

million people are openly unemployed, though many more may be categorized as underemployed or in disguised unemployment.

Meanwhile, due to limited funds from domestic sources and the lack of foreign investments, Indonesia's economy continues to experience inertia as it moves forward so slowly. Low economic growth has made it impossible to absorb enough of the labour force, which has meant increasing unemployment. Moreover, foreign debt repayment is an enormous burden, coming on top of problems resulting from the fluctuation of oil prices on the world market.

There was strong feeling of dissatisfaction regarding the performance of the Megawati government in fighting corruption. In 2003, Indonesia was still listed as one of the most corrupt countries in the world, ranking 122 out of 133 countries. Corrupt practices were found in all parts of the country and at all levels of the bureaucracy - at national and local levels, among legislators, the police and attorneys, judges and the military, in the private sector and even NGOs. The main constraints to eradicating corruption are found at the political level and it appears that the Megawati government had no political will to eradicate corruption.

Indonesia in the reform era is marked by weak rule of law. Law enforcement appears to have made little progress. It is as if the Indonesian people are not assured that laws have been fairly upheld and that all parties abide by existing laws; that the judiciary has become independent and free of political intervention, money and so on; that all citizens get equal treatment before the law; and that corruptors have been given sufficient punishment.

Indonesia is also faced with increasingly rapid environmental degradation as a result to its economic development. It can be said that the country is now facing an environmental and natural resources crisis. Environmental and natural resource damage results from a number of factors, such as: the country's high population density; the rapid growth of large cities; high rates of poverty; and industrial development practices from the past that have excessively exploited natural resources. The ongoing economic crisis has further exacerbated many of these conditions. In the forestry sector, for example, deforestation has reached 2.5 to 3 million hectares annually, due to massive logging by businesses and by individuals, operating legally and illegally. If this is allowed to continue, Indonesia's tropical forests will disappear in the foreseeable future.