Joko Widodo 2.0: Indonesia’s Struggle to Keep Reform on Track

Ben Bland
This unassuming but highly pragmatic ‘man of the people’ disappointed his supporters. As the president enters his second term, it looks increasingly likely he will continue to muddle through.

Kevin O’Rourke
The signs are not good. He has agreed to weaken the antigraft agency, given political parties key cabinet posts and been unclear on how he’ll deal with moves by party elites to attack electoral democracy.
When Joko Widodo — better known as Jokowi — was first elected president of Indonesia in July 2014, hopes ran high that this unassuming but highly pragmatic ‘man of the people’ would usher in an era of sweeping political and economic reform that would finally unlock this country’s enormous potential.

Some reforms did come, as did movement on the economic front, particularly in infrastructure development. But ultimately, Jokowi disappointed his supporters. As he enters his second and final term, it looks increasingly likely he will continue to muddle through, writes Ben Bland.

WHEN INDONESIAN President Joko Widodo was selecting his first Cabinet in 2014, he asked the Corruption Eradication Commission (KPK), the nation’s powerful, independent anti-graft agency, to screen his nominees. That process, which led to several of his candidates being blocked, encapsulated his image as a new broom who had been elected to sweep away the corruption, nepotism and red tape that had been holding back this country of great potential. Following his resounding re-election in April this year, however, he pointedly chose not to repeat the process, at a time when the parliament had controversially just revised the KPK law to weaken its investigatory powers.

To many of the activists who supported his rise to the leadership of the world’s fourth most populous nation in 2014, this shift in approach toward the anti-corruption fight is one element in a broader betrayal. Jokowi, as the president is universally known, had promised before the 2014 presidential election to investigate past human rights abuses, to reform the economy and to avoid the horse trading that characterizes Indonesian elite politics. However, over the last five years, the former outsider has transformed into a consummate transactional politician. Jokowi has sought compromises with corrupt power-brokers and intolerant religious leaders, and surrounded himself with former generals with little commitment to democratic principles. On his watch, human rights, the rule of law and the protection of minorities have all weakened.

Looking ahead to five more years of Jokowi, the key question is whether the president went...
His undoubted brilliance in retail politics disguises a lack of deeper strategy and vision for a country that is in the midst of a crucial phase of development. If Jokowi is better understood as an incremental developmentalist, rather than a fallen hero of reform, what are the implications for the next five years? Jokowi's main focus in his second term is likely to be on the economy, much as it was in the first. After his re-election, he promised to intensify reforms to open up Indonesia's economy, promote job growth and boost the under-performing education system. Thanks to Indonesia's constitutional two-term limit, he said he would be unburdened by the need to seek election again and so could pursue the difficult measures that he dodged in the first term because of resistance from vested interests. In particular, Jokowi wants to liberalize Indonesia's labor laws, which are incredibly burdensome for employers, open up university and vocational education to more foreign investment and streamline the byzantine regulations that deter international investors across many other sectors.

In reality, however, his approach to the economy is likely to take a similar tack to the first term. On the one hand, he will seek to make regulatory changes that reduce restrictions for foreign investors. On the other, he will try to further enhance the role of state-owned enterprises, giving them preferential access to key projects and resources. While contradictory, this approach reflects Jokowi's ad hoc style and his focus on incremental development rather than systemic change. During his first term, Indonesia surged up the World Bank's "ease of doing business" ranking from 120th to 73rd place. But, despite some permitting processes being streamlined and some foreign investment limits being reduced, it is hard to find many international investors who believe that it has got any easier to do business in practice.

Jokowi has also spoken of his desire to pivot from building hard infrastructure, where he made much progress over the last five years from new airports and toll roads to Jakarta's first-ever metro line, to improving soft infrastructure such as education and vocational training. This shift, while much-needed, is difficult. It will require reform of Indonesia's ineffective education ministry, which has been bloated by a constitutional requirement that it must spend at least 20 per cent of the national budget. And it will need Jokowi to follow through on his public promises to open up the university and vocational education systems to foreign investment.

So, hard infrastructure is likely to remain the focus for a leader who looks happiest when giving a hard hat and presiding over a groundbreaking ceremony. In particular, his economically questionable plan to move the nation's capital from crowded, polluted Jakarta to a new city on the island of Kalimantan is likely to take up much of his time, coffers and political capital. The proposed move was a characteristic Jokowi decision, announced unexpectedly with minimal consultation and no compelling rationale just after the election, having not been properly discussed during the months-long campaign. The $33 billion price tag for the new capital looks like a substantial under-estimate and Indonesia will face significant opportunity costs as attention and cash are taken away from more pressing needs.

On the political front, Jokowi's big tent Cabinet undermines his claim to be free of the need for transactional politics. His ministers are a predictable selection of the good, the bad and the ugly from a wide range of political parties, dynasties, the military and the business class. The most headline-grabbing appointment was that of long-time presidential rival, Prabowo Subianto, as defence minister. Jokowi's supporters were taken aback by the move, after Prabowo fought and lost two bitter, identity-
politics fuelled election campaigns against the president. In 2014, Jokowi was hailed by some academics and activists as the savior of Indonesian democracy for beating Prabowo, a former special forces general who was accused of human rights abuses during the autocratic rule of Suharto, his then father-in-law. Bringing him into government underlines Jokowi’s real focus, which is political stability, rather than political change. Criticized over the move, he argued that Indonesians reject the oppositional politics of the West, preferring “demokrasi gotong royong,” or mutual cooperation democracy.

Mutual cooperation among the elite is likely to mean more pressure on the practice of democracy and individual human rights in Indonesia, continuing the first-term trend. Law enforcement agencies are likely to continue making use of vague and illiberal laws to prosecute government critics, while the fight against corruption is likely to suffer in the name of economic progress and political continuity. After finally succeeding in a years-long campaign to weaken the powers of the KPK, which has prosecuted a growing number of parliamentarians, ministers and business leaders, lawmakers now have their sites set on rolling back direct elections of local leaders and, perhaps, the presidency. This move, which would hand power to the political parties that control the local and national legislatures, would be a big blow to the best-functioning part of Indonesia’s young democracy: competitive direct elections. It would be deeply ironic if Jokowi were to allow this, given he used direct election, and the connection with the people it brings, to rise to power from Solo to the presidential palace.

Meanwhile, Jokowi is likely to remain a reluctant actor on the international stage, shunning high-profile political arenas such as the UN General Assembly in favor of summits and meetings where he hopes to drum up investor interest, such as the G20 and APEC. Unlike his predecessor, Susilo Bambang Yudhoyono, who viewed the raising of Indonesia’s diplomatic stature as an end in itself, Jokowi sees foreign policy as an instrument of his development objectives. His foreign minister, Retno Marsudi, grew in confidence throughout the first term, successfully pushing the Association of Southeast Asian Nations to sign up to an “Outlook on the Indo-Pacific” – a rhetorical attempt to ensure ASEAN is not overshadowed by the intensifying US-China rivalry. But, under Jokowi, Indonesia is unlikely to seek the sort of regional leadership role taken on by Yudhoyono’s foreign minister, Marty Natalegawa.

In arguing for a more nuanced understanding of Jokowi’s style and track record, I am not suggesting that his second term will be a write-off. I am simply arguing that observers need to be more realistic about what he can achieve. His ad hoc approach and reluctance to challenge vested interests puts an upper limit on Indonesia’s prospects. But his focus on improving public services is popular and necessary, and has helped contribute to an atmosphere in which Indonesians are demanding more of their politicians. During his first term, Jokowi consistently disappointed both his supporters and his detractors. More muddling through looks like the most likely outcome of his second term. To truly thrive, Indonesia needs much more than that.

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