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Policy Paper

The 2014 Indonesian Elections and Australia-Indonesia Relations

Dr Dave McRae



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Front Cover Image: Jokowi during the election campaign. Photo by Dave McRae.

DR DAVE McRAE



Dr Dave McRae is a senior research fellow at the Asia Institute at the University of Melbourne and an Associate in the Centre for Indonesian Law, Islam and Society. His current research interests include contemporary Indonesian politics, Indonesian foreign policy, Australia-Indonesia relations and regional security issues. He is the author of *A Few Poorly Organized Men: Interreligious Violence in Poso, Indonesia* (2013) and translator of Solahudin's *The Roots of Terrorism in Indonesia* (2013). Prior to joining the University of Melbourne, Dave worked for the Lowy Institute for International Policy, The World Bank and the International Crisis Group. He writes and comments frequently in both English and Indonesian in the

Australian, Indonesian and other international media.

THE 2014 INDONESIAN ELECTIONS AND AUSTRALIA-INDONESIA RELATIONS

ABSTRACT

Joko Widodo's election in 2014 as Indonesia's seventh president reflects a mood of change from Susilo Bambang Yudhoyono's Indonesia. On the campaign trail, Widodo addressed this mood for change with a populist appeal to voters as a politician who listened to their concerns and would work to make their lives better. His greatest challenges as president come domestically. On this front, he must demonstrate to voters that unpopular decisions such as raising fuel prices are ultimately in their interests. He must also live up to his pledge of a new way of doing politics, despite appointing a cabinet broadly similar in composition to that of his predecessor. Internationally, Jokowi must answer expectations for a more influential Indonesia, but can do so by maintaining substantial continuity in Indonesia's foreign policy settings. Nevertheless, Australia should not interpret the likelihood of continuity in Indonesia's international standing and orientation as justifying a status quo approach to bilateral ties.

THE 2014 INDONESIAN ELECTIONS AND AUSTRALIA-INDONESIA RELATIONS¹

DR DAVE McRAE



The triumph of man-of-the-people politician Joko Widodo (Jokowi) over former general Prabowo Subianto in the 2014 Indonesian presidential election brings to a close Susilo Bambang Yudhoyono's decade-long presidency. Jokowi, who has risen from small town mayor to president-elect in just two years, is widely perceived within Indonesia as the antithesis of Yudhoyono, who had reached his constitutional limit of two terms. Where Yudhoyono came to be seen as overly cautious and insistent on protocol, Jokowi markets himself as a doer who mixes freely with the public. Yudhoyono is a former army lieutenant-general; Jokowi a furniture businessman cum civilian politician. Yudhoyono served for five years as a cabinet minister under two presidents before becoming Indonesia's first directly elected president; the presidency will be Jokowi's first national-level political position, albeit after a decade of experience as a mayor and governor.

Jokowi's election thus reflects a mood of change from Yudhoyono's Indonesia, a familiar proposition after his ten years in power. Domestically, Yudhoyono presided over a period of political stability but in his second term failed to use his popular mandate and stronger base in the legislature to drive forward further governance reforms. His rule was been a period of rapid economic growth in Indonesia but also a time when income inequality rose sharply. Internationally, Indonesia became more outward-looking under Yudhoyono, seeking to involve itself in a broad range of regional and global issues, typically through multilateral forums. Because of its limited diplomatic and military resources, however, Yudhoyono's Indonesia was vocal about how it would like the world around it to be, without being able to bend world affairs to its will.

How different can we expect Jokowi's Indonesia to be over the next five years, given the contrasts between Yudhoyono and the president elect? This is the central question of this policy paper. After a brief overview of Jokowi's defeat of Prabowo, the paper outlines Jokowi's likely policy priorities on the domestic front, in foreign policy, and in the realm of Australia-Indonesia relations.

1 The author wishes to thank Nanang Indra Kurniawan and Tim Lindsey for helpful comments. All errors and omissions remain the responsibility of the author.

Overall, Jokowi is most likely to make significant changes on the domestic front, where he must answer the mood for change that swept him to the presidency. Jokowi is unlikely to markedly alter Indonesia's foreign policy orientation but may exhibit more overt nationalism than Yudhoyono, a trait that is likely to complicate relations with an Abbott-led Australia.

JOKOWI WINS THE PRESIDENCY

There could scarcely have been a starker contrast between the managerial man-of-the-people Joko Widodo and his rival for the Indonesian presidency, aspiring strongman and former general Prabowo Subianto. The fierce contest between the pair polarised the Indonesian electorate, with supporters of each camp showing open disdain for the other. Despite the many differences between Jokowi and Prabowo there were commonalities: each candidate promised a new way of governing Indonesia to produce a more equitable, stronger and independent nation. In this way, both candidates aimed to seize upon widespread disillusionment with politicians and political institutions and turn it to their advantage. But their pitches struck a chord with the Indonesian public for very different reasons.

Prabowo's campaign resonated with his supporters because he convinced people the country needed firm leadership needed to become a 'strong' Indonesia. His narrative, expounded relentlessly, was one of a false crisis: an Indonesia under threat of being recolonised, its wealth flowing to foreigners, in which Indonesians are not masters of their own house, and dishonest politicians in the sway of nefarious backers threaten the political system. Prabowo incessantly repeated a claim that Rp1.1 trillion of Indonesia's wealth was 'leaking'. This figure appeared to have little rigorous underpinning – Prabowo's camp variously attributed it to corruption, foreign control of resources, and to energy subsidies. Stemming this purported leakage was a key part of Prabowo's vision of what a strong Indonesia would look like: a rich country in control of its resources with no fear of other nations – an 'Asian tiger', in Prabowo's words. Prabowo hit upon these themes repeatedly in campaign appearances. The following passage from his opening statement in the foreign policy candidate debate is long but captures much of his pitch:

We cannot possibly become an independent country, we cannot possibly become a respected country, if our people are poor, that is the foundation of my foreign politics, I must fix up conditions within Indonesia, I and Hatta Rajasa must tidy up our domestic problems. Our economy must be strong, we must secure our national wealth, and then all countries will look up to us. In essence, we don't want enemies, a thousand friends are too few and one enemy is too many, we want peace with all people, but we love our independence and we won't let go of even a patch of land, we will defend Indonesia to our last drop of blood.

Economic nationalism also formed part of Jokowi's pitch but explicit pledges of a strong Indonesia were not as central to his campaign as for Prabowo. Instead, Jokowi's

campaign was effective because large swathes of the public identified with Jokowi as a politician who spoke directly with the average citizen, listened to their concerns, and who could make a difference to their lives. Impromptu visits to meet directly with the community in public places and neighbourhood streets - known as 'blusukan' - were a trademark of Jokowi's tenure as a public official and of his presidential campaign. He also pledged to improve representative institutions and make government more open and accountable, in particular through the application of 'e-government'. Jokowi also underlined his connection to the average citizen in his campaign messaging. One key slogan was 'Jokowi-JK [Jusuf Kalla] are us'. Another slogan cast Jokowi as 'honest, of the people, simple'. The success of his messaging in building a connection with voters was manifest in the numerous volunteer groups that sprung up to support Jokowi's candidacy.

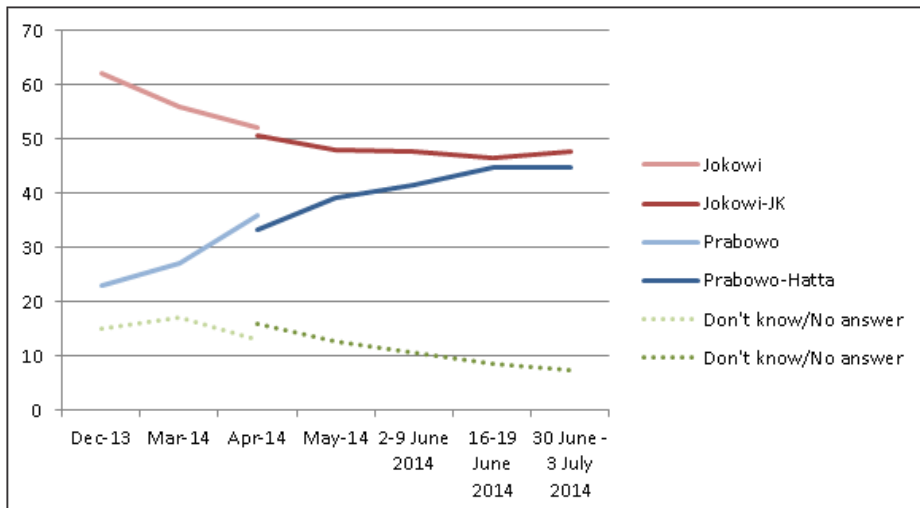
A core element of Jokowi's pledge to make Indonesia more equitable was targeted health and education spending, through his signature 'Smart Indonesia Card' and 'Healthy Indonesia Card' schemes. These cards are nationwide extensions of popular health and education cards for the poor and near-poor that Jokowi introduced first as mayor of Solo, and then as governor of Jakarta.² The focus on health and education reflected the fact that these were the complaints that had always been brought to him as mayor and governor, Jokowi said, and were consistent with the need to develop Indonesia's people first as the initial step to prosperity.³ Beyond health and education spending, Jokowi also promised a focus on cooperatives, small and medium enterprises, agriculture and the maritime economy, regional development and infrastructure as ways to ensure Indonesia's growth produced greater equality.

These differing visions for Indonesia gained almost equal support from voters, as an election that had long looked set to deliver a landslide win to Jokowi instead became a cliffhanger. Prabowo's spike in popularity in the final months before the election was also aided by a slicker campaign and relentless smear campaigning against Jokowi. Jokowi's eventual winning margin of 6.3 per cent or 8.4 million votes was large enough to make certain any electoral irregularities had not influenced the outcome but also sufficiently small that, as president, Jokowi will need to deal with the demands of Prabowo's constituents. He is thus likely to need not only to govern with the people and show that he is making a difference to the average citizen's life, but also be seen to be building a 'strong' Indonesia. The remainder of this paper will consider how these twin demands will be reflected in Jokowi's domestic and foreign policy priorities, as well as in Australia-Indonesia relations.

2 On the Solo schemes, see Mas'udi, 2014.

3 Comments made by Joko Widodo during the second presidential candidate debate on economic development, 17 June 2014.

Graph 1: Jokowi vs Prabowo, Public Opinion Polling



Source: Saiful Mujani Research and Consulting (2014a, 2014b)

JOKOWI'S DOMESTIC POLICY PRIORITIES

Domestically, Jokowi faces the twin political challenges of meeting his promises of a new way of doing politics and improving the welfare of the average citizen, in particular addressing inequality. Each will test his mettle. To succeed on the political front, Jokowi must find a more effective answer than his democratic-era predecessors to the challenge of building an effective coalition government. To deliver on inequality, Jokowi will need to make unpopular choices to change Indonesia's spending patterns. In both instances, the core challenge for Jokowi is to retain public support while tempering his populism.

Jokowi is not the first president to rise to power in Indonesia promising a new style of politics. Yudhoyono also won office in 2004 seeking to 'distance himself from the culture of deal-making associated with the other parties' and promising that 'most seats in his cabinet would go to professionals' (Aspinall, 2005: 21). Yudhoyono did not deliver - political party appointees or figures close to parties occupied 19-21 of the 34 ministries in each of Yudhoyono's cabinets.⁴ Speaking at the end of his first term, Yudhoyono attributed his party-dominated cabinet to the poor fit between Indonesia's presidential system and its multi-party democracy. A party-dominated cabinet was a 'compromise

4 Sources differ over which ministers were political appointments during Yudhoyono's initial first term cabinet, whereas in his second term 21 of 34 ministries were apportioned to parties.

solution' in the interests of political stability and functioning government, Yudhoyono said (Jakarta Post, 2009a). In practice though, Yudhoyono's broadly inclusive 'rainbow coalitions', united by a desire to share in the spoils of government, did not secure the support of their members for the government agenda, in either public discourse or votes in the legislature on contentious legislation.⁵

Throughout 2014, Jokowi raised expectations that his government, in particular the cabinet, would differ starkly from that of Yudhoyono. He appealed on the campaign trail for a large margin of victory for PDI-P in the legislative election, to spare him the need to form a 'transactional coalition' and negotiate with other parties at every step. On election night in April, when it was clear that PDI-P had won only a narrow plurality, Jokowi expressed his dislike for talking about coalitions, because the connotation was of 'divvying up seats, divvying up ministers'. Thereafter, he emphasised that the four parties that nominated him for president had formed a coalition 'without conditions', and called for political parties to overhaul their recruitment practices. 'Whoever the best figure is, he or she should be put forward, it needn't be the party's political elite or chairperson. However, the figure in question ... [should be] the best son of the nation, possessing a good track record and achievements,' Jokowi told viewers during the first presidential candidate debate (Antara, 2014).

Such were the expectations surrounding Jokowi, encouraged by his own rhetoric, that his announcement in September that his cabinet would include 16 party figures and 18 professionals raised eyebrows within Indonesia. Granting around half of his cabinet positions to politicians was a reasonable step: to play a meaningful role in his government, each party in his nominating coalition needed to be made part of cabinet. Indeed, many observers expected Jokowi to use his cabinet to expand his coalition, which controlled only 207 of 560 seats (37 per cent) in the legislature. Nevertheless, senior party figures felt the need to speak to the media to head off criticism. One to do so was Hasto Kristianto, PDI-P's deputy secretary general and a senior member of Jokowi's transition team, who told journalists, 'In the end, we will prove that those [ministers] provided by political parties are able to meet the requirement to be professional, not be burdened by their past, and be appropriate for the scope of duties they are given.' (BBC, 2014)

But Jokowi's cabinet fell short even of the criteria he and his spokespersons set for themselves. Admittedly, only 13 of 34 ministers were unambiguous political party representatives, fewer than Jokowi had indicated in September, although several other ministers clearly owe their appointments to their closeness to political parties. But whereas Jokowi said political parties should propose the best person for the job, his cabinet is packed with party elites, including two party secretary-generals, a deputy chairperson, two leaders of the parliamentary wings, and three central leadership

5 For a discussion of Indonesia's rainbow cabinets, see Diamond, 2009; Sherlock, 2009; and Tomsa, 2010.

board chairpersons. Nor are these politicians professionals: fewer than a third have backgrounds appropriate to their ministerial posts. Although the faces are mostly new, parties have populated Jokowi's cabinet with the same types of politicians as previous cabinets.

Jokowi's cabinet also revealed the divergence of agendas between the president and his party PDI-P, and underlined the continuing clout of party chairperson Megawati Soekarnoputri despite the independent power base the presidency affords to Jokowi. Megawati reportedly prevented Jokowi from appointing PDI-P politician Maruarar Sirait as communications and information minister, forcing his last-minute withdrawal from the cabinet (Tempo, 2014b). Megawati's closeness to defence minister Ryamizard Ryacudu and state enterprises minister Rini Soemarno almost certainly accounts for their presence in Jokowi's cabinet, despite their problematic track records. Megawati's daughter, Puan Maharani, also features in the cabinet, as coordinating minister for human development and culture.

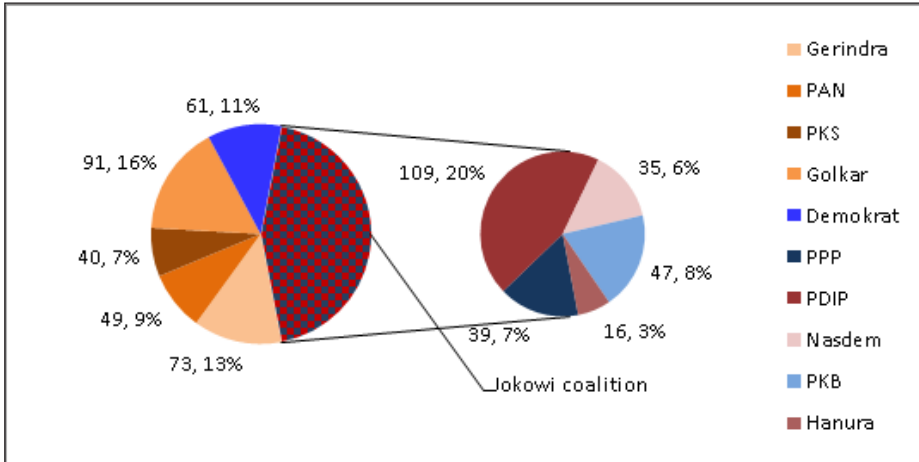
Jokowi's problems with PDI-P are unique for an Indonesian president, as all his predecessors have dominated their political parties. Jokowi though was not PDI-P's automatic choice as presidential candidate, nor did he enjoy full support from all parts of the party during the presidential campaign (Mietzner, 2014). Jokowi also incurred damaging attacks throughout the presidential campaign accusing him of being Megawati's puppet, because of Megawati's dominance of PDI-P and Jokowi's frequent public appearances with her prior to Megawati confirming him as PDI-P's presidential candidate. PDI-P could yet complicate Jokowi's efforts to govern if the party's ministers make public statements at odds with Jokowi's policies, or the party fails to support Jokowi's agenda in the legislature.

Nor did Jokowi address the problem of his minority support in the legislature through his political appointees. He has expanded his coalition to include the United Development Party (PPP) in his cabinet but PPP's inclusion still leaves Jokowi's coalition 35 seats short of a majority in the legislature. Moreover, the coalition of parties that supported Jokowi's defeated rival Prabowo have proven unexpectedly cohesive, PPP's defection notwithstanding.⁶ Prabowo's coalition have taken control of the entirety of the legislature's leadership positions, and used their numbers to pass a regressive bill to end direct mayoral and gubernatorial elections, although this has since been overturned, temporarily at least.⁷

6 Technically, Yudhoyono's Democratic Party has also left Prabowo's coalition, but in practice it has sided with his coalition in the legislature and received an allotment of leadership positions in the legislature as if it was a coalition member. In the case of the local elections bill discussed in this paragraph, the Democratic Party abstained from the vote, allowing Prabowo's coalition to pass the bill.

7 On this bill, see McRae, 2014c.

Graph 2: Composition of DPR, 2014-2019 (Seats, % of seats)



Jokowi may be tempted to expand his coalition further if he proves unable to negotiate with the legislature on a bill-by-bill basis but doing so would make the coalition even more difficult for Jokowi to control. His cabinet would then include a minimum of six of ten parties in the legislature, resembling the rainbow coalitions of President Yudhoyono's two terms. A larger coalition would also exacerbate the challenge for Jokowi to convince the public he is keeping his promise not to engage in the horse-trading typical of Indonesian politics, particularly as he repeatedly made a virtue of his 'slender coalition' during the election campaign.⁸

Importantly though for Jokowi, polling thus far suggests the cabinet has not significantly dented his popular credentials. An Indonesian Survey Circle (LSI) 'quick poll' fielded just after the cabinet announcement found 75 per cent of respondents would give the cabinet 3-6 months to perform (LSI, 2014). A 12 city poll fielded by national newspaper Kompas soon after the announcement also found 72 per cent of respondents were convinced that the cabinet could realise Jokowi's agenda (Kompas, 2014c).

Public buy-in to his way of governing is not a political asset that Jokowi can surrender lightly, even as he makes the necessary compromises to run a government. Public pressure, including civil society activism, may be an important asset to help Jokowi to convince the legislature to support his agenda.⁹ As a recent example of the influence of popular pressure, Yudhoyono intervened to restore direct local elections only after sustained and ferocious criticism of Yudhoyono and the legislature over the passage of

⁸ Comment by Jokowi during first presidential candidate debate, 9 June 2014.

⁹ On the role of public pressure in Indonesian politics see Mietzner, 2012: 219; McRae, 2013.

the bill that had ended them. In harnessing popular pressure, the relationship Jokowi maintains with the various volunteer groups (known within Indonesia as *relawan*) that sprang up to support his candidature could be an important asset. Some of these groups aim to become more permanent organisations. They could provide a voice in support of Jokowi's agenda at arm's length from the government, provided they believe Jokowi's administration to be on track.

Returning to the question of how distinct Jokowi's administration might be, Jokowi's first days in office closely resemble those of his predecessor, Susilo Bambang Yudhoyono. As with Yudhoyono, his cabinet embodies clear compromises with the coalition of parties supporting him, reducing expectations of significant change. Nor does the cabinet suggest Jokowi has resolved the problems that his own party PDI-P and his opposition in the legislature pose to his presidency. Considered only from this point of view, we might doubt Jokowi's ability to push through a distinct agenda of reform, whether he chooses a strategy of accommodation with his opponents or chooses to confront entrenched interests, producing a period of greater open political conflict.

But this view may yet be too pessimistic. Beyond the party appointees, Jokowi has made promising professional appointments in some of the portfolios crucial to his agenda, such as education, health and finance, much as some are untested as leaders of state bureaucracies. If these ministers can oversee the successful roll-out of Jokowi's signature health and education policies and enable him to be seen to be addressing inequality, he may yet maintain the sort of public support that could allow him to successfully tackle entrenched interests to push through his broader agenda of establishing more open, accountable government. It is to this prospect that the remainder of this section now turns.

Both the urgency and the political salience of addressing widening inequality are clear. Indonesia's income inequality has reached its highest recorded levels, albeit lower than in several other ASEAN countries (Chongvilaivan, 2013: 3), with the country's Gini co-efficient rising to 0.41 in 2013 (Yusuf, Sumner and Rum, 2014: 244). 83 per cent of Indonesians hold government action to address inequality to be urgently required, according to one public opinion poll fielded in late May. The same survey also illustrated Indonesians' ambition for social mobility: 49 per cent of Indonesians self-identified as currently being in the bottom two income quintiles but only 16 per cent predicted they would be in the bottom two quintiles in five years' time (Indikator-LSI, 2014: 13; 36).

To act on inequality, Jokowi will need to raise new money, whether by increasing overall government revenue or re-allocating existing resources. At present, recurring earmarked expenditure and the massive energy subsidy bill - around a quarter of all expenditure - leave little or no space in the budget for new policies (Hill, 2014; Davies and Howes, 2014). Illustrating the challenge Jokowi faces to fund his programs, Yudhoyono's outgoing government actually reduced health, infrastructure and poverty-reduction spending in real terms in its initial draft 2015 budget (Kompas, 2014a).

Jokowi did not provide detailed explanation of how he would reshape the budget during the election campaign. His written campaign statement pledges to increase tax revenue significantly as a proportion of GDP but provides sparse detail on how he would do so (Jokowi-JK, 2014: 10). Throughout the presidential candidate debate on the economy, Jokowi focused on increasing efficiencies in the use of existing resources rather than creating new revenue. Certainly there are likely to be significant efficiency gains to be made. As just one example, it has been estimated (based on 2010 national socioeconomic survey data), that 52 per cent of cardholders in the government's Jamkesmas free health insurance program were not members of the poor and near-poor target group, whereas only around 35 per cent of the target group had cards (Harimurti et al, 2013: 12). If this mis-targeting has persisted in the government's successor BPJS Kesehatan program, improved targeting could presumably increase health insurance coverage without a significant additional commitment of funds.

It is unlikely though that Jokowi will be able to fund and implement his signature health and education card programs solely through efficiency gains. He will need increased fiscal space too for other measures to address inequality, such as large-scale infrastructure development.¹⁰ One of the largest challenges in creating fiscal space is tackling energy subsidies. Fuel subsidies that see petrol and diesel sold at a fixed price are by far the largest component of this subsidy bill. Reining in these fuel subsidies is difficult. Fuel price rises are deeply unpopular and each slated price rise has spurred opportunistic criticism from other political parties, with Jokowi's own Indonesian Democratic Struggle Party (PDI-P) one of the chief critics during the Yudhoyono years. Additionally, the redistributive effect of abolishing subsidies and increasing social spending works only in the longer term, making short-term compensation necessary. Short-term cash grants are themselves controversial, owing to criticism that they amount to vote-buying (Mietzner, 2009). These difficulties notwithstanding, Yudhoyono's inability to match his rhetoric of a paradigm shift on subsidies with a consistent policy to phase them out stands as a significant economic failure of his government.

Jokowi will need to perform better on these subsidies than Yudhoyono. Although he avoided outlining a detailed policy on fuel subsidies ahead of the election, it now appears likely he will raise fuel prices early in his first term. The new Finance Minister, Bambang Brojonegoro, told journalists in late October that a fuel price rise was likely by the end of the year, and that he favoured a system where the government paid a fixed subsidy per litre of fuel sold, independent of the market price (Bloomberg Businessweek, 2014; Kompas, 2014b). Vice President Jusuf Kalla also told reporters fuel prices would rise in November, although Jokowi refused to confirm a price increase was slated when questioned by reporters over Kalla's statement (Kompas, 2014d). Although Brojonegoro's and Kalla's statements follow a series of early signals that fuel price rises are imminent, it is worth remembering that Yudhoyono's two terms in

10 For one concise outline of economic reforms required to address inequality, see Hill, 2014.

government saw repeated back-downs from plans to lift prices or restrict the sale of subsidised fuel, the four price increases (and three price decreases) notwithstanding.¹¹ Reining in fuel subsidies will stand as an early litmus test of whether Jokowi is willing to temper his populism and make unpopular decisions to enable him to implement his overall agenda.

Jokowi of course faces many other economic challenges, apart from obtaining resources to address inequality. Various of Jokowi's spending promises during the campaign were contingent on Indonesia achieving annual GDP growth of 7 per cent, and some economists name this growth target as the president-elect's most urgent economic priority (McCawley, 2014). It is a growth target that Indonesia will seek to achieve as its economy increases faces 'headwinds', in the words of former Finance Minister Chatib Basri, as the United States tightens its monetary policy and commodity prices fall (Tempo, 2014a). Surveying the economic conditions that Jokowi has inherited, economists Hal Hill and Haryo Aswicahyono (2014) argue that Indonesia must reform its economy, as it did after the collapse of commodity prices in the 1980s. Apart from the subsidy, tax and infrastructure challenges mentioned above, they name regulatory issues, reigning in economic nationalism and addressing labour market issues as key areas where progress must be made.¹² Again, many of these reforms would be unpopular, and convincing the Indonesian people he is working in their interests, while taking hard decisions they dislike, looms as Jokowi's key domestic challenge.

JOKOWI'S FOREIGN POLICY PRIORITIES

Foreign policy is the area where Jokowi most clearly needs to reach out to Prabowo's constituency, and their hopes for a stronger Indonesia. But although Jokowi comes to the presidency with no international experience, meeting public expectations on foreign policy looms as an easier challenge than does his domestic agenda. For one thing, absent a major crisis, Jokowi's foreign policy performance is unlikely to decisively shape public perceptions of his presidency. Additionally, Yudhoyono has also faced expectations for a more influential Indonesia for much of his presidency, and has addressed them with a 'power of ideas' approach. Jokowi should be able to meet public expectations by maintaining broadly the same tack.

There are two elements to the idea that Indonesia should have greater international standing. The first is a public expectation that Indonesia, on account of its size, should exert more influence in regional and global affairs. As one illustration of this expectation, twenty per cent of Indonesians nominated Indonesia as one of the ten most influential countries in the world in polling conducted by the Lowy Institute in 2011 (Hanson, 2012). Any democratic Indonesian government must respond to this expectation. Yudhoyono's

11 For details, see Howes and Davies, 2014: 175-178.

12 See also Hill, 2014.

Indonesia has maintained a consistently outward-looking posture, and Jokowi will likely need to do the same. Indeed, these expectations for influence are one of the reasons to doubt predictions that Jokowi's inexperience will see Indonesia shrink from the foreign policy stage.

Public expectation is likely fuelled in part by the past decade of rapid economic growth and stable democratic rule under Yudhoyono, which has increased Indonesia's international prominence. But although Indonesia's growing economic size gained Indonesia membership of the G20, and in the longer term could significantly increase Indonesia's diplomatic and military resources, its rise as an international actor has started from a low base.¹³ This has meant Indonesia has pursued a far-reaching diplomatic agenda with limited resources. Under Yudhoyono, the resource has been a 'power of ideas' approach, where Indonesia's diplomats name as key foreign policy successes instances of Indonesian ideas being adopted over those of other countries. One oft-cited example is the establishment of the East Asia Summit as an ASEAN+6 forum, reflecting Indonesia's desire to add more countries to balance the influence of China, which would have preferred an ASEAN+3 format (McRae, 2014: 5).

The early signs are that Jokowi understands the need to be seen to be active internationally within Indonesia's limited resources. His written campaign statement explicitly positions Indonesia as a middle power, acting as a regional force with selective global involvement (Jokowi-JK, 2014:13). In fact, he expressed even greater ambition during the candidate debate, saying the global political and economic shift to Asia was Indonesia's chance to become a 'big country'. In his opening statement during the candidates' debate, Jokowi also displayed an awareness of the need to be seen to be active on hot-button foreign policy issues, pledging support for Palestinian independence and full United Nations membership. Active diplomacy on the Israeli-Palestinian conflict has been a core feature of Indonesia's diplomacy under Yudhoyono, despite limited ability to influence the key actors in the conflict (McRae, 2014: 5).

The second element of expectations for Indonesia's international standing is the idea that Indonesia should be self-sufficient in economic affairs and control its own natural resources, which lies behind the rising economic nationalism of Yudhoyono's second term. Howes and Davies (2014: 160-161) outline five laws passed between 2009-2014 – on horticulture, food, farmers, industry and trade that 'all either mandate or authorise a protectionist approach to economic policymaking'. Additional to this list, Indonesia in 2014 applied a ban on unprocessed mineral exports, deriving from legislation passed during Yudhoyono's first term (Howes and Davies, 2014: 162). Jokowi's rhetoric during the campaign suggested that he would continue economic nationalism;¹⁴ indeed his

13 For a discussion of the prospects for Indonesia to increase its international influence, see McRae, 2014.

14 For good concise overviews of economic nationalism in the 2014 presidential election

core economic terminology – on loan from founding president Soekarno – is of an ‘economy standing on its own two feet’.

The continuing need to appear active internationally despite limited resources is not the only reason to predict that Jokowi will maintain many of Yudhoyono’s foreign policy settings his first term. Jokowi’s own foreign policy inexperience is another important factor. Senior members of Indonesia’s foreign policy community cited this inexperience as a factor likely to see Jokowi less personally involved in foreign policy than Yudhoyono, and relying more heavily on his foreign minister.¹⁵ As expected, Jokowi followed Yudhoyono’s practice of appointing a career diplomat as foreign minister, although his choice of Retno LP Marsudi was unexpected. One interviewee cited the very full diplomatic agenda Jokowi faces in the first month of his presidency as another factor promoting continuity: the APEC, ASEAN, East Asia Summit and G20 summits all take place in November 2014.¹⁶

Moreover, Jokowi’s written campaign statement also effectively endorses familiar features of Indonesia’s foreign policy, such as a commitment to multilateralism, middle power diplomacy and an Indo-Pacific concept of Indonesia’s regional neighbourhood. The statement also maintains Yudhoyono’s target – never attained – of spending 1.5 per cent of GDP on defence, and foreshadows budget increases for the foreign ministry.¹⁷ The statement is not devoid of new features; there is, for example, a new emphasis on Indonesia’s archipelagic identity in the ambition to become a ‘maritime axis’. Despite this, the document does not suggest any marked change in orientation.

That is not to predict Jokowi’s foreign policy will be identical to Yudhoyono. The ‘maritime axis’ concept flagged in Jokowi’s written campaign statement gained new prominence in the first days of his presidency and may develop into a key point of difference. Jokowi made the maritime axis the framing idiom of his inauguration speech, calling himself the nation’s ‘captain’ and telling Indonesians:

We have to work as hard as we can to restore Indonesia as a maritime power. The oceans, the seas, the straits and the bays are the future of our civilization. For far too long, we have turned our backs on the seas, the oceans, the straits and the bays. Now is the time to restore Jalesveva Jayamahe [At sea we are victorious], the motto of our forefathers. We should return back to sailing the

campaign, see Neilson, 2014; Warburton, 2014.

15 Interviews with senior members of Indonesia’s foreign policy community, June-July 2014.

16 Interview with a senior diplomat, Jakarta, July 2014.

17 For full details, see Jokowi-Jusuf Kalla, 2014: 12-14. Some reports of Jokowi’s comments on defence spending have him making this spending level contingent on 7 per cent per annum GDP growth.

seas. (Widodo, 2014)

In common with much of Jokowi's agenda, little detail of the maritime axis concept is available beyond the policy headline. An opinion piece written in August by Jokowi's foreign policy advisor, Rizal Sukma, provides the most detailed publicly available explanation of the policy.¹⁸ Sukma outlines three elements to the maritime axis concept: a maritime identity for Indonesia; a common purpose deriving from Indonesia's geostrategic position between the Indian and Pacific oceans; and an operational component, comprising Jokowi's concept of a sea toll linking Indonesia's islands, as well as a focus on maritime security. Sukma argues that the maritime axis concept would thus require Indonesia to mainstream maritime affairs in its education; engage in massive infrastructure building; and form maritime multilateral partnerships.

In gauging how significant an impact this concept will have on Indonesian foreign policy, we await signs that it will retain its policy prominence, and that Jokowi's government will commit resources to give the concept force. The financial investment required could be massive. A member of Jokowi's transition team estimated the sea toll concept alone would require an investment of Rp 2,000 trillion - roughly equal to Indonesia's entire annual budget - over five years (Tribunnews, 2014).

If foreign policy is delegated to a significant extent to the foreign minister, then another point of difference could be any contrasts of emphasis between Retno Marsudi and her predecessor Marty Natalegawa. Marsudi's appointment is too recent for her to have put her personal stamp on the role as yet and in her initial press comments she has spoken only of realising the president's foreign policy vision. Few had tipped Marsudi to become foreign minister, although she has made a similarly swift progression through the ministry as Natalegawa, who was her classmate in the ministry's training academy (Jakarta Post, 2009b). She was the foreign ministry's first female director-general when appointed head of the America and Europe directorate-general in 2008; she is also Indonesia's first female foreign minister.

Finally, there is an expectation that Jokowi may respond to tensions with neighbours with greater overt nationalism than did Yudhoyono. Advisor to the vice president Dewi Fortuna Anwar, speaking in her personal capacity prior to election day, predicted both Jokowi and Prabowo would be likely to 'be less tolerant of slights against Indonesia's sovereignty or territorial integrity or national dignity'. Anwar's assessment is consistent with those who anticipate Jokowi's membership of PDI-P, a nationalist party of unitarian ideological bent (Mietzner, 2013), as likely to promote a more overtly nationalist element to Indonesia's foreign policy. Along similar lines, the senior member of Yudhoyono's Democratic Party in the legislature's foreign policy commission, Ramadhan Pohan, argued that Yudhoyono had been especially determined to keep public emotions out of foreign policy disputes, a trait that he felt neither Prabowo nor Jokowi shared.

18 See Sukma, 2014.

Pohan emphasised the real test of Jokowi's foreign policy stance would come when he faced an actual foreign policy incident, and had to balance contending views rather than just enunciate a position in an election campaign. But if Jokowi does turn out to take a more overtly nationalist approach to issues such as espionage, boat turnbacks and incursions into Indonesia's territorial waters, his presidency could pose new complications for Australia-Indonesia ties.

AUSTRALIA-INDONESIA RELATIONS UNDER JOKOWI – AN EQUAL PARTNERSHIP?

Within Australia, discussion of the near-term prospects for Australia-Indonesia relations has often focused on whether Jokowi will be as open to ties with Australia as Yudhoyono was as president. The tone of this discussion is frequently one of pessimism, based on Yudhoyono's consistent openness to ties with Australia. Contributing to such pessimism, Yudhoyono incurred criticism within Indonesia for being too accommodating of Australia's interests. Indeed, Jokowi himself observed during the presidential candidate debate that Australia had treated Indonesia as a 'weak country', and the next president would need to ensure that Australia did not belittle and underestimate Indonesia.

Certainly, the possibility of a more overtly nationalist stance from Jokowi does foreshadow difficulties in Australia-Indonesia ties. Yudhoyono's mostly measured response to bilateral rows enabled government-to-government ties to improve and broaden even amidst recurring bilateral rows. The most serious rifts of the past decade have concerned Papuan asylum seekers and Australian espionage, but the forcible return of asylum seekers to Indonesia, drugs cases involving Australians, live cattle exports, and investigation of Indonesian officials for past human rights abuses have all raised tensions as well. If this pattern of recurring rows continues, as might be expected, maintaining good ties despite frequent discord will become more complicated if Indonesia's president takes a more overtly nationalist stance to such disputes.

Concluding ties are likely to worsen because of the tone set by national leaders is, however, unnecessarily defeatist. There are steps each government can take to make bilateral ties more robust. The key lies in each side treating the relationship as an equal partnership. Jokowi already effectively demanded an equal partnership during the foreign policy presidential debate, when he said that Australia treating Indonesia as a weaker country was one of two things wrong with Australia-Indonesia ties. The Australian government have been more circumspect but many within it concede that a more powerful Indonesia would transform the relationship.

On the Australian side, the challenge is to match its rhetoric with actions that treat the relationship with Indonesia as genuinely important. Because the relationship's full value lies in the longer term, meaningful engagement now is an investment in Indonesia's longer term potential (McRae, 2014a), Australia-Indonesia ties have tended to run second to other shorter-term interests. For example, the Abbott government decided to proceed with boat towbacks despite the fact that Indonesian officials clearly detest them. Part of treating Indonesia as important is to address the perceptions of senior

Indonesian officials of Australian arrogance in its dealings with Indonesia. Senior Indonesians describe this arrogance as a belief within the Australian government that problems with Indonesia can be fixed with money and aid, as well as racist and supercilious attitudes towards Indonesia among the wider public.

On the Indonesian side, the challenge is to commit resources to relationship to justify equal partner status. To date, Australia has been the more active partner, even during the Yudhoyono period. As one illustration, Yudhoyono has made four visits to Australia as president, whereas over the corresponding period Australian prime ministers have made at least 17 to Indonesia. Even allowing that some Australian visits were to attend multilateral summits or because of the Indian Ocean tsunami, the imbalance is clear. Australia also funds much of the bilateral cooperation between the two countries, including oft-cited examples of collaboration such as the flagship Jakarta Centre for Law Enforcement Cooperation (JCLEC), which is funded by Australia, among other international donors.¹⁹ Nor does Indonesia match Australia's research focus on Indonesia. Few Indonesians research Australia's politics or society, whereas at least 130 Indonesianists were employed on multi-year contracts in Australian universities in 2014 (Ford, 2014). Indeed, bilateral spats aside, Australia can be all but invisible in Indonesia's foreign policy discourse.

What are the prospects that the next five years will see Australia treat Indonesia as an equal, and Indonesia devote more attention to the relationship? For this to happen, the two countries will need to much more clearly identify and articulate their broader shared interests to make clearer the benefits of engagement. Absent such an endeavour, we are likely to see a continuation under President Jokowi and Prime Minister Abbott of ties drifting between irritation and pragmatism.

CONCLUSION

This paper opened by asking how different we can expect Jokowi's Indonesia to be. I have addressed this question by mapping the areas where Jokowi will need to push through reforms to convince the average citizen he is heeding their concerns and working to make their lives better. His greatest challenges lie on the domestic front, where he must temper his populism to address inequality and find an effective way to drive his agenda through a potentially hostile legislature. It is domestically that we would expect the greatest changes in a successful Jokowi presidency.

Internationally, Jokowi must answer expectations for an influential Indonesia, the political salience of which Prabowo's campaign ably demonstrated. Here, however, continuity is more likely, both because of Jokowi's own inexperience, and because

¹⁹ Financial statements in the 2013 JCLEC annual report show its 2013 revenue to be approximately \$1.75 million, of which all but \$40,782 is explicitly identified as originating from specific international donor grants.

Jokowi's Indonesia will possess the same limited resources that led Yudhoyono to pursue influence through a 'power of ideas' approach.

Australia though should not interpret the likelihood of substantial continuity in Indonesia's international standing and orientation as meaning it should maintain a status quo approach in its ties with Indonesia. Jokowi has signalled his expectation that Australia treat Indonesia as an equal partner, and Australia's long-term interests lie in establishing a relationship on those terms.


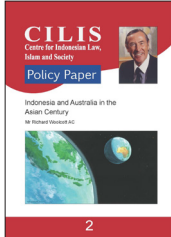

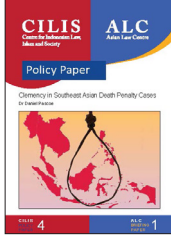
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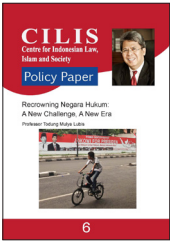

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McRae, D

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