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ASIA MAIOR

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Asia in the Waning Shadow of American Hegemony

Edited by Michelguglielmo Torri, Elisabetta Basile, Nicola Mocci



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Indonesia 2017: Towards Illiberal Democracy?*

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In 2017, in the third year of Joko «Jokowi» Widodo's presidency, Indonesia was already preparing for the next general elections, scheduled in April 2019. The country's political arena saw on the one hand the mobilisation of political Islam, which resulted in the arrest and defeat of Jokowi's ally, Basuki «Ahok» Tjahaja Purnama, and, on the other, the adoption of hyper-nationalist and illiberal tones. Moreover, the contrast between Jokowi's electoral promises and his action became more apparent, raising doubts about his transformative capability and willingness. This became particularly evident in terms of the fight against corruption and of the Papuan question. No major development characterised Indonesia's foreign policy as compared to previous years. Yet moderate improvements could be seen in its economic performance, with the growth rate stable at around 5%, but with still-high levels of inequality.

1. Introduction

The year 2017 in Indonesia saw important political developments. In the first half of the year, the Jakarta gubernatorial election, considered a testing ground for the general elections, brought into the limelight the potential presidential rivals that President Joko «Jokowi» Widodo might have to face in 2019. In fact, the unexpected defeat of Jokowi's ally, Basuki «Ahok» Tjahaja Purnama – and finally his imprisonment for blasphemy –

*. The title of this article draws from an ongoing debate in Indonesian political studies that sees elements of continuity between the New Order and the reformasi period. See, among others, the seminal work by David Bourchier, *Illiberal Democracy* in Indonesia: the Ideology of the Family State, Abingdon: Routledge, 2015, especially chapter 9, pp. 243-257; Jacqui Baker, 'The Middle Class president', New Mandala, 5 August 2016; Vedi Hadiz, 'Behind Indonesia's illiberal turn', New Mandala, 20 October 2017. I find this debate particularly useful in order not to lose sight of Indonesia's problems in terms of democracy and pluralism. Nevertheless, it is equally important to acknowledge the country's accomplishments with regard to the speed and depth of the democratisation process started in 1998, as discussed by Mirjam Künkler and Alfred Stepan. See Mirjam Künkler & Alfred Stepan (eds.), Democracy and Islam in Indonesia, New York: Columbia University Press, 2013, esp. Indonesian Democratization in Theoretical Perspective, by the editors, pp. 3-23. It is not within the scope of this essay to assess the relative arguments and understanding of the different schools taking part in the debate. What it tries to do is provide a picture of the challenges (or some of challenges) that Indonesia's democracy is facing nowadays.

marked the success of the conservative political forces, and their strategy to exploit religious and sectarian passions to further their interests. As a reaction, the president resorted to a hyper-nationalist narrative, exhibiting his illiberal tendencies rather than his willingness to defend the country's democracy and pluralism.

Also, the widening gap between Jokowi's electoral promises and his agenda made more obvious the ambiguous nature of his government – already evident from the 2016 cabinet reshuffle. The fact that Jokowi needs to be backed by Suharto-related oligarchs for his political survival raises the question of whether the "People's President" can be a factor of change and really improve the quality of Indonesian democracy. Around this question – namely if, in Indonesia, elected politicians can restrain oligarchic power or if, on the contrary, they invariably become mere instruments of this same oligarchic power – revolves the scholarly debate on Indonesian politics. Therefore, it is difficult to provide incontrovertible answers. Nevertheless, the way Jokowi has distanced himself from the programmes that characterised his original political programme to accommodate the interests of that same establishment he was supposed to fight is, in a way, an indication as clear as any of the political reality in Indonesia.

Over the year, Indonesia's foreign policy was not characterised by significant developments. The US vice-president's visit was the reassuring confirmation that Trump's victory did not affect the good relations between the two countries. As for China, tensions around the South China Sea dispute continued being tempered by Indonesia's need to attract Chinese investment to carry out its ambitious infrastructure development plans. Moreover, Indonesia showed more dynamism within ASEAN, especially given the threat to the region from transnational terrorism. At the same time, Jakarta's traditional mediatory role within the South East Asian association was made more difficult by the tense geopolitical situation.

In 2017, the Indonesian economy showed moderate signs of improvement, but the rate of growth remained stalled at around 5%. With regional and presidential elections approaching, fulfilling the government's promise of improving the economy acquired more significance and the social welfare narrative became more prominent. The budget for 2018,² in fact, focused on social and infrastructure spending in order to tackle inequality and boost growth. Nonetheless, financing problems loomed large and were such as to hinder the feasibility of government plans.

2. In Indonesia, the financial year coincides with the solar year.

^{1.} Elena Valdameri, 'Indonesia 2016: A difficult equilibrium amid global anxiety', *Asia Maior 2016*, pp. 176-177.

2. Domestic policy

2.1. Jakarta gubernatorial election: political competence versus identity politics

In February, Indonesians headed to the polls to elect their representatives at the municipal, district and regional level in 101 ballots.³ The Indonesia Democratic Party of Struggle (PDI-P), i.e. the party to which Jokowi belongs, won in 57 circumscriptions, achieving approximately a decent 56.4% of the total vote.⁴ Nonetheless, these moderately good results did not concern Jakarta, considered a testing ground for the presidential elections, expected to be held in April 2019. In fact, the elections in the capital exposed the potential challenges to the PDI-P and to Jokowi's re-election, and had an impact that went beyond local politics.

In Jakarta, the political climate had already become very heated in October 2016, when the quasi-governmental Majelis Ulama Indonesia (MUI, Council of Indonesian Ulama) issued a fatwa against the governor and Jokowi's ally, Basuki Tjahaja Purnama, known by the familiar moniker Ahok.⁵ Significantly the first Indonesian of Chinese origin and the first Christian to hold such an important political post, Ahok was accused of blasphemy after comments he made during the gubernatorial campaign against those Muslim-hardliners arguing that the Quran prohibited a non-Muslim to rule in a Muslim-majority country. Huge mass demonstrations calling for Ahok's arrest – and in some cases even for his death – were organised in the following months in Jakarta and other cities.⁶ The main organiser of these rallies supporting the MUI fatwa was the Front Pembela Islam (FPI, Defenders of Islam Front), a sort of vigilante militia with a history of stir-

- 3. Seven provinces, 76 districts and 18 cities elected their representatives. These local elections were the second simultaneous elections the first took place in 2015 since post-Suharto Indonesia started its decentralisation process in 1999. The decision to hold elections in so many areas on the same day was made to cut costs and improve efficiency. The third and final round of regional elections will take place in 2018. See Maribeth Erb & Priyambudi Sulistiyanto (eds.), *Deepening Democracy in Indonesia? Direct Elections for Local Leaders (Pilkada)*, ISEA, Singapore 2009, for different perspectives on the decentralisation as a continuing process.
- 4. Adhi, Priamarizki, 'PDIP and Jakarta Governor Elections 2017', New Mandala, 4 April 2017.
- 5. The MUI had already issued a fatwa on similar lines in 2009. According to it, the choice of a devout and honest leader who could meet the aspirations of the Muslim community was obligatory. Those who did not have those requirements were haram (forbidden) under Islamic law. Not surprisingly, the FPI welcomed the fatwa. See Sidney Jones, 'Indonesian approaches to radical Islam since 1998', in Mirjam Künkler & Alfred Stepan (eds.), Democracy and Islam in Indonesia, Columbia University Press, New York 2013, pp. 109-125, here 122.
- 6. For the reconstruction of events in Jakarta in 2016, see Elena Valdameri, 'Indonesia 2016', pp. 178-82.

ring up intolerance, suspicion and even violence not only against religious minorities – first and foremost Ahmadis and Christians – but also against moderate and liberal Muslims.⁷

Nevertheless, observers doubted the spontaneous nature of such demonstrations and saw the traditional money politics and political gangsterism behind the anti-Ahok campaign. 8 In other words, in their view, the religious passions and racist rhetoric stoked by the FPI at the grassroots level were used by the traditional business-political elites to pursue their interests and get rid of Ahok, 9 Ahok, in fact, belongs to the «new wave politicians» spearheaded by Joko Widodo, who hails from outside of the traditional political class. These «new wave politicians» are pushing for reforms and the fight against corruption, which, of course, make them very unpopular among the notoriously corrupt magnates and politicians related to the old Suhartorelated «New Order». 10 Therefore, attacking Ahok was part of the political strategy adopted by his adversaries to discredit him and Joko Widodo,11 and aimed at putting Jakarta back into «safe hands». Moreover, there were high political interests in the Jakarta gubernatorial post: winning the governor's seat gives huge visibility and is considered an avenue for consolidating power and gathering support in view of the presidential elections. It is not surprising, then, that the Jakarta gubernatorial campaign was extremely fraught, with intricate patronage dynamics at play. Whereas Ahok was supported by Megawati, chairwoman of the PDI-P, former president Susilo

- 7. Mark Woodward, Mariani Yahya, Inayah Rohmaniyah, Diana Murtaugh Coleman, Chris Lundry, Ali Amin, 'The Islamic Defenders Front: Demonization, Violence and the State in Indonesia', *Contemporary Islam*, Vol. 8, Issue 2, 2014, pp. 153-171.
- 8. See, for example, Abdil Mughis Mudhoffir, 'Who is in control of Indonesia?', East Asia Forum, 2 September 2017; Krithika Varagur, 'Behind Jakarta protest, tangled web of money and material support', VOA News, 11 November 2016; Allan Nairn, 'Trump's Indonesian Allies in Bed with ISIS-backed FPI militia seek to oust elected President Jokowi', The Asia-Pacific Journal, 27 April 2017. This last article is rather controversial and raises doubts about the sources used by the authors. Nevertheless, it is useful in order to have a clearer idea of the complex web of political and economic interests in Indonesia.
- 9. The FPI has often been perceived as a useful ally by political forces and the security apparatus whenever it has been politically convenient to play the Islamic card.
- 10. Tobias Basuki, 'Jakarta governor's race a litmus test for Indonesia', *The Conversation*, 16 February 2017. See also Noor Huda Ismaili, 'How Jakarta's first Chinese Indonesian governor became an easy target for radical Islamic groups', *The Conversation*, 7 November 2016. Yet, it must be noted that, as stressed by Ian Wilson, Ahok was unpopular even among the poor residents of Jakarta due to policies of urban development involving the clearance of entire slums. Ian Wilson, 'Jakarta: inequality and the poverty of elite pluralism', *New Mandala*, 19 April 2017.
- 11. Joko Widodo initially supported Ahok's re-election. Ahok was Jokowi's running mate and deputy during the Jakarta gubernatorial race in 2012. When Jokowi was elected President of Indonesia in 2014, he transferred the governorship to Ahok.

Bambang Yudhoyono endorsed his own son Agus. As for Prabowo Subianto, Jokowi's opponent during the 2014 presidential elections and leader of the Gerindra Party, he supported Anies Baswedan, the former Minister of Education dismissed by Jokowi in 2016. 12

Eventually, playing the Islamic card proved successful and identity politics succeeded over Ahok's record as a competent administrator. 13 Ahok, who before the beginning of the protests was expected to obtain an easy victory in the first round of the election, received only 43% of the votes, namely far fewer than the 50% needed for an outright victory, and eventually lost in the second round to Anies Baswedan, after a tight race.¹⁴ The defeat was a blow to Jokowi and the PDI-P, for whom Ahok's victory obviated the rise of possible presidential contenders. Unfortunately for the PDI-P, Anies's win showed that Prabowo, who immediately after Anies's victory declared that he was going to run as president, still wielded influence and could prove dangerous for the unity of the incumbent president's ruling coalition. ¹⁵ The ex-special forces commander, besides having the Sharia-based Justice and Prosperity Party (PKS) among his Islamic allies, further strengthened his political position by shortlisting General Gatot Nurmantyo as a possible running mate for 2019. Nurmantyo, who was replaced as armed forces chief commander in November due to his imminent retirement, made clear his political ambitions. ¹⁶ His controversial declarations appealing to both Islam and nationalism were apparently part of the strategy to weaken the incumbent president by fuelling Muslim sentiments and instilling fear of a communist revival. 17 It will be interesting to see whether, in the case of Prabowo and Nurmantyo running together for the presidential elections, a couple so blatantly conjuring up the New Order marriage of military and politicians can be considered as a viable option by the Indonesian public.

To make things even worse for Jokowi and for the forces of moderate Islam, Ahok was sentenced to two years imprisonment under the blasphemy

- 12. Emirza Adi Syailendra, 'Jakarta gubernatorial election wash-up', East Asia Forum, 26 April 2017.
- 13. Apparently, as shown by a pollster quoted by the Sidney Morning Herald: «The only way of beating Ahok is to use religious sentiment because 75 percent of Jakartans perceive Ahok has done a good job». 'Jakarta candidate Anies Baswedan surging in polls, but some claims there's a cost', *Sidney Morning Herald*, 14 February 2017. See also Liam Gammon, 'Jokowi's stake in Jakarta's gubernatorial race', *East Asia Forum*, 15 February 2017.
- 14. Joe Cochrane, 'Jakarta Governor concedes defeat in religiously tinged election', *The New York Times*, 19 April 2017. Agus Yudhoyono was defeated in the first round.
- 15. 'Jakarta polls a proxy for 2019 Jokowi v Prabowo race', *The Straits Times*, 22 April 2017.
- 16. Keith Loveard, Shinta Eka Puspasari & Nalendra Yusa Faidil, 'Is Indonesia's Military Chief Making a New Political Power Play?', *The Diplomat*, 6 October 2017.
- 17. John McBeth, 'Military ambitions shake Indonesia's politics', *Asia Times*, 9 October 2017.

law. 18 This was very telling and showed how the forces of radical Islam have obtained increasing credibility not only before the masses but also before the judiciary, whose sentence sent a clear and alarming message that non-Muslims are second-class citizens. 19 And certainly Jokowi's wavering posture in the Ahok issue has not helped to discredit Muslim hardliners: the president, in fact, preferred distancing himself from Ahok, avoiding any strong condemnation of the MUI and the FPI, probably lest his political consensus be diminished and his affiliation to Islam doubted.²⁰ By doing so, not only did the president contribute in strengthening those conservative political forces which exploited the anti-Ahok sentiments to foster their interests and which he will have to contend with in the near future, Jokowi also turned a blind eye to ethno-religious mobilisation, which could have worrisome repercussions on Indonesia's pluralistic society.21 In fact, as noted by Edward Aspinall, Jakarta sets the pace for national politics: so, if ethnic and religious sectarian politics pushed Ahok from power, these could be used in other contests as well – including the 2019 presidential race – thus destabilising the entire country.²²

2.2. Hyper-nationalism and democratic involution

Although Jokowi remains popular,²³ it is difficult to believe that he is still able to exploit the credentials of an anti-establishment politician if he wants to be re-elected in 2019. In fact, in the third year of his presidency, the

- 18. 'Ahok guilty of blasphemy, sentenced to two years', *The Jakarta Post*, 9 May 2017. The issue had such international resonance that Ahok was named by the US magazine Foreign Policy a «global thinker» against rising Indonesian fundamentalism in a list of 100 international figures. 'Ahok named Global Thinker', *The Jakarta Post*, 7 December 2017. See also Melissa A. Crouch, 'Law and Religion in Indonesia: The Constitutional Court and the Blasphemy Law', *Asian Journal of Comparative Law*, Vol. 7, Issue 1, 2012, n. 3, pp. 1-46 for the use of the blasphemy law to ban groups that are considered «deviant» by the government.
- 19. Sidney Jones, 'Two decisions that leave Indonesia more polarised than ever', *The Interpreter*, 10 May 2017. Since the beginning of the trial against Ahok, the prosecutors had been strongly criticised by human rights groups for being influenced by public reaction and using the MUI fatwa against the former Jakarta governor. 'Prosecutors criticized for using MUI edict against Ahok', *The Jakarta Post*, 22 December 2016.
- 20. 'Jokowi flexes muscles to maintain stability', *The Jakarta Post*, 11 November 2016; 'Jokowi promises not to protect Ahok', *Tempo*, 8 November 2016.
- 21. It is interesting to take note of Anies's controversial inaugural speech as Jakarta governor in October, particular appealing to the conservative public opinion. See Tom Pepinsky, 'Jakarta's new governor doubles down on identity', *New Mandala*, 17 October 2017.
- 22. Edward Aspinall, 'Sectarian schisms to decide Jakarta's election?', East Asian Forum, 16 April 2017.
- 23. A September survey showed that his approval rating stands at almost 70%, 'Jokowi's approval rating remains high', *The Jakarta Post*, 12 September 2017.

hiatus between his promises and his action has become apparent to many. The composition of both the ruling coalition and his cabinet show that – as seen in previous issues of this journal – Jokowi has included in his political network various political, business and military figures belonging to the old political oligarchy. ²⁴ In other words, out of the necessity of political survival, lacking a strong political basis, Jokowi has taken as his allies the well-established elite to which he attributed responsibility for the systemic injustice he had promised to tackle. Therefore, the continuities with the government of Jokowi's immediate predecessor Yudhoyono – but also with Suharto's New Order – are far more than ruptures. So, despite having consolidated his political basis, it is difficult to imagine Jokowi running again as an ambitious transformative presidential candidate, *a fortiori* given that the weakness of liberal and leftist social forces makes very unlikely any significant challenge to Indonesia's long-standing oligarchy. ²⁵

As a matter of fact, well aware of the compromises he needs to make in order to remain afloat in the intricate Indonesian political scene, Jokowi has gradually changed his political position. In particular, during the year under analysis, Jokowi has increasingly positioned himself as a staunch nationalist, presenting himself as the defender of the Pancasila ideology, warning the public against «excesses of democracies» ²⁶ and emphasising the significance of the founding motto of «unity in diversity». These nationalist strains are problematic for Indonesian democracy because they «are typically entwined with social interests embedded within the apparatus of the state, including the military, that have been more historically concerned with social control than social representation». ²⁷ So, Jokowi's position became more and more aligned with the military discourse that condemns liberalism, socialism, communism and radicalism as a threat to the integrity of the nation. ²⁸

- 24. As shown in Jeffrey A. Winters, 'Oligarchy and democracy in Indonesia', *Indonesia*, Vol. 96, Issue 10, 2013, pp. 11-34 and by Juki Fukuoka & Luky Djani, 'Revisiting the Rise of Jokowi: The Triumph of Reformasi or an oligarchic adaptation of post-clientelist initiatives?', *South East Asia Research*, Vol. 24, Issue 2, 2016, pp. 204-221. Jokowi's rise to power had been made possible since the very beginning also by the support of the Suharto-related elite, because the support of grassroots volunteers and social media could never be enough. Even the PDI-P, which was supposed to be a reformist party, under the guide of Megawati Sukarnoputri had actually been infiltrated by the oligarchic forces, represented by former Golkar members, military officers, businessmen and gangsters. See Vedi Hadiz & Richard Robinson, 'Competing populisms in post-authoritarian Indonesia', *International Political Science Review*, Vol. 38, Issue 4, 2017, pp. 488-502, here 495.
 - 25. Hadiz & Robinson, 'Competing populisms', pp. 488-489.
- 26. 'Jokowi warns against «excessive democracy»', *The Jakarta Post*, 22 February 2017.
 - 27. Hadiz, 'Behind Indonesia's illiberal turn'.
- 28. 'Defense Minister warns students against threat of «liberalism, communism, socialism and radicalism»', *Asia Pacific Solidarity Network*, 4 August 2017.

This change at the rhetoric level was combined with political measures that analysts as much as human rights activists found worrisome for the democratisation process. In particular, the fight against drug dealers, whom the president ordered to be shot, especially if foreigners, was justified as being an emergency that jeopardised the nation, putting it under pernicious external influences.²⁹ Although this war on drugs has not yet reached the gruesome dimensions of the Philippines', it is certainly alarming. In fact, not only have 18 drug dealers been killed since the beginning of Jokowi's presidential term, but, according to Indonesian human rights' watchdog Kontras, also 106 drug suspects were shot by the police and the anti-narcotics agency between September 2016 and 2017.³⁰

Likewise the introduction of a new law that expands the power of the Ministry of Justice and Human Rights to disband groups that espouse ideologies contradictory to the Pancasila values³¹ raised concerns about the potential abuses of human rights and civil liberties. Even if this measure were adopted to disband the Islamist organisation Hizbut Tahrir Indonesia (HTI, Indonesian party of Liberation),³² it does not exclude it being used to curb any organisation that is not in line with the official discourse. Despite strong criticisms from several quarters, this firm posture gives Jokowi the image of an assertive leader able to fight and defeat the nation's enemies.

In addition to this, depicting himself as the guardian of a nation in danger allows Jokowi to confront the narrative – created already during the presidential campaign in 2014 – that he is a closet Christian with communist links, responsible for China's communist influence over the country.³³ This narrative is the expression of the enduring «red scare» that has been afflicting Indonesia since the 1965-66 anti-communist massacres. This collective paranoia, inculcated by Suharto, is exploited whenever it is politically convenient. With the presidential election approaching,

- $29.\,$ 'Indonesian President orders officers to shoot drug traffickers', $\textit{Reuters},\,22$ July 2017.
- 30. Dave McRae, 'Indonesia's fatal war on drugs', East Asia Forum, 28 November 2017.
- 31. 'Strict Regulation on Mass Organizations Passed Into Law', *Jakarta Globe*, 24 October 2017.
- 32. Hizbut Tahrir Indonesia is a transnational organisation founded in 1953 in Jerusalem and calling for a global caliphate. In Indonesia, it started growing rapidly from the 1990s, becoming one of the largest branches in the world. Although being a non-violent organisation, it supports violent actions by other actors against «enemies of Islam». Moreover, some of its members shifted to other extremist organisations. This is, e.g., the case of Bahrun Naim, on whom more below. See 'How Southeast Asian and Bangladeshi Extremism Intersect', *Institute for Policy Analysis of Conflict*, Report n. 37, 8 May 2017. HTI was also involved in the FPI-sponsored anti-Ahok demonstrations in 2016 and 2017.
- $33.\,$ '«Red Scare» puts pressure on Indonesian president', $Reuters,\,27$ September 2017.

the «communist spectre» has been increasingly used against Jokowi by the conservative forces.³⁴ In particular, an escalation of the anti-communist frenzy took place ahead of the annual commemoration of the failed coup attempt that «justified» the 1965-66 massacres and made possible the violent transition to Suharto's New Order. An anti-communist rally was organised by hard-line Muslims in Jakarta³⁵ and, more importantly, a history seminar aimed at discussing the 1965-66 events was prevented from being held by FPI-linked protesters with the complicity of the police.³⁶ Despite having promised investigations in past human rights violations,³⁷ Jokowi did not condemn the violence against the seminar participants, nor was any serious enquiry against the perpetrators initiated.³⁸ On the contrary, after attending a public screening of a Suharto-era propaganda film, 39 Jokowi addressed the audience saying that his administration would never allow the flourishing of communism in Indonesia – a development that, in any case, is very unlikely since the Communist Party of Indonesia (PKI) was outlawed and dismantled in 1965 and, since then, Marxist ideology has hardly any influence in the country. The president also talked of «PKI cruelty» but did not say a word about human rights abuses committed by the Indonesian army. It is clear that any serious commitment to shed light on the facts of 1965-66 will not be possible as long as Jokowi needs to rely on the support of the military. Therefore, the president does not seem to see political value in addressing human rights, since this might weaken him politically.

- 34. 'Military ambitions shake Indonesia's politics'.
- 35. 'Poor turnout for anti-communist rally in Jakarta', *The Straits Times*, 29 September 2017.
- 36. Saskia E. Wieringa, 'When a history seminar becomes toxic', *Inside Indonesia*, Issue 130, Oct-Dec 2017. The organisers of the seminar belonged either to Forum 1965, an umbrella association of several organisations of the victims of the massacres, or to the International People's Tribunal 1965, an organisation established in 1965 «to end the impunity for the crimes against humanity (CAH) committed in Indonesia in and after 1965». *Final Report of the IPT 1965: Findings and Documents of the IPT 1965* (http://www.tribunal1965.org/en/final-report-of-the-ipt-1965).
- 37. On how human rights and historical justice disappeared from Jokowi's agenda, see Eve Warburton, 'Jokowi and the New Developmentalism', *Bulletin of Indonesian Economic Studies*, Vol. 52, n. 3, 2016, pp. 312-15.
- 38. Not even the declassification of United States archival material that shows Washington involvement in the massacres has spurred further debate on the facts of 1965-66. Not only government and army spokespersons, but also Muslim organisations like Muhammadiya and Nadhlatul Ulama, whose pivotal role is exposed by the files, downplayed the importance of the newly-released documents. Marguerite Afra Sapiie, Indra Budiari & Nurul Fitri Ramadhani, 'US accounts of 1965 may not be accurate: RI', *The Jakarta Post*, 19 October 2017.
- 39. The public screening of the film showing the attempted communist takeover was encouraged by Armed Forces Commander General Gatot Nurmantyoto «prevent what happened in 1965 from recurring». '«Red scare» puts pressure on Indonesian President'.

Overall this is unfortunate for Indonesian democracy, where respect for human rights still leaves much to be desired. The condition remains particularly worrying in Papua, where violations are continuously reported. But also the rights of minorities, Ahmadis in particular, and of LGTBQ people⁴¹ are too often trumped. In addition, the proposed amendments to the anti-terror law, which are yet to be voted by parliament, risk the curtailment of freedom of speech and of having a negative impact on citizens' rights, giving extra power to the military. The desired continuous democracy, where respect to the respect to the specific particular are continuously reported.

Despite Indonesia's international commitment to human rights and its adoption since 2015 of a National Action Plan on Human Rights, the emerging picture is that of a country investing in building up its democratic image in order to appease the international community, but actually backtracking as far as the effective process of democratisation is concerned.

2.3. Uncomfortable allies

The government was shaken by a huge corruption scandal that broke out in March. Officers of the Corruption Eradication Commission (KPK) accused Setya Novanto, the speaker of the House of the Representatives and chairman of the Golkar party, the second biggest party in the government coalition, of being involved in the embezzlement of more than US\$ 170 million from a national identity card scheme. Along with Novanto, dozens of other high-profile politicians – including the Justice Minister and officials from the Home Ministry – bureaucrats, and businessmen were indicted.⁴³ Although the fraud seems to have taken place during the Yudhoyono presidency between 2009 and 2014, its dimensions cannot but damage the president's image, given the accusations against members of his government, especially Novanto, who was the one to bring Golkar within Jokowi's government.

- 40. 'KontraS: 138 cases of human rights violation conducted by TNI', Tempo, 4 October 2017.
- 41. Jeffrey Hutton, 'Indonesia's crackdown on gay men moves from bars into the home', *The New York Times*, 20 December 2017.
- 42. 'Indonesia: Counterterrorism Law Changes Threaten Rights', *Human Rights Watch*, 12 July 2017. There are also concerns about the involvement of the army in civilian projects, like the food security programme, where the military is a proactive enforcer of government policy. On this topic see Emirza Adil Syailendra, 'In the name of food security', *Inside Indonesia*, 9 January 2017.
- 43. 'Indonesia's House Speaker allegedly involved in e-KTP mega corruption scandal', *The Jakarta Post*, 9 March 2017. Setya Novanto is not new to corruption scandals. In 2015, he was accused of bribing the Indonesian branch of American mining company Freeport in exchange for an extension of its mining permit. Dewi Kurnawiati, 'Indonesian Politician Caught on Tape Shaking Down Freeport Mine', *Asia Sentinel*, 17 November 2015. Yet, the accusation against him was dropped and the following year he was reinstalled as speaker of the House of Representatives. Many fear that this time too he will go scot-free.

Following the ID card scam, several members of parliament tried to undermine the KPK, accusing it of having forged the case against Novanto and pushing for an enquiry. The House of Representatives also suggested that the activities of the anti-graft agency should be limited to coordination and supervision, leaving investigating and prosecuting powers to the police and to the Attorney General's office. ⁴⁴ Despite the public outcry against this clearly politically-driven inquiry, Jokowi's response was lukewarm. In fact, his declarations in support of the KPK, which were not accompanied by any criticism against the anti-KPK campaign launched by the House of Representatives, ⁴⁵ seemed merely to be paying lip service to the anti-corruption movement. Already in 2015, during a spat between the commission and the police, his ambivalent attitude towards the KPK had become clear. So as not to upset PDI-P patron Megawati, Jokowi also ignored recommendations from the KPK advising against some appointments of corruption-prone figures for strategic posts in his government. ⁴⁶

All this shows that Jokowi is backing away from his promises to wage war against rampant corruption and to promote clean government lest this harms entrenched business and political interests, causing a political backlash which could damage him.

The process against Novanto started in December, after he failed to dodge it by using «a series of increasingly absurd reasons».⁴⁷ After being indicted, Novanto resigned from his posts as speaker of the House and as Golkar chairman. Novanto's chair in the party was taken by the current Minister of Industry, who has already declared his and the party's support for Jokowi in 2019.⁴⁸ The fact remains that Golkar was definitely damaged by the latest corruption scandal and the postponement of Novanto's removal was not an encouraging signal for an electorate which is fed up with abuses of power.

^{44.} Margareth S. Aritonang, 'Inquiry to Press Jokowi', *The Jakarta Post*, 25 September 2017.

^{45.} Haeril Halim & Margareth S. Aritonang, 'Jokowi slammed for being «neutral» in House-KPK row', *The Jakarta Post*, 14 June 2017. Also the video at 'Jokowi Condemns Acid Attack Against KPK Investigator', *Jakarta Globe*, 11 April 2017, gives further confirmation of his wavering stand. While condemning an acid attack perpetrated by unknown people against a member of the KPK in April, the President did not give any answer when asked what measures the government would take to strengthen and protect the agency.

^{46.} Fukuoka & Djani, 'Revisiting the rise of Jokowi', p. 216.

^{47.} Erin Cook, 'Indonesia's Setya Novanto Continues to Be Mired in Scandal', *The Diplomat*, 28 December 2017.

^{48. &#}x27;Jokowi wants Golkar to stay with Airlangga', *The Jakarta Post*, 19 December 2017.

2.4. The thorny Papuan question

During the year under analysis, Papua was fraught with tension.⁴⁹ Negotiations over the divestment of Freeport McMoRan, the American mining company operating in the huge gold and copper mine in Grasberg, in central Papua, caused turmoil in the region, with workers striking for months. The strikes were caused by a contractual dispute between Freeport and the Indonesian government. The main reasons for this dispute were changes in the mining laws introduced by Yudhoyono in 2009 and enforced from January 2014 which banned the export of semi-processed ore by foreign companies in order to boost the national smelter industry.⁵⁰ Yet, in January, Jokowi partially relaxed the ban, provided that foreign companies comply with certain conditions.⁵¹ In other words, companies would have to convert existing contracts to special licences requiring divestment of 51% of their shares to Indonesian partners and commitment to build local smelters, over the next 10 and five years respectively.⁵² The move was intended not only to reduce the budget deficit thanks to the resumption of exports, but also apparently – in line with Jokowi's priority of strengthening Indonesia's stateowned enterprises – to help a state-owned company that was damaged by the ore-export ban.⁵³

Freeport Indonesia accepted an eight-month special mining licence in exchange for an end to the export ban and began negotiations with the Indonesian government on the divestment as well as details about the precise change in policies. An agreement was reached in August, but by the end of the year, details were still not clear and discussions were continuing.

The stalemate in the difficult negotiations had repercussions on the mineworkers in Papua, who were already feeling resentful about the resource exploitation carried out by national and multinational corporations at the expense of the poorest province of Indonesia. In fact, in February, during the dispute, Freeport laid off more than 8,000 workers, a decision motivated by the need to cut expenses after losses caused by the export

- 49. The term Papua is generally used to indicate both provinces of Papua and West Papua, namely the two Indonesian provinces that form the West Papua region.
- 50. Eve Warburton, 'The life and death of Indonesia's mineral export ban', *Inside Indonesia*, 19 October 2017.
- 51. This change in the law created dismay in Indonesia about the risk of creating regulatory confusion in a country that is already affected by red tape Fedina S. Sundaryani & Rendi A. Witular, 'Revised mining laws goes against the law', *The Jakarta Post*, 11 January 2017.
- 52. 'Indonesia's Export Ban Flip-Flop Sows Confusion: QuickTake Q&A', Bloomberg, 14 February 2017.
 - 53. Warburton, 'The life and death of Indonesia's mineral export ban'.

ban.⁵⁴ As a response, the workers went on strike for more than four months, until August, 55 but no deal had been reached with the workers' union by the end of the year under analysis. Only when the terms of the cession of the 51% shares to Indonesia are defined – something which seems quite complicated⁵⁶ – is an agreement about the future of the fired workers likely be reached. According to reports in the press, the Indonesian government did not show great interest in the workers' cause: the Ministry of Manpower said that the workers' issue was in the hands of a Papuan local office for manpower and transmigration, and that the central government could not do much.⁵⁷ The protests degenerated into clashes with the police,⁵⁸ with incidents continuing until November, leaving several people injured and two police officers killed. According to the police, the separatist Organisasi Papua Merdeka (Free Papua Movement, OPM) was behind the violence but there was no evidence to support that, and the longstanding ban on journalists in the provinces of Papua and West Papua means that the events were not being investigated.⁵⁹ What is certain is that there are huge economic interests behind the Freeport negotiations, involving state-owned enterprises, political actors and the provincial government.⁶⁰ Moreover, the social unrest in the easternmost provinces has triggered protests promptly curbed by the government – in several parts of the country in support of the United Liberation Movement for West Papua (ULMWP).⁶¹ This showed that, although Jokowi has paid unprecedented attention to the Papuan question, 62 much remains to be done. The president, like his

- 54. The number, according to the All Indonesia Labour Union, includes also the workers employed through contractors and subcontractors. See 'Ex-Freeport workers in limbo amid dispute', *The Jaharta Post*, 5 October 2017. See also Oscar Grenfell, 'Thousands of workers on strike at Freeport mine in Papua', *World Socialist Web Site*, 31 May 2017.
- 55. 'Freeport Indonesia mine workers extend strike for fourth month', *Reuters*, 21 July 2017.
- 56. 'Papuan Enterprises to Acquire 40 Percent of Freeport Shares', *Tempo*, 5 December 2017.
 - 57. 'Ex-Freeport workers in limbo'.
 - 58. 'Freeport Unrest Escalates', The Jakarta Post, 21 August 2017
- 59. 'Armed separatists occupy villages near Freeport's Indonesia mine', *Reuters*, 9 November 2017. National media have been accused by Papuans of spreading «propaganda that brings into conflict» by publishing fake news. 'Papua Senator accused TNI/Police of doing public deception', *West Papua Daily*, 24 November 2017.
- 60. 'Papua to discuss distribution of 10% Freeport shares', *The Jakarta Post*, 11 October 2017.
- 61. '66 arrested, 4 beaten in pro-Papuan independence rallies across Indonesia', *Asia Pacific Report*, 21 December 2017. The ULMWP is the coalition working overseas, whereas the West Papua National Committee (KNPB) is the working group within Papua.
- 62. In August, Jokowi met with Papuan representatives of different sectors of the civil society and decided to start a dialogue on those issues that, according the President, are priorities for Papua and West Papua. These include health, education, infrastructure, government administrative reform and the economy of the people.

predecessors, assumed that economic development would be the solution to end the Papuan separatists' demands. 63 He also promised to resolve human rights violations, which are still widespread. To this end, in 2016, the Jokowi government created an «integrated team for addressing human rights violations in Papua». Nevertheless, the team's actual independence raised questions and its work, besides being rather disappointing, soon became closely linked to the government's attempts at undermining the ULMWP. On the one hand, the separatist movement sees the question of human rights as tightly connected to the Indonesian denial of self-determination for the Papuan people: human rights' violations cannot thus be resolved without taking into account the political root of the problem. On the other hand, the Indonesian government, especially after former armed forces commander Wiranto took office as Coordinating Minister in August 2016, believes that addressing human rights' abuses in Papua implies the dangerous weakening of Indonesia's sovereignty over the province. This shows how Jokowi miscalculated the complicated and politicised nature of the problem.64

Another test for the government will be the management of the local elections in the region due to be held in June 2018. This is, in fact, another major issue, since elections in Papua have generally been characterised by high levels of malpractice and even violence and, so far, Jakarta has done very little to investigate the problem. Without addressing this issue, any development scheme risks failure: the prevailing electoral malpractice can in fact prevent local accountability and hinder the improvement of public goods and services.

2.5. Delusional land reforms

The agrarian reform, namely one of the most ambitious development goals of the Jokowi government, was launched in June 2017 by the president. ⁶⁵ The scheme, aimed at tackling economic inequality, reducing poverty, ensuring food security and improving access to land-based and econom-

Apart from being shadowed by the events connected to the miners' strikes, the initiative was dismissed by both the ULMWP and the KNPB for not addressing the crucial political question of self-determination. See 'Withdraw from JDP, Hesegem calls OAP meeting with Jokowi was a fraud', *West Papua Daily*, 3 October 2017.

- 63. See Basten Gokkon, 'Indonesia's big development push in Papua: Q&A with program overseer Judith J. Dipodiputro', *Mongabay*, 27 October 2017. See also the 'Jokowi-Kalla Development Program in Papua' statistics reported in the appendix of 'Policy miscalculations on Papua', *Institute for Policy Analysis of Conflict*, Report n. 40, 31 October 2017, p. 20.
- 64. See 'Policy miscalculations on Papua', especially pp. 7-13. See also below, in the foreign policy sections, about the government lobbying activity in the international arena.
 - 65. 'Jokowi to Launch Agrarian Reform Program', Tempo, 9 June 2017.

ic resources, consists of the distribution of government land for farming, plantation and forestry activities to landless farmers and victims of natural disasters. In addition, under the same programme, land certificates would be distributed to avoid land disputes. ⁶⁶ Nevertheless, the reform appeared from its inception delusional, mainly because of its vagueness. Activists and experts noted that the policy lacks clarity and is likely to create confusion rather than rationalising a situation where disputes for land ownership are already a very common and serious issue. ⁶⁷ Moreover, instead of forming a special body, the several agencies and ministers put in charge of implementing the reform were likely to cause delays in what is seen as a very urgent policy for the country. ⁶⁸

In addition to the land reforms, in February the Ministry of Environment and Forestry issued regulations based on a previous moratorium declared by Jokowi in 2016. The aim of these regulations was to put an end to the unrestricted exploitation of the archipelago's vast peatland by the palm oil and paper industries. In fact, the peatland, after being severely drained and dried, has become highly flammable – as painfully demonstrated by the 2015 fires and haze crisis. Therefore, the peat areas have been divided into conservation land and production land as per a newly created hydrological map of the country. 69 Following the guidelines of the Ministry of Environment and Forestry, those industries whose activities take place on lands classified as conservation land will have to shift their activities to areas designated for production. 70 These measures, despite having being received with mixed responses by environmentalists and industrialists, are a positive signal that the government has acknowledged the need to take action to keep under control the overexploitation of Indonesia's natural resources. It remains to be seen what kind of impact these regulations will have on productivity and people's livelihoods.

^{66.} According to official data, 5 million certificates were issued in 2017. The target for 2018 was 7 million and for 2019 9 million. 'Gov't Aims to Issue 7 Million of Land Certificates This Year', Sekretariat Kabinet Republik Indonesia, 10 January 2018.

^{67. &#}x27;Cases of agrarian conflict increase in 2017: Consortium', *The Jakarta Post*, 28 December 2017. However, it must be seen whether the issuance of proof of legal ownership will eventually translate into the universal recognition of the established land boundaries. Political clientelism, elite land grab, ownership overlapping can pose serious challenges to the success of the reform.

^{68. &#}x27;Jokowi faces fresh calls to speed up sluggish agrarian reform', *The Jakarta Post*, 26 September 2017.

^{69.} Conversion of peatland concessions into conservation areas commence', *The Jakarta Post*, 22 February 2017.

^{70.} Hans Nicholas Jong, 'Land-swap rule among Indonesian President Jokowi's latest peat reforms', *Mongabay*, 11 August 2017.

2.6. ISIS-linked terrorism: domestic and transnational threat?

Despite the military crackdown initiated by the Jokowi government after the ISIS-claimed bombing in Jakarta in January 2016, Islamist terrorist groups were still active in Indonesia during the year under analysis. Fortunately though, the terror attacks carried out – several others were foiled by the security forces – were small and exposed the low organisational skills and unsophisticated technology that characterise Islamist fighters in the country.⁷¹

Apparently, behind the attacks is Jamaah Ansharut Daulah (JAD), whose members claim support for the Islamic State. Nevertheless, JAD seems to lack a rigid structure and looks like a loose group of ISIS sympathisers, rather than a proper organisation. Both Bahrun Naim and Aman Abdurrahman appear to be connected to the group. The former is an Indonesian national based in Syria, who promotes pro-IS propaganda, recruits Indonesian nationals in ISIS and organises terror attacks in his own country; the latter is now in jail for running a training camp for Islamists,.⁷²

At present, domestic radical movements – which, as seen above, are often perceived by political forces as defenders of the social order – seem to be much more threatening for Indonesian democracy than foreign terrorist organisations. However, this does not mean that terrorism in the archipelago should be underestimated, given the dimensions that the phenomenon reached at the beginning of the 2000s. What is alarming is that domestic radicalism and terrorism can cross-fertilise, with consequential results for the stability of the country.

Moreover, cross-border interactions of Islamist groups can amplify the dangerousness of these kinds of movements, as shown by the violent events in the Southern Philippines, 73 where, according to official sources, alongside the Islamist Abu Sayyaf and the Maute group, radicalised members of the JAD became active. 74 In order to contain this transnational threat, regional

- 71. The two main attacks were in Bandung in February and in Jakarta in May. Whereas the former did not cause any casualties, the latter killed three police officers. See 'Police Apprehend Alleged Terrorist in Bandung Bomb Attack', *Tempo*, 27 February 2017; 'Indonesia probes «ISIL-linked» Jakarta suicide attack', *Al Jazeera*, 26 May 2017. In June, two policemen were wounded with a bayonet: the attacker was later killed. 'Two police officers attacked at mosque', *The Jakarta Post*, 30 June 2017. Besides these, an attack in Jakarta that the Indonesian police managed to foil would have been particularly dangerous. 'Exclusive: Indonesian militants planned «dirty bomb» attack sources', *Reuters*, 25 August 2017.
- 72. 'Who Are The ISIS-Linked Terrorists Behind the Kampung Melayu Bombings?', Vice, 29 May 2017.
- 73. Richard C. Paddock, 'In Indonesia and Philippines, militants find a common bond: ISIS', *The New York Times*, 26 May 2017. This article, like several others, stressed also the coincidental timing of the bombings in Jakarta and the fighting in Mindanao.
- $74.\,$ 'Members of Indonesia based JAD Join ISIS Fighters in Marawi', Tempo, 8 June 2017.

cooperation operations were started with the introduction of coordinated sea patrols by Indonesia, Malaysia and the Philippines.⁷⁵

Multilateral regional security was also the focus of the ASEAN Defence Ministers' meeting held in the Philippines in October, when Indonesia proposed a «mini-interpol» involving Indonesia, Thailand, Malaysia, Brunei Darussalam, Singapore and the Philippines in a plan aimed at the exchange of intelligence data on radicalism and terrorism. ⁷⁶ Given its present (and past) capability of detecting the international links of the terrorist groups that are (and were) behind the attacks in the country, Indonesia's expertise can be beneficial at the regional level, where other ASEAN countries, like the Philippines, are still much behind in the fight against terrorism. ⁷⁷ Breakthroughs in maritime and intelligence collaboration are very useful when, as maintained by Sidney Jones, the director of the Jakartabased Institute for Policy Analysis of Conflict, the setbacks suffered by ISIS in Iraq and Syria are redirecting the *jihad* threat to other theatres. ⁷⁸

3. Foreign policy

3.1. Indonesia's National Sea Policy

In March, the government released a presidential regulation on Indonesia's National Sea Policy aimed at clarifying some aspects of Jokowi's Global Maritime Fulcrum (GMF) doctrine, which, according to many national and international observers, was too vague and rhetorical. Despite expectations, the new document on sea policy also proved to be unsatisfac-

- 75. Prashant Parameswaran, 'What Did the ASEAN Trilateral Terror Meeting Achieve?', *The Diplomat*, 28 June 2017. See the statement of the trilateral meeting that took place in June on the website of the Philippines' Department of Foreign Affairs (https://dfa.gov.ph/newsroom/statements-and-advisoriesupdate/13060-joint-statement-trilateral-meeting-on-security-among-the-philippines-indonesia-and-malaysia). The need of a regional cooperation became evident after the kidnapping of 10 Indonesian nationals by Abu Sayyaf in March. Indonesia could not intervene because of non-intervention principles established by ASEAN. On this see Dedi Dinarto, 'Indonesia's «Global Maritime Fulcrum»: The Case of Abu Sayyaf', *The Diplomat*, 3 May 2017. Joint operations by Indonesia, Malaysia and the Philippines started in June to prevent the movements of militants and transnational crimes. Although mainly maritime, the operations were supported also by air and land assets. 'Indonesia, Malaysia, Philippines launch joint operations in Sulu Sea to tackle terrorism, transnational crimes', *The Straits Times*, 19 June 2017.
- 76. 'Indonesia proposes «mini-Interpol» plan to boost Asean counter-terrorism efforts', *The Straits Times*, 24 October 2017.
- 77. Sidney Jones, 'Not military aid but mapping. How Jakarta and Manila can cooperate', *The Jakarta Post*, 4 July 2017.
- 78. Quoted in 'In Indonesia and Philippines, militants find a common bond: ISIS'.

tory. The new regulatory frame was more detailed in explaining how the pillars of the GMF should be concretised. ⁷⁹ Yearly goals and the relevant ministers were identified. Nevertheless, since several ministries and agencies were involved, there were doubts about whether any concerted action would be possible or whether the different programmes would be developed independently. ⁸⁰ Moreover, as emphasised by Evan A. Laksmana, a senior researcher with the Centre for Strategic and International Studies (CSIS) in Jakarta, not only was the maritime policy mainly focused on domestic objectives, but when dealing with foreign issues it merely provided vague statements in support of multilateral diplomacy. Overall, the document failed, once again, to explain how this doctrine could make Indonesia a global geopolitical game changer. ⁸¹

3.2. Regional leadership

As seen above, the need to tackle the rise of terrorism and to prevent it from becoming a threat for regional security has pushed Indonesia to strengthen its leadership at the ASEAN level, promoting multilateral regional cooperation, thus making Jokowi's foreign policy more visible and pragmatic in the South East Asian regional association. Calls for unity within ASEAN⁸² and for «responding as one entity to regional and global challenges»⁸³ are in line with Indonesia's traditional projection of itself as promoter of peace, stability, and diplomacy within the region.⁸⁴ Therefore, in a time of changing regional and global dynamics, Indonesia still looks at ASEAN as an important cornerstone that can deliver strategic opportunities for its «free and active» foreign policy, despite Jokowi's pragmatism in

- 79. The pillars of the GMF doctrine as launched in 2014 were: rebuilding Indonesia's maritime culture; maintaining and managing marine resources; developing maritime infrastructure and connectivity; promoting multilateral diplomacy to resolve disputes and crimes; developing maritime defence forces. 'Jokowi launches maritime doctrine to the world', *The Jakarta Post*, 13 November 2014. These objectives were expanded into marine and human resource development; naval defence, maritime security, and safety at sea; ocean governance institutionalisation; maritime economy, infrastructure, and welfare; environmental protection and ocean space management; nautical culture; maritime diplomacy.
- 80. Keoni Marzuki, 'Indonesia's National Sea Policy: concretising the Global Maritime Fulcrum', *RSIS Commentary*, n. 52, 24 March 2017.
- 81. Evan Laksmana, 'Indonesian Sea Policy: Accelerating Jokowi's Global Maritime Fulcrum?', *Asia Maritime Transparent Initiative*, 23 March 2017.
- 82. 'Asean Unity Key to Tackle Emerging Challenges: FM Retno', *Jakarta Globe*, 18 December 2017.
- 83. Jokowi's speech at the $50^{\rm th}$ anniversary of the establishment of ASEAN, quoted in Indra Budiari, 'ASEAN celebrates unity on $50^{\rm th}$ birthday', The Jakarta Post, 12 August 2017.
- 84. 'Rohingya crisis could affect ASEAN stability: Jokowi', *The Jakarta Post*, 29 April 2017.

acknowledging his impotence in dealing with certain regional problems. ⁸⁵ In fact, it cannot be ignored that ASEAN is traversed by deep fissures, as proved by the difficulty in releasing joint communiques. ⁸⁶ Its unity is challenged by the great-power rivalries – namely the same threat that pushed the establishment of ASEAN – and by the difficulty in finding collective responses on complex and consequential geopolitical issues like the South China Sea dispute. ⁸⁷

3.3. Indonesia, China and the North Natuna Sea

Although Indonesian gas-rich Natuna islands are included in China's «Nine-Dash Line» which overlaps with the South East Asian country exclusive economic zone (EEZ), Jakarta has been repeating that it is not a claimant state in the South China Sea. Similar declarations have been combined with strong signals to Beijing, showing Jakarta's promptness to protect Indonesian maritime interests.⁸⁸ In July, the Jokowi government released its new official territorial map, the first since 2005, renaming the northern reaches of its EEZ in the South China Sea as the North Natuna Sea. This move, which is in line with international law and follows similar designations by the Philippines and Vietnam, 89 has unsurprisingly displeased China. Beijing, in an official note, condemned Jakarta for destabilising the region with its unilateral name-changing.90 The renaming of the North Natuna Sea has been perceived by observers as a powerful move that shows Indonesia's new assertiveness against China's military aggressiveness. Nevertheless, other aspects should be taken into consideration. In the first place, the new territorial map is in line with Indonesia's tradition of supporting a regional order based on the United Nations Convention on the Law of the Sea (UNCLOS), as shown by Jakarta's repeated calls for a code of conduct. Moreover, it is unlikely then that Indonesia's move would be significant in changing the country's relations with the Chinese giant. Indonesia still has limited military capabilities and, in any case, cannot seriously antagonise China. In fact China is one of Indonesia's biggest trading partners, on whose investments Jokowi counts to carry out those infrastructure

^{85.} Avery Poole, 'ASEAN and Indonesia under Jokowi', Australian Institute of International Affairs, 16 May 2017.

^{86. &#}x27;SE Asian summit ends in uncertainty over South China Sea stance', *Reuters*, 29 April 2017.

^{87.} Cal Wong, 'After Summit, ASEAN Remains Divided on South China Sea', *The Diplomat*, 3 May 2017.

^{88.} See Elena Valdameri, 'Indonesia 2016', pp. 183-86.

^{89.} For the Philippines the South China Sea is the West Philippine Sea, whereas for Vietnam it is the East Sea.

^{90. &#}x27;Indonesia, China and the North Natuna Sea', Jakarta Globe, 8 September 2017.

development projects, which so prominently figure in his programme. ⁹¹ On the contrary, the move will have a much bigger impact on domestic politics, refuting the accusation, made by Jokowi's political opponents, that he is too much pro-China. ⁹² Ultimately, the release of the new map may contribute in giving the president's maritime doctrine more credibility.

3.4. Indonesia and the United States after Obama

Soon after Donald Trump's election in November 2016, Jokowi declared Indonesia's willingness to keep good relations with the United States. During the Obama presidency, the cooperation between the two countries had been furthered by a maritime cooperation agreement signed in 2015, and by joint military exercises in South East Asia in 2016. Overall, Jokowi's approach towards the US was not different from that of his predecessors, Megawati and Yudhoyono, who started the rapprochement with Washington after tensions triggered by the Timor Leste crisis in 1999. Despite the widespread suspicion in Indonesia towards a US president as explicitly anti-Muslim as Trump, the first year of the new US presidency did not mark any rupture in Jakarta's pro-Washington stance. US Vice-President Mike Pence's official visit to Indonesia in April was part of a 10-day international tour which included South Korea, Japan and Australia. Significantly Indonesia was the only one not to be a permanent ally of the US. This, by itself, sent the message that the (positive) nature of US-Indonesian relations had not changed. 94

Apparently, Indonesia is aware of the fact that the US, which shares Indonesia's same concerns about the "freedom of navigation" in the Indian and Pacific Oceans, is in the position to seize control of the oceanic choke points. At the same time, Jakarta seems unwilling to enter a permanent alliance with Washington. This would create popular discontent in the South East Asian country, which is traditionally distrustful of great powers and fears a revival of past interferences in national politics; it would also antagonise China, which Indonesia cannot afford to alienate given the economic opportunities that it can provide. Overall, then, for the time being, in the

- 91. Prashant Parameswaran, 'The truth about China's Indonesia South China Sea Tantrum', *The Diplomat*, 6 September 2017.
- 92. Evan Laksmana, 'Why Indonesia's new map is not (all) about the South China Sea', *The Strategist*, 1 August 2017.
- 93. 'US elections: Indonesian President Joko Widodo says will remain «good» with Trump presidency', *The Straits Times*, 9 November 2016.
- 94. Prashant Parameswaran, 'What Did Pence's Indonesia Visit Achieve?, *The Diplomat*, 22 April 2017. The talks focused mainly on strengthening economic ties: while agreements on trade and investments were signed, Pence called for the removal of trade barriers in order to decrease Indonesian surplus and create a fairer 'win-win' economic partnership. For more details see Leo Suryadinata & Siwage Dharma Negara, 'US Vice-President Mike Pence's Visit to Indonesia: A US «Return» to Southeast Asia?', *ISEAS Perspective*, Issue 2017, n. 32, 19 May 2017.

opinion of analysts such as Bob Lowry, Indonesia would not obtain any benefit from aligning itself with any of the major powers⁹⁵ and international politics must not hinder national development targets.

3.5. Promoting peace and conflict resolution

Jakarta forcefully condemned Washington's unilateral decision to name Jerusalem the capital of Israel; the news was received with protests in the capital of the South East Asian country. As the biggest Muslimmajority country in the world, Indonesia has long been a supporter of Palestinian independence and sovereignty. Both Jokowi and Foreign Minister Retno Marsudi described Trump's move as unacceptable and offensive for the entire Muslim world. During the Organization of Islamic Cooperation (OIC) extraordinary summit, prompted by Indonesia itself, Jokowi and Marsudi supported a two-state solution with East Jerusalem as the capital of Palestine. ⁹⁶

Moreover, Jakarta was very active in addressing the ethnic cleansing against Rohingya Muslims in the Rakhine region of Myanmar and providing them with humanitarian aid, both in Myanmar and in Bangladesh.⁹⁷ Although the advocacy and commitment towards peace promotion and conflict resolution in Palestine and Rakhine were definitely conducive to give Indonesia the credentials to secure a non-permanent seat in the UN council for 2019-20, they were strongly motivated by domestic pressures too. In fact, especially in the case of the intricate Rohingya crisis, 98 Jokowi's political rivals were prompt in denouncing the president's impotence to defend Muslim peoples as yet further evidence of his being anti-Islam. 99 When protests against the embassy of Myanmar in Jakarta turned violent in September, Jokowi swiftly sent Foreign Minister Marsudi to Myanmar and Bangladesh for «intensive communications» about possible resolutions of the humanitarian crisis. 100 Therefore, while keen to display Indonesia as a moderating player before the international community, Jokowi had also a domestic political agenda. Moreover, his engagement in the sensitive Palestinian and

- 95. Bob Lowry, 'Does Indonesia Need to Rethink its Foreign Policy?', Australian Institute of International Affairs, 4 September 2017.
- 96. Sekretariat Kabinet Republik Indonesia, *President Jokowi Issues Statement with Six Proposals at OIC Extraordinary Summit*, 13 December 2017.
 - 97. 'President Jokowi All-out in Helping Rohingya', Tempo, 4 September 2017.
- 98. There are huge interests at stake in the Rakhine region. See Giuseppe Forino, Jason von Meding & Thomas Johnson, 'Religion is not the only reason Rohingyas are being forced out of Myanmar', *The Conversation*, 12 September 2017, and the articles by Matteo Fumagalli and Marzia Casolari in this same Asia Maior issue.
- 99. 'Police: Rohingya Crisis Used to Attack Jokowi Administration', *Tempo*, 5 September 2017.
- 100. 'Indonesia FM to urge Myanmar to halt Rohingya violence', *Al Jazeera*, 3 September 2017.

Rohingya issues – significantly mentioned in the annual state of the nation address¹⁰¹ – was also designed to cater to the volatile Muslim vote.

4. Economy

4.1. Moderate improvement

Among Jokowi's reform promises, the improvement of the Indonesian economy was one of the top priorities. Nevertheless, during his presidency, Indonesia's growth rate has remained stable at around 5%, namely far from the unrealistic 7% target set in 2015. These initial over-ambitious targets tarnished Jokowi's credibility. Yet, the president's image benefitted in 2016 from the appointment of Mulyani Indrawati as Finance Minister. A former World Bank managing director, Indrawati introduced «realistic» fiscal policies, reflected in the revision of both the 2016 and 2017 budgets. She tackled the problem of fiscal deficit by cutting government expenditure and introduced a controversial tax amnesty, which was only partially successful.

In 2017, Indonesia's GDP growth rate was estimated by the World Bank (WB) at 5.1% – almost in line with the 5.2% projected in the state budget. Still according to the WB, the GDP growth rate would further increase to 5.3% in 2018 – against the 5.4% estimated in the budget. According to the WB, the reason for the improvement was growth in investment – with Foreign Direct Investment (FDI) recording the highest net inflow in seven years in the third quarter of 2017 – and in exports, thanks to higher prices of key export commodities like coal and palm oil. Nonetheless, despite some encouraging signals, according to economic analysts, a 5% growth in GDP is not enough to lift out of poverty those Indonesians living below the poverty line 103. Private consumption, which was weak for the third consecutive year, was affected mainly by the gradual removal of electricity subsidies, introduced at the beginning of the year, 104 and by sluggish bank

101. 'Jokowi claims progress in foreign policy', *The Jakarta Post*, 17 August 2017. 102. The World Bank, *Indonesia Economic Quarterly, Decentralization that delivers*, December 2017, pp. i-ii.

103. According to the World Bank the percentage of people living below the poverty line in 2016 was 10.9%. In 2016 the Gini coefficient was worse than in 2010 (The World Bank, *Decentralization that delivers*, p. 61). In February, Oxfam released a report depicting how inequality has widened in the past 20 years: it is worth looking at the tables included in the report for an overall idea of the situation in terms of inequality. 'Towards a more equal Indonesia', *Oxfam Briefing Paper*, February 2017.

104. 'PLN Increases Electricity Tariff', *Tempo*, 2 January 2017. According to Jokowi, this policy was aimed at creating more fiscal space for non-cash social assistance to low income households. See Siwage Dharma Negara, 'Promoting Growth with Equity: Indonesia's 2018 Budget, *ISEAS Perspective*, Issue 2017, n. 68, 8 September 2017, p. 5 and 'Govt discusses non-cash food assistance to be launched in 2018', *The Jakarta Post*, 8 November 2017.

lending, despite the central bank's decision to lower the benchmark interest rate in August, due to falling inflation. ¹⁰⁵ Unemployment, according to official data, moderately decreased to 5.5% from 5.6% in 2016. However, it should be noted that statistics do not consider the informal sector, on which still more than half of Indonesia's economy relies. ¹⁰⁶

4.2. Closing the inequality gap ahead of the elections

During the year under analysis, the government stressed the importance of tackling income inequality, which is a significant problem, as exhibited by the Gini coefficient decrease from 0.30 in 2000 to 0.40 in 2016. 107 The budget for 2018, presented by the government in August and approved by parliament in October, kept an expansionary approach with an increase in public spending for social assistance programmes. 108 Along with poverty alleviation, the support of infrastructure development remained of central importance. Infrastructure projects, in the government view, are aimed at integrating the national economy by reducing the wide economic gap between the west of the country – business activities are mostly concentrated in Java and Sumatra – and the east, which is still behind, also due to the lack of connectivity. 109

It is not difficult to see the emphasis on the pro-poor agenda and promises of widening the job market and closing the economic inequality gap, as empty talk in view of the forthcoming regional and presidential elec-

- 105. 'Bank Indonesia unexpectedly cuts interest rates', $\it Financial\ Times,\ 22$ August 2017.
- 106. For unemployment data by year and province, see the website of *Statistics Indonesia* (https://www.bps.go.id/statictable/2014/09/15/981/tingkat-pengangguranterbuka-tpt-menurut-provinsi-1986---2017.html).
- 107. World Bank data. In the Gini coefficient, 0 represents perfect equality and 1 perfect inequality.
- 108. These are mainly programmes for low-income households, such as land redistribution, social housing for the urban poor, credit for micro and small businesses, education assistance and health care ('Promoting Growth with Equity', p. 4). The allocation for the Ministry of Social Affairs was increased by around 21% compared to what was initially established in the draft. See Prima Wirayani & Marchio Irfan Gorbiano, 'Budget set to win people's hearts', The Jakarta Post, 26 October 2017. However it was still the Defense Ministry which received the top allocations. See 'Highest State Budget Fund Set for Indonesian Defense Ministry', *Tempo*, 26 October 2017.
- 109. Apparently, the necessity to reduce the infrastructure deficit explains Jakarta's keenness in receiving investment from Beijing, whose foreign aid is mainly directed towards infrastructure development projects. This is in stark contrast with the objectives pursued by the countries belonging to the Development Assistance Committee, which are committed towards the eight Millennium Development Goals. These goals range from halving extreme poverty rates to halting the spread of HIV/AIDS and providing universal primary education. China is not part of the Development Assistance Committee. See Pierre van der Eng, 'Why does Indonesia seem to prefer foreign aid from China?', East Asia Forum, 2 December 2017.

tions. Yet, if it is true that social redistribution commitment is always a safe card to play in the appeasement of voters of a country where poverty and inequality are still an unfortunate reality, it should not be forgotten that social welfare improvement has always been prominent in Jokowi's programme.¹¹⁰ It remains to be seen how the promised social initiatives are feasible, given the considerable financing problems.

4.3. Dealing with structural problems

A potential obstacle to the financing of the plans delineated in the budget for 2018 was the country's weak tax revenue, which is only about 11% of GDP, namely one of the lowest in South East Asia. 111 Moreover, in the past two years, tax collection reached little more than 80% of its target.112 Enhancing tax revenue was crucial also because the budget deficit allowed by the Indonesian law cannot exceed 3% of GDP. Considering the target to bring the deficit down to 2.2% in 2018, from an estimated 2.9% in 2017, 113 higher expenditure on infrastructure developments, social security and transfers to local governments¹¹⁴ could well result in a fiscal crunch or, more likely, in the non-implementation of social programmes. The Finance Minister has made efforts to try to widen the tax ratio target to 13% of GDP in the medium term. In June 2016, amid the disapproval of several anticorruption national and international organisations, Indrawati, as hinted above, introduced a nine-month tax amnesty. The programme was very successful in terms of the value of assets declared (121.6% of the target), but rather disappointing as regards redemption of payments (69.1%) and repatriations of assets (14.7%). In the attempt to achieve better results, in November, Indrawati introduced a new regulation, which will remain in force up to June 2019, according to which, if individuals and corporations

- 110. Schemes include stipends for underprivileged students, free health care for the poor, and cash and non-cash assistance for low-income families. These programmes were added to the existing ones aimed at providing health, pension and anti-poverty insurance. See Arief Anshory Yusuf & Andy Summer, 'Growth, Poverty, and Inequality under Jokowi', *Bulletin of Indonesian Economic Studies*, Vol. 51, n. 3, 2015, pp. 323-48.
- 111. Natasha Hamilton-Har & Günther G. Schulze, 'Taxing Times in Indonesia: The Challenge of Restoring Competitiveness and the Search for Fiscal Space', *Bulletin of Indonesian Economic Studies*, Vol. 52, No. 3, 2016, pp. 265-95.
- 112. Sarah Xue Dong and Chris Manning, 'Survey of Recent Developments: Labour-Market Developments at a Time of Heightened Uncertainty', *Bulletin of Indonesian Economic Studies*, Vol. 53. No. 1, 2017, pp. 12-14.
- 113. The World Bank, Indonesia Economic Quarterly, Decentralization that delivers, p. 17.
- $11\dot{4}.$ See, for instance, 'Trillions of Funds to Flow into Villagers' Pockets', Tempo, 5 November 2017.
- 115. For complete results see 'Tax Amnesty Program Indonesia Ended, What Are the Results?', *Indonesia-Investments*, 3 April 2017.

report their assets before fiscal investigators, they will pay a lower income tax.¹¹⁶ In addition to this, in August, parliament approved a regulation for transparent information for taxation purposes. This regulation also fulfilled Indonesia's engagement as a member of the international scheme for Automatic Exchange of Information (AEOI).¹¹⁷

It is also worth stressing that, in the year under review, public spending on social assistance did not substantially increase, as it should have according to the ambitious government objectives. This contrasts with the sharp increase in state expenditure on infrastructure, 118 something which explains where government priorities lie.

Last but not least, in the year under review Indonesia's shadow economy, which amounts to around 19% of GDP,¹¹⁹ continued to siphon off a huge amount of resources that could have been used to make extra room for social spending.

4.4. Which economic ideology?

The government continued in its efforts to make business easier for the private sector, which, according to Jokowi's vision, was expected to finance some two-thirds of infrastructure projects. In order to do so, in 2017 regulatory policies were introduced to relax the legal requirements and to reduce red tape. Taken together, these measures, along with fiscal discipline and the improvement of Indonesia's rank from 72 (in 2016) to 106 (in 2017) in the ease-of-doing-business index (EODB 2018) have spurred positive views from rating agencies during the year under review. 120 Also the improved performance in the 2016 Corruption Perceptions Index, compiled by Transparency International, 121 was hailed as a sign that Jokowi's

- 116. 'Indonesia launches sequel to tax amnesty', Nikkei Asian Review, 27 November 2017.
- 117. 'Jokowi thanks house for approving Perppu on financial information', *The Jakarta Post*, 16 August 2017. In Indonesia a «Perppu» is a regulation in lieu of law. The AEOI is an international agreement, of which some 100 countries are part, which aims at reducing tax evasion. It «provides for the exchange of non-resident financial account information with the tax authorities in the account holders' country of residence». OECD, *Automatic Exchange of Information* (http://www.oecd.org/tax/transparency/automaticexchangeofinformation.htm).
- 118. Riatu Qibthiyyah & Ariane J. Utomo, 'Family Matters: Demographic Change and Social Spending in Indonesia', *Bulletin of Indonesian Economic Studies*, Vol. 52, No. 2, 2016, pp. 142.
- 119. World Bank data for 2003-2013, quoted in Ibrahim Kholilul Rohman & Morten Meyerhoff Nielsen, 'E-government can reduce Indonesia's shadow economy and increase tax revenue', *The Conversation*, 5 September 2017.
- 120. 'Fitch upgrades Indonesia's rating to BBB, says economy resilient to shocks', *Reuters*, 21 December 2017.
- 121. 'Indonesia Improves in Transparency International's Corruption Index', *Indonesia-Investments*, 27 January 2017.

crusade against corruption was bearing fruit. This was ironic given that the corruption scandals in the government and Jokowi's attitude to the KPK dispute demonstrated the opposite. In fact, state-owned enterprises (SoE) - traditionally cash cows for the political elite - still dominate the country's economy and, given the unprecedented recapitalisations and assignments of strategic projects carried out by Jokowi in their favour, it seems that the corruption trend which characterises Indonesian political life is not going to change. 122 In fact, plans have been announced to establish giant stateowned holding companies. 123 It is not clear how the government is going to make them more accountable with regard to the hugely expensive projects that are expected to be carried out. This would appear though to be part of Jokowi's strategy, aimed at staying politically afloat by catering to the interests of big business, while neglecting other more progressive goals announced during the electoral campaign. This points to what Jacqui Baker has written, namely that the president's ideology is a concoction of neoliberalism, economic nationalism and social engineering'. 124

^{122.} Warburton, 'Jokowi and the New Developmentalism', pp. 209-10.

^{123. &#}x27;Editorial: Consolidating state companies', *The Jakarla Post*, 27 November 2017.

^{124.} Baker, 'The Middle Class President'.