

Indonesia: Political landscape under President Jokowi

After the downfall of former dictator Suharto in 1998, Indonesia underwent a successful democratic transition. Current President Jokowi heads a coalition government with an ambitious reform agenda tackling some of the country's long-term problems, but the lack of progress by his predecessors on this front suggests that he will find it difficult to achieve real change.

Indonesian political system

A presidential system

Indonesia's [1945 constitution](#) establishes the president as head of state and of government. The lower, and more important, house of parliament is the House of Representatives, which adopts legislation, whereas the Council of Representatives of the Regions proposes and monitors legislation on regional matters. The president and the two houses of parliament are directly elected every five years, most recently in 2014 (parliament: April; president: July). Presidents can serve no more than two consecutive terms.

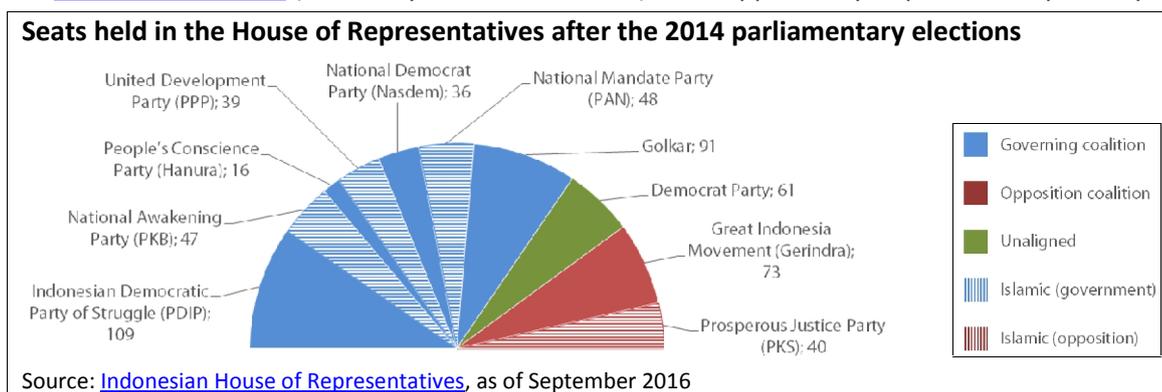
A successful democratic transition

After overthrowing post-independence leader Sukarno in 1967, General Suharto led the country for 31 years. His '[New Order](#)' regime saw stability and economic growth, but also political repression. Popular unrest following the 1997 Asian currency crisis, which hit Indonesia's economy hard, forced him to step down.

Multi-party democracy was restored by the 1999 elections, [judged](#) by international observers to be mostly free and fair. In 2015 Freedom House NGO [considered](#) Indonesia and the Philippines to be the most democratic countries in Southeast Asia. Despite limitations on reporting of sensitive issues (such as the [1965 massacre](#) of communists and [Papuan separatism](#)), the Indonesian press is also relatively free.

Political parties in Indonesia

[Ten parties](#) are currently represented in the House of Representatives, six of them secular and four Islamic. The distinction between these two groups is not always clear-cut: with an eye to the Muslim vote (87 % of Indonesians), secular parties support Islamic-inspired legislation such as a [2008 law on pornography and porno-action](#), which among other things outlaws scanty dress and kissing in public. At the same time, moderate Islamists oppose Sharia law (at present only applied in Aceh province) and some even welcomed the [Miss World contest](#) (hosted by Indonesia in 2013) as an opportunity to promote 'diplomacy and tourism'.



Apart from the secular-Islamic divide, there is [little to distinguish Indonesian parties](#) ideologically, with a lack of consistent policies on economic and other issues. **Golkar** was dominant under dictator Suharto, and although partly discredited by association with him, it remains influential due to its well-established party structures and connections to business circles. The **Indonesian Democratic Party of Struggle (PDIP)**, the party of the current president, grew out of the opposition to Suharto.



Some of the other parties, such as the **Democratic Party** and **Gerindra**, created respectively in support of Yudhoyono (Jokowi's predecessor) and Prabowo (2014 presidential runner-up), serve as electoral vehicles for aspiring presidents. The relative lack of a firm ideological line makes it easier for parties to change sides: for example, the **National Mandate Party** and Golkar were originally in the opposition to Jokowi following his 2014 election, but have joined the governing coalition since then.

Challenges facing Indonesia

Many structural challenges

Despite its successful democratic transition and rapid economic growth, Indonesia faces numerous structural challenges. The [economy](#) is over-dependent on raw materials exports and has been hard hit by lower commodity prices and slower Chinese demand in recent years. Decrepit infrastructure, rampant corruption as well as [ethnic and religious tensions](#) are some of the long-term challenges. Although Indonesia's leaders have repeatedly pledged to address these issues, they have [failed to make much headway](#) so far.

A new start with Jokowi?

At the time of his election in July 2014, former businessman Joko Widodo ('Jokowi') was seen as a [fresh start](#). Of [humble origin](#), he is the first president in decades not to have come from the armed forces or the political establishment, a capable administrator with a strong track record as governor of Jakarta. However, his lack of political connections has made it difficult for him to secure support for his reform agenda, even within his own PDIP party. Initially, his Great Indonesia Coalition included only four parties commanding just one third of seats in the parliament, forcing him to allocate ministerial portfolios on the basis of [political influence](#) rather than expertise. Ministers' contradictory statements (for example, on [infrastructure projects](#)) have highlighted confusion and intra-government rivalry.

A disappointing first year in office

Jokowi's first year in office was widely seen as [disappointing](#); despite an electoral promise to [deliver 7 % growth](#), the economy continued to slow to 4.7 % in 2015, its lowest level in six years. An ambitious infrastructure investment [programme](#) was slow to get off the ground; an anti-corruption campaign also stalled, after a showdown between the police and Indonesia's Corruption Eradication Commission (KPK) over an investigation into police chief nominee [Budi Gunawan](#) left the KPK [considerably weakened](#). Meanwhile, [forest fires](#) – many of them started deliberately by agri-businesses to clear land – spread a thick blanket of smoke ('haze') across south-east Asia, destroying vast swathes of forest, [killing thousands](#) and costing the economy an estimated [US\\$16 billion](#).

Has Jokowi begun to find his feet at last?

Since then, however, Jokowi's position has strengthened. Thanks to high commodity prices, but also possibly to economic reforms, growth has picked up slightly, and there has been a [surge](#) in foreign investment. The governing coalition has grown to a two-thirds majority, with the influential Golkar party the latest to join. His approval ratings have also improved, recently [climbing to 67 %](#) after falling [from 57 % to 46 %](#) in 2015.

Building on this strength, in July 2016 Jokowi carried out a [cabinet reshuffle](#), intended to bring greater [unity](#) and expertise (for example, the new finance minister is the highly respected [Sri Mulyani Indrawati](#), previously managing director at the World Bank). Nevertheless, [ministers are still divided](#) on key issues such as protectionism versus opening up to foreign investment. Given the scale of the problems still confronting Jokowi, it remains to be seen whether he will do better than his predecessors in bringing about real change.

A move away from ASEAN centrality in Indonesian foreign policy

Indonesia is by far the largest south-east Asian country, and therefore a natural leader of the Association of Southeast Asian Nations (ASEAN), of which it is a founder member. ASEAN has traditionally been the cornerstone of Indonesian foreign policy. However, some observers see a [shift](#) to a more bilateral approach under Jokowi, with the country prioritising bilateral relations with strategic partners such as China over regional integration, not least because of [ASEAN disunity](#) on [territorial disputes](#) in the South China Sea.

EU-Indonesia relations. The EU is developing its relations with Indonesia as part of its [overall policy](#) of closer engagement with south-east Asia. In 2014, Indonesia became the [first south-east Asian country](#) to gain a partnership and cooperation agreement with the EU. The European Parliament [resolution](#) of 26 February 2014 on this agreement praises Indonesia for its successful democratic transition and calls for an EU-Indonesia strategic partnership, but also raises concerns, including on [human rights](#). In July 2016, Indonesia [began talks](#) with the EU on a free trade agreement.