

# From Patronage Machine to Partisan Melee: Subnational Corruption and the Evolution of the Indonesian Party System

Nathan W. Allen

## ABSTRACT

The party system in Indonesia has expanded in the post-Suharto era. With each successive election, voters have spread their support across a wider array of parties. This has occurred despite deliberate institutional tweaks designed to consolidate the system by privileging large parties. Why has the party system expanded despite increasing institutional incentives to consolidate? This article places party system change in a broader context of decentralization and corruption. The decentralization and deconcentration of political power has opened multiple avenues for voters and elites to access state resources. Whereas major parties were expected to dominate resources in the immediate aftermath of the transition, changes to the formal and informal institutions eroded their control over the state. This has caused previously consolidated subnational party systems to fracture. The argument is demonstrated using narrative and newly constructed cross-district datasets. The paper develops the concept of rent opportunities, defined as the ability to access and abuse state resources. Party system expansion has been greatest in areas with high rent opportunities, where both voters and elites are particularly motivated by the competition for state resources. In these areas, characterized by large state sectors, the formerly authoritarian party (Golkar) initially won large electoral victories due, in part, to its control over patronage. As Golkar lost its ability to monopolize resources, the party system fractured. Voting for small parties surged and the party machine was replaced by a partisan melee. My argument exposes the limits of institutional engineering and underlines the formative role corruption has had on the evolution of Indonesia's party system.

**KEYWORDS:** corruption, institutions, party systems, elections, Indonesia

**DOI:** <http://dx.doi.org/10.5509/2014872221>

---

**NATHAN ALLEN** completed his Ph.D. in political science at the University of British Columbia and is a post-graduate research fellow at the Asia Pacific Foundation of Canada. Email: [n.allen@alumni.ubc.ca](mailto:n.allen@alumni.ubc.ca)

Indonesia's efforts to engineer party system outcomes have been the most extensive in the Asia Pacific.<sup>1</sup> In a region that has spawned a distinctive "democratic developmental state," in which institutional engineers consciously craft political systems designed to produce decisive elections, crosscutting parties, and stable governments, Indonesia's experience stands out for its scope and ambition.<sup>2</sup> These design efforts are partly motivated by the country's history of political polarization and democratic breakdown. Indonesia's first attempt at democracy was marked by debilitating political fragmentation, regional rebellion, and mass disillusionment with the major governing parties.<sup>3</sup> Its second attempt began in a context of separatism and widespread communal violence.<sup>4</sup> Consequently, Indonesia's institutional architecture has been deliberately altered to produce parties that can aggregate competing demands and provide a measure of political stability across a diverse social landscape.<sup>5</sup> Party registration laws contain regional requirements to ensure that parties compete throughout Indonesia. Legislative quotas and electoral rules have been modified to privilege large parties, with the overriding goal to channel political activity into a small number of nationally oriented, broad-based parties.<sup>6</sup>

On the surface, the institutional architecture seems to be working. Regional requirements effectively prohibit the formation of regional and ethnic political competitors. Between 1999 and 2009, institutional tweaks reduced the number of parties in the legislature from 19 to 9. Yet when we look at who voters supported at the polls, we find a significant fragmentation of the party system. With each successive election, Indonesian voters have spread their support across a wider array of options. Indonesian voters and elites have *not* responded to the increasing institutional incentives to coordinate their efforts into large parties. Indeed, in 2009 the parties that attained no legislative representation attracted a percentage of the electoral

---

<sup>1</sup> Benjamin Reilly, *Democracy and Diversity: Political Engineering in the Asia-Pacific* (Oxford: Oxford University Press, 2006), 132.

<sup>2</sup> For more on the "democratic developmental state," see Benjamin Reilly, "Political Engineering in the Asia-Pacific," *Journal of Democracy* 18, no. 1 (2007): 58–72.

<sup>3</sup> Herbert Feith, *The Decline of Constitutional Democracy in Indonesia* (Ithaca, New York: Cornell University Press, 1962); Daniel S. Lev, *The Transition to Guided Democracy: Indonesian Politics, 1957–1959* (Ithaca, New York: Cornell University Press, 1966).

<sup>4</sup> Jacques Bertrand, *Nationalism and Ethnic Conflict in Indonesia* (Cambridge: Cambridge University Press, 2004); Jamie S. Davidson, *From Rebellion to Riots: Collective Violence on Indonesian Borneo* (Madison, WI: University of Wisconsin Press, 2008); Gerry van Klinken, *Communal Violence and Democratization in Indonesia: Small Town Wars* (London: Routledge, 2007); Jusuf Wanandi, "Indonesia: A failed state?" *The Washington Quarterly* 25, no. 3 (2002): 135–146.

<sup>5</sup> Donald Horowitz, *Constitutional Change and Democracy in Indonesia* (Cambridge: Cambridge University Press, 2013).

<sup>6</sup> For instance, small parties not meeting a legislative or electoral threshold have been prohibited from running in subsequent elections. The average size of electoral districts has decreased with each election, reducing the probability small parties will win a seat. In 2009, a legislative threshold was put in place that prevented parties with under 2.5 percent of the national vote to seat legislators.

vote comparable to that of the country's largest party.<sup>7</sup> Why did voters and elites support small parties with little hope of achieving national prominence? In an institutional context that increasingly privileges large parties, why have an increasing number of smaller competitors been able to attract voters?

To explore these questions, I investigate cross-district variance in party system fragmentation. Though the party system has fragmented substantially over the span of three elections, the expansion in the number of viable parties has been markedly uneven across the country. Why did some districts experience more party system fragmentation than others? I argue that elite- and voter-level strategies for attaining access to state resources evolved, producing a severe fragmentation of the system in certain districts. This paper develops the concept of rent opportunities, by which I mean the ability to access and abuse state resources.<sup>8</sup> In areas with a large state sector and particularly corrupt local governments, the former party of authoritarian control—Golkar—used its traditional dominance of patronage to attract significant levels of support in 1999. Rent opportunities consolidated the party system. Changes to the country's formal and informal institutions led to an evolution in the public's beliefs about the control of rents. In 2004 and 2009, there was little incentive to line up behind one locally dominant party. Minor parties became more attractive for rent-seeking networks looking to avoid the costly compromises and investments demanded by larger competitors. As a result, subnational party systems that had previously been held together by the promise of state rewards fractured. The patronage machine was replaced by a partisan melee, in which minor parties running locally popular candidates were able to eat away at the vote share of their large competitors. This was not a vote against corruption, however; rather, the fracturing of Golkar's support base and the emergence of competitive minor parties represented an evolution in how elites and voters used the party system to access state resources.

My argument exposes the limits of institutional engineering and underlines the formative role corruption has had on the Indonesian party system. The end of Suharto's centralized and kleptocratic regime has led to the decentralization and deconcentration of corruption. The transfer of authority and resources to subnational units and the end of one-party dominance has transformed the way Indonesians interact with the state and the party system. Many Indonesian elites involved in national elections have goals that go

---

<sup>7</sup> President Yudhoyono's *Partai Demokrat* earned 21 percent of the vote; the non-represented small parties earned 18 percent.

<sup>8</sup> Under the umbrella of rent-seeking behaviour I include political patronage (the retail exchange of state resources for political support), personal corruption (the abuse of public office for individual gain), political corruption (the abuse of public office for political gain), and the various forms of influence peddling that typically result in state intrusions into the economic sphere. This definition is in line with scholarship on "political rents." See Torsten Persson and Guido Tabellini, *Political Economics - Explaining Economic Policy* (Cambridge: MIT Press, 2000), 8.

beyond attaining national representation and influencing national policy. To understand party system developments we must examine not just the formal institutional incentives but the structure of the state itself, as state resources serve as the spoils which prompt political organization.

Furthermore, the findings underscore the complex behaviour of voters in high-corruption political systems. In Thailand and the Philippines, “bosses” dominate local politics over repeated electoral cycles through a combination of coercion and electoral corruption.<sup>9</sup> The scope for voter strategy shrinks in the face of bribes and threats. Indonesia suggests a different story. After gaining experience with new institutions, Golkar’s voters abandoned the machine in droves. Powerful political machines, backed by corruption, can fall apart quickly.

## **Party System Change in Indonesia**

### *Measuring Party Systems*

There are different ways to measure the number of parties in a system. One is to count the number of parties competing on the ballot. Judging by this approach, Indonesia has experienced a modest, if uneven, consolidation. Indonesia’s 1999 election saw 48 parties compete for national seats. This number fell to 24 in 2004, and bounced back to 38 in 2009. Alternatively, the raw number of parties in the legislature offers a glimpse at legislative fragmentation. Due to a strict legislative quota, the number of parties winning a national seat has been more than halved since 1999. Looking strictly at raw numbers, the Indonesian party system has consolidated over time.

Raw numbers only tell part of the story, however. Political scientists often use an equation to measure the effective number of parties, which takes into account the dispersion of the vote across parties.<sup>10</sup> Using this measure, we find strong signs of party system expansion, by which I mean growth in the effective number of electoral parties (ENEP). In the first three post-Suharto elections, the effective number of electoral parties at the national level increased from 5.1 in 1999 to 9.6 in 2009. A similar growth took place at the district level, where the average number of parties effectively doubled in a ten-year timespan, from 4.3 to 8.5. These data reveal that Indonesian voters have supported a wider array of parties over time. Whereas a modest number

---

<sup>9</sup> John Sidel, “Bossism and democracy in the Philippines, Thailand, and Indonesia: towards an alternative framework for the study of ‘local strongmen,’” in *Politicising Democracy: The New Local Politics of Democratisation*, eds. John Harriss, Kristin Stokke and Olle Tornquist (Basingstoke, UK: Palgrave, 2004), 51–74.

<sup>10</sup> In this paper the “effective number of parties,” “electoral fragmentation” and the “size of the party system” are used synonymously. The effective number of parties is derived from the inverse of Rae’s fractionalization index. The standard mathematical expression is:

$$\text{ENP} = 1 / \sum (s_i)^2$$

where  $s_i$  is the proportion of votes or seats for party  $i$ .

**TABLE 1**  
***Number of Parties in Indonesia***

	1999	2004	2009
Total parties (ballot access)	48.0	24.0	38.0
Effective number of electoral parties	5.1	8.6	9.6
District average (ENEP-avg)	4.3	7.1	8.5
Total parties in legislature	19.0	17.0	9.0
Effective number of legislative parties	4.7	7.1	6.1

*Sources:* 1999 Electoral results attained through International Foundation for Election Systems, cross-checked using Leo Suryadinata, Aris Ananta and Evi Nurvidya Arifin, *Indonesian Electoral Behaviour: A Statistical Perspective* (Singapore: ISEAS, 2004), 325–365; election results for 2004 from Komunitas Indonesia untuk Demokrasi, *Data Hasil Pemilu Legislatif 2004* (CD-ROM); 2009 results from Komisi Pemilihan Umum web site, available at <http://mediacenter.kpu.go.id/hasil-pemilu-2009.html>, accessed 4 March 2014.

of parties dominated the electoral vote in 1999, by 2009 the party system had fractured.

Indonesia's post-Suharto party system has been pulled in two different directions. On the one hand, institutional reforms designed to privilege large parties have winnowed the raw number of competitors and curbed the fragmentation of the legislative party system. On the other hand, political elites and voters have supported an increasing number of parties. Blunt electoral system features like party registration rules and legislative quotas have shaped the political arena but have had no clear impact on political behaviour.

### ***Why Study Party Systems: The Importance of Numbers***

Why does party system expansion matter? Generally, scholars study the number of parties in a system because party system fragmentation has important consequences. First, Sartori links the existence of a fragmented party system to the prevalence of extremism and polarization.<sup>11</sup> Cross-national research on regime survival confirms that an excess of parties is dangerous to the stability of democratic regimes, particularly in presidential systems.<sup>12</sup> Political fragmentation during Indonesia's post-revolutionary period has often been cited as contributing to the regime's collapse, and both Sukarno

<sup>11</sup> Giovanni Sartori, "European Political Parties: The Case of Polarized Pluralism," in *Political Parties and Political Development*, eds. Joseph LaPalombara and Myron Weiner (Princeton: Princeton University Press, 1966), 137–176.

<sup>12</sup> Scott Mainwaring, "Presidentialism, Multipartyism, and Democracy: The Difficult Combination," *Comparative Political Studies* 26, no. 2 (1993): 198–228.

and Suharto condemned the previous system for its seemingly excessive number of parties.<sup>13</sup>

Second, party systems affect governance outcomes. Fragmented party systems overproduce particularistic goods and under-produce public goods.<sup>14</sup> Indonesian voters tend to support the same party at all three levels of governance.<sup>15</sup> Accordingly, subnational legislatures are filled to the brim with parties.<sup>16</sup> These fragmented subnational party systems affect the process of policy making.<sup>17</sup>

Third, electoral fragmentation affects representational outcomes. When combined with the country's bundle of electoral laws, increasing fragmentation has pushed Indonesia's proportional electoral system to the brink of systemic failure. At the district level, vote wasting reached surprising extremes in 2009.<sup>18</sup> Indonesia's institutional structure has produced neither a proportional translation of votes into seats nor a consolidated party system capable of efficient governance. Given that the electoral system is a work in progress, information about the successes and failures of the current set of laws can inform the institutional designers of tomorrow.

### *Explaining Party System Change in Indonesia*

To theorize the causes of party system expansion, we must first place fragmentation in the broader context of party system change in Indonesia. Research on Indonesia's post-Suharto party system indicates parties have become personalized, ideologically diffuse, and collusive.<sup>19</sup> Liddle and Mujani's analysis reveals that the party system has become increasingly personalized and less rooted in social identities or programmatic appeals.<sup>20</sup> Tanuwidjaja finds that the party platforms on religious issues have converged as vote-seeking strategists have sought to appeal to the messy centre of

---

<sup>13</sup> Herbert Feith and Lance Castles, *Indonesian Political Thinking 1945–1965* (Ithaca: Cornell University Press, 1970), 81–83; R.E. Elson, *Suharto: A Political Biography* (Cambridge: Cambridge University Press, 2001), 189.

<sup>14</sup> Pradeep Chhibber and Irfan Nooruddin, "Do Party Systems Count?: The Number of Parties and Government Performance in the Indian States," *Comparative Political Studies* 37, no. 2 (2004): 152–187.

<sup>15</sup> Legislative elections at the national, provincial and regency (*kabupaten/kota*) level take place simultaneously every five years.

<sup>16</sup> Dirk Tomsa, "The Indonesian Party System After the 2009 Elections: Towards Stability?" in *Problems of Democratisation in Indonesia: Elections, Institutions, and Society*, eds. Edward Aspinall and Marcus Mietzner, (Singapore: ISEAS, 2010), 153–155.

<sup>17</sup> Horowitz, *Constitutional Change and Democracy*, 136.

<sup>18</sup> Proportional systems are supposed to provide a relatively accurate translation of votes into seats and minimize "wasted" votes, or votes that do not contribute to electing a legislative representative. In 2009, over half of all districts saw 30 percent or more of the electorate cast votes for parties that do not win a seat within the district.

<sup>19</sup> On the continuities between the pre- and post-Suharto party system, see Dwight Y. King's, *Half-Hearted Reform: Electoral Institutions and the Struggle for Democracy in Indonesia* (Westport: Praeger, 2003).

<sup>20</sup> R. William Liddle and Saiful Mujani, "Leadership, Party, and Religion: Explaining Voting Behavior in Indonesia," *Comparative Political Studies* 40, no. 7 (2007): 832–857.

Indonesian politics.<sup>21</sup> Similarly, Johnson Tan discusses changes to the party system in terms of “de-institutionalization,” in which parties detach from their previous social moorings.<sup>22</sup> Likewise, Mietzner uncovers a convergence to the political centre.<sup>23</sup> Slater’s account of coalition politics reveals the existence of an inclusive party “cartel,” formed to minimize the risk of elections by ensuring access to power and state resources for all parties.<sup>24</sup>

The changes have been brought on by both long-term social trends and more immediate institutional tweaks. The “de-aliranization” thesis traces change back to longer-term evolutions in Indonesian religious life that have reduced the saliency of the “*abangan-santri*” societal cleavage.<sup>25</sup> Mietzner suspects that post-Suharto moderation is a byproduct of the New Order experience.<sup>26</sup> More immediately, Indonesian institutional designers have tweaked institutions in ways that spurred personalist politics and localism. Decentralization has empowered branch-level actors and increased electoral localism.<sup>27</sup> Electoral laws that added a preference vote component to the ballot have increased the importance of personal appeals. Additionally, the introduction of direct executive elections have shifted voters’ attention to the presidential race and generated incentives for the creation of new parties.<sup>28</sup>

### ***Party System Expansion***

Although the Indonesian party system appears to be ideologically converging and collusive, the number of parties has expanded considerably. Choi argues that expansion was *not* due to district magnitude or demographic changes, the two most common explanations for party system size in the comparative politics literature.<sup>29</sup> Instead, Choi emphasizes the role of executive elections and the rise of new issues, namely corruption. First, the introduction of direct presidential elections in 2004 changed the way presidential candidates

---

<sup>21</sup> Sunny Tanuwidjaja, “Political Islam and Islamic Parties in Indonesia: Critically Assessing the Evidence of Islam’s Political Decline,” *Contemporary Southeast Asia* 32, no. 1 (2010): 29–49.

<sup>22</sup> Paige Johnson Tan, “Indonesia Seven Years after Soeharto: Party System Institutionalization in a New Democracy,” *Contemporary Southeast Asia* 28, no. 1 (2006): 88–114.

<sup>23</sup> Marcus Mietzner, “Comparing Indonesia’s party systems of the 1950s and the post-Suharto era: From centrifugal to centripetal inter-party competition,” *Journal of Southeast Asian Studies* 39, no. 3 (2008): 431–453.

<sup>24</sup> Dan Slater, “Indonesia’s Accountability Trap: Party Cartels and Presidential Power After Democratic Transition,” *Indonesia* 78 (2004): 61–92.

<sup>25</sup> Andreas Ufen, “From *aliran* to dealignment: political parties in post-Suharto Indonesia,” *South East Asia Research* 16, no. 1 (2008): 11–15.

<sup>26</sup> Marcus Mietzner, “Comparing Indonesia’s party systems,” 451–452.

<sup>27</sup> Michael Buehler and Paige Johnson Tan, “Party-Candidate Relationships in Indonesian Local Politics: A Case Study of the 2005 Regional Elections in Gowa, South Sulawesi Province,” *Indonesia* 84 (2007): 41–69.

<sup>28</sup> Dirk Tomsa, “The Indonesian Party System After the 2009 Elections,” 149–151.

<sup>29</sup> Jungug Choi, “District Magnitude, Social Diversity, and Indonesia’s Parliamentary Party System from 1999 to 2009,” *Asian Survey* 50, no. 4 (2010), 663–683.

interact with the party system and contributed to the personalization of Indonesian campaigns.<sup>30</sup> Aspiring presidential candidates believe they can win without the support of a large, established party.<sup>31</sup> However, given electoral laws that require presidential candidates to reach a minimum benchmark of electoral or legislative support, aspiring candidates have a strong incentive to launch their own parties to support their bid.

Second, Choi asserts party system change is driven by “the rise of new pressing issues (including corruption), which are not the same as the established social cleavages but cut across them.”<sup>32</sup> In this account, a growing proportion of voters now strongly oppose corruption and rally to parties that can credibly claim to fight the system. The corruption issue cuts across the pre-existing Islamism-secularism cleavage, providing space for both secular and Muslim anti-corruption parties to gain a foothold. Reflecting on party system change, Choi concludes “we may say that widespread popular discontent with the democratic government’s unsatisfactory performance is one of the key factors in the transformation.”<sup>33</sup>

The intuition that corruption has a formative effect on the party system is correct. Choi rightly points out that the rise of Susilo Bambang Yudhoyono’s (SBY) Democratic Party (*Partai Demokrat*, PD) and the Islamist-leaning Prosperous Justice Party (*Partai Keadilan Sejahtera*, PKS) was fuelled, in part, by public anger at corruption. Thus the corruption issue created conditions for new parties to enter the system. However, Choi’s theory of expansion is constrained by the exclusive focus on national-level variables. The expansion of the party system has been noticeably uneven. For instance, in the province of East Nusa Tenggara, the effective number of parties increased from 3.1 to 12.2, while in Jakarta it climbed from 4.5 to 5.6. To explain subnational variance, we must look to subnational factors.

Choi’s theory is also limited by its focus on anti-corruption efforts. Many Indonesian elites’ and voters’ political priority has not been combating corruption but instead getting their cut. This political motivation has important consequences, and we see hints of it when examining the trajectory of the anti-corruption parties. Both PD and PKS experienced their initial breakthroughs among urban voters, an upwardly mobile constituency.<sup>34</sup> In 2009 these parties consolidated their urban gains and, to varying degrees,

---

<sup>30</sup> In 1999, the president was selected indirectly by the People’s Consultative Assembly (*Majelis Permusyawaratan Rakyat*), a supra-legislative body. In 2002, following in the wake of President Wahid’s impeachment, a constitutional reform package introduced direct presidential elections. See Horowitz, “Constitutional Change and Democracy,” 108–120.

<sup>31</sup> Choi, “District Magnitude,” 681–682.

<sup>32</sup> Choi, “District Magnitude,” 681.

<sup>33</sup> Choi, “District Magnitude,” 680.

<sup>34</sup> Aris Ananta, Evi Nurvidya Arifin and Leo Suryadinata, *Emerging Democracy in Indonesia* (Singapore, ISEAS, 2005), 56–59.

expanded their vote in the rural areas.<sup>35</sup> Why did they succeed in urban areas? For one, urban Indonesians have relatively greater private-sector opportunities. They are well positioned to afford an anti-corruption vote since their livelihoods are less likely to depend on the support of state officials. It is a different story where private-sector opportunities are scarce and government largess can be essential to life advancement. The strategic question for these Indonesians is less “how to clean up government?” than “how to get a slice of the pie?” In considering this question, we move toward a theoretical explanation for why party system expansion has varied across districts.

### **Explaining Expansion**

To explain regional variation, it is useful to consider how politicians and voters respond to subnational rent opportunities.<sup>36</sup> The opportunities to engage in rent seeking are shaped by two factors: 1) the extent of state resources available for manipulation; 2) the constraints preventing rent-seeking behaviour. Rent opportunities can vary across districts and depend on prevailing legal/social norms and the scope of state involvement in the local economy. In Indonesia, for instance, the province of Yogyakarta has a relatively small civil service (7.5 percent of all non-agricultural workers) and a relatively clean government, while the province of East Nusa Tenggara has a relatively large civil service (16.8 percent of all non-agricultural workers) and one of the most corrupt local governments.<sup>37</sup> It is safe to say that the opportunity to engage in rent-seeking behaviour is greater for a politician in East Nusa Tenggara than for a politician in Yogyakarta.

Rent opportunities are important because they alter elite and voter behaviour. In effect, they shift the locus of political activity from the national to the local level. Where the state plays a significant role in the local economy, personal livelihood is directly impacted by who controls public office. For elites, there is a strong incentive to enter politics so as to control state

---

<sup>35</sup> For instance, the combined vote total of the two parties was a majority in five electoral districts, all major urban centres: 1) West Java 1 (Bandung): 55.8 percent; 2) Jakarta 1: 55.3 percent; 3) Jakarta 3: 52.2 percent; 4) West Java 6 (Bekasi and Depok): 50.7 percent; 5) Jakarta 2: 50.6 percent.

<sup>36</sup> The use of the term was inspired by Hadiz. See Vedi R. Hadiz, “Power and Politics in North Sumatra: The Uncompleted Reformasi,” in *Local Power and Politics in Indonesia: Decentralisation & Democratization*, eds. Edward Aspinall and Greg Fealy (Singapore: ISEAS, 2003), 122; Vedi R. Hadiz, *Localising Power in Post-Authoritarian Indonesia: A Southeast Asia Perspective* (Stanford: Stanford University Press, 2010), 96.

<sup>37</sup> In 2008, Transparency International’s subnational corruption index ranked Yogyakarta city as the least corrupt local government and Kupang, the capital of East Nusa Tenggara, the most corrupt local government. This rough measure of constraints provides one data point to confirm the popular intuition that some areas are more corrupt than others. Transparency International Indonesia, *Measuring the Level of Corruption of Indonesia: Corruption Perception Index 2008 and Bribery Index*, Jakarta. Civil service data from *Statistical Yearbook of Indonesia* (Jakarta: BPS, 2008).

resources, either for personal enrichment or simply to enhance community standing. For voters, there is a strong incentive to connect to a powerful benefactor who can provide access to state resources. Whereas voters and elites in low-rent areas may be motivated by national leadership concerns and policy issues, political actors in high-rent areas focus more on the control and distribution of subnational state resources.

The impact of rent opportunities on party system outcomes depends upon prevailing expectations of rent sharing. Rent-sharing expectations refer to *ex ante* beliefs held by elites and voters regarding the distribution of state rents. Rent sharing implies the existence of a minimal threshold of rent access that separates “ins” from “outs.” Intuitively, there are low expectations of rent sharing if elites and voters anticipate a single party or a minimal winning coalition will monopolize access to rents after an election. On the other hand, there are high expectations of rent sharing if voters and elites expect universal or near universal coalitions to form after an election.

Rent-sharing expectations determine the relationship between rent opportunities and party system outcomes. Where there are expectations that rents will be controlled by a major party or a minimal winning coalition, rent opportunities will have a *centripetal* effect on party systems. Elite and voter political attention gravitates toward the large parties that are most likely to dominate government formation. The party that can most credibly commit to distributing state resources to supporters will benefit in areas where rent opportunities are high and expectations of rent sharing are low. In this scenario, patronage machines thrive.

Where expectations of rent sharing are high, rent opportunities will have a *centrifugal* effect on the party system. Aspiring politicians join minor parties in large numbers because they expect even minor parties can access a healthy portion of local rents. Joining minor parties allows ambitious elites to bypass the often costly process of attaining ballot access on major party labels. Voters, for their part, find the promises of favours from minor party candidates credible because they expect minor parties to participate in large coalitions, and minor party politicians do not need to make the same degree of compromise that comes with participation in a large party.

Within Indonesia, the expansion of the party system occurred, in part, due to shifting expectations about the control of subnational rents. In the lead-up to Indonesia’s first post-Suharto election, in 1999, expectations of rent sharing were low. President Suharto had long dominated Indonesian politics and sat at the top of a patronage pyramid that extended down into the subprovincial units. The largest party, Golkar, enjoyed a history of privileged access to state resources. From the voter’s point of view, the structure of authority looked much like it used to, though elections were now freely contested. For those in high-rent locales, the most practical strategy appeared exactly as it always had: line up behind the hegemonic party. Low

expectations of rent sharing in the lead-up to the 1999 election had a consolidating effect on party system size.

Reform of the formal institutions, combined with changes in informal rules guiding party interaction, led to expectations of local rent sharing in 2004 and 2009. Elites no longer needed to join the local patronage machine to access power. Viable elites in high-rent areas flocked to minor parties that demanded less commitment and contributions from their cadres. Unable to monopolize resources, local machines collapsed and were replaced with a plethora of small competitors led primarily by local notables with modest, local goals. In these areas, the party system fractured.

This perspective turns Choi's argument about the electoral fragmentation on its head: the party system expanded not because of anti-corruption opinions, but because elites and voters found new methods of attaining and maintaining access to rents. This account of party system change weaves together several developments in Indonesia; namely, the decentralization of corruption, the decline of Golkar, and the expansion of viable partisan options in high-rent electoral districts. In the subsequent sections I provide a narrative of structural and partisan changes in Indonesia. The qualitative account provides crucial context to establish the justification and plausibility of the final quantitative analysis that links party system expansion to the existence of rent opportunities.

### **Rent Opportunities and Decentralization**

During the period surrounding Suharto's fall, numerous regions erupted in violence as societal forces jostled for power in a new system.<sup>38</sup> In the capital there was fear that the country was coming apart at the seams. Decentralization was grasped as a tool to fulfill a demand for change in the regions and head off separatist sentiment. Spearheaded by a group of Western-educated advisors, the decentralization reforms sought to mollify regional sentiment by transferring considerable governing authority to subnational actors.<sup>39</sup> Decentralization found a champion in President Habibie, who was keen to establish his reformist credentials. Faced with the possibility of losing national power, elements within Golkar found decentralization a useful political hedge, allowing them to at least dominate in their areas of strength. Decentralization also happened to be part of the broader international zeitgeist of "good governance" that prevailed in the late 1990s.<sup>40</sup>

---

<sup>38</sup> See Bertrand, *Nationalism and Ethnic Conflict in Indonesia*.

<sup>39</sup> Benjamin Smith, "The Origins of Regional Autonomy in Indonesia: Experts and the Marketing of Political Interests," *Journal of East Asian Studies* 8 (2008): 211–234.

<sup>40</sup> Hadiz, "Localising Power."

Laws 22/1999 and 25/1999 constitute the two fundamental pieces of the reform package, which Turner and Podger refer to as “the most radical decentralisation measures in Asia and the Pacific.”<sup>41</sup> In an unusual move, the authors of Indonesia’s laws bypassed the provincial-level governments and transferred to subprovincial regencies wide powers over all but five areas specifically reserved for the national level.<sup>42</sup> In transferring power to regencies, rather than provinces, the central government hoped to gain the support of local leaders without empowering provincial administrations that may quietly yearn for separation. Subnational units would keep a greater share of the revenue from natural resource extraction and were granted expanded authority to generate local revenue. Furthermore, general operations were to be funded through transfer payments from the centre. In effect, the national government would collect and disburse funds to the local government with few strings attached.

Indonesia’s decentralization reforms solidified the importance of subnational rent access for the country’s elites and voters. Although decentralization began with the hope that local accountability would improve governance processes and outcomes, most observers found that the reforms led to the decentralization, rather than the eradication, of corruption.<sup>43</sup> A 2011 estimate suggests that almost one-third of all regional executives were facing corruption investigations.<sup>44</sup> Between 2004 and 2009, an estimated 1243 corruption cases were filed against regional legislators.<sup>45</sup>

Whereas the New Order structure of informal politics was top-down and centralized, the transfer of power to subnational units and the democratization of the regime created a more diffuse pattern of corruption. Hadiz provides a description:

While the centralised system no longer exists, its elements have been able to reconstitute themselves in new, more fluid, decentralised and

---

<sup>41</sup> Mark Turner, Owen Podger, Maria Sumardjono and Wayan K. Tirthayasa, *Decentralisation in Indonesia: Redesigning the State* (Canberra: Asia Pacific Press, 2003), xii.

<sup>42</sup> These included foreign affairs, defence and security, justice, religion and monetary/fiscal affairs.

<sup>43</sup> Harold Crouch, *Political Reform in Indonesia After Soeharto* (Singapore: ISEAS, 2010), 111; Hadiz, “Power and Politics in North Sumatra,” 122; Gerry van Klinken and Henk Schulte Nordholt, “Introduction,” in *Renegotiating Boundaries*, 1–29 (Leiden: KITLV Press, 2007), 18; Nina Korte, “It’s Not Only Rents: Explaining the Persistence and Change of Neopatrimonialism in Indonesia” German Institute of Global and Area Studies Working Papers, no. 167 (Hamburg: GIGA German Institute of Global and Area Studies, 2011), 22; Michael S. Malley, “New Rules, Old Structures and the Limits of Democratic Decentralisation,” in *Local Power and Politics in Indonesia: Decentralisation & Democratization*, eds. Edward Aspinall and Greg Fealy (Singapore: ISEAS, 2003), 115; Ufen, “From aliran to dealignment,” 32; Peter King, “Corruption Ruins Everything”: Gridlock over Suharto’s Legacy in Indonesia (Part II),” *Asia-Pacific Journal: Japan Focus*, available at <http://www.japanfocus.org/-Peter-King/2680>, accessed 4 March 2014.

<sup>44</sup> Fitiriyah, “Kekerasan, Korupsi dan pemilukada (Violence, Corruption, and the General Election),” *Forum* 39, no. 2 (2011), 14.

<sup>45</sup> Muhtar Haboddin, “Kekuasaan Dan Korupsi Di Tingkat Lokal” [Power and Corruption at the Local Level], *Jurnal Interaktif* 4 no. 2 (2011).

competing networks of patronage. The range of interests now competing at the local level are even more varied than under the New Order. They include ambitious political fixers and entrepreneurs, wily and still-predatory state bureaucrats, and aspiring and newly ascendant business groups, as well as a wide range of political gangsters, thugs, and civilian militia.<sup>46</sup>

Decentralization and the fall of Suharto shook the old power structure. New Order elites did not disappear, however; they were supplemented with new groups of elites seeking to control valuable offices. In the post-Suharto era, political competition tends to involve a multitude of loosely connected actors seeking control of subnational resources.

Not only have subnational patronage networks fragmented, but the substantially increased funds flowing into the local governments augments the payoffs available to local actors. Regional governments have become “spending machines.”<sup>47</sup> Expanded authority to raise revenue also provides the opportunity to craft local regulations and levy taxes in order to protect friendly businesses and/or increase the local budget for the purpose of looting. Likewise, the transfer of most civil servants from central to regional government control provides new opportunities for extortion and patronage. The business of subnational governance has been so brisk politicians have scrambled to create new units in a process commonly referred to as *pemekaran* (“blossoming”). Between 1998 and 2009 185 new regencies and seven new provinces were created. As Kimura notes, “New regional positions gave added incentives for rent-seeking starting from the governor on down, as well as a new legislative assembly.”<sup>48</sup> The quest for state resources has reshaped the administrative structure of the state itself.

National-level politics remain important in Indonesia, but subnational governments have authority over spending decisions most likely to affect individual voters. The typical Indonesian voter supports the same party at all three levels of governance, though the motivations for doing so remain unclear. Voters may simply save time by attaching themselves to one party, or they may surmise that politicians for the same party work as a team and thus it is best to support the team at multiple levels of governance. Both stories are plausible; the simultaneous legislative election cycle tends to both integrate the activity of political networks and increase the cognitive demands placed on voters. As a result of straight ticket voting, even local networks with modest national aspirations can populate a party list at multiple levels of governance and receive a respectable number of national-level votes. Electoral fragmentation percolates up from subnational ambitions. This was

---

<sup>46</sup> Hadiz, “Power and Politics in North Sumatra,” 124.

<sup>47</sup> Van Klinken and Nordholt, “Introduction,” 17.

<sup>48</sup> Ehito Kimura, *Political Change and Territoriality in Indonesia: Provincial Proliferation* (New York: Routledge, 2012), 95.

not always the case; subnational patronage used to be dominated by Golkar. Given that the story of Indonesia's expanding party system is closely connected to the story of Golkar's decline, it is useful to look closely at the party's slow evolution in the post-Suharto era.

## **The Decline of Golkar and Party System Change**

### ***The End of the "Monoloyalitas" Era***

Golkar was Suharto's party of authoritarian control, and Suharto used the party to organize massive electoral victories in a series of controlled elections between 1971 and 1997. Golkar was effective for several reasons, but one important factor was its ability to control access to state resources. Career prospects of many educated Indonesians were tied directly to Golkar fortunes through the "mono-loyalty" (*monoloyalitas*) regulations which required all civil servants to be part of Golkar. Golkar membership was also a prudent policy for businessmen interested in securing state contracts. For a large segment of the population interested in upward mobility, careers were advanced through Golkar participation. Although the post-Suharto repeal of the monoloyalty law officially detached Golkar from the state bureaucracy, many bureaucrats and aspiring politicians stayed in the party.

Following the 1999 elections, Golkar's grip on the bureaucracy weakened. The most obvious sign of Golkar's official decline was the ascension of two "*reformasi*" parties to the presidency and vice presidency.<sup>49</sup> Additionally, coalition politics made it increasingly difficult to separate winners from losers. At the national level, Wahid's first post-election cabinet enveloped all major parties. Following Wahid's impeachment in 2001, Megawati revived the grand coalition. Even at the local level, over-sized coalitions and power sharing became the norm.<sup>50</sup> These power shifts signalled that ambitious politicians and bureaucrats no longer required Golkar service to get ahead in their careers. While this reduced incentives to stick it out within the party, there was no obvious successor party machine to take its place.

### ***Factionalism and Inflexibility in the Democratic Era***

In addition to the party's loosening grip on power, a modernizing faction within Golkar attempted to change the fundamental nature of the party. The internal tension revealed itself in the battles between the "Iramasuka" faction and its enemies, particularly those grouped around Golkar Chariman Akbar

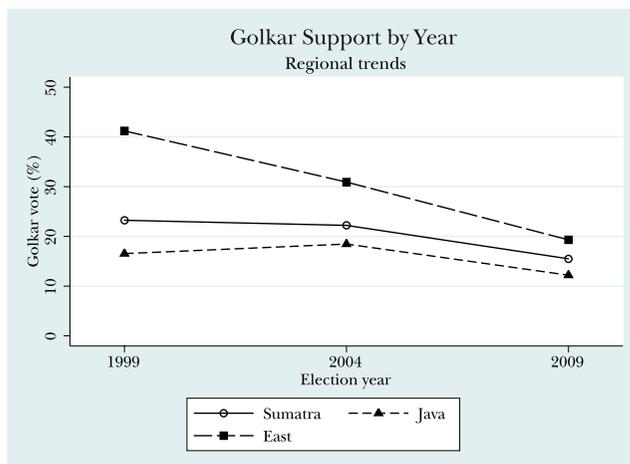
---

<sup>49</sup> The president, Abdurrahman Wahid, was from the National Awakening Party (*Partai Kebangkitan Bangsa*, PKB); the vice president, Megawati Sukarnoputri, was from the Indonesian Democratic Party of Struggle (*Partai Demokrasi Indonesia Perjuangan*, PDI-P).

<sup>50</sup> Ufen, "From *aliran* to dealignment," 31–32.

**FIGURE 1**  
Golkar Support  
by Year (Regional  
trends)

Source of data:  
see table 1



Tandjung.<sup>51</sup> Iramasuka was a loose collection of Golkar functionaries from eastern Indonesia. In 1999 they supported Jusuf Habibie and, in the lead-up to the 2004 presidential race, many backed Wiranto over Tandjung. Their power rested on their ability to control government positions in the patronage-rich regions of the east. They were largely successful in this goal: in 1999 Golkar gained slightly over 40 percent of the vote in eastern provinces (see figure 1). In 1999, the party's percentage of votes in the east was over double its vote percentage in Java and considerably higher than the total in Sumatra. Iramasuka could reasonably claim to represent what was left of Golkar's voter base.

In Jakarta, Iramasuka fought what was often a rearguard defence against both internal and external enemies. Their championing of Habibie, the Sulawesi-born interim president, demonstrated both regionalism and, to some degree, a reluctance to move beyond New Order figures. In addition, several of the faction's leading figures were implicated in a scheme that saw them profiting from the state bailout of Bank Bali.<sup>52</sup> The faction was, in many respects, a product and defender of Golkar's bureaucratic machine.

Tandjung's power base lay among the Javanese functionaries. Tandjung was hardly a clean figure and his zeal for reform was greatest when it happened to align with his own prospect of career advancement. But he and his allies were mindful that Golkar would need to modernize its image if it

<sup>51</sup> Iramasuka stands for IRian, MAliku, SULawesi and KAlimantan. In Indonesian, the acronym also means "happy melody." For a comprehensive look at the faction, see Dirk Tomsa, *Party Politics and Democratization in Indonesia: Golkar in the Post-Suharto Era* (New York: Routledge, 2008).

<sup>52</sup> Those implicated included the president's brother, Timmy Habibie, and former Sulawesi Governor Arnold Baramuli. The latter, a founder of Iramasuka, was described as a man "grossly at odds with the *reformasi* era." See O'Rourke, *Reformasi*, 222.

wanted to compete in the new, open electoral environment.<sup>53</sup> Among other things, Tandjung orchestrated the ouster of Habibie and provided political cover for Marzuki Darusman's anti-corruption campaign, moves that provoked opposition within the party. Golkar also constructively participated in the constitutional reform process.<sup>54</sup> These reform measures allowed Golkar to place distance between itself and its New Order image. Nonetheless, the targeting of prominent politicians from the east went some ways toward alienating the party from its traditional supporters.

Beyond the factional tensions, the internal rules hindered Golkar's shift from an authoritarian to democratic political party. During the Suharto period, Golkar placed a premium on loyalty to the organization. Candidates for office were expected to have a history of party service. By forcing members to invest considerable time and energy before becoming trusted Golkar cadres, the party was able to socialize recruits into party rules and norms. Aspects of the rigid structure were partially carried into the democratic period. Even in 2009, candidates for national legislative office were still expected to have five years of service as Golkar members, a formal requirement that went considerably beyond any of its competitors. Golkar's demanding structure deterred aspiring politicians from joining the party.<sup>55</sup> As the intake slowed, the outflow quickened. Sunk-cost investments and years of socialization kept many existing Golkar members within the party structure, yet a sizable number of stalwarts were either driven out due to factional struggles or were tempted by alternative party labels. Added to this trend was the natural attrition brought on by retirement, death and corruption convictions. In short, the Golkar machine was growing old and falling apart.

### ***Golkar's Dead Cat Bounce***

Golkar's slow demise was masked for a time by the modest success of Tandjung's modernization project. Golkar won the most votes in the 2004 legislative election, but this victory was hardly a case of surging nationwide support for the party. The percentage of votes between the first and second elections actually fell slightly, from 22 percent to 21 percent. Nonetheless, Golkar's decline was much gentler than PDI-P's, whose electoral vote fell from 33 percent to 18 percent. Thus only five years after its first defeat in a free election, Golkar again found itself with the largest caucus in the national legislature.

Golkar's relative success masked deep internal changes in its voting base. Over 1.9 million new voters in Java were offset by 1.6 million lost voters in

---

<sup>53</sup> Patrick Ziegenhain, *The Indonesian Parliament and Democratization* (Singapore: ISEAS, 2008), 86. In 1999, Tandjung viewed Golkar's complete electoral collapse as a plausible outcome. See Mietzner, "Comparing Indonesia's party systems," 439.

<sup>54</sup> Mietzner, "Comparing Indonesia's party systems," 446.

<sup>55</sup> Tomsa, *Party Politics and Democratization*, 106–107.

the eastern provinces. This translated into large percentage changes outside of Java: whereas the party's Java vote total crept up from 16 percent to 18 percent, Golkar's eastern Indonesia vote total dropped from 41 percent to 30 percent. The new, modern Golkar proved an ability to compete in vote-rich Java but not without losing its grip on the patronage-rich eastern provinces.

Politics in the capital remained largely independent of electoral shifts. Only months after the 2004 legislative election victory, the party's official presidential candidate (Wiranto) lost in the first round of the presidential contest. Always a party to hedge its bets, many Golkar supporters soon found hope in Jusuf Kalla, a member from South Sulawesi running as Yudhoyono's vice-presidential candidate. Much to the chagrin of Tandjung, who gave the party's official endorsement to the Megawati-Hasyim ticket, SBY-Kalla proved triumphant. After a quick internal struggle, Kalla was able to use his executive perch to wrest control of Golkar. With Kalla's takeover, Golkar became the major coalition partner in the SBY government.

Golkar's ascension in Jakarta did not reverse the electoral tide. In the 2009 legislative elections, the party lost a further 11 percent of the vote in eastern Indonesia, bringing its eastern total down to 19 percent. The Java-based bump disappeared as well. Golkar maintained some strength in a few of its traditional strongholds, but it was a fraction of what it used to be. For example, Golkar was only able to gather 25 percent of the South Sulawesi vote in 2009, down from 66 percent a decade earlier. The story was not one of uniform decline, though. The party received 19 percent of the Balinese vote in 2009, up from 10 percent in 1999. These trends represent the "nationalization" of Golkar. Whereas the party's support used to be heavily concentrated in patronage-rich areas, it is now dispersed relatively evenly across the country.

### *Measuring the Decline*

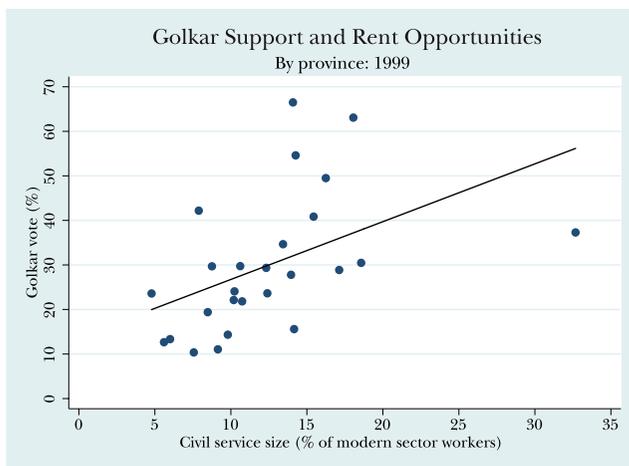
The above story suggests that between 1999 and 2009 Golkar gradually lost the ability to gather votes using state resources. We can see further evidence of this through simple scatter plots of Golkar's vote percentage using the civil servants in the province as an independent variable.<sup>56</sup> Results for all three post-Suharto elections appear in figures 2 to 4. The change in the relationship is striking: in 1999, the relationship between Golkar's vote and civil service size is positive and clear but by 2009 it is barely noticeable. Overtime, Golkar's electoral support was decoupled from the economic importance of the subnational state.

---

<sup>56</sup> I follow van Klinken in measuring the weight of the civil service in the modern (i.e., non-agricultural) sector. This measurement strategy captures the importance of civil service positions to the politically active class. See van Klinken, *Communal Violence*, 37–41.

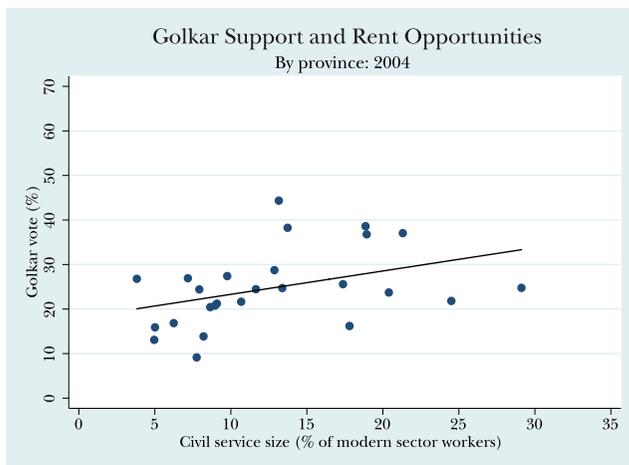
**FIGURE 2**  
**Golkar Support and Rent Opportunities**  
**(By province, 1999)**

*Source of data:* see table 1, Statistical Yearbook of Indonesia (Jakarta: BPS, 1999).



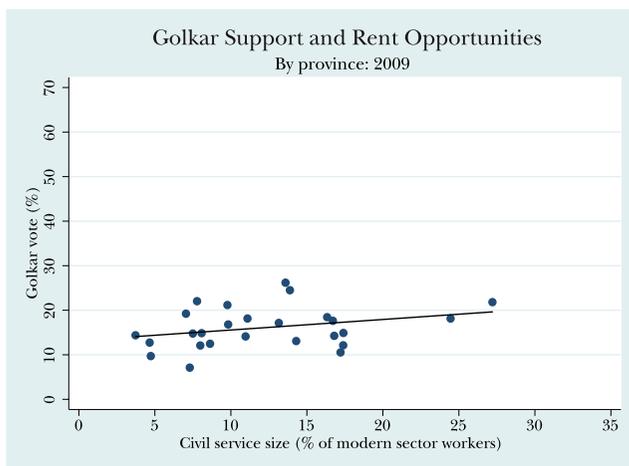
**FIGURE 3**  
**Golkar Support and Rent Opportunities**  
**(By province, 2004)**

*Source of data:* see table 1, Statistical Yearbook of Indonesia (Jakarta: BPS, 2005/2006).



**FIGURE 4**  
**Golkar Support and Rent Opportunities**  
**(By province, 2009)**

*Source of data:* see table 1, Statistical Yearbook of Indonesia (Jakarta: BPS, 2008).



Bivariate and multivariate tests reveal the magnitude and statistical significance of the relationship between Golkar support and civil-service size.<sup>57</sup> In 1999, a 1 percent increase of civil servants in the modern economy correlated with a 1.3 percent increase in Golkar's vote share. By 2009, a 1 percent increase of civil servants in the modern economy correlated with a 0.24 percent increase in Golkar's vote share. Furthermore, the relationship drops below standard levels of statistical significance. Over the course of three elections, Golkar's support was delinked from the size of the civil service.

## **Expansion in the Electoral Districts**

### *Party System Expansion and Partisan Trends*

To track party system change through time, I reconstructed the 2009 electoral districts using results from the 1999 national election.<sup>58</sup> For each reconstructed district, I then calculated the effective number of electoral parties. The mean reconstructed district had 4.2 parties, with a standard deviation of 1.1. In 2009 the mean district had 8.5 parties, just over twice the number of effective parties from 1999. To uncover the correlates of party system change I created a *party system expansion* variable. This was done simply by subtracting the effective number of parties in 1999 by the corresponding effective number of parties in 2009. The mean party system expansion was 4.3, with a standard deviation of 2.2. There was a significant range of scores, from a high of 10.3 to a low of -1.7.

The fracturing of the party system is closely linked to the collapse of the Golkar machine, which opened up space for new parties. This is demonstrated in figure 5 by simply plotting party system expansion by the change in Golkar's electoral vote. There is a clear, negative correlation between changes in Golkar's vote share and the expansion of the party system. In the regions where Golkar's support collapsed, the party system experienced a high level of expansion.

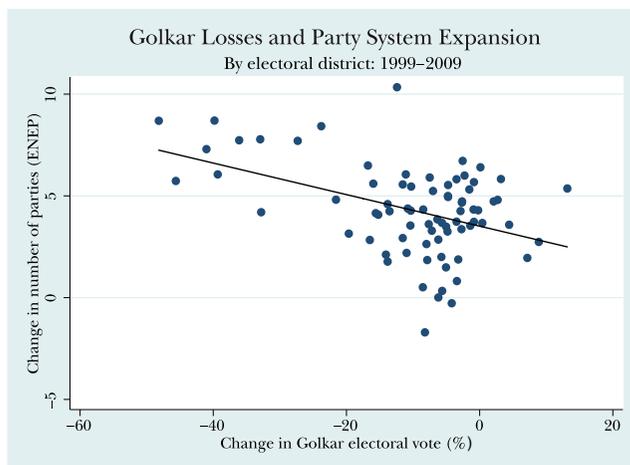
More often than not, the electoral collapse of Golkar benefitted minor parties. Take Southeast Sulawesi for example. Between 1999 and 2009, Golkar lost 48 percent of the electoral vote in this district. *Partai Demokrat* picked

---

<sup>57</sup> See author's online appendix for results. A pooled analysis reveals the relationship between civil service size and the Golkar electoral vote is robust to a number of alternative specifications, including poverty and eastern Indonesian leadership.

<sup>58</sup> This was completed using regency results from 1999. The creation of new kabupaten/kota complicated the reconstruction process. In some cases, I was forced to assign regency vote totals from 1999 to a particular 2009 electoral district even though the regency had been sub-divided and its progeny divided by district boundaries. District splitting was an issue in Kepulauan Mentawai/Padang Pariaman (Padang Pariaman assigned to West Sumatra 2), Rokan Hulu/Kampar (Kampar assigned to Riau 2), Cimahi/Bandung (Bandung assigned to West Java 2), Central Sumba + West Sumba Daya/West Sumba (West Sumba assigned to East Nusa Tenggara 22).

**FIGURE 5**  
 Golkar Losses  
 and Party System  
 Expansion (By  
 electoral district,  
 1999–2009)  
 Source of data: see  
 table 1.



up some of these voters, reaching 21 percent of the total district vote in 2009. However, a majority of the former Golkar voters appear to have spread the support across a large number of minor parties. In 1999, Southeast Sulawesi contained two parties that received between 1 and 2.5 percent of the vote; in 2009, it contained 12. Golkar’s collapse fractured the system, leaving *gurem*, or “chicken flea” parties, in its wake.<sup>59</sup>

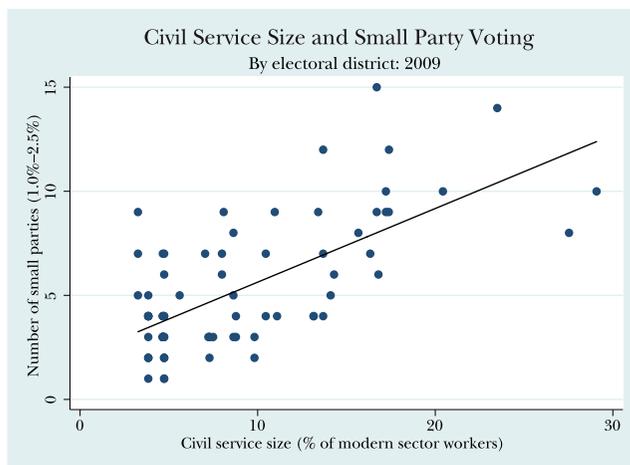
We can see this most clearly when we plot minor party voting and civil service size. In 1999, Golkar dominated provinces where the civil service acted as a primary employer for modern-sector workers. By 2009, their electoral dominance was broken. Instead, there is a close district-level correlation between civil service size and the number of parties earning between 1 and 2.5 percent of the electoral vote (see figure 6). The *gurem* filled the vacuum left by Golkar. In the process, the growth of the *gurem* led to severe party system fragmentation in some areas.

Could the fragmented *gurem* vote simply be an uncoordinated anti-corruption vote? The possibility cannot be dismissed entirely, but there is evidence to suggest this was not the case. Though there is little available data on the backgrounds of *gurem* candidates, those who succeeded in 2004 do not appear to have been harsh critics of the Golkar machine. Perhaps the most successful *gurem* candidate in eastern Indonesia was the Democratic Nationhood Party’s (*Partai Demokrasi Kebangsaan*) Mudaffar Syah (aka the Sultan of Ternate), who had been a regional leader of Golkar prior to Suharto’s fall. Riau’s Bulyan Royan was a Golkar functionary before switching

<sup>59</sup> There is no agreed separation of “big” parties from “*gurem*.” In 1999, analysts talked of the “big 5.” This was expanded to the “big 7” in 2004, and by 2009 it made sense to distinguish between the 9 parties that crossed the legislative threshold from the 29 that did not.

**FIGURE 6**  
Civil Service Size  
and Small Party  
Voting (By  
electoral district,  
2009)

Sources of data: see  
table 1, figure 4.



to the Reformed Star Party; his later corruption charge speaks to his disregard for clean governance.<sup>60</sup> Ali Mochtar Ngabalin, who was originally elected for the Crescent Moon Party (*Partai Bulan Bintang*, PBB) later switched to Golkar. PBB's primary patron and leading figure was Yusril Ihza Mahendra, a former speechwriter for Suharto. In short, a number of the most prominent *gurem* politicians either had their start in Golkar or had no objections to working within the party when it was convenient.

Furthermore, there is little evidence to suggest the small parties were pursuing an anti-corruption agenda once in office. An analysis of the 2008 Indonesian Corruption Index reveals a *negative* correlation between "clean governance" and the share of the local legislature controlled by *gurem*.<sup>61</sup> In contrast, the percentage of seats controlled by anti-corruption parties positively correlated with clean governance. The relationships are not quite statistically significant, but it is suggestive of the environment in which small parties thrive. It throws doubt on the temptation to view small parties as anti-corruption actors, fighting against Golkar's electoral machine.

### *Measuring Expansion*

Rent opportunities have shaped Golkar's post-Suharto electoral fortunes and correlate with more recent minor party success. Accordingly, it has been high-rent areas that have experienced the most electoral expansion. To test

<sup>60</sup> "Semua Anggota DPR yang Ditangkap KPK Dilahirkan Golkar" [All legislators arrested by anti-corruption authorities began in Golkar], *Detik News*, 1 July 2008. Available at <http://news.detik.com/read/2008/07/01/114011/965306/10/semua-anggota-dpr-yang-ditangkap-kpk-dilahirkan-golkar>, accessed 4 March 2014.

<sup>61</sup> Results and replication material available at online appendix.

this hypothesis, I used party system expansion as a dependent variable in a multivariate regression. Three control variables were added to the baseline mode. First, I included the electoral fragmentation from 1999. Logically, those areas that were fragmented after the first election had constrained opportunities for growth. Second, I added a dummy variable for electoral districts in Aceh. Aceh's elections were conducted under different laws that allowed for provincial parties, and the development of an independent provincial system effectively detached Aceh from the standard pattern of Indonesian politics. Third, I included an urbanization variable, as urban voters are more likely to have private-sector opportunities.

Results from the baseline appear in table 3, model 1. All three variables were negatively signed and statistically significant. Electoral districts that were fragmented in 1999 experienced reduced party system expansion. In Aceh, the special laws that allowed for the formation of regional parties helped consolidate the national party system in that province. This was largely due to the fact that Party Aceh (*Partai Aceh*) supporters tended to also vote for PD.<sup>62</sup> With all variables set to the median, the predicted party expansion for electoral districts outside of Aceh was 4.7; for Acehnese districts it was 0.1.<sup>63</sup> The effect of urbanization was particularly strong; predicted expansion for the most urbanized districts was 1.9, while predicted expansion for the least urbanized districts was 5.7. The negative relationship between expansion and urbanization indicates the development of a distinctive urban political dynamic led by PKS and President Yudhoyono's PD.

To capture the relative importance the state sector plays in the subnational economy, I next added three separate variables. The first was the percentage of civil servants in the modern sector. Second, I collected data on state transfers to subnational units and generated a transfer-per-population variable for each district. This per capita transfer variable provides an additional means to measure state involvement in the local economy. Third, I generated a variable measuring the amount of *pemekaran* the district experienced between 1999 and 2009. Regency creation has been a key method of increasing transfer revenue from the centre, and those areas most active in creating new units tend to have local economies dependent upon state spending. To create this measure, I simply subtracted the number of regencies that existed in 1999 from the number that existed in 2009. Due to multicollinearity, each variable is added to the baseline in separate models. While all three measures are correlated and tap into the same basic concept—the economic importance of subnational governments—I use these separate measures to demonstrate the robustness of the findings and provide a more detailed picture of the political structures that correlate with expansion.

---

<sup>62</sup> Shane Joshua Barter, "The Free Aceh Elections? The 2009 Legislative Contests in Aceh," *Indonesia* 91 (2011): 113–130.

<sup>63</sup> All predictions generated using *Clarify*.

**TABLE 2**  
**Determinants of Party System Expansion**

1999–2009—National Legislature (OLS Regression)				
<i>Dependent variable: change in effective number of electoral parties</i>				
	Model 1	Model 2	Model 3	Model 4
Civil service size		0.09*** (0.03)		
Per-capita transfers (logged)			0.26* (0.15)	
Expansion of Kabupaten/ Kota (logged)				0.16*** (0.06)
ENEP 1999	-0.73*** (0.17)	-0.68*** (0.16)	-0.72*** (0.17)	-0.77*** (0.16)
Aceh	-4.57*** (1.16)	-5.36*** (1.13)	-4.71*** (1.014)	-4.99*** (1.12)
Urbanization	-0.04*** (0.01)	-0.04*** (0.01)	-0.03*** (0.01)	-0.04*** (0.01)
Const	9.21** (0.75)	7.90*** (0.83)	7.03*** (1.47)	8.86** (0.73)
Observations	77.00	77.00	77.00	77.00
R2	0.53	0.58	0.55	0.57

\*  $p < .10$ ; \*\*  $p < .05$ ; \*\*\*  $p < .01$

Sources: Electoral data, see table 1; civil service data from *Statistical Yearbook of Indonesia* (Jakarta: BPS, 1999, 2005/2006, 2008). Transfer data gathered from *Badan Perencanaan Pembangunan Nasional* web site, available <http://www.djpk.depkeu.go.id/>, accessed 26 June 2012. Currently this data can be found at the *Direktorat Jenderal Perimbangan Keuangan* web site, available at <http://www.djpk.depkeu.go.id/>, accessed 4 March 2014. Population data from *Data dan Informasi Kemiskinan Tahun 2007: Buku 2: Kabupaten/Kota* (Jakarta: BPS, 2008); Urbanization data from Suryadinata et al., *Indonesian Electoral Behaviour*.

Results appear in table 2, models 2, 3 and 4. All three measures were positively signed and statistically significant at the  $P < 0.1$  level. Moving from an electoral district with the smallest proportion of civil servants to the highest produces a predicted increase of 2.4 electoral parties, from 4.1 to 6.5. Similarly, moving from the electoral district with the lowest per capita transfers to the highest changed the predicted expansion value from 2.9 to 5.2. Finally, an electoral district that did not experience any regency creation between 1999 and 2009 had a predicted expansion of 4.3, while the electoral district that experienced the highest level of regency creation had a predicted

expansion of 7.1. The magnitude of the effects was remarkably similar across variables, with predicted values falling in a tight band between 2.3 and 2.8 electoral parties. While most electoral districts experienced some level of party system expansion, those districts in areas where the state played a dominant role in the local economy tended to have a greater party system expansion than those where the state played a minimal role. This finding conforms to the rent opportunities theory of party system expansion.

## **Conclusion**

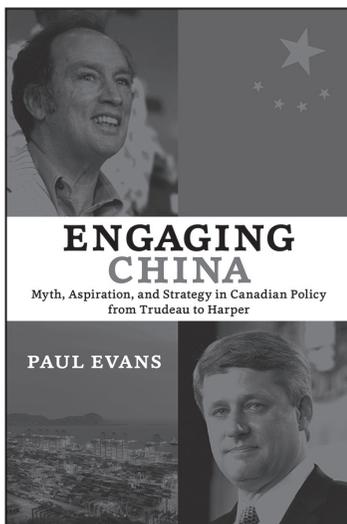
This paper has provided an account of party system change within electoral districts. I have argued that party system expansion can, in part, be explained by rent opportunities and evolving expectations of rent sharing. In 1999, voters and elites expected access to state resources would be dominated by one party. Golkar's dominance in high rent provinces effectively consolidated subnational party systems. It took several years for elites and voters in high patronage provinces to adjust to the more open political environment of the democratic era. As an expectation of subnational rent sharing emerged, so too did a new pattern of partisan organization. Elites and voters eschewed major parties in favour of minor party options. The shift from centralized machine politics to decentralized clientelist politics fragmented the party system. What replaced Golkar's patronage machine in high-rent regions was not a new monolithic party but a partisan melee. Severe party system fragmentation was just one representational outcome caused by the systemic abuse of state resources.

Indonesia's efforts to engineer party system outcomes have been the most extensive in the region. In theory, careful and deliberate institutional design should provide the democratic regime with a better chance of survival. With each election, additional institutional incentives have been put in place to privilege large competitors, with the intention of channeling political activity into a modest number of broad, national parties. Yet with each successive election, Indonesian elites and voters have ignored the institutional incentives and supported a wider array of political options. My research indicates that elites and voters may not respond to national-level incentives because national-level power is not always the prize that captures people's attention. If national power was the only prize worth fighting for, we might expect national-level laws that limit minor party prospects to eventually prevent the launch of long-shot partisan contenders. This is not the case in Indonesia, where minor parties have held thousands of valuable subnational seats. In a country where politics is a lucrative business, these organizations are unlikely to pack up shop simply because they are denied a few national-level offices. Institutional designers have opted for blunt measures to deal with the issue. Electoral and party laws governing the 2014 election severely limit the ability of parties to access the ballot, and only 12 parties will compete.

Fragmentation has been a mixed blessing for Indonesia. It marks the end of Golkar's political dominance and suggests the country will not fall into the "bossism" of Thailand or the Philippines. The openness of the fragmented system also provides opportunity for new and capable people, un beholden to the major parties, to achieve office. Yet the policy-making process and responsiveness of government slows with so many interests to appease. The lines of accountability become blurred, especially considering the collusive governance practices typical in Indonesia. We still know very little about the comparative virtues and vices of different party systems, however. Given that key outcomes like spending decisions, voter affect, and long-range policy planning are all potentially affected by party system, more research on the subject is required. The close proximity of a variety of different subnational systems makes Southeast Asian democracies a compelling region for such a comparative study.

*The University of British Columbia, Vancouver, Canada, December 2013*

## New from University of Toronto Press



### **Engaging China**

Myth, Aspiration, and Strategy in Canadian Policy  
from Trudeau to Harper

by Paul Evans

For more than four decades, engagement has been the bedrock of Canada's policy toward China. Author Paul Evans provides a concise account of the evolution and state of the Canadian approach to China, its achievements, disappointments, and current dilemmas.

*'Paul Evans has given us an engaging and balanced assessment of Canada's approach to the rising economic superpower during governments past and present. For anyone who cares about the future of Canada's relations with the Middle Kingdom, it's a must read.'*

John Ibbitson, *The Globe and Mail*

utppublishing.com



UNIVERSITY OF TORONTO PRESS

Advancing Knowledge

APPENDIX

**TABLE A.1**  
***Golkar support by election***

Determinants of Golkar support – National Legislature (OLS regression)					
<i>(Dependent variable: % Golkar votes)</i>					
	Model 1 1999	Model 2 2004	Model 3 2009	Model 4 pooled	Model 5 pooled
Civil service size	1.30** (0.49)	0.52** (0.25)	0.24 (0.15)	1.73*** (0.51)	1.46*** (0.3)
Election number				-0.36 (3.40)	-0.24 (3.08)
Civil service X election				-0.53** (0.23)	-0.59** (0.23)
Iramasuka					6.61** (2.61)
Poverty					-0.08 (0.12)
Const	13.77** (6.65)	18.06*** (3.54)	13.20*** (2.06)	15.83** (6.90)	15.30** (6.83)
Observations	26.00	26.00	26.00	78.00	78.00
R2	0.23	0.16	0.09	0.38	0.43

\* p < .10; \*\* p < .05; \*\*\* p < .01

*Sources of data:* electoral data same as in table 1. Civil service data from *Statistical Yearbook of Indonesia* (Jakarta: BPS, 1999, 2005/2006, 2008); poverty data for 2009 from *Data dan Informasi Kemiskinan Tahun 2007: Buku 2: Kabupaten/Kota* (Jakarta: BPS, 2008); poverty data for 2008 from Suryadinata et al., *Indonesian Electoral Behaviour*.

- Election number is set to 1 for 1999, 2 for 2004, and 3 for 2009.
- For Iramasuka provinces, I coded the variable 1 for 1999 (Sulawesi-born Habibie led the party), 0 in 2004 (North Sumatra-born Tandjung led the party), and 1 for 2009 (Sulawesi-born Kalla led the party).

**TABLE A.2**  
**Golkar support by election**

Determinants of corruption, 2008—National Legislature (OLS regression) (Dependent variable: Transparency International Indonesia corruption score by city)						
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
% <i>Gurem</i>	-0.01 (0.01)	-0.02 (0.01)				
% Anti-Corruption (PKS and PD)			0.01 (0.01)	0.02* (0.01)		
% Golkar					-0.01 (0.01)	-0.01 (0.01)
Population (logged)		-0.11 (0.11)		-0.17 (0.13)		0.10 (0.11)
Per-capita income (logged)		0.02 (0.14)		0.003 (0.13)		0.02 (0.14)
Const	4.67*** (0.18)	6.34*** (1.91)	4.23* (0.25)	6.22*** (1.86)	4.69*** (0.24)	5.82*** (1.88)
Observations	50.00	50.00	50.00	50.00	50.00	50.00
R2	0.04	0.06	0.02	0.06	0.02	0.04

\* p < .10; \*\* p < .05; \*\*\* p < .01

Sources of data: corruption and population data from *Indonesia Mengukur Tingkat Korupsi di Indonesia: Indeks Persepsi Korupsi Indonesia 2008 dan Indeks Suap* [Measuring the Level of Corruption of Indonesia: Corruption Perception Index 2008 and Bribery Index], Jakarta, 2008; data on seats results from Komunitas Indonesia untuk Demokrasi, *Data Hasil Pemilu Legislatif 2004* (CD-ROM); income from BPS, *Produk Domestik Regional Bruto Kabupaten/Kota Di Indonesia: 2003–2007* [Regencies/Municipalities in Indonesia Gross Regional Domestic Product 2003–2007] (Jakarta: Badan Pusat Statistik, 2008).

- TI measures corruption on a 1 to 10 scale, with 1 indicating the highest level of corruption and 10 the lowest level. Thus the most corrupt city (Kupang) had a score of 2.97 while the least corrupt city (Yogyakarta) had a score of 6.43.
- Party percentages (Pct *Gurem*, Pct Golkar, Pct PKS/PD) measure the percentage of regency-level seats held by the party or partisan category between 2004 and 2009.

Sign up for Contents Alerting Now!

<http://cin.sagepub.com>

# China Information

**A Journal on Contemporary  
China Studies**

Editor **Tak-Wing Ngo**

*University of Macau, China*

**China Information** is a refereed journal dedicated to timely and in-depth analyses of major developments in contemporary China and overseas Chinese communities. The journal encourages discussion and debate between different research traditions, offers a platform to express controversial and dissenting opinions, and promotes research that is historically sensitive and contemporarily relevant.

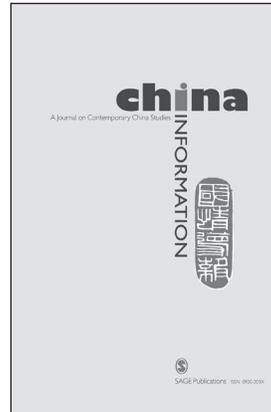
**Recent articles include:**

- Marketing war and the military to children and youth in China: Little Red Soldiers in the digital age **Orna Naftali** (vol. 28, no. 1)
- The rise of 'Republican fever' in the PRC and the implications for CCP legitimacy **Zhang Qiang and Robert Weatherley** (vol. 27, no. 3)
- Subaltern placiality in modern Tibet: Critical discourses in the works of Shogdong **Dan Smyer Yü** (vol. 27, no. 2)
- Strategic cross-Strait discourse: A comparative analysis of three presidential terms **Jonathan Sullivan and Eliyahu V. Sapir** (vol. 27, no. 1)

***Don't miss our upcoming special issue!***

Special issue on cyber politics guest edited by **Guobin Yang** (vol. 28, no. 2)

**Free online sample copy available!**  
<http://cin.sagepub.com>



**Subscription Hotline** +44 (0)20 7324 8701 **Email** [subscription@sagepub.co.uk](mailto:subscription@sagepub.co.uk)

[www.sagepublications.com](http://www.sagepublications.com)

 **SAGE**