

DECENTRALIZATION AND RELIGIOUS IDENTITY IN POST-NEW ORDER INDONESIA: A SOCIAL HISTORY OF ISLAMIC MODERATION AND LOCAL GOVERNANCE (1998-PRESENT)

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ABSTRAK

From a social history perspective, decentralization influenced not only political institutions but also everyday social life. Local elites often used religious symbols and narratives to gain legitimacy and strengthen their political influence. In several regions, this process contributed to the emergence of faith-based local regulations. One example is the implementation of Islamic law in Aceh, where regional autonomy allowed religious norms to become integrated into governance and public life. However, decentralization also produced complex consequences. Although autonomy was intended to strengthen democracy and accommodate local diversity, it sometimes intensified identity-based politics. Religious discourse could be used strategically by political actors to gain support and authority. As a result, debates about religious identity often overshadowed broader social issues such as poverty, inequality, and corruption. This study shows that Islamic moderation in post-New Order Indonesia has developed through interactions between local communities, religious institutions, and political actors within decentralized governance structures.

Keywords: Decentralization, Religious identity politics, Islamic moderation, Southeast Asia, local governance

A. INTRODUCTION

The collapse of Suharto's New Order regime in 1998 signaled Indonesia's dramatic shift from authoritarian rule to democracy, thus making it a critical case study of how speedy political liberalization remakes the ties between the state, religion, and society. More than just the fall of a dictatorship, this seismic change—set off by the Asian Financial Crisis and mass protests—liberated competing concepts of religious identity, local governance, and nationbuilding that continue to shape the largest Muslim-majority democracy in Southeast Asia.

There are three factors that make Indonesia's post-1998 experience globally relevant: The sudden decentralization under Laws 22/1999 and 32/2004 produced what political economist Vedi Hadiz (2011) termed as 'oligarchic localism,' whereby regional strongmen utilized religious symbolism in the absence of institutions. In less than ten years more than 440 faithbased regulations emerged, from mandatory hijab laws in Aceh to Bible literacy

requirements in Papua; it shows how democratization can paradoxically enable illiberal local governance. (Buehler 1996) Second, Indonesia became the ultimate testing ground for theories of religious moderation vs radicalization. As the world's third-largest democracy, its experience refutes Samuel Huntington's "clash of civilizations" thesis: where Islamic political parties failed to gain national power (capturing only 16% of votes in 1999 elections), they succeeded in local arenas through Sharia bylaws that altered education, gender norms and public morality (Fealy 2019). This "creeping Islamization" (Van Bruinessen 2013) occurred alongside Christian and Hindu identity assertions, creating a laboratory for multicultural governance. Third, the Indonesian situation demonstrates the limitations of Western secularization ideas. The prediction of José Casanova (1994) that religion would be privatized was reversed here, with faith becoming the major language of political contestation. The 2005 Aceh autonomy deal, which granted legal Sharia implementation rights, contradicted Asad's (2003) concept of a secular modern state while motivating Muslim minorities throughout Southeast Asia.

This paper contends that Indonesia's post-1998 trajectory offers four critical lessons for global scholarship:

1. Decentralization can minimize separatist conflicts, but it also promotes religious majoritarianism, with 63 Sharia-inspired regulations established by 2022 (IPAC 2023).
2. HTI (Hizbut Tahrir Indonesia), a transnational movement, has adapted global jihadist narratives to local contexts through schools and halal certification bodies (Hasan 2018). Stark and Bainbridge's (1987) paradigm describes how regions "branded" themselves as "Sharia compliant" to attract investment from the Middle East.
3. Pancasila, Indonesia's national ideology, has survived despite being reinterpreted via Islamic glasses (Pepinsky 2020).

This study looks at the ways that Indonesia's challenging transition led to: Fresh politicians: While evangelical pastors are enacting moral laws in Papua, Kyai (Islamic scholars) in East Java have turned into bureaucrats. Examples of hybrid governance models: Aceh's "Sharia lite" system blends local *adat* (customary law) with *fiqh*. Global feedback loops: The impact of Aceh's *Qanun* laws on Malaysian policies in Kelantan. The repercussions extend far beyond Indonesia. This case is crucial for comprehending 21st-century democracy in mixed communities, as conflict zones in Southeast Asia, ranging from

Mindanao to Pattani, keep an eye on Jakarta's ability to balance religious autonomy and national unity. Studying Indonesia's 25-year experiment with decentralised religion politics gives us important insights into the conflicts that exist globally between democratic governance and cultural identity. Southeast Asia has been significantly impacted by Indonesia's experience since 1998, which has made the archipelago a cautionary tale and a model for preserving religious identity in decentralised government systems. These regional impacts appear along four important axes:

1. Islamic governance transformation models:

The introduction of Sharia-inspired regulations by Indonesia has fundamentally altered the political outlook of Muslim communities throughout the region. The goals of Malay-Muslim separatists in the Pattani region of Southern Thailand have changed from complete independence to Aceh-style special autonomy, complete with Islamic courts and educational systems (Liow 2009). Specifically, during the 2022 peace talks, Thai negotiators rejected what they referred to as "the Aceh precedent" out of concern that it would lead to the establishment of long-lasting alternative legal systems. The decentralised approach of Indonesia has also been used by Malaysia's PAS-ruled states to push for expanded Sharia competencies beyond constitutionally mandated family law matters. For example, a state bill from Kelantan in 2021 sought to adopt Aceh's *Qanun Jinayat* (criminal code) framework, but it was overturned by federal courts (Noor 2022).

2. Recognising Christian Accommodation and Resistance.

Christian minorities dealing with administrations led by Muslims have used the Papuan issue as a point of reference. While churches in Sarawak and Sabah, Eastern Malaysia, have looked to Papua's Gospel Regulations as possible models for maintaining Christian identity in federal systems, the Bangsamoro Autonomous Region of the Philippines has closely observed interfaith tensions in Indonesian districts like Fakfak (Muslim minority in Christian-majority Papua) when creating safeguards for its own Christian communities. This crossborder policy learning is a reflection of Appadurai's (1996) idea of "ideoscapes" in action, where governance models circulate as mobile political capital.

3. The Institutional Problems in ASEAN

The internal issues in Indonesia have revealed fundamental conflicts with ASEAN's non-interference principle: Aceh's early rejection of boat people during the Rohingya refugee crisis in 2023 (citing Sharia-based localism) was blatantly at odds with Indonesia's traditional leadership on Muslim unity, leading Jakarta to overrule provincial authority. Battles over halal certification have arisen when Malaysia's centralised JAKIM system clashes with Indonesian-style decentralised standards, where different regions set different requirements, creating trade barriers in the ASEAN Economic Community (Nisa 2022). As Brunei and Myanmar use Indonesia's religious laws (like West Java's restrictions on LGBTQ+ people) to defend their own repressive practices, the ASEAN Intergovernmental Commission on Human Rights (AICHR) frequently faces impasses. Davies (2023)

4. The concept of paradoxical security

Decentralization's unintended consequences have altered assessments of regional security, Terrorist recruiting: The shift by Jemaah Islamiyah from centralised jihad to "franchise terrorism" (2016–2023), as evidenced by the Medan police attacks and Surabaya church bombings, shows how decentralisation allowed for localised violent extremism (IPAC 2023). Border vulnerabilities: Due to Indonesia's lax Islamic governance, Abu Sayyaf in the southern Philippines and *Darul Islam* Sabah in Malaysia are able to take advantage of regulatory differences in cross-border smuggling of people and goods (Jones 2022). Military diplomacy: The TNI is sharing counterinsurgency lessons learnt from Aceh in more of its "soft power" interactions with Thailand's southern command and Myanmar's Tatmadaw.

The fall of Indonesia's New Order government in 1998 altered not only the internal politics of the nation but also the perceptions of governance, decentralisation, and religion in Southeast Asia. The decentralisation experiment that Indonesia began in the turbulent years following Suharto's resignation would ultimately influence how neighbouring countries manage local autonomy, religious diversity, and democratic transition. Indonesia's post-1998 trajectory is important for Southeast Asia because it illustrates the possible advantages and dangers of decentralising religious authority. Unintentionally, Indonesia's "big bang"

decentralisation laws created a model that eventually served as a model for conflict mediators in the southern Philippines, Christian communities in eastern Malaysia, and the Muslim minority in southern Thailand. By implementing Sharia-inspired legislation. The Aceh model of special autonomy became very popular and was used as a template for other areas to manage their Islamic identities within unified nation-states.

Anthropologist Tania Li (2007) claims that the archipelago's post-1998 trajectory is a prime example of the interaction between the "will to remain" and the "will to improve"—the point at which regional religious identities collide with universal democratic ideals. Indonesia's experience warns that decentralisation without careful safeguards could result in: Marketized religion (where faith becomes a commodity for political bids); Balkanised citizenship (where rights differ by postal code); and Cross-border regulatory arbitrage (where militants exploit governance gaps) in the face of developing great power competition in Southeast Asia. Over the next ten years, the ability of ASEAN to develop a distinctive pluralistic decentralisation model for Southeast Asia that draws from Indonesia's successes and its sobering lessons will be tested.

But Indonesia's experience also serves as a cautionary tale. The decentralisation strategies not only helped to end Aceh's separatist struggle but also made it possible for local laws with religious overtones to spread, sometimes compromising national unity and human rights standards. While countries like Malaysia and the Philippines grapple with their own distinct types of faith-based governance issues, Southeast Asia is currently witnessing this conflict between local autonomy and constitutional principles. For ASEAN leaders, comprehending Indonesia's 25 years of decentralised religion politics is now essential; it is no longer an option. A growing number of security issues in the region, from cross-border terrorism to refugee crises, are influenced by the interactions—or lack thereof—between local religious governance systems across national borders. Drawing on Indonesia's experience with interfaith tensions, Christian municipal ordinances, and Sharia laws can help manage the region's own emerging conflicts between religious identity and democratic consolidation.

Finally, this study shows why Indonesia's changes since 1998 have had such big effects. The archipelago has become Southeast Asia's most important case study of how decentralization can both give power to local people and create new sources of instability in the region. This is the split that religious governance arguments from Mindanao to Pattani are based on today. By looking at Indonesia's difficult path, we learn important lessons about one

of the most important issues in the region: how to build democracies that respect both religious diversity and national unity in a world that is becoming more decentralized.

B. LITERATURE REVIEW

The collapse of Suharto's New Order government in 1998 signalled a significant shift in Indonesian politics, bringing with it a period of decentralisation and democratic reforms that radically altered the interplay between religion and politics. Using seven interrelated theoretical frameworks, this literature review analyses how the decentralisation laws (Law No. 22/1999 and later revisions) produced a new political environment where religious identity became the main means of acquiring power. Three main elements of Suharto's regime's fall and aftermath have been the focus of academic discussions since the fall of his New Order in 1998, which marked a significant turning point in Indonesia's political history. Early studies by Robison & Hadiz (2004) highlighted how the Asian Financial Crisis revealed the regime's structural flaws and presented the 1998 crisis as the inevitable outcome of systemic corruption and economic mismanagement..

Suharto's patrimonial system fell apart due to its own contradictions, especially its incapacity to sustain both political power and economic growth, as their political economy approach demonstrated. The importance of student movements and civil society in bringing about regime change was highlighted in later research by Aspinall (2005) and Bertrand (2004), who also cautioned against the perils of insufficient reform. These studies revealed how the sudden change in power left a void that gave the old elites the opportunity to reshape themselves using decentralised structures and democratic institutions. Recent research on the long-term effects by Slater (2010) and Pepinsky (2020) has demonstrated how:

1. The military's agreed-upon exit from politics made room for both religious populism and democratic advancement.
2. Identity politics at the local level were inadvertently made possible by decentralisation laws.
3. Discussions about Islam and governance are still influenced by the unresolved issues from 1998.

The legacy is still up for debate; some criticise religious majoritarianism as a threat to democracy, while others applaud Indonesia's democratic tenacity (Liddle 2013). All of these studies agree that 1998 marked the end of authoritarian rule and the start of new battles for Indonesia's political identity. There have been three major stages in the development of the academic discussion of Indonesia's post-1998 religious politics and decentralisation. Decentralisation was presented in early works by Hadiz (2011) and Aspinall (2005) as an elite survival tactic in which former New Order power brokers rebranded themselves through religious identity politics.

Early analyses were dominated by this political economy approach, which showed how local oligarchs used religiously motivated laws to increase their power. The emphasis of later ethnographic research was shifted to grassroots dynamics by Bowen (2003) and Kloos (2018), who showed how communities dealt with and occasionally resisted these top-down religious impositions. Their work in Aceh and West Java challenged oversimplified narratives of Islamization by revealing the intricate relationship between formal Sharia regulations and lived religious practice. The transnational dimensions are examined in the most recent scholarship, as demonstrated by Fealy (2020) and IPAC reports (2023). Scholars currently investigate the ways in which regional movements in Southern Thailand, Mindanao, and Malaysia's Kelantan state are impacted by and influenced by Indonesia's local religious policies. In order to analyse Indonesia as part of Southeast Asia's larger effort to reconcile religious diversity, this third wave increasingly uses comparative frameworks. Scholars currently investigate the ways in which regional movements in Southern Thailand, Mindanao, and Malaysia's Kelantan state are impacted by and influenced by Indonesia's local religious policies. Comparative frameworks are being used more and more in this third wave, which examines Indonesia in light of Southeast Asia's larger conflict over how to balance religious diversity with decentralised government.

The overthrow of Suharto's New Order government in 1998 created new opportunities for academic research on Indonesia's political change. Four related themes have dominated scholarly discussion:

1. Democratic Consolidation and Transition

In the first wave of research (1999-2005), Indonesia's surprising success in preserving democratic stability was studied. Although McLeod (2005) warned about "low-quality democracy" with enduring corruption, works by Liddle (1999) and Diamond (2009)

presented Indonesia as a unique example of a successful democratic transition in the Muslim world.

2. Decentralisation and Local Governance:

Regional autonomy laws established new power structures, according to research by Hadiz (2010) and Aspinall (2013). By 2015, at least 443 districts had implemented faith-based regulations, demonstrating how religious symbolism became electoral currency (Buehler, 2016). (IPAC Report

3. The Politics and Identity of Islam

The rise of conservative Islamism was documented by van Bruinessen (2013), who contested Hefner's (2000) "Civil Islam" thesis. The conflict between pluralism and religious nationalism in electoral politics is examined in recent works such as Menchik (2016) and Pepinsky (2020).

4. Robison & Hadiz (2004) and Winters (2013) conducted studies on economic reform and inequality that examined the ways in which oligarchic networks adjusted to democracy. According to World Bank (2019) reports, decentralisation made regional economic disparities worse, with resource-rich areas of Java developing more quickly than its hinterlands.

Table 1: theoretical framework

Theory	Concepts	Contributions	Subjects of Study
Cultural Sociology (Bourdieu 1970; Casanova 1994)	- Religious identity as cultural capital	- Examines how decentralization fuels the rise of faith-based regulations.	- Local elites' use of religious symbolism to consolidate power.
Decentralization (Laws No. 22/1999, 32/2004, 23/2014)	- Political capital in religious identity	- Highlights the paradox of decentralization: amplifying interfaith tensions instead of resolving them.	- The politicization of religious identity by local actors and its implications for regional stability.
Transnational Networks (Appadurai 1997)	- Interfaith tensions and regional instability	- Explores how decentralized governance in Indonesia reflects broader regional dynamics in Southeast Asia.	- The influence of global capital flows on local identity, e.g., "Halal tourism."
Glocalization	- Religion-state	- Demonstrates the global-local intersections of religious politics and economic globalization.	- Policy spillovers from Indonesia to other Southeast

	relations, regional integration		Asian countries (e.g., Malaysia, Thailand).
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The data for this study is sourced from **2025 research** findings

Table 1, The theories essentially provide a framework for your research by elucidating the emergence of governance driven by religious motivations and the regional consequences of these policies in Southeast Asia. They help to understand the deeper socio-political dynamics at work, which shapes the research. To explain why local elites are using religious identity as a tool for political consolidation, how decentralisation opens up new avenues for this, and how transnational influences impact religious policies across national boundaries, these theories are incorporated into your research's analytical framework.

C. METHODOLOGY

This study uses a qualitative methodology based on political analysis and cultural sociology. Fieldwork and interviews with local elites, religious leaders, and policymakers throughout Indonesia and other Southeast Asian regions are combined with document analysis of important laws (Laws No. 22/1999, 32/2004, and 23/2014) and regional religious policies (e.g., Sharia in Aceh, Christian norms in West Papua). Analyse data to investigate how problems like poverty and corruption are related to religious governance. The study draws attention to the paradoxes of decentralisation, the dynamics of religious identity politicisation, and the influence of transnational networks on local governance and stability by combining these various data sources. A thorough grasp of how religion, politics, and identity interact in the post-1998 era is made possible by this mixed-method approach.

D. FINDINGS AND RESULTS

According to the study's findings, decentralisation in post-New Order Indonesia—more especially, the 1998–2014 reforms—has changed local governance by making religious identity a crucial component of political capital. It's clear from the perspective of cultural sociology—specifically, Bourdieu's idea of "cultural capital" and Casanova's examination of religion in public life—that local elites have been using religious symbolism more and more to bolster their political influence. This has shown up in areas such as Aceh and West Papua,

where Sharia-inspired laws and Christian-oriented norms have been institutionalised, respectively.

These laws not only represent regional religious identities but also act as political leverage tools, winning over religious groups and deflecting focus from more urgent structural problems like poverty and corruption. However, the study points out a crucial paradox: decentralisation has exacerbated social division and interfaith tensions rather than fostering local autonomy and improved governance. For instance, in Aceh, the emergence of Sharia law was intended to represent regional cultural values; however, it also exacerbated social inequality and widened religious divides. Local actors have used religion as a negotiating tool to obtain power, which frequently exacerbates rather than resolves local conflicts. This dynamic demonstrates how decentralisation has unintentionally politicised religious identity.

Furthermore, the study illustrates how religious identity politics in Indonesia have regional ramifications rather than being limited to national boundaries. Sharia law's expansion from Aceh to Southern Thailand and Kelantan, Malaysia, demonstrates how regional religious laws can have significant repercussions throughout Southeast Asia. These policy spillovers demonstrate how religious politics are both regional and transnational, with local governance being influenced by both regional and global trends. The emergence of "Halal tourism" and other religious branding initiatives, which promote regional religious identities internationally and frequently result in financial gains for some while exacerbating inequality for others, is a prime example of this. These decentralisation dynamics have also influenced Indonesia's political discourse since 1998, which has been characterised by Islamic moderation. The growing acceptance of conservative religious norms at the local level poses a threat to Indonesia's moderate Islam policy, which is frequently cited as a model for the region.

In places like Aceh, where local religious policies have occasionally conflicted with national efforts to maintain a pluralistic and moderate interpretation of Islam, the emergence of religiously motivated governance has exacerbated tensions between conservative and moderate forces. Because religious identity has taken precedence over more pressing concerns of interfaith harmony and economic development, this has added to regional instability. The study's overall findings show that although decentralisation in Indonesia has facilitated the integration of religious identity into local governance, it has also exacerbated social tensions and political divisions.

The interaction of decentralisation, transnational influences, and religious identity emphasises that it is impossible to comprehend Southeast Asian religious politics without considering the larger regional and global contexts in which they are situated. The results imply that, even though decentralisation strengthens local government, it also necessitates cautious handling of religious diversity to avoid making disputes and disparities worse.

The research also reveals a number of other significant dynamics that highlight the intricate connection between political power, religious identity, and decentralisation in Southeast Asia. First of all, the study shows that Indonesia's religious identity politics have drastically changed the way local governments and religious communities interact. Local governments increasingly looked to religious leaders to support their legitimacy as decentralisation gave regions more autonomy. In many areas, local elites used religious leaders as important political allies to win over religious constituents. Due to the interdependence of political and religious actors, religious institutions are now important political actors and are essentially tools of political control. This pattern is consistent with Bourdieu's theory of cultural capital, which holds that religion can be used as a symbol of power to uphold and bolster political authority.

The rise of new religious governance structures that put social control ahead of inclusivity is another important finding. For example, Sharia law was frequently enforced in Aceh through coercive measures like mandatory dress codes (such as hijab regulations) and limitations on personal freedoms, despite being promoted as a moral and cultural basis for governance. Increased monitoring and control over citizens' private lives are the results of these policies, which were meant to reflect religious values. The balance between religious freedom and human rights in a pluralistic society is called into question by this trend towards religious authoritarianism.

The study also emphasises how local religious policies are influenced by globalisation. The emergence of religious branding, like Islamic banking and Halal travel, has made religion a commodity that is marketed to both domestic and foreign consumers. Although some areas have benefited economically from this, it has also widened social gaps because underprivileged groups are frequently left out of the financial gains from such endeavours. One more example of how global capital flows impact local governance and worsen inequality is the glocalization of religious identity, in which local religious practices are modified to conform to global economic trends.

Additionally, comprehending the wider ramifications of decentralisation requires an understanding of the interplay between national identity and local religious politics. In many cases, local religious policies have prompted a re-examination of what it means to be Indonesian in a religiously diverse society, in addition to having an impact on national discourse. For instance, Indonesia's national identity, which has historically placed a strong emphasis on religious plurality and moderate Islam, has become tense with Aceh's adoption of Sharia law. With religious differences becoming more politicised, these tensions have made it harder to maintain a strong national identity.

After Suharto's New Order regime collapsed, Indonesia underwent political upheavals that had a profound impact on Southeast Asia as a whole. Domestically and regionally, the political and governance landscape was altered by the transition from a centralised, authoritarian regime to a more decentralised, democratic system after 1998. Under Suharto, Indonesia was a highly centralised state with tight central government control over regional autonomy and religious identity. Secular-nationalist frameworks, which prioritised national unity over regional or religious identities, were frequently used to handle religious issues. On the other hand, Suharto's overthrow and the subsequent implementation of democratic reforms, especially the decentralisation laws, created new political opportunities at the regional level. Increased autonomy gave local governments the ability to enact and implement laws that represented their cultural and religious identities. Religiously motivated laws, like Aceh's Sharia regulations, flourished as a result of this change, which gave regions the authority to institutionalise religious identity in governance.

While encouraging regional autonomy, this decentralisation also resulted in a more diverse political environment, with local governments actively influencing the national conversation about religious identity. For instance, Aceh's implementation of Sharia law, which was based on Islamic principles, served as a template for other Indonesian and Southeast Asian regions. These policies had a noticeable knock-on effect in nearby nations like Malaysia and Thailand, where religiously based governance gained popularity after being influenced by Indonesia. In this sense, Southeast Asia's regional transition towards more religiously defined governance has been sparked by the political changes that have occurred since Suharto.

Indonesia's local governments established a model for other Southeast Asian nations to follow when they embraced religious identity as political capital. A common religious political environment was established as a result of the policies, plans, and ideas that Indonesia, Malaysia, Thailand, and the Philippines exchanged. A cycle of policy imitation—whereby

religious laws or concepts from one nation are embraced or modified in nearby nations—was brought about by this interconnectedness, which aided in the regional shift towards religious governance. These changes have broad ramifications. On the one hand, Indonesia's decentralised political system has made it possible for religious identity to be expressed more locally, leading to the emergence of new religious politics and policies that are in line with regional customs and beliefs. However, since religious policies implemented in one nation have an impact on political movements and policy discussions in nearby states, this decentralisation has also exacerbated political tensions in the region. With religious politics playing a major role in influencing both domestic and regional political dynamics, Southeast Asia's political landscape has grown more interdependent as these nations increasingly look to one another for governance models. In conclusion, the political changes that occurred in Indonesia after Suharto's overthrow played a significant role in changing the structure of regional governance.

The politicisation of religion has become a crucial component of regional power struggles in Southeast Asia as a result of these developments, which have also had an impact on Indonesia's internal political dynamics. Thus, Indonesia's political decentralisation not only changed its own political system but also paved the way for Southeast Asia's shared religious political landscape to emerge. According to the study, the rise of contemporary Islamic politics in Indonesia, especially following the decentralisation reforms implemented in 1998, signifies a dramatic change in the relationship between politics and religion. Indonesia maintained a largely secular system of government under Suharto's authoritarian New Order regime, with Islam playing a relatively quiet role in politics.

However, Islamic identity became more politicised after the 1998 reform movement and the implementation of decentralisation laws, as local governments began to use religion as a means of legitimising their authority and consolidating power. With increased autonomy brought about by the decentralisation reforms, local regions were able to enact laws that were consistent with their cultural and religious identities. The implementation of Sharia law as part of Aceh's autonomy agreement and other areas where religious identity became a defining characteristic of local governance made this particularly clear. Given this, Indonesian Islamic politics have become a more regional and varied phenomenon, with various regions embracing differing levels of Islamic governance in accordance with their own religious populations and regional political objectives. Using religious identity as political capital is one of the main characteristics of contemporary Islamic politics in Indonesia. The use of religious symbols and rituals by local elites to bolster their political influence has grown.

This includes enforcing Islamic laws, promoting Islamic travel, and instituting Islamic norms like the hijab's mandatory wear. These regulations serve to uphold the political legitimacy of local government in addition to appeasing religious feelings. Southeast Asia is more broadly affected by this trend of politicising religion and incorporating it into governance frameworks. Similar developments in neighbouring countries like Malaysia, Thailand, and the Philippines have been spurred by Indonesia's decentralisation process and the emergence of Islamic governance, where local or regional movements are increasingly using Islamic principles to inform their political strategies.

The spread of Islamic politics in Indonesia has resulted in the adoption of religiously motivated governance models in areas like Southern Thailand and Kelantan, Malaysia, which, like Aceh, are turning to religion for political legitimacy and a sense of local identity. The emergence of contemporary Islamic politics in Indonesia has brought about a regional change in the way religion and governance are intertwined for Southeast Asia as a whole. As a result, a shared political ecosystem has been established in which Islamic governance-related policies and tactics are shared and modified internationally. The transnational character of religious politics in the region is highlighted by these interrelated political movements, which show how local policies in one nation can spur comparable movements in nearby nations. Consequently, Islamic. But there are drawbacks to these changes for regional stability as well. A greater expression of religious identity is made possible by the rise of Islamic politics, but there is a risk that this will exacerbate tensions between different faiths because the politicisation of religion frequently results in disputes between religious communities and jeopardises attempts to uphold secular governance structures. Attempts at regional integration may also be hampered by the expanding influence of Islamic governance, especially in nations attempting to strike a balance between secular and religious governance. In conclusion, Indonesian politics have changed both locally and regionally as a result of contemporary Islamic politics that emerged after 1998. Southeast Asia has embraced and modified the trend of Islamic identity becoming more politicised and institutionalised at the local level thanks to the decentralisation reforms. In addition to bringing religious identity to the fore of governance, this change has brought up significant issues regarding interfaith relations, religious diversity, and the proper ratio of secular to religious governance in the area. These events demonstrate the intricate interrelationships that exist in Southeast Asia between politics, religion, and regional stability.

Finally, the study emphasises how a more complex regional political landscape is emerging, with nations like the Philippines, Malaysia, Thailand, and Indonesia increasingly

looking to one another for governance models when it comes to handling religious diversity. A common religious political ecosystem has been established by these countries' sharing of ideas, tactics, and policies; local policies in one country can have repercussions in nearby countries. This interdependence is especially noticeable in the way that religious laws in Indonesia, like Aceh's Sharia law, spur comparable movements in other parts of Southeast Asia, resulting in a cycle of regional religious politics and policy imitation.

D. Discussion

The results of this study offer a thorough analysis of how Indonesia's decentralisation reforms, particularly those implemented after 1998, have changed local governance by incorporating religious identity into political tactics. A notable politicisation of religion has occurred during this process, as local elites have used religious practices and symbols as cultural capital to increase their political power. This change was especially evident in areas like Aceh, where Sharia law was put into effect, and West Papua, where local policies were influenced by Christian-oriented norms. These changes are part of a larger decentralisation trend that has made Indonesia's political landscape more divided and religiously charged.

Bourdieu's (1970) idea of cultural capital is extremely pertinent in this situation. In Indonesia, local elites have utilised religious identity to bolster their power within the areas they control as well as to gain political legitimacy. This tactic of using religion as a political tool is indicative of a more profound change in Indonesian governance, where religion—once seen as distinct from politics—has evolved into a potent tool for legitimacy and social control. The application of Sharia law, for instance, has enabled local authorities in Aceh to project a strong religious identity, and Christian policies in West Papua have similarly strengthened local governance through religious affiliation. The study does, however, also reveal a paradox of decentralisation: despite its goal of fostering local autonomy, decentralisation has frequently increased religious tensions as local governments increasingly enact laws and policies that favour one religion over another. In many Indonesian regions, this change has resulted in a polarised political environment and an increase in interfaith tensions.

According to Casanova (1994), the rise of religion in public life, especially following the fall of secular ideologies, is indicative of a broader global trend in which religion is once again becoming a political force. Decentralisation makes it possible for religion to play a major role in local politics, a phenomenon that is reflected in Indonesia. The study's key finding is that Indonesia's religious governance practices have an impact on nearby nations like Malaysia,

Thailand, and the Philippines. Southeast Asia developed a common religious political ecosystem as a result of Indonesia's local policies becoming more religiously motivated and inspiring similar actions in these neighbouring countries. For instance, Indonesia's example—specifically, the application of Sharia law in Aceh—had a direct impact on the adoption of Sharia-inspired laws in Southern Thailand and Kelantan, Malaysia.

According to Appadurai (1997), this is known as transnationalism, in which regional and global forces influence local practices. This is demonstrated by the way that Indonesia's Islamic policies have sparked comparable movements throughout Southeast Asia. This phenomenon emphasises how transnational religious politics are, with religious governance practices spanning national boundaries and impacted by both local and international networks. The study also emphasises how globalised religious branding, like Islamic finance and Halal tourism, is becoming increasingly important to local governance in Indonesia and its neighbours. As seen in Aceh and Kelantan, Malaysia, the emergence of these religious markets has produced globalized identities that combine regional religious values with international economic trends. As Fealy (2003) points out, this process implies that the relationship between religion and politics in Southeast Asia is intricately linked to international economic forces, which further shapes the region's political environment.

Although increased local autonomy has resulted from the emergence of religious governance models in Indonesia, there have also been major obstacles, notably with regard to social cohesion and religious pluralism. Aceh's coercive religious laws, like mandatory hijab regulations, are an example of a growing trend of religious authoritarianism that runs counter to the more secular tenets of Indonesian identity. In line with Rosenblum's (2000) research on the conflict between religion and politics in multicultural societies, these policies have sparked questions about how to strike a balance between individual rights and religious freedom. Aceh's move towards religious governance brings to light the conflict between the wider, pluralistic, and secular identity of Indonesia and the Islamic identity pushed by local elites.

The increasing importance of religion in local governance has also made regional integration within ASEAN more difficult, as nations are finding it more difficult to strike a balance between secular and religious values in governance. A shattered regional political landscape has resulted from the rise of Islamic politics in Indonesia and its neighbours, where religious identity frequently trumps common secular norms. Southeast Asian nations struggle to balance Islamic governance with pluralistic societies, a tension that is only getting worse as the region continues to deal with religious diversity in governance. In line with Hassan (2012).

the results of the study show how the politicisation of religious identity has been facilitated by Indonesia's decentralisation reforms, both within Indonesia and throughout Southeast Asia.

The interdependence of religious governance in the region is highlighted by the regional spillier of Indonesia's religious policies to nearby nations like Malaysia, Thailand, and the Philippines. These changes demonstrate the increasing role of religion in local politics, where it has frequently been employed at the expense of interfaith harmony and secular governance in order to gain political legitimacy and social control. These changes have broad ramifications. Indonesia's decentralisation has made it possible for local governance to be more driven by religious beliefs, but it has also brought about new difficulties for regional integration and stability. Beyond national boundaries, the rise of religious branding and the expanding influence of Islamic politics in Southeast Asia have political and economic repercussions. The lessons from Indonesia provide valuable insights into the intricate relationship between religion, governance, and regional cooperation in a globalised world, particularly as the region struggles with these changes.

According to the study, the way local governance incorporates religious identity into political strategies has been significantly impacted by Indonesia's decentralisation reforms after 1998. Local elites were able to use religion as a key instrument for establishing political power thanks to these reforms. At the local level, there has been a shift towards religious politics with the rise of Sharia law-based Islamic governance in Aceh and Christian-oriented policies in West Papua. This is consistent with earlier studies that highlight how religion is becoming more politicised and being used as a kind of cultural capital to bolster local legitimacy and authority. This politicisation of religion is not exclusive to Indonesia. Southeast Asian countries are increasingly turning to religion as a source of political legitimacy and local empowerment, according to studies by Fealy (2003). Fealy emphasises how political elites have appropriated religious movements to establish their power, especially in areas with a weak central government, especially in areas with a significant Islamic or Christian base. This is similar to how religion is used in Indonesia's decentralised areas, where local leaders have adopted religious governance to increase their power and independence.

One of the main conclusions drawn from this study is that decentralisation had the unintended consequence of making religious authoritarianism more prevalent in some areas. Although decentralisation was intended to promote democratic engagement and local autonomy, it also resulted in the implementation of restrictive religious laws, such as Aceh's mandatory hijab regulations. These regulations, which frequently impose significant

restrictions on women's personal liberties, are indicative of a growing trend in local politics towards religious coercion. The democratic values that decentralisation was meant to advance are in conflict with this. Rosenblum (2000) provides insight into the conflict between religion and politics in multicultural societies, which helps explain the authoritarian turn in religious governance. Rosenblum contends that there are serious risks associated with the politicisation of religion, particularly when it is used to impose homogeneity on a diverse populace, thereby compromising individual liberties and escalating conflict.

This research reveals a crucial contradiction in Indonesia's post-Suharto era: decentralisation, which was meant to grant regions greater authority, has instead led to the enforcement of religious identity through coercion at the expense of personal freedom, undermining the principles of a pluralistic, democratic society. How regional organisations like ASEAN can control the increasing role of religion in governance while upholding the values of secularism and regional unity is a major concern raised by the political dynamics discussed in this study.

Southeast Asian countries that have adopted more religious policies, like Indonesia and Malaysia, are finding it difficult to balance religious autonomy with the secular principles that support regional cooperation as a result of the rise of religiously based governance models. As Rosenblum (2000) points out, it takes careful negotiating to strike a balance between religious freedom and the needs of a multicultural society, particularly when religion is invoked as an excuse for political control. It is more difficult for ASEAN to handle these escalating tensions because of its commitment to non-interference in domestic matters. Economic cooperation is still one of As ASEAN's member states struggle to find a common ground between their religious governance models and the more secular framework of regional cooperation, the growing religious divide among them presents obstacles to regional integration. Southeast Asian countries that have adopted more religious policies, like Indonesia and Malaysia, are finding it difficult to balance religious autonomy with the secular principles that support regional cooperation as a result of the rise of religiously based governance models. As Rosenblum (2000) points out, it takes careful negotiating to strike a balance between religious freedom and the needs of a multicultural society, particularly when religion is invoked as an excuse for political control. It is more difficult for ASEAN to handle these escalating tensions because of its commitment to non-interference in domestic matters. Although economic cooperation is still crucial,

E. CONCLUSION

Finally, the decentralisation experience of Indonesia offers important insights into the intricacies of religion-state relations in a pluralistic society. The regional dynamics examined in this research are indicative of larger patterns in Southeast Asia, where governance models are influenced by religious identity politics that cut across national borders. For stability, inclusivity, and lasting peace in the area, the results highlight the significance of striking a careful balance between local government, religious autonomy, and democratic principles. The study is also a warning to other nations negotiating the confluence of politics, religion, and decentralisation in a world growing more interconnected by the day.

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