

IN BRIEF: POLITICAL

innocence and the flaws in their own case, the two institutions inexplicably continued to pursue the miner over the charges, often in direct violation of their own procedures.

While company executives won't say so publicly, the common perception among them is that rent seeking motivated the government's legal action; a rearguard move they say was designed to extract more wealth from the company before Newmont wound up its Sulawesi operation. They noted that manoeuvres like these have become particularly common in periods of political transition and pointed out that the government's case against the miner occurred after officials from Megawati Soekarnoputri's administration were replaced by those of Susilo Bambang Yudhoyono's government.

While many in the sector are pleased with the final verdict in the Newmont case, they note that fears of government victimisation remain one of the key turnoffs to foreign investment. They are also angry at national environmental watchdog, the Indonesian Friends of the Earth (Walhi), for what they say was its irresponsible support of the government's case.

For their part, environmentalists are unhappy about the court verdict, which they believe was manipulated by Newmont. However, one advocate told the *Report* that Walhi may have chosen the wrong tactic in supporting the government's case against the miner.

The focus of the investigation, he argued, should have been on the current regulations which allow companies like Newmont to process its mine waste and pipe it into the bottom of bays like Buyat. The anti-mining lobby has frequently argued that submarine tailings disposal is ecologically dangerous, although this is strongly disputed by miners.

One thing that is clear from the case is that corporations must have proactive and sophisticated strategies for managing corruption in Indonesia if they are to be successful here. They should also understand that the risks are highest not at the beginning of projects, but once the capital has been invested or the business is being wound up.

A fish out of water

Another day, another corruption trial. This time around it is former maritime and fisheries minister Rokhmin Dahuri who is currently charged with allegedly channeling Rp 31.7 billion (US\$3.5 million) of off-budget funds from the ministry to various political figures. But this case is unlike the many others that have gone before it in several intriguing ways.

The first point of difference is that Dahuri kept an exhaustive record of those who allegedly received the funds. This is highly unusual, since those involved in most graft cases avoid any paperwork that could later serve as evidence against them. Another unusual aspect in the proceedings is that some of the recipients have already admitted they received the funds. Those who have already owned up include Amien Rais, then head of the National Mandate Party (PAN), Fachri Hamzah of the Prosperous Justice Party (PKS) and officials

IN BRIEF: POLITICAL

from the nation's biggest Muslim organisation, Nahdlatul Ulama.

Finally, while the amounts of money in question are relatively small, ranging mostly from Rp 25 million to Rp 300 million (US\$2,750-33,000), the range of alleged recipients is vast. Dahuri's list reads like a who's who of Indonesian politics, recording an astonishing 1,700 separate fund disbursements from 2002-2004. Almost all of the major political parties appear on it, as well as some large student and religious organisations, past ministers and the "success teams" for all of the 2004 presidential candidates. Again this is unusual. The conventional view of political corruption in this country is that once a party sympathiser gets into ministerial office, that person will channel most funds to their preferred party. This is one of the main reasons why ministerial seats are hotly contested by political parties.

So what do these irregularities tell us about the case or indeed patterns of Indonesian corruption in general?

Political analyst, Sukardi Rinakit of the Sugeng Sarjadi Syndicate, says that first and foremost the case shows up Dahuri as a naïve political operator. "Stepping up and implicating so many people in his trial will not work favourably for Dahuri," Sukardi told the *Report*. "His is a political trial. To save himself, Dahuri should have made a political maneuver and remained silent. Now no-one will help him because no-one has anything to gain from doing so."

Another observer who wished to remain anonymous agreed with Sukardi's analysis, adding that Dahuri's case makes an interesting comparison with previous trials. "If we compare to the case against [Golkar executive] Akbar Tandjung in 2001 for embezzling Bulog funds we can see that Akbar refused to say who he gave the funds to. This meant that those who received the funds were obliged to help him stall the case at trial in exchange for his silence," the source told the *Report*. Tandjung was eventually acquitted by the Supreme Court of the charges after being found guilty by two lower courts.

Dahuri's case also seems to confirm what some analysts have labeled "the democratization of corruption" in Indonesia. In other words, funds derived from corruption are dispersed much more widely than under the authoritarian administration of Soeharto. Why Dahuri distributed funds to so many organisations without much political clout remains something of a mystery, but analysts again point to naivety as a likely reason.

Others note that the case against Dahuri's is also likely to be politically motivated. According to an anonymous Golkar source, his trial went ahead because of its potential to tarnish the image of the president's rivals. "The president's inner circle wanted the case to proceed so that the public would be aware that all politicians are dirty. Only Yudhoyono comes out relatively unscathed from the accusations."

"I have seen Dahuri's list," the source continued, "Yudhoyono's political party, the Democratic Party, is not on it. Only one of SBY's success teams for his 2004 election appears on it, and if this is disclosed the president can always argue that he has already disbanded the organisation and discharged the

IN BRIEF: POLITICAL

leader of it from the Democratic Party,” he said referring to Sys N.S. who was kicked out of the party in 2005.

Whatever the motivations for pursuing Dahuri’s prosecution, it seems that only he will end up being held accountable for disbursing the money. House of Representatives Speaker Agung Laksono has already announced that he will not recommend the legislature’s Council of Ethics investigate the legislators which appear in Dahuri’s records. This is hardly a surprise given that council chairman Slamet Effendi Yusuf was named by Dahuri as a recipient of Rp 300 million. Similarly, neither the Corruption Eradication Commission nor the Attorney General’s Office has shown any interest in pursuing the case against the alleged recipients.

The main lesson from Dahuri’s case may be that public officials should stay mum if held on corruption charges and play the political game if they want to save their skins. Back to business as usual, then. □