



The Fundamental Changes that Nobody Noticed

The MPR Annual Session, November 2001

A brief commentary

January 2002

Introduction: Annual Sessions of the MPR

This report is the third in a series issued by NDI which seeks to track, record and provide commentary on the sessions of the People's Consultative Assembly of the Republic of Indonesia (the MPR). The reports seek in particular to provide material for both participants and observers of the debate on the development of the Indonesian constitution and its institutions, looking at both the text and the progress of events. The two previous reports covered the first ever Annual Session of the MPR held in August 2000¹, and the Special Session held in July 2001².

The concept of Annual Sessions of the MPR was introduced in the full review of MPR Standing Orders that took place at the general session following the 1999 General Election. There were two particular goals for these sessions. First, the MPR would hear an annual progress report from the President, the DPR, the Supreme Advisory Council (DPA), the State Audit Agency (BPK) and the Supreme Court. Second, the MPR could amend the constitution and/or pass decrees, as it saw fit. The first Annual Session took place in August 2000. It had been planned to hold the second Annual Session in August 2001. This session, however, was delayed as a result of the time spent on the preparation, conduct and aftermath of the Special Session of July 2001 at which President Abdurrahman Wahid was removed from office and replaced by his deputy Megawati Soekarnoputri.

The 2001 Annual Session of the MPR thus convened in an atmosphere where the political tension of much of the preceding year had largely dissipated. The new government of President Megawati had been in place for only three months, a period largely overshadowed by the impact of the events of 11 September 2001. As such, the session was never likely to have been a major news event, especially when compared with the excitement of other recent MPR sessions. In the event, it did not receive a great degree of coverage, and the coverage that it did receive was deeply unfavorable.

However, the Session enacted the Third Amendment to the 1945 Constitution, which has addressed and provided answers to a large number of the questions relating to the structure of the Indonesian state that have been prominent in recent debate. Two significant questions in the final package could not be resolved following long and sometimes dramatic negotiations; these were finally left for next year. As a result, there was much external perception that the Session was a failure – whereas in reality it took decisions of basic principle and enacted an internally consistent package of constitutional change that establishes the principle of constitutional checks and balances to Indonesia. The result is a fundamental change in the institutions of Indonesia – but almost nobody noticed it happen.

There were two major fields of discussion at the Annual Session: the amendment of the 1945 Constitution (which resulted in the passage of the Third Amendment to the Constitution and of MPR Decree XI/2001), and the passage of other new MPR decrees. These decrees are divided in turn into the evaluation of the work of the President and other

¹ 'Some Progress – But Still a Lot to Do', NDI, August 2000

² 'The Beginning of Stability? Indonesia's Change of President and Government', NDI, August 2001

higher state institutions (Decree X/2001), amendments to MPR Standing Orders (Decree V/2001), and other decrees (Decrees VI/2001 to IX/2001). This report does not cover the evaluation of current work in any depth; rather, it concentrates on the longer term, if mainly less glamorous, issues. It is designed to give detailed analysis and commentary to inform debate on these issues.

A Background to the Constitutional Review

Under the 1945 Constitution of Indonesia as originally enacted, the MPR was established as the highest institution of state. There was no concept of checks and balances in this Constitution. However, it was a long time before the concepts of the 1945 Constitution could be tested under conditions that could be described as democratic or even transitional. Between 1945 and 1949, Indonesia was still fighting to gain its independence from the Netherlands, and the full set of institutions envisaged in the 1945 Constitution was not established. Between 1950 and 1959, the 1945 Constitution was not in force: the federal constitution which formed part of the peace settlement was rapidly replaced by the Temporary Constitution of 1950, which established a more parliamentary form of government. From 1959, when President Soekarno reintroduced the 1945 Constitution by decree, up to the fall of President Soeharto in 1998, conditions for democracy were not in place.

The 1945 Constitution as originally enacted was written in somewhat general terms. As a result, it was possible for President Soeharto to use it as an instrument of authoritarian rule, with power concentrated in practice in the executive. Demands for constitutional change were integral to the concept of *reformasi* articulated after Soeharto's fall, but did not fully enter the agenda of debate until after the elections of June 1999.

The General Session of the MPR, which followed in October 1999, decided to undertake a process of review and amendment of the 1945 Constitution, and initiated the process by considering a number of articles during its course. This led to the passage of the First Amendment to the Constitution, the major feature of which was a significant move of power from the executive to the legislature. The Session also tasked the Working Body (Badan Pekerja or BP) of the MPR with the continuation of the constitutional review, with proposals to be brought to the Annual Session of 2000. The BP implemented this mandate by the establishment of Ad Hoc Committee I (Panitia AdHoc I or PAH I).

The First Two Years of the Constitutional Debate

During 1999 and 2000, PAH I conducted witness hearings, held consultative meetings across Indonesia, and undertook a number of overseas visits for comparative purposes. A report was submitted to the BP and onwards to the 2000 Annual Session considering every Article of the 1945 Constitution in turn: where no political agreement had been reached, alternatives were drafted and tabled.

The debate at the 2000 Annual Session however was not as comprehensive. A combination of ineffective procedures, loose timetabling, and political opposition on some issues meant that only about one third of the material tabled was even debated. Nonetheless, the Second Amendment which materialised contained two important items: the inclusion in the

constitution of the basic principles of regional autonomy, decentralisation and devolution, and the addition of articles reflecting many of the provisions of the Universal Declaration of Human Rights. This was not without controversy, as recorded in NDI's report at the time.

All of the remaining material and options were passed back to the BP for further consideration. The BP undertook a further series of regional socialisation and consultation meetings, and passed the task of further revision back to PAH I. PAH I appointed an expert assistance team of some thirty academics and commentators, who provided further input on the unresolved issues during 2001.

Progress on debate was effectively suspended in the middle of 2001 as the final series of events leading to the Special Session of the MPR and the removal from office of President Abdurrahman Wahid unfolded. As a result, the 2001 Annual Session was delayed from the planned early August slot until early November. It is an interesting illustration of the way tradition can develop that early August is already referred to by many MPR members as the 'normal' slot for the Annual Session, despite the fact that there have now only ever been two Annual Sessions and that only one of these was in early August!

September and October saw final deliberations on the report which was to form the basis of debate at the 2001 Annual Session. This report covered only the first 25 articles, but in doing so presented the alternatives on all of the major linked structural issues which form the most difficult part of the constitutional debate. The number of options was reduced through further negotiation: for example, agreement was reached that the proposed Constitutional Court should be a separate body, and not part of the Supreme Court. The PAH I members also learnt from another experience of 2000, when proposals that had been agreed by party representatives in the committee evinced unhappiness in the political leaderships and were effectively disowned on the floor of the MPR. Time and effort was set aside in the last days preceding the opening of the Annual Session for intensive discussions between the committee leaders, the leadership of the MPR, and the overall party political leaderships.

The 2001 Annual Session

The first plenary set the Annual Session off on a very bad footing, as a fist fight broke out on the floor. This took place after some members complained that the decision made by the 2000 Annual Session to establish a regional representatives' fraction before the end of 2000 – a formal provision in Standing Orders – had still not been implemented. The lack of implementation of this decision had previously been raised at the Special Session in July 2001, and the proposal on the floor in this first plenary was to refer the question to a commission later in this year's Annual Session. The supporters of the new fraction lost patience, leading to events that would not be expected or accepted in a legislature. At the same time, these events may indicate for the future the possible consequences when the MPR specifically fails to follow its own Standing Orders, and could provide an opportunity which influences the future management of Indonesia's legislative bodies.

After the presentation of the reports of the high state institutions in the initial plenary sessions, the Annual Session divided into four commissions. Commission A dealt with constitutional amendments and the possible establishment of a Constitutional Commission,

Commission B with draft MPR decrees, Commission C with the response to the annual reports submitted by the high state institutions on a hear and discuss basis, and Commission D with amendments to MPR Standing Orders.

The proceedings of Commissions B, C and D were businesslike and not entirely without incident. The draft MPR Decree on the Elimination and Prevention of Corruption, Collusion and Nepotism (KKN) that had been prepared by PAH II ran into controversy in Commission B, over the proposal that persons holding public positions against whom there were allegations of KKN should be required to step down from their positions. Given the allegations of malpractice current at the time against DPR Speaker Akbar Tanjung, it is perhaps not surprising that the final version of this Decree, MPR Decree VIII/2001, provides only for administrative action to accelerate the legal process in such cases. Commission B also produced decrees on national ethics, vision for the future, and agrarian reform.

Commission C's response to the presidential report, while recognising that President Megawati's government was still very new in office, was clear that considerable further effort to get to grips with the depth of the economic problems was required. The full text of the response is wide ranging. The overall financial impact of its requests and proposals is unclear. These include selective privatisation, acceleration of the sale of assets of the Indonesian Bank Restructuring Agency (IBRA), and immediate freezing of banks which do not have an adequate capital ratio, in parallel with moves towards a target of 15% of the national budget spent on health and 20% on education. There was a call for immediate completion of investigations and indictments on outstanding human rights violation cases, and a specific request for early presentation of proposals for amendment of the three political laws, which relate to elections, to political parties and to the structure and composition of elected bodies. This debate has now become possible as a result of the parallel progress made on the resolution of constitutional issues. Commission C also had strong words to say about the Supreme Court, especially in the wake of the recent decision overturning the conviction of Tommy Soeharto on charges relating to a property deal. The slow pace of hearings and backlog of cases, the lack of professional management, and indications of KKN and external influence were all cited.

Commission D resolved the question of the formation of the Utusan Daerah fraction with common agreement on four conditions, including a requirement for UD members to relinquish connection with any political party and an agreement that the UD fraction would not be entitled to its own Deputy Speakership of the MPR. The final versions of Decree VIII/2001 on KKN and of Decree IX/2001 are appended to this report. An updated version of MPR Standing Orders including the consolidation of the agreed amendments will be published by NDI in the near future.

Constitutional Debate at the Annual Session

The most significant and controversial discussion was always going to be that on constitutional amendments. Commission A immediately showed that it had learned the lessons of the 2000 Annual Session. It decided that throughout its four days of deliberations, there would be a negotiating and drafting meeting running in parallel with its plenary sessions, in order to ensure that the report tabled could be fully discussed. During

the plenary sessions themselves, there were to be two rounds of discussion on each question: a first in which any member could put forward a view, and a second in which the views of fraction were put forward. Contributions from the floor were held much more strictly to time than was the case in previous years. This pattern was followed through the three days of commission sessions held between 5 and 7 November.

The central key to the negotiations on the structural issues lay within the issues of the second round of the direct presidential election and the powers of the proposed second, regionally based, chamber of the legislature, the Dewan Perwakilan Daerah (DPD). The core of the deal proposed in the negotiating meetings was acceptance by PDI-P of some legislative power for the DPD, in exchange for which Golkar would accept that the second round of the presidential election would take place in the MPR. The new model MPR which would undertake this election would be a joint session of the DPR and the DPD, with the addition for the transitional period up to 2009 of representatives of TNI and Polri.

There were two complicating factors which meant that a full agreement based on this deal could not be completed by consensus. First, other supporters of the second round presidential election being a direct popular election, in particular PPP and PKB, were not prepared to accept the proposal to use the MPR. Second, functional group (Utusan Golongan) members started to mobilise against the proposed new model MPR, in which they would not be present: and they gained the support of a number of PDI-P members who were not happy with the proposed new DPD. Indeed at one point the negotiations appeared close to breakdown as a result of Golkar's unhappiness that PDI-P appeared unable to deliver its own members in support of the potential agreement.

Long and detailed negotiations took place in parallel with the sittings of Commission A and continued through the report back sessions. There was however still no agreement on the last evening of the Annual Session on Friday night, 9 November – even after the arrival of President Megawati and Vice-President Hamzah Haz for the formalities of closure. When it finally became evident that no full agreement could be reached, a decision was made to enact all of the text that had been agreed as the Third Amendment to the Constitution, and to pass the remaining options back to the BP as source material for a further year's debate. This decision was encapsulated as Decree XI/2001, and a very tired session finally closed about an hour before midnight.

It is perhaps inevitable the initial comment has focused heavily on the failure to reach a full agreement. The decision to enact the Third Amendment was taken quickly and late in the evening, and was therefore neither immediately published in writing nor widely communicated externally. As a result, the news of the disappointment that a full agreement was not reached obscured the very wide ranging and fundamental changes that were agreed.

The Third Amendment – A Fundamental Structural Change

The Third Amendment to the 1945 Constitution marks the decision to change Indonesia from a state with an all-powerful highest institution of state (the MPR) to become a state with constitutional checks and balances. It establishes the principle of the independence of the judiciary. It goes most of the way to abandoning the unique 'Indonesian presidential

system' in favour of a conventional presidential system as exists for example the Philippines or the USA.

The major points in the agreed Third Amendment are:

- Sovereignty of the people is changed from being exercised in full through the MPR, to being implemented in accordance with the Constitution;
- The Broad Guidelines of State Policy (GBHN) are no longer to be a constitutional function of the MPR;
- Parties or coalitions of parties are to nominate tickets of candidates for president and vice-president for a first round direct election;
- An impeachment process relating to the president and vice president is set up which excludes removal from office on policy grounds and under which the legal decision on impeachment is to be determined by the new Constitutional Court;
- A regional chamber (DPD) is established with legislative powers on issues relating to regional autonomy, centre/region relations and financial balance, and natural resource management, and with the right to submit considerations to the DPR on the state budget and on draft laws relating to tax, education and religion;
- The constitutional provision of independence of the election commission (KPU), with the DPR elected from political parties, and the DPD from individual candidates;
- A provision extending the existing requirement for all taxes to be regulated by law to cover other charges and retributions;
- The establishment of the State Audit Board (BPK) as the single external public audit agency;
- The establishment of an independent Judicial Commission dealing with proposals for Supreme Court appointments and with judicial ethics issues; and
- The establishment of a Constitutional Court with powers of judicial review of legislation, resolving disputes relating to the constitutional powers of state institutions, actions for the dissolution of political parties, and actions relating to election results, plus the duty to rule on motions to impeach. (Judicial review of regulations below the level of laws remains with the Supreme Court. The extent of the general power of the Constitutional Court to interpret the constitution remains not totally clear.)

No timetable was announced for the implementation of the major changes. This implementation cannot be immediate, as the new institutions – in particular the DPD, the Constitutional Court and the Judicial Commission – will require further statutory definition. This will require a significant volume of new legislation. It seems likely that the changes regarding the state structure and institutions will come into effect in 2004, including changes to the role and composition of the MPR, the establishment of the DPD and the first direct election of the President and Vice-President. The MPR response to the President's report gives the President, together with the DPR, the specific task to revise the existing political legislation, the three laws which cover political parties, elections and the structure and composition of state institutions. The 2004 poll would then elect the president and vice-president and the representative institutions - the DPR, the DPD and the provincial and kabupaten/kota level DPRD.

The Proposal for a Constitutional Commission

The constitutional review process was scheduled last year to be completion in 2002, a timetable which was confirmed in contributions to debate at the Annual Session. The Annual Session also debated a number of proposals to establish a Constitutional Commission or a National Constitutional Committee. This idea has been promoted for some time by a large coalition of NGOs and gained considerable momentum after a favourable mention by President Megawati in her speech before Independence Day in August. However, this idea meant very different things to different participants in the debate. At one extreme, the NGO coalition envisaged the Commission as an independent body without membership from the legislature, which would present its report to the MPR on an accept or reject basis. At the other, the detailed concept put forward in debate by PDI-P was essentially an enlargement of external, particularly regional, assistance to the existing constitutional review process taking place under the direction of the BP. And there were some who rejected it altogether.

It was always unlikely that the MPR would accept a proposal to take the process almost fully out of their hands. This became even less likely because the NGO proposal involved the writing of a new constitution, rather than amendment of the existing 1945 Constitution. In taking this position, parallels were drawn with the new constitutions adopted in recent years by Thailand, the Philippines and South Africa, all of which have used this method.

However, there is one very important difference between these three cases and the debate in Indonesia. In all three, the previous constitution had little or no credibility. The Thai constitution had been introduced by the military, the Philippine constitution by former President Marcos, and the South African constitution by the apartheid regime. By contrast, within the MPR (and indeed outside) there are many people who attach importance to the 1945 Constitution as a symbol of Indonesia's independence, while being prepared to amend its substance to meet the requirements of times that have changed. In the end, no meeting of minds took place within the MPR either on the necessity for a Commission or on its composition and functions, and the whole issue of the Commission was referred to the BP. The BP will now consider what form of extra consultation and participation (if indeed any) it thinks necessary on the more limited agenda that remains as the constitutional review process enters its last year. Thus far, efforts both by the MPR committees themselves and by the external campaigners to spark interest through a public consultation and participation process have met with very limited success.

Why was the coverage so negative?

Why, with the passage of this very substantial constitutional amendment, has the performance of the Annual Session been assessed so negatively? Why did the MPR lose the public relations battle so comprehensively? There are a number of causes. The allegations of corruption and KKN that have been made against the legislative institutions in the last six months are certainly one factor. The number of members present in the sessions – or rather, the absence of members from the sessions – was another: this however is a story that punctuates the relationship between the legislature and the media in most democracies from time to time. The speed and circumstances in which the decision on the Third Amendment was taken was a third, and the advocacy skills of those who question the

basic legitimacy of the MPR's constitutional debate a fourth. Finally, the fist fight that took on the floor of the MPR on the first morning of the Annual Session was undoubtedly a contributing factor. There is clearly a need for a full-scale review of the way that legislators present and communicate their work to the media, to political commentators and to the public.

The Remaining Constitutional Agenda

The number of issues that remain to be addressed will also be a factor has of course been considerably reduced, which will clearly be a factor in the decisions of the BP. Unresolved from the 2001 agenda are the questions of:

- The composition of the MPR, in particular the future of functional group representation;
- The second round of the presidential and vice-presidential election;
- The procedure in the case when there is a simultaneous vacancy for president and vice-president;
- The future of the Supreme Advisory Council (DPA); and
- Questions relating to the currency and the central bank.

In addition, there are a number of issues which were not on the agenda for debate this year. Most significantly, these include the proposal to include the Jakarta Charter in the Constitution, requiring the adherence of Muslims to syariah law. There are other such issues, for example provisions relating to education.

The question over functional groups is whether the future MPR should consist only of elected members, plus TNI/Polri members for a further five year transitional period; or whether the existing specific representation of groups such as cooperatives, religious groups, or labour unions should continue. Unsurprisingly, the existing functional group representatives believe that they should have a continuing role, although their position is much more firm now than it was when the question was first raised in 1999. They are however opposed by a substantial majority of the elected political party members in this respect.

The possible solution of the question of the second round presidential election is less clear. The core of the attempt to reach resolution on this issue lay in 2001 in negotiation between PDI-P and Golkar, the idea of which was that PDI-P would accept the legislative powers of the DPD in exchange for which Golkar would support second round presidential election by the MPR. Other parties, however, were unpersuaded that the presidential election should be determined by the MPR. Arguments have been raised against both options. Against the second round direct election, they relate for example to cost and security implications. Against the second round election in the MPR, they include the possible repercussions of the defeat in the MPR of a ticket of two candidates who are only very narrowly in the lead in the national vote.

It is distinctly possible that amendment of the constitution by consensus, a principle which has held in respect of the three packages of constitutional amendments passed in 1999, 2000 and 2001, will not be achievable for the resolution of the final issues. MPR Standing Orders require every effort possible to be made to reach consensus, and this year's decision to defer outstanding issues rather than vote on them illustrates again the depth of that

tradition. However, agreement on any of the three major issues of functional group representation, the second round presidential election, or the Jakarta Charter does not currently seem close. Indeed, some parties clearly see the Jakarta Charter as an issue which defines their party, and as a result may regard a vote as desirable. It should also be remembered that any proposal to change the constitution requires a two thirds majority. This would suggest, if no consensus is achieved, that the supporters of either direct presidential election option and the supporters of the elimination of functional group representation will need to build such a majority. It will be an interesting debate to continue to watch.

Annexes to the English Edition :

- ❖ *Third Amendment to the 1945 Constitution*
- ❖ *MPR Decree Number VIII/MPR/2001 on Recommendations on the Direction of Policy on the Elimination and Prevention of Corruption, Collusion, and Nepotism (KKN)*
- ❖ *MPR Decree Number IX/MPR/2001 on Agrarian Reform and Management of Natural Resources*
- ❖ *MPR Decree Number XI/MPR/2001 on the Designation of the MPR Working Body (Badan Pekerja) to prepare draft amendments to the 1945 Constitution of the Republic of Indonesia*

**THIRD AMENDMENT TO THE 1945 CONSTITUTION
OF THE REPUBLIC OF INDONESIA**

WITH THE MERCY OF THE ONE AND ONLY GOD

THE MPR,

After thoroughly and seriously studying, analysing and considering the basic matters confronted by the people, nation, and state, and additionally by using its authority based on Article 37 of the 1945 Constitution of the Republic of Indonesia, the MPR amends and/or adds Article 1 Paragraph (2) and (3); Article 3 Paragraph (1), (3), and (4); Article 6 Paragraph (1) and (2); Article 6A Paragraph (1), (2), (3), and (5); Article 7A; Article 7B Paragraph (1), (2), (3), (4), (5), (6), and (7); Article 7C; Article 8 Paragraph (1) and (2); Article 11 Paragraph (2) and (3); Article 17 Paragraph (4); Chapter VIIA, Article 22C Paragraph (1), (2), (3), and (4); Article 22D Paragraph (1), (2), (3), and (4); Chapter VIIB, Article 22E Paragraph (1), (2), (3), (4), (5), and (6); Article 23 Paragraph (1), (2), and (3); Article 23A; Article 23C; Chapter VIIIA, Article 23E Paragraph (1), (2), and (3); Article 23F Paragraph (1) and (2); Article 23G Paragraph (1) and (2); Article 24 Paragraph (1) and (2); Article 24A Paragraph (1), (2), (3), (4), and (5); Article 24B Paragraph (1), (2), (3), and (4); Article 24C Paragraph (1), (2), (3), (4), (5), and (6) of the 1945 Constitution of the Republic of Indonesia. The revised articles shall read as follows :

Article 1

- (2) Sovereignty is in the hands of the people and is implemented according to this Constitution.
- (3) The State of Indonesia is a state based on law.

Article 3

- (1) The People's Consultative Assembly (*Majelis Perwakilan Rakyat* or MPR) has the authority to amend and enact the Constitution.
- (3) The MPR will inaugurate the President and/or Vice President.
- (4) The MPR may only dismiss the President and/or Vice-President during his/her term of office according to the Constitution.

Article 6

- (1) Any candidate for President or Vice-President shall be a citizen of Indonesia since birth, shall never have acquired another citizenship by his/her own will, shall never have betrayed the country, and shall be mentally and physically capable of implementing the duties and obligations of President or Vice-President.
- (2) The requirements to become President or Vice-President are further regulated by law.

Article 6A

- (1) The President and Vice-President are elected as a single ticket directly by the people.
- (2) Each ticket of candidates for President and Vice-President shall be proposed prior to the holding of the general election by political parties or combination of political parties which are participants of the general election.
- (3) Any ticket of candidates for President and Vice-President which polls a vote of more than fifty percent of the total number of votes during the general election and in addition polls at least twenty percent of the votes in more than half of the total number of provinces in Indonesia shall be declared elected as the President and Vice-President.
- (5) The procedure for the holding of the election of the President and Vice-President is further regulated by law.

Article 7A

The President and/or the Vice-President may be dismissed from his/her position by the MPR on the proposal of the House of Representatives (*Dewan Perwakilan Rakyat* or DPR), both if it is proven that he/she has violated the law in the form of betraying the state, corruption, bribery, other criminal acts, or disgraceful behaviors or if it is proven that he/she no longer meets the requirements as President and/or Vice-President.

Article 7B

- (1) Any proposal for the dismissal of the President and/or the Vice-President may be submitted by the DPR to the MPR only by first submitting a request to the Constitutional Court to investigate, bring to trial, and issue a decision on the opinion of the DPR either that the President and/or Vice-President has violated the law through an act of treason, corruption, bribery, or other act of a grave criminal nature, or through moral turpitude, and/or that the President and/or Vice-President no longer meets the qualifications to serve as President and/or Vice-President.
- (2) The opinion of the DPR that the President and/or Vice-President has violated the law or no longer meets the qualifications to serve as President and/or Vice-President is undertaken in the course of implementation of the supervision function of the DPR.
- (3) The submission of the request of the DPR to the Constitutional Court shall only be made with the support of at least 2/3 of the total members of the DPR who are present in a plenary session that is attended by at least 2/3 of the total membership of the DPR.
- (4) The Constitutional Court has the obligation to investigate, bring to trial, and reach the most just decision on the opinion of the DPR at the latest ninety days after the request of the DPR was received by the Constitutional Court.
- (5) If the Constitutional Court decides that the President and/or Vice-President is proved to have violated the law in the form of an act of treason, corruption, bribery, or other act of a grave criminal nature, or moral turpitude; and/or the President and/or Vice-President is proved no longer to meet the qualifications to serve as President and/or Vice-President, the DPR shall hold a plenary session to submit the proposal to impeach the President and/or Vice-President to the MPR.
- (6) The MPR shall conduct a session to decide on the proposal of the DPR at the latest thirty days after its receipt of the proposal.

- (7) The decision of the MPR over the proposal to impeach the President and/or Vice-President shall be taken during a plenary session of the MPR which is attended by at least 3/4 of the total membership and shall require the approval of at least 2/3 of the total of members who are present, after the President and/or Vice-President have been given the opportunity to present his/her explanation to the plenary session of the MPR.

Article 7C

The President may not freeze and/or dissolve the DPR.

Article 8

- (1) In the event that the President dies, resigns, is impeached, or is not capable of implementing his/her obligations during his/her term, he/she will be replaced by the Vice-President until the end of his/her term.
- (2) In the event that the position of Vice-President is vacant, the MPR should hold a session within sixty days at the latest to select a Vice-President from two candidates nominated by the President.

Article 11

- (2) The President in making other international agreements that will produce an extensive and fundamental impact on the lives of the people which is linked to the state financial burden, and/or that will requires an amendment to or the enactment of a law, shall obtain the approval of the DPR.
- (3) Further provisions concerning international agreements are regulated by law.

Article 17

- (4) The formation, change, and dissolution of state ministries shall be regulated by law.

Chapter VIIA

HOUSE OF REPRESENTATIVES OF THE REGIONS (*Dewan Perwakilan Daerah* or DPD)

Article 22C

- (1) The members of the DPD shall be elected from every province through a general election.
- (2) The total number of members of DPD in every province shall be the same, and the total membership of the DPD shall not exceed a third of the total membership of the DPR.
- (3) The DPD shall hold a session at least once every year.
- (4) The structure and composition of the DPD shall be regulated by law.

Article 22D

- (1) The DPD may propose to the DPR Bills related to regional autonomy, the relationship of central and local government, formation, expansion and merger of regions, management of natural resources and other economic resources, and Bills related to the financial balance between the centre and the regions.
- (2) The DPD shall participate in the discussion of Bills related to regional autonomy; the relationship of central and local government; formation, expansion, and merger of regions; management of natural resources and other economic resources, and financial balance between the centre and the regions; and shall provide consideration to the DPR over Bills on the State Budget and Bills related to taxation, education, or religion.
- (3) The DPD may oversee the implementation of laws concerning regional autonomy, the formation, expansion and merger of regions, the relationship of central and local government, management of natural resources and other economic resources, implementation of the State Budget, taxation, education, or religion and shall in addition submit the result of such oversight to the DPR in the form of material for its further consideration.
- (4) The members of the DPD may be removed from office under requirements and procedures that shall be regulated by law.

CHAPTER VIIB GENERAL ELECTIONS

Article 22E

- (1) General elections shall be conducted in a direct, general, free, secret, honest, and fair manner once every five years.
- (2) General elections shall be conducted to elect the members of the DPR, DPD, the President and Vice-President, and the Regional House of Representatives (*Dewan Perwakilan Rakyat Daerah* or DPRD).
- (3) The participants in the general election for the election of the members of the DPR and the members of the DPRD are political parties.
- (4) The participants in the general election for the election of the members of the DPD are individuals.
- (5) The general election shall be organised by a general election commission of a national, permanent, and independent character.
- (6) Further provisions concerning the general election is regulated by law.

Article 23

- (1) The State Budget as the basis of the management of state funds is determined annually by law and shall be implemented in an open and accountable manner in order to best attain the prosperity of the people.
- (2) The Bill on the State Budget shall be submitted by the President for joint consideration with the DPR, which consideration shall take into account the opinions of the DPD.
- (3) In the event that the DPR fails to approve the proposed Bill on the State Budget submitted by the President, the Government shall implement the State Budget of the preceding year.

Article 23A

All taxes and other levies for the needs of the state of a compulsory nature shall be regulated by law.

Article 23C

Other matters concerning state finances shall be regulated by law.

CHAPTER VIIIA**SUPREME AUDIT BOARD**
(*Badan Pemeriksa Keuangan or BPK*)**Article 23E**

- (1) To investigate the management and accountability of state funds a Supreme Auditing Body that is free and independent is formed.
- (2) The result of the investigation of state funds will be submitted to the House of Representatives, Regional Representatives Council, and Regional House of Representatives based on their authority.
- (3) The said result of the investigation will be continued by representative institutions and/or bodies according to law.

Article 23F

- (1) The members of the Supreme Auditing Body will be elected by the House of Representatives by paying attention to the considerations of the Regional Representative Council and will be legalized by the President.
- (2) The leader of the Supreme Auditing Body will be elected by the members.

Article 23G

- (1) The Supreme Auditing Body is based in the capital of the state, and has a representative in every province.
- (2) Further stipulations concerning the Supreme Auditing Body is regulated by law.

Article 24

- (1) The power of the judiciary is the power of freedom to implement justice in order to enforce law and justice.
- (2) The power of the judiciary is implemented by a Supreme Court and judicature bodies under it in the surroundings of public courts, surroundings of religious courts, in the surroundings of military tribunals, in the surroundings of state procedures, and by a Constitutional Court.

Article 24A

- (1) The Supreme Court has the authority to hear a trial at the Supreme Court level, review laws and regulations under a law concerning laws, and has other authorities provided by law.
- (2) The supreme judge must have integrity and a personality that is not disgraceful, he/she must be fair, professional, and possess an experience in the legal aspect.
- (3) The candidate supreme judge is proposed by the Judicial Commission to the House of Representatives to obtain approval and later declared as the supreme judge by the President.
- (4) The Chairperson and Vice-Chairperson of the Supreme Court is elected from and by the supreme judge.
- (5) The structure, status, membership, and legal program of the Supreme Court and judicature bodies under it is regulated by law.

Article 24B

- (1) The Judicial Commission that is characterized as independent has the authority to propose the promotion of the supreme judge and has other authorities in the framework of guarding and upholding the honor, noble prestige, and behavior of the judge.
- (2) The members of the Judicial Commission must possess the knowledge and experience in the legal aspect and must possess integrity and a personality that is not disgraceful.
- (3) The members of the Judicial Commission is promoted and dismissed by the President with the approval of the House of Representatives.
- (4) The structure, status, and membership of the Judicial Commission is regulated by law.

Article 24C

- (1) The Constitutional Court has the authority to try a case at the first and last level and its decision is characterized as final in reviewing laws concerning the Constitution, to decide over conflicts on the authority of state institutions whose authority was provided by the Constitution, decide over the dissolution of political parties, and decide over disputes on the result of the general election.
- (2) The Constitutional Court has the authority to issue a decision over the opinion of the House of Representatives concerning suspicious violations of the President and /or Vice-President according to the Constitution.
- (3) The Constitutional Court is composed of nine persons who are members of the constitution judges who are determined by the President, and three persons are proposed by the Supreme Court, three persons proposed by the House of Representatives, and three persons proposed by the President.
- (4) The Chairperson and Vice-Chairperson of the Constitutional Court are elected from and by the constitution judges.
- (5) The constitution judge must possess integrity and a personality that is not disgraceful, he/she must be fair, a statesman who master the Constitution and state procedures and he/she is not assuming the position of a state official.
- (6) The promotion and dismissal of the constitution judge, program judge, and other stipulations concerning the Constitutional Court is regulated by law.

This document on amendment is part and not separated from the document of the State Constitution of the Republic of Indonesia 1945.

The said amendments were decided in the 7th Plenary Session of the People's Consultative Assembly of the Republic of Indonesia (2nd continuation) on 9 November 2001 Annual Session of the People's Consultative Assembly of the Republic of Indonesia, and will be applicable on the date of its enactment.

Enacted in Jakarta
9 November 2001

**PEOPLE'S CONSULTATIVE ASSEMBLY OF THE
REPUBLIC OF INDONESIA**

Chairperson,

Prof. Dr. H.M. Amien Rais

Vice Chairperson,

Prof. Dr. Ir. Ginandjar Kartasasmita

Vice Chairperson,

**Prof. Dr. Jusuf Amir Feisal, S. Pd.
Thamrin**

Vice Chairperson,

Drs. H. A. Nazri Adlani

Vice Chairperson,

Ir. Sutjipto

Vice Chairperson,

Drs. H.M. Husnie

Vice Chairperson,

Agus Widjojo

MPR DECREE NUMBER VIII/MPR/2001

On

**Recommendations on the Direction of Policy on the Elimination and Prevention of
Corruption, Collusion and Nepotism**

By the Grace of Almighty God

The MPR,

['Whereas', 'in accordance with and 'having regard to' clauses omitted]

HEREBY RESOLVES:

**To enact: DECREE OF THE PEOPLE'S CONSULTATIVE ASSEMBLY OF
THE REPUBLIC OF INDONESIA CONCERNING THE
RECOMMENDATIONS ON THE DIRECTION OF POLICY ON THE
ELIMINATION AND PREVENTION OF CORRUPTION,
COLLUSION AND NEPOTISM**

Article 1

This Recommendation on Policy Direction is aimed at accelerating and providing a more effective guarantee on the elimination of corruption, collusion and nepotism as stipulated in MPR Decree Number XI/MPR/1998 concerning the Implementation of a State that is Clean and Free from Corruption, Collusion, and Nepotism, in addition to other related rules and regulations.

Article 2

The policy directions on the elimination of corruption, collusion, and nepotism are :

1. To accelerate the legal process against government authorities, particularly law enforcers and state administrators, who are suspected of practising corruption, collusion, and nepotism, and conduct administrative actions to expedite the legal process.
2. To conduct more serious legal action on all corruption cases, including past corruption. Those who are proven guilty should receive a heavy punishment.
3. To push for the broad participation of society in supervising and reporting to the proper authorities suspicions of the practice of corruption, collusion, and nepotism by civil servants, state administrators and members of civil society.
4. To revoke, amend, or revise all rules and regulations and decisions of state administrators that indicate the protection or allow the practice of corruption, collusion, and nepotism.
5. To revise all rules and regulations related to corruption to ensure their synchronisation and mutual consistency.

6. To formulate laws and implementing regulations to assist the acceleration and effective implementation of the elimination and prevention of corruption, including laws on :
 - a. The Commission on the Elimination of Criminal Acts of Corruption;
 - b. The Protection of Witnesses and Victims;
 - c. Organised Crime;
 - d. Freedom of Information;
 - e. Administrative Ethics;
 - f. The Crime of Money Laundering;
 - g. Ombudsman.
7. To act on the need to immediately formulate a law to prevent acts of collusion and/or nepotism that can lead to criminal acts of corruption.

Article 3

This Recommendation on Policy Direction is presented to the President of the Republic of Indonesia and other High State Institutions for implementation according to their respective roles, duties, and functions, and its implementation shall be reported to the Annual Session of the MPR.

Article 4

This Decree shall take effect on the date of its enactment.

Enacted in Jakarta
on 9 November 2001

MPR DECREE NUMBER IX/MPR/2001
On
Agrarian Reform and Management of Natural Resources

By the Grace of Almighty God

The MPR,

[‘Whereas’, ‘in accordance with and ‘having regard to’ clauses omitted]

HEREBY RESOLVES:

To enact:

DECREE OF THE PEOPLE'S CONSULTATIVE ASSEMBLY OF THE REPUBLIC OF INDONESIA CONCERNING AGRARIAN REFORM AND MANAGEMENT OF NATURAL RESOURCES

Article 1

This Decree of the MPR concerning Agrarian Reform and Management of Natural Resources is the basis of the legislation and regulations concerning agrarian reform and management of natural resources.

Article 2

Agrarian reform shall be a process that is sustainable in relation to the restructuring of the control, ownership, utilisation, and exploration of agrarian resources. It shall be conducted in a context of attaining certainty and legal protection as well as justice and prosperity for the whole of the people of Indonesia.

Article 3

The management of natural resources whether located on land, in the sea or in the airspace shall be conducted in an optimal, fair, sustainable and environment-friendly manner.

Article 4

The conduct of agrarian reform and management of natural resources shall be based on the following principles:

- a. protecting and maintaining the unity of the Unitary State of the Republic of Indonesia;
- b. respecting and revering human rights;
- c. respecting the supremacy of the law by accommodating diversity in legal unification;
- d. providing prosperity to the people, particularly by increasing the quality of the human resources of Indonesia;
- e. developing democracy, obedience of the law, transparency and the optimal participation of the people;

- f. attaining justice, including gender equality, in the control, ownership, utilisation, and cultivation of agrarian resources/natural resources;
- g. cultivating sustainability that can provide optimum benefits, both for present generations and future generations, by continuously considering the accommodating capacity and supporting capacity of the environment;
- h. holding social functions, preservation, and ecological functions based on the condition of the local social culture;
- i. enhancing the integrity and coordination among development sectors and among regions in the implementation of agrarian reform and management of natural resources;
- j. recognising, respecting, and protecting the legal customary rights of the society and the diversity of the national culture over agrarian resources/natural resources;
- k. making efforts to balance the rights and obligations of the state, government (central, provincial, kabupaten/kota, and village or equivalent), community and individuals; and
- l. implementing decentralisation by dividing authority in relation to the allocation and management of agrarian/natural resources between the national, provincial, kabupaten/kota and village or equivalent levels.

Article 5

(1) The policy directions on agrarian reform are:

- a. To review various legislation and regulations related with agrarian questions in the context of harmonisation of inter-sectoral policies in order to formulate legislation and regulations based on the principles stated in Article 4 of this Decree.
- b. To restructure the control, ownership, use, and benefits of land reform fairly by considering land ownership for the people.
- c. To gather data on lands by conducting an inventory and making a registration of the control, ownership, use and benefits of lands comprehensively and systematically in the framework of implementing land reform.
- d. To settle existing conflicts related to agrarian resources and at the same time to anticipate potential conflicts in the future to guarantee the enforcement of the law based on the principles stated in Article 4 of this Decree.
- e. To strengthen institutionalisation and authority related to the implementation of agrarian reform and the resolution of existing conflicts related to agrarian resources.
- f. To make real efforts to obtain funds to implement agrarian reform and settle existing conflicts.

(2) The policy directions on the management of natural resources are:

- a. To review the legislation and regulations related with the management of natural resources in the context of harmonising inter-sectoral policies based on the principles stated in Article 4 of this Decree.
- b. To obtain optimum benefits in the use of natural resources by identifying and conducting an inventory on the quality and quantity of natural resources that have potential for national development.
- c. To expand the access to information of society concerning the potential of the natural resources in each area and to push for the creation of social responsibility

leading to the use of technology that is environment friendly, including traditional technology.

- d. To pay attention to the nature and characteristics of different types of natural resources and to make efforts to increase the added value of the products of these natural resources.
- e. To settle existing conflicts over the management of natural resources and at the same time to anticipate potential conflicts in the future in order to guarantee the enforcement of the law based on the principles stated in Article 4 of this Decree.
- f. To make efforts to restore ecosystems that have been destroyed because of excessive exploitation of natural resources.
- g. To formulate strategies for the use of natural resources based on obtaining optimum benefits by considering resource potential, contributions, the interests of society, and the local and national situation.

Article 6

The DPR and the President of the Republic of Indonesia are tasked to immediately regulate further the implementation of agrarian reform and management of natural resources and to revoke, amend and/or revise all laws, rules and regulations that are not in conformity with this Decree.

Article 7

The President of the Republic of Indonesia is tasked immediately to implement this Decree of the MPR concerning Agrarian Reform and Management of Natural Resources and to report on its implementation to the Annual Session of the MPR.

Article 8

This Decree shall take effect on the date of its enactment.

Enacted in Jakarta
on 9 November 2001

MPR DECREE NUMBER XI/MPR/2001**on****REVISIONS TO MPR DECREE NUMBER IX/MPR/2000 on the Designation of the Working Body (Badan Pekerja) of the MPR to prepare Draft Amendments to the 1945 Constitution of the Republic of Indonesia****WITH THE MERCY OF THE ONE AND ONLY GOD****THE MPR,***['Whereas', 'in accordance with and 'having regard to' clauses omitted]***HEREBY RESOLVES:**

To enact: DECREE OF THE MPR CONCERNING REVISIONS TO MPR DECREE NUMBER IX/MPR/2001 CONCERNING THE DESIGNATION OF THE WORKING BODY (BADAN PEKERJA) OF THE MPR TO PREPARE DRAFT AMENDMENTS TO THE 1945 CONSTITUTION OF THE REPUBLIC OF INDONESIA

Article 1

The provisions of MPR Decree Number IX/MPR/2000 concerning the Designation of the Working Body of the MPR to Prepare Draft Amendments to the 1945 Constitution of the Republic of Indonesia, are revised as follows:

In Article 2, the sentence "the result of the Working Body of the People Consultative Assembly of the Republic of Indonesia 1999 –2000" is revised so it states that:

"In the framework of implementing the duty provided in Article 1, Badan Pekerja MPR shall use the materials of Draft Amendments to the 1945 Constitution of the Republic of Indonesia as stated in the appendix that is an integral part of this Decree."

Article 2

This Decree shall take effect on the date of its enactment.

Enacted in Jakarta

On 9 November 2001

**MATERIALS ON DRAFT AMENDMENTS TO THE 1945 CONSTITUTION OF
THE REPUBLIC OF INDONESIA**

**CHAPTER II
MAJELIS PERWAKILAN RAKYAT (MPR)**

Article 2

(1) Alternative 1 :

The MPR shall be composed of the members of the DPR and the members of the DPD who have been elected through a general election, and in addition functional groups regulated according to the provisions of law.

Alternative 2:

The MPR shall be composed of the DPR and DPD whose members have been elected through a general election and shall be further regulated by law.

Note:

The membership of TNI/Polri shall be in accordance with MPR Decree Number VII/MPR/2000 as agreed and shall be included in the Transitional Arrangements of the 1945 Constitution.

Article 3

(2) Alternative 1:

The MPR shall elect the President and Vice-President from two tickets of candidates for President and Vice-President in the event that no ticket is elected at the general election.

Alternative 2 :

This article is not necessary.

**CHAPTER III
AUTHORITY OF THE STATE ADMINISTRATION**

Article 6A

(4) Alternative 1 :

In the event that no ticket of candidates for President and Vice-President was elected, the two tickets of candidates who obtained the first highest and second highest votes in the general election by the MPR and the pair of candidate who obtains the highest vote shall be declared as President and Vice-President.

Alternative 2 :

In the event that no ticket of candidates for President and Vice-President was elected, the two tickets of candidates which obtained the first highest and second highest votes in the general election shall be submitted to the MPR, and the ticket that obtains the majority vote shall be sworn in as President and Vice-President.

Article 8

(3) Alternative 1 :

If both the President and Vice-President die, resign, are dismissed, or are not capable of carrying out their obligations during their term of office at the same time, the Duties of the Presidency shall be implemented by the Minister of Foreign Affairs, Minister of Home Affairs, and the Minister of Defence acting together. Within at the latest one month, the MPR shall convene a session to elect the President and Vice-President from two tickets of candidates for President and Vice-President proposed by the political parties or coalitions whose tickets of candidates for President and Vice-President obtained the first highest and second highest votes during the previous election, to serve until the end of the term of office.

Alternative 2 :

If at the same time there is a vacancy for the position of President and Vice-President, the Speaker of the DPR and the Speaker of the DPD shall undertake the duties of the President and Vice-President respectively on a temporary basis. Within at the latest one month, the MPR shall convene a session to elect the President and Vice-President from two tickets of candidates for President and Vice-President proposed by political parties or coalitions whose tickets of candidates for President and Vice-President obtained the first highest and second highest votes during the previous election, to serve until the end of the term of office.

Alternative 1 :

CHAPTER CONCERNING THE ABOLITION OF THE SUPREME ADVISORY COUNCIL (DPA) AND ITS INCLUSION IN CHAPTER III CONCERNING THE AUTHORITY OF THE STATE ADMINISTRATION

Article 15A

The President may form an advisory body that is assigned to provide advice to the President in accordance with need according to provisions regulated by law.

Alternative 2 :

The Supreme Advisory Council (DPA) will be maintained with the following formulation:

**CHAPTER IV
THE SUPREME ADVISORY COUNCIL (DPA)**

Article 16

- (1) The DPA shall be obliged to provide answers to the questions of the President and shall have right to make proposals and give advice to the President on the conduct of the state administration.
- (2) The DPA shall be composed of members proposed by the DPR and DPD based on personal integrity, national perspective, prominence in society, and historic service rendered to the nation and state, to be appointed and confirmed in office by the President.
- (3) The formation and structure of the DPA shall be regulated by law.

**CHAPTER VIII
FINANCE**

Article 23B

Alternative 1 :

The monetary currency of the Republic of Indonesia shall be the Rupiah.

Alternative 2 :

The monetary currency of the Republic of Indonesia shall be determined by law.

Article 23D

- (1) The State of the Republic of Indonesia shall possess a Central Bank [that is independent], [that is, Bank Indonesia] that is authorised to issue and circulate the monetary currency.
- (2) Its formation, structure, and authorities shall be regulated by law.

**CHAPTER
LAW ENFORCEMENT**

Article 25C

- (1) *The Office of the Public Prosecutor shall be a state institution that is independent in implementing its authority in criminal cases.*
- (2) *The Office of the Public Prosecutor shall be headed by an Attorney-General who shall be appointed and dismissed by the President with the approval of the DPR (after consideration of the opinion of the DPD).*
- (3) *The formation, structure, and other authorities of the Office of the Public Prosecutor shall be regulated by law.*

Article 25D

- (1) *The investigation of a criminal case is the duty and authority of the State Police of the Republic of Indonesia (Polri) as regulated by law.*
- (2) *Other officials may implement investigations as ordered by law.*

CHAPTER XI

Alternative 1 : RELIGION (Unamended)

Alternative 2 : BELIEF IN ONE ALMIGHTY GOD

Article 29

Alternative 1 :

- (1) *The state is based on Belief in One Almighty God, (Unamended).*

Alternative 2 :

- (1) *The state is based on Belief in One Almighty God with the obligation upon the followers of Islam to carry out Islamic law.*

Alternative 3 :

- (1) *The state is based on Belief in One Almighty God with the obligation upon the followers of each religion to carry out its religious teachings.*

Alternative 4 :

- (1) *The state is based on Belief in One Almighty God, Humanity that is just and civilised, the Unity of Indonesia, democracy guided by the wisdom of representative deliberation, and social justice for all Indonesians.*

Alternative 1 :

(2) The state shall guarantee the freedom of every citizen to embrace his/her own religion and to be devoted based on his/her own religion and beliefs (Unamended).

Alternative 2 :

(2) The state shall guarantee the freedom of every citizen to embrace his/her own religion and to be devoted based on his/her own religion.

Alternative 3 :

(2) The state shall guarantee the freedom of every citizen to embrace his/her own religion and to be devoted based on his/her own religion and beliefs, as well as to establish his/her respective place of worship.

Alternative 4 :

(2) The state shall guarantee the freedom of every citizen to embrace his/her own religion, implement the teachings of his/her religion and to be devoted based on the beliefs of his/her religion.

Alternative 1 :

It is not necessary to have an additional paragraph.

Alternative 2 :

Additional paragraphs will start at Article ...

- (a) The state shall protect the citizens against the dissemination of understandings that are contrary to Belief in One Almighty God.*
- (b) The administration of the state shall not be contrary to the values, norms, and laws of religion.*
- (c) The state shall strongly uphold the ethical values and human morals that are taught by each religion.*

CHAPTER XIII EDUCATION AND CULTURE

Article 31

- (1) Every citizen of the state has the right to obtain education.*
- (2) It is obligatory for every citizen to obtain primary education and the government is obliged to pay for its costs.*

Alternative 1 :

(3) The government shall organise and implement a national education system that will be regulated by law.

Alternative 2 :

(3) The government shall organise and implement a national education system, in order to enlighten the life of the nation and create human beings of good character that will be regulated by law.

Alternative 3 :

(3) The government will organise and implement a national education system to enhance faith, piety and good character and to enlighten the life of the nation that will be regulated by law.

Alternative 1 :

(4) The state is obliged to give priority to the education budget within the National Budget in order to fulfil the needs for implementation of national education.

Alternative 2 :

(4) The state is obliged to give priority to the education budget, which shall be at least 20% of the National Budget and each Regional Budget in order to fulfil the needs for implementation of national education.

Alternative 1 :

(5) The government shall advance knowledge and technology for the advancement of civilisation and unity.

Alternative 2 :

(5) The government shall advance knowledge and technology that are not contrary to religious values for the advancement of civilisation and prosperity of humanity.

Article 32

- (1) The state shall protect old cultural values that are good and develop new cultural values that are better.*
- (2) The government shall advance the national culture of Indonesia by constantly ensuring the freedom of society to preserve and develop its culture.*
- (3) The state shall respect and protect regional dialects as the wealth of the national culture.*

CHAPTER XIV NATIONAL ECONOMY AND SOCIAL WELFARE

Article 33

- (1) The economy shall be organised and developed as a joint effort of all the people in a sustainable manner based on the principles of justice, efficiency, and a democratic economy to create prosperity, well being, and social justice for all the people.*
- (2) Branches of production that are important for the state and those which dominate the wishes of many people shall be controlled and/or regulated by the state based on principles of justice and efficiency that will be regulated by law.*

- (3) *Land, water, and space and the natural resources contained therein shall be controlled and/or regulated by the state and shall be used to the maximum for the prosperity of the people, as will be regulated by law.*
- (4) *The agents of the economy shall be cooperatives, state-owned companies, and privately owned companies including individual businesses.*
- (5) *The structure and development of the national economy shall always protect and improve the order of the environment, consider and value ancestral rights, and guarantee the sustainable progress of the whole territory of the state.*

Article 34

- (1) *The poor and needy and abandoned children shall be protected by the state. (Unamended)*
- (2) *The state shall develop a social security system for all the people and empower society that is weak and powerless in accordance with human values.*
- (3) *The state is responsible for the availability of health service facilities and for appropriate public service facilities.*

CHAPTER XVI AMENDMENTS TO THE CONSTITUTION

Article 37

- (1) *A proposal for the amendment of the Constitution may be included in the agenda of a Session of the MPR if it is submitted by at least 1/3 of the total number of members of the MPR.*
- (2) *All proposed amendments to the Constitution must explicitly indicate the part which is proposed to be amended.*
- (3) *In order to amend the Constitution, at least 2/3 of the total number of members of the MPR must be present. [From Article 37 paragraph (1)].*
- (4) *Any decision to amend the Constitution shall require the approval of more than 3/4 of the total number of members of the MPR who are present, except that any decision to amend the Preamble of the 1945 Constitution or the Form and Unity of the Territory of the Unitary State of the Republic of Indonesia must obtain the approval of more than fifty percent of the people.*
- (5) *Further matters concerning the implementation of the amendment of this Constitution shall be regulated by decision of the MPR.*

TRANSITIONAL ARRANGEMENTS

Article I

All state institutions and existing rules and regulations shall continue in effect until new rules and regulations are formulated according to the amendment of this Constitution.

Article II

Additional members of the MPR as provided in Article 2 paragraph (1) of this Constitution are delegates of TNI and delegates of Polri.

The provision relating to additional members of the MPR as intended in this article will be applicable for as long as it is not revised by the MPR.

CLOSING PROVISION

The Amendment to this Constitution is approved on

Note :

1. Upright typeface : Result of the Meeting of Badan Pekerja MPR during the MPR Annual Session 2001
2. Italic typeface : Not yet discussed (In accordance with the Appendix to MPR Decree Number IX/MPR/2000)