

RSIS Commentary is a platform to provide timely and, where appropriate, policy-relevant commentary and analysis of topical issues and contemporary developments. The views of the authors are their own and do not represent the official position of the S. Rajaratnam School of International Studies, NTU. These commentaries may be reproduced electronically or in print with prior permission from RSIS and due recognition to the author(s) and RSIS. Please email: RSISPublications@ntu.edu.sg for feedback to the Editor RSIS Commentary, Mr Yang Razali Kassim.

Indonesia's New President: Coming Crunch-Test for Joko Widodo

By Yang Razali Kassim

Synopsis

Joko Widodo has emerged from relative obscurity to be Indonesia's president-elect. Before taking power in October he must form a competent cabinet and strengthen his coalition to avoid leading a minority government. Will he succeed?

Commentary

INDONESIA'S president-elect Joko Widodo has huge tasks on his hands as he prepares to formally take power on 20 October 2014. The immediate challenges facing the incoming president, better known as Jokowi, are at the strategic level and are two-fold. The first is to form a competent cabinet to help implement his vision for Indonesia. The second is to assemble a stronger coalition in parliament to avoid leading a minority government that is bound to be challenged by his defeated rival Prabowo Subianto and his larger coalition of parties.

Especially critical is assembling his cabinet. Although Jokowi won the July presidential election, he leads a minority coalition. Despite his immense popularity, his group of four parties controls only 37 per cent of the House of Representatives (DPR) elected in April. The other 63 per cent is controlled by Prabowo's *Merah-Putih* (Red-White) coalition. Unless something is done before 20 October, the strong Prabowo-led opposition could be a constant obstacle to Jokowi's government.

Forming a competent cabinet and a stable government

That is why Jokowi has been manoeuvring to win over some of Prabowo's allies. The primary target is Golkar, the second biggest party after Jokowi's own Indonesian Democratic Party of Struggle (PDIP) led by former president Megawati Sukarnoputri. If Golkar defects, the Jokowi government will immediately gain a simple majority in parliament – enough to give some stability to his administration. But this has proven more difficult than expected.

Jokowi's goal is to contain or accommodate Prabowo. The new president's strategy of accommodation has even been couched in terms of rekonsiliasi, or reconciliation, to unite the world's fourth most populous country. While Jokowi's advisers started off confidently that Golkar could be

swung over, what with incoming Vice-President Jusuf Kalla being a former Golkar chairman, Jokowi himself of late has been talking less of Golkar and more about getting other parties in.

This suggests the increasing difficulty in winning over the former ruling party primarily due to resistance from current chairman Aburizal Bakrie. The original plan of the pro-Jokowi faction in Golkar was to get Bakrie replaced before his time, which clearly is not so easy.

In forming his cabinet, Jokowi's strategy right from the start has been to avoid the mistakes of previous presidents by disavowing political horse-trading. He has thus refrained from promising cabinet seats to parties in his coalition in exchange for political support. While this has freed him to assemble a professional team of ministers, it has also started to create tensions in his own coalition where some of his allies expect their backing not to go unrewarded.

Transition team's three-pronged role

Jokowi's real worry is whether his predecessor, outgoing President Susilo Bambang Yudhoyono, will facilitate a smooth transition of power. It is for this reason that he has already put in place a transition team even when he was facing the legal challenge from Prabowo. In so doing, Jokowi has introduced a ground-breaking practice which he hopes could become a new tradition in leadership transition.

This transition team, comprising some of the key supporters behind the Jokowi machinery, is led by former trade minister Rini Soemarno. The appointment of Rini, who enjoys close ties with party chief Megawati, suggests that the former president still wields strong influence behind the scenes.

The transition team has a three-pronged goal:

- To fulfil Jokowi's campaign promises quickly by focusing on seven critical areas: education, universal health, economy, public transport and communication, agriculture, maritime, and housing;
- To redesign the 'architecture' of the cabinet – possibly through mergers of ministries, streamlining and restructuring - while leaving the names of potential ministers to the new president, who has the final say in its composition;
- To prepare for major legal liabilities that may be inherited from the outgoing Yudhoyono government, such as over ownership disputes with international mining companies. These disputes followed the introduction of a mining law that reflects the growing resource nationalism in Indonesia. At least two major Western mining firms have positioned their cases for international arbitration, which may or may not be settled out of court.

Jokowi's biggest headache: subsidies

Jokowi's biggest coming headache will be in tackling energy subsidies. His attempted deal with President Yudhoyono for the outgoing government to cut the subsidies and raise fuel prices before handing over power has run into a brick wall. Yudhoyono has now firmly refused to reduce the subsidies before he steps down, arguing that any subsidy cuts would cause hardship to the people at this point.

Notwithstanding his meteoric rise, there has been criticism of Jokowi leaving his governorship for the presidency too soon - after only two years in office. His short governorship of the capital city has left Jakarta's creeping traffic gridlock unresolved; at the same time he is unable to leave his mark to come up with a plan to tackle the long-term threat of rising sea levels due to climate change. The expectations are that he will have to deal with these two issues in his capacity as president.

Jakarta's headaches epitomise Indonesia's nation-wide infrastructure problems, a major shortcoming that the president-elect has promised to overcome. Tackling these effectively will help Indonesia's most popular president since founder-president Sukarno see through his first term.

Jokowi is fully aware of the major challenges staring in his face, including a strong opposition coalition in Parliament. Prabowo may well choose to fight another day – perhaps by contesting the next presidential election in 2019. Whether Jokowi will last more than one term depends on how effective

he will be in his initial years. Will the enigmatic president who came out from nowhere be able to complete the unfinished business of reform since the fall of Suharto 16 years ago - what the Prabowo's running mate, Hatta Rajasa, calls the second wave of *Reformas*?

Yang Razali Kassim is Senior Fellow with the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University. An earlier version of this commentary appeared in The Straits Times.

Nanyang Technological University
Block S4, Level B4, 50 Nanyang Avenue, Singapore 639798
Tel: +65 6790 6982 | Fax: +65 6794 0617 | www.rsis.edu.sg