

## Indonesia in 2018

### *Bread and Circuses on the Campaign Trail*

#### ABSTRACT

In 2018 Indonesia looked ahead to legislative and presidential elections, and heads of major parties, including the incumbent president, lined up allies. As host of the 18th Asian Games, the nation celebrated in style. But with economic growth flattening and natural disasters taking their toll, it was also a year of introspection.

**KEYWORDS:** national elections campaign, Asian Games, rupiah, natural disasters, tolerance-intolerance

#### DOMESTIC POLITICS

On September 23, 2018, looking ahead to legislative and presidential elections in April 2019, both the incumbent President Joko “Jokowi” Widodo and his rival in the 2014 presidential race, former military general and controversialist Prabowo Subianto, kicked off their electoral campaigns. Though not considered a bellwether for national elections, regional elections on June 27, 2018 produced victories for candidates who favored the incumbent president, including reformers with proven track records in three provinces of Java (Bandung, South Sulawesi, and East Java, together home to more than half of the Indonesian population).<sup>1</sup>

With Indonesia’s Constitutional Court rejecting a petition to allow Vice President and multimillionaire businessman Jusuf Kalla to stand for a third term in office, Jokowi was obliged to seek out a new running mate. Having initially drawn up a short list of pro-establishment civil servants as likely

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1. Jeffrey Hutton, “Reformasi Sweep: Indonesia’s Elections Prove ‘People Power’ Has Legs,” *South China Morning Post*, June 29, 2018, <<http://www.scmp.com/week-asia/politics/article/2153166/reformasi-sweep-indonesias-elections-prove-people-power-has-legs>>.

candidates, on August 9 he surprised political pundits by abruptly switching his choice to Ma'ruf Amin, the 75-year-old head of the influential Indonesian Ulama Council (he stepped down to accept the candidacy) as well as chairman of Nahdatul Ulama (Revival of Islamic Scholars), the country's largest Muslim organization. Though Amin played a key role in the mass Islamist rallies of 2017 calling for the sentencing of former Jakarta Mayor (and Jokowi ally) Basuki Tjahaya Purnam (known as Ahok) on blasphemy charges, in Indonesia's religious landscape he also stands for a moderate or centrist version of Islam. While Jokowi undoubtedly sought in Amin a shield against attacks from the Islamic right, the hallmark of the 2014 presidential campaign,<sup>2</sup> he may now also wish he had chosen a technocrat or economic manager.

More broadly, Jokowi is supported by an electoral coalition comprising the Indonesian Democratic Party of Struggle (PDI-P), the Golkar Party, the United Development Party (PPP), the People's Conscience Party (Hanura), the National Democratic Party (NasDem), the National Awakening Party (PKB), the Indonesian Solidarity Party (PSI), and the United Indonesia Party (Perindo), which together exceed the electoral threshold of 20% of seats in the House of Representatives. Nor has the president ignored Indonesia's powerful military establishment. Former Presidential Security Detail (Paspampres) commander Lt. Gen. Andika Perkasa, the son-in-law of former State Intelligence Agency chief Hendropriyono, has been appointed the new Army Strategic Reserves commander (Pangkostrad) and is predicted to become a future military leader. He will replace Lt. Gen. Agus Kriswanto, who is entering retirement. Analysts see in this move a way to strengthen the Presidential Palace's influence on the military ahead of the 2019 elections, set for April 17.<sup>3</sup>

Prabowo initially sought a tie-up between his Great Indonesia Movement Party (Gerindra) and the Democrat Party headed by former President Susilo Bambang Yudhoyono, but opted instead to bring his party into a three-way coalition with two Islamic-inclined parties, the National Mandate Party (PAN) and the Prosperous Justice Party (PKS). As his running mate Prabowo chose a wealthy businessman and Jakarta's current deputy governor, Sandiaga

2. Telly Nathalia, "Islamic Scholar Ma'ruf Amin Becomes Jokowi's Running Mate in 2019 Election," *Jakarta Globe*, August 9, 2018, <<http://jakartaglobe.id/news/islamic-scholar-maruf-amin-becomes-jokowis-running-mate-2019-election/>>.

3. "Army General Linked to Jokowi's Inner Circle Appointed New Pangkostrad," *Jakarta Post*, July 14, 2018, <<http://www.thejakartapost.com/news/2018/07/14/army-general-linked-to-jokowis-inner-circle-appointed-new-pangkostrad.html>>.

Uno, a major financial contributor to both PAN and PKS. To be sure, as Edward Aspinall notes, on the opposition side Prabowo looked to mobilize a “nationalist, populist authoritarian appeal to strong leadership,”<sup>4</sup> just as Prabowo and Sandiaga together maintain links with hardline Islamist groups. As the campaign advanced, the Prabowo camp announced its electoral slogan, “Make Indonesia Great Again.” Taking a cue from Malaysia, and in the way of boosting its nationalist credentials, the camp also made it known that China-funded infrastructure projects, including the troubled Jakarta–Bandung high-speed rail project, could well be ripe for review.

### SOCIAL-ECONOMIC ISSUES

Not even the 18th Asian Games, staged both in Jakarta and in Palembang, South Sumatra, between August 18 and September 2, avoided electioneering. With the total cost of the games estimated at about US\$ 3.2 billion (including associated infrastructure), touting long-term benefits for the country, few in Jakarta could see any improvement in livability in the congested city of 10 million. In the way of deflecting allegations of wasteful spending and excess, the Ministry of Finance went on the defensive, claiming that the actual amount allocated for the games was far more modest and, at the same time, was accountable in line with the 2015–2018 state budget. Yet all appear to have relished the spectacle, reminiscent of the “bread and circuses” of the Sukarno era. Older Indonesians still recall that in 1962, at a time when the nation was nearly bankrupt, Sukarno (the country’s first president) hosted, in the same Soviet-built stadium, the politically charged 4th Asian Games and, the following year, staged the Games of the New Emerging Forces, touted as an alternative to the Olympic Games. Amid a gush of nationwide pride, the 2018 games were undoubtedly a personal coup for Jokowi—though his staged arrival by motorcycle at the Gelora Bung Karno Stadium (named after the late president) was widely panned on social media.

If Jokowi was the ringmaster of the 2018 circus, he also cracked the whip. The human rights community protested that police shot dead more than 70 “petty criminals” in the lead-up to the games; 40,000 troops and police officers were deployed especially for the event. But there were no major

4. Quoted in Max Walden, “Indonesian Civil Society Groups Concerned by VP Picks,” VOA, August 14, 2008, <<https://www.voanews.com/a/Indonesia-elections/4527616.html>>.

glitches, and deeming the games a success, Jokowi raised his presidential election chances with an announcement that a confident Indonesia would bid for the 2032 Olympics. Furthermore, he appointed Erick Thohir, the media magnate behind the hosting of the games, to lead his reelection campaign. Undoubtedly attendance by South Korean Prime Minister Lee Nak-yeon, along with several North Korean ministers, heading up a united-Korea team, added a special cachet, just as the event resonated across the Asian region at a popular level.

On May 13, 2018 Indonesia suffered its deadliest terror attack in more than 10 years when suicide bombers, including some children, killed more than 30 people in Surabaya, East Java. With the perpetrators linked to the militant network Jemaah Ansharut Daulah (Congregation of the [Islamic] State Group, JAD), the security response was swift. On June 22, jailed JAD leader Aman Abdurrahman (known to be loyal to Islamic State leader Abu Bakr al-Baghdadi) who had been implicated in a 2017 attack on a bus terminal in East Jakarta and the deadly attack on a Starbucks in Central Jakarta the previous year, was sentenced to death by the South Jakarta District Court. The decision against Aman came after the passage of an antiterrorism law that gives police expanded powers to detain terror suspects. JAD is already designated a terror organization in the US, and, in line with an Indonesian government request to strangle its funding and support, on July 31 the same court pronounced it an outlawed organization.

With Jokowi's active endorsement, the courts have been brought into line not only on drug cases but also in a belated crackdown on corruption. For example, on April 24 the former speaker of the House of Representatives, Setya Novanto, was sentenced to 15 years in jail for his role in state losses of around US\$ 170 million, linked to a national electronic identity card scheme. In June, Jokowi expressed his commitment to resolving past human rights violations, but he has still put military stalwarts such as ex-General and cabinet minister Wiranto and ex-politician Attorney General H. M. Prasetyo in charge, so there is little hope for a cleaning of the stables. The president has not delivered on an earlier pledge to open up Papua Province to journalists, and too many acts of social intolerance receive official imprimatur. For example, on August 21, the Medan District Court in North Sumatra sentenced a woman of Chinese descent to 18 months in prison on a blasphemy charge for complaining about the volume of a mosque's loudspeakers, an incident which at the time triggered burning of Buddhist temples in the region.

The Lombok earthquake of August 9, and the earthquake and tsunami that struck Palu City in Central Sulawesi on September 28, underscored Indonesia's vulnerability to natural disasters and exposed weaknesses in centralized disaster management. Alongside the large loss of life, estimated at over 500 in Lombok and with some 2,000 dead and 5,000 missing in Sulawesi, the livelihoods of hundreds of thousands of people were severely impacted. A survey in October by the National Disaster Mitigation Agency of the economic losses suffered by Sulawesi placed them at more than Rp 13.82 trillion (US\$ 909 million), alongside losses in Lombok estimated at Rp 7.5 trillion (US\$ 494 million).<sup>5</sup> National recovery efforts did not leave the president immune to criticism; the Prabowo camp declared the then-upcoming IMF–World Bank meeting in Bali an expensive and unwanted “party” or distraction from the disaster.<sup>6</sup>

With the economy facing a difficult macro environment and production and investment targets sliding, in 2018 the Jakarta government moved aggressively to nationalize its mineral resources. Following negotiations, the government became the majority owner of the giant Grasberg copper and gold mine in Papua, under non-binding agreements with mining giants Freeport-McMoRan and Rio Tinto. The government also moved to reclaim its oil blocs from the US-headquartered multinational Chevron and the French energy company Total, including the latter's East Kalimantan Mahakam gas field, Indonesia's largest.

GDP rose 5.3% in the second quarter from a year earlier. According to the IMF's World Economic Outlook, the Indonesian economy was expected to grow 5.1% in 2018, but this was nowhere near the 7% goal Jokowi set for himself when he took office in 2014. Losing almost 10% of its value against the US dollar during 2018, the rupiah plunged to its weakest level since 1998. With foreign exchange reserves declining US\$ 13.7 billion from February through July, the government looked to a range of protectionist measures to help narrow Indonesia's current-account deficit. Among them were efforts to control swelling imports by widening the use of biodiesel, delaying some

5. Telly Nataalia, “Estimated Cost of Central Sulawesi Disaster Reaches Nearly \$1b,” *Jakarta Globe*, October 23, 2018, <<https://jakartaglobe.id/news/estimated-cost-of-central-sulawesi-disaster-reaches-nearly-1b/>>.

6. “Prabowo's Campaign Hits Out at IMF-World Bank Meeting amid Indonesia's Quake Disasters,” *Straits Times*, October 7, 2018, <<https://www.straitstimes.com/asia/se-asia/prabowos-campaign-hits-out-at-imf-world-bank-meeting-amid-indonesias-quake-disasters>>.

infrastructure projects, and introducing tariffs of up to 10% on around 1,000 imported items. To his credit, on September 20, 2018 the Indonesian president signed a three-year moratorium on new oil- palm plantation development, although, given the facts about this industry as it extends its footprint inside Papua, global rainforest conservationists have reason to remain skeptical.

## INTERNATIONAL RELATIONS

Under Foreign Minister Retno Marsudi and Coordinating Minister for Maritime Affairs Luhut Pandjaitan, Indonesia appeared to have reached a new critical mass in the international arena in 2018, with both officials articulating Indonesia's own Indo-Pacific concept. Because of its geographic location and history, Pandjaitan believes that Indonesia can serve as an honest broker between the powers, neither seeking to contain China nor seeking to form a *cordon sanitaire* against the American presence in the Asia-Pacific. As he puts it, "Indonesia is a natural partner of China in an Asia that lies at the heart of America's Indo-Pacific project."<sup>7</sup> Meeting US Secretary of State Mike Pompeo in Singapore on August 4, Retno reiterated Indonesia's key principles of inclusivity, openness, prioritizing cooperation, a habit of dialogue, respect for international law, and ASEAN centrality. The two also discussed ways to strengthen the Indonesia-US strategic partnership and Indonesia's Indo-Pacific cooperation concept. Importantly, on June 8, Indonesia was elected one of the non-permanent members of the UN Security Council for a two-year term (2019-20).

Arriving in Indonesia on May 2, Chinese Premier Li Keqiang undoubtedly had China's Belt and Road Initiative in mind, especially in relation to stalled infrastructure projects. He also sought to firm up palm oil imports. China has been Indonesia's biggest trading partner for the past seven years, Li pointed out, and two-way trade was both rising and moving toward greater balance. Of no less significance, at least for possible geopolitical alignments, was the visit to Jakarta later in the month by Indian Prime Minister Narendra Modi. In line with India's Act East Policy, Indonesia and India pledged to step up defense and maritime cooperation, with plans to develop a strategic Indonesian naval

7. Luhut B. Pandjaitan, "Why Jakarta Can Be an Honest Broker between the Powers," *South China Morning Post*, April 10, 2018.

port in the Indian Ocean. In a joint statement, the two sides stressed the importance of a free, open, transparent, rules-based, and peaceful Indo-Pacific region.<sup>8</sup> With their military ties elevated to a “comprehensive strategic partnership,” some analysts interpreted it as a pushback by India and Indonesia against China’s growing dominance in the region.

In early June, Indonesia welcomed newly elected Malaysian Prime Minister Mahathir Mohamad. Besides a commitment to solve outstanding border issues, they reaffirmed their mutual commitment to fight campaigns in Europe against palm oil. With the latter an evident reference to a decision by the European Parliament in January 2018 to ban the use of palm oil in biofuels in the European Union by 2020, citing massive illegal deforestation in the two countries that is forcing several species to the brink of extinction. The stakes are high in this multi-billion-dollar industry.<sup>9</sup> On August 31, Jokowi hosted visiting Australian Prime Minister Scott Morrison. With both sides looking ahead to the signing of a free trade agreement intended to boost trade and business links, and potentially facilitating the first-ever entry of foreign education providers to the country, Morrison’s decision to recognize West Jerusalem as the capital of Israel—eventually announced on December 15—met with disapproval in Jakarta. Even if signed, and following at least one postponement, the deal still has to be ratified by the Indonesian parliament, and Islamic conservatives are threatening to make it an election issue. On September 9, Jokowi arrived in Seoul on a three-day state visit that reciprocated South Korean President Moon Jae-in’s state visit to Jakarta the previous November, at which time the two countries entered into a “special strategic partnership.” In the same month, the Indonesian president visited Vietnam, talking up trade while attending the World Economic Forum. He also hosted the IMF–World Bank annual meeting in Bali, from October 8 to 14, along with the ASEAN Leaders’ Conference. Among those attending was UN Secretary-General António Guterres, who on October 12, together with Vice President Jusuf Kalla, visited the scene of the tsunami disaster on Sulawesi.

8. “All That Happened When PM Modi Visited Indonesia,” *Economic Times* (India), May 30, 2018, <<https://economictimes.indiatimes.com/news/politics-and-nation/all-that-happened-when-pm-modi-visited-indonesia/modi-in-indonesia/slideshow/64385099.cms>>.

9. Sheany, “Indonesia, Malaysia to Speed Up Negotiations on Border Agreement,” *Jakarta Globe*, July 23, 2018, <<http://jakartaglobe.id/news/indonesia-malaysia-speed-negotiations-border-agreement/>>.

## CONCLUSION

Though Jokowi polled widely ahead, and gained further momentum as host of the Asian Games spectacle, as 2018 progressed he was beginning to appear vulnerable as the currency continued to decline, food prices continued to rise, and a backdrop of natural disasters provided a reality check ripe for political exploitation. In a country with 80 million millennials comprising more than 40% of the electorate, the campaigners running in the presidential, vice presidential, and general elections, all to be held on the same day in April 2019, cannot ignore this social media-savvy demographic, now taking its place in society. At the same time, economic inequality, along with identity politics and rising intolerance, also cast their shadows over the political landscape, even if all the signals are not yet clear.