a good reputation for leadership. Furthermore, he comes from an old and respected family, and is the son of former Finance Minister Sumitro Djojohadikusumo who, despite a long period of antagonism to the Soeharto regime, has again become one of the President's trusted advisers. [redacted] Indonesian military officers believe Prabowo will rise to the highest levels of the military on his own merits. His marriage to one of President Soeharto's daughters in 1983 further advanced his career along an already promising path. We believe that President Soeharto may eventually look to his son-in-law to succeed him both as national leader and as guardian of the Soeharto family fortunes. [redacted] 25X1

Forces Favoring Continuity Over the Long Term Whatever form Soeharto's departure from office takes, we believe a variety of institutional interests—the military leadership, the office of the presidency, 25X1

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the bureaucracy, and the commercial interests of Soeharto's family and supporters—will work in favor of policy continuity in a successor government. [redacted]

The Military Leadership. As the primary source of the nation's political leadership, the military has a strong vested interest in the status quo. Soeharto and the military have effectively eliminated any other institution from emerging as an independent political force. Of the three major factions contending for power during the Sukarno era (the Communist Party [PKI], Sukarnoists, and the conservative military leadership) the Army has emerged as the dominant institution in Indonesian political life. Military officers have gained status as the country's leading elite and will not willingly surrender it to any potential challengers. Not only do they consider themselves guardians of the state, but senior officers also gain considerable financial benefits in their positions.

The Dominant Presidency. Soeharto also has created a powerful presidency ruling the highly centralized state which he dominates. Although he initially had to use persuasion with his military peers in consolidating his power in the mid-1960s, he has steadily enhanced the power of the presidency since then, making military officers and all other officeholders dependent on him for their positions. Although Soeharto has delegated great power to Armed Forces Commander Murdani and State Secretary Sudharmono, he carefully retains ultimate authority for himself. Consequently, any successor will inherit a powerful office with considerable patronage to award loyal followers.

At the same time, Soeharto has made appointments to key posts that will increase the chance that the presidency will fall to one of his supporters. He has appointed loyal officers to head not only the military, but also throughout the civil bureaucracy and state-owned businesses such as the national oil, steel, and tin companies and other major industrial firms. More important, he has always placed his most trusted associates in charge of internal security, intelligence, and key military units. He has also encouraged the alliance of the military and bureaucratic elite with wealthy private businessmen, predominantly ethnic

Chinese entrepreneurs who have benefited financially from his regime and are important both for financial and political support. A successor almost certainly would be able to count on the support of all these elements because their favored positions depend on their continuing influence within the system. [redacted]

Golkar. With the backing of the Army, the Soeharto government has created its own political machine, Golkar, to mobilize its political support. As the government's political party, Golkar is the vehicle for managing the regime's legislative program in the parliament (the People's Legislative Assembly), where it controls over 60 percent of the seats. Golkar is also a key means of providing patronage for the regime's supporters through its influence on government contracts, jobs, and promotions. [redacted]

Soeharto's Personal Interests. Concerned with his place in history, Soeharto has followed a political and economic strategy aimed at bequeathing the nation a legacy of political stability and rising living standards and gaining for himself the title of Indonesia's "Father of Development." To ensure the continuity of the system he has built, Soeharto has firmly established the role of the military in civilian affairs in addition to its national security responsibilities. [redacted]

Soeharto also has a strong personal interest in protecting his family and close associates after he leaves office. Several of his children are becoming increasingly visible in business, not always in a favorable light. Soeharto's longtime cronies also have benefited financially from their ability to translate political influence into financial gains. We believe Soeharto is counting on the military-bureaucratic system he has built not only to continue governing the country after his departure, but also to protect the interests of his family and longtime associates. [redacted]

The Forces for Change

We cannot discount the possibility that Indonesia's political environment will be considerably different later in the decade. Discontent reflecting Islamic

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grievances, political opposition, or human rights issues already is aggravating social strains arising from economic hardship. Jakarta has responded vigorously to antigovernment activity and shows no sign of relaxing its efforts. This stance may stifle outbursts, but it will not relieve the underlying tensions. With a fairly austere economic environment and severe restrictions on political expression likely to persist for at least the next few years, any transition in national leadership poses risks for defenders of the status quo. The risks would increase if economic, political, and social problems were deteriorating at the time of Soeharto's departure from office. In such an atmosphere, a challenger from outside the current elite could establish his legitimacy by calling for reform. Such a challenger would threaten the interests of the Soeharto family and other members of the elite. [redacted]

Although the level of domestic dissent will fluctuate with the changing intensity of the Soeharto government's anti-Islamic policies, we believe political Islam is likely to become a more turbulent force in the late 1980s. Local mosques are playing a more active role and there have been signs of an Islamic revival in mosque youth and study groups, which are the only outlets for Muslim discontent at this time. Some of the better known ones—the Salman Mosque in Bandung and the Sudirman Mosque in Yogyakarta—have already gained prominence as centers of political and religious activism. Although the number of active participants is still small, they have expanded their influence far beyond their membership through pamphlets and audio cassettes. Furthermore, government actions to implement its secular ideology, Pancasila,³ have antagonized Muslims and increased the possibility of a backlash. [redacted]

In addition, alienated young people in Indonesia's increasingly urban society seem likely to spur grassroots political dissent which the government will find difficult to control. With television and radiobroadcasts raising the aspirations of the populace, growing

³ Pancasila is the government's essentially secular, nebulous ideology encompassing five principles: belief in one god, humanitarianism, national unity, democracy, and social justice. The first principle, belief in one god, is intended to accommodate Muslims, Christians, Javanese mystics, and any other adherents of a belief in a supreme being, while maintaining the reality of a secular state. [redacted]

numbers of unemployed urban youths can see evidence of a widening disparity between themselves and the elite. This volatile element will make it harder for the government to maintain the existing order. Although the government has cracked down hard on campus activism since the major student protests of 1974-78, antipathy toward the Soeharto family's business interests remains a strong undercurrent in Indonesian political life and surfaces periodically. Anti-Soeharto sentiment, for example, was a major feature of the 1980 anti-Chinese riots on Java and reappeared in September 1984, when rioting erupted in Tanjung Priok, Jakarta's port district. [redacted]

We cannot discount the possibility that the country's economic environment will be very different in the years ahead. Static or declining real incomes in Indonesia caused by lower earnings from oil and nonoil exports are inhibiting job creation, thus intensifying social problems. Exports of Indonesia's primary commodities offer some hope for cyclical recovery, but face stiff competition from other producers and from synthetic substitutes. Indonesian manufactured exports also face tough competition, particularly from other Asian producers. We see little prospect that Indonesia will enjoy a repeat of the financial windfall it gained from oil exports in the 1970s. [redacted]

The growth of population and labor force in the next few years will increase pressure on the government to boost spending on job creation and education just when Jakarta needs to continue austerity to avert a financial crisis. Foreign investment would ease the financial squeeze, but Jakarta has been unable to convince private investors that its efforts to improve the investment climate will achieve its goals or that Indonesia is no longer ambivalent toward foreign investment. [redacted]

A Reformist Successor? The longer Soeharto remains in office, the stronger the undercurrents of opposition and forces for change will become. Although we believe Soeharto and the military will remain firmly in control for the near future, the absence of a

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Road Signs for Alternative Outcomes

Because most evidence suggests that Soeharto probably will not depart from office for several years and because no successor has been designated, the transition process is still fluid. Different series of events would indicate how the situation is evolving and would suggest which of various scenarios is likely to occur.

If Soeharto plans a voluntary retirement he would:

- Choose a vice-presidential candidate in 1988 who is of presidential caliber and can gain the support of the military leadership, or appoint an armed forces commander with attributes similar to Murdani's, or both.
- Openly groom a potential successor and turn over increasing responsibility to him.

If Soeharto has no intention of resigning soon, it is likely he will:

- Choose a new vice president who probably would be unable to garner the support of the military leadership.
- Continue his past practice of eliminating any subordinate who threatens to overshadow him in popularity.
- Refuse to take any action against blatant corruption by members of his family.

The succession would be relatively untroubled and the current ruling elite would remain in power if:

- The military retains control of key government ministries and keeps internal bickering within manageable levels.
- Junior military officers remain loyal to their seniors in the traditional patron-client relationship.
- Anti-Chinese riots occur only sporadically and any disturbances are quickly suppressed by security forces.

- Islamic activists are unable to generate more than sporadic outbursts of violence and cannot establish a sustained antigovernment campaign.
- Students and other youths passively continue to accept the government's restrictions on campus political activity. 25X1
- The economy continues to perform well enough (that is, achieves 3- to 5- percent annual growth in GDP) to avert a sharp rise in unemployment. 25X1

The following events would indicate a troubled transition process, but probably would not presage the emergence of an opposition candidate, except under the most extreme circumstances involving a loss of confidence by the military leadership in the present structure:

- Opposition to the regime erupts into major, sustained demonstrations. 25X1
 - The military is unable to contain opposition activity.
 - The economy deteriorates badly as a result of a collapse of oil prices or a major world depression or debt crisis and a charismatic opposition leader emerges who is able to successfully blame the Soeharto government for the country's economic woes. 25X1
 - Human rights activists and Islamic opponents of the Soeharto government substantially increase their following at a time of economic difficulty.
 - Soeharto is debilitated by illness, but remains in office. 25X1
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political voice for opponents of the regime or for critics of corruption will increase the pressure for reform. US Embassy officers already report that there is growing criticism of the greed exhibited by the Soeharto children in their business activities, but the President has made no effort to rein them in.

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The highly visible financial maneuvering of the family members increases the odds that any successor would come under strong public pressure to correct family excesses. A reformist almost certainly would sharply reduce, if not put an end to, their business empires. Such an outcome does not appear probable in the near future, but Indonesia's dimmer economic prospects caused by the soft oil market will increase the possibility of such an outcome over time. Furthermore, sentiment in favor of reform will probably increase within the ranks of junior officers—the most likely source of future leadership.

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