



Asia

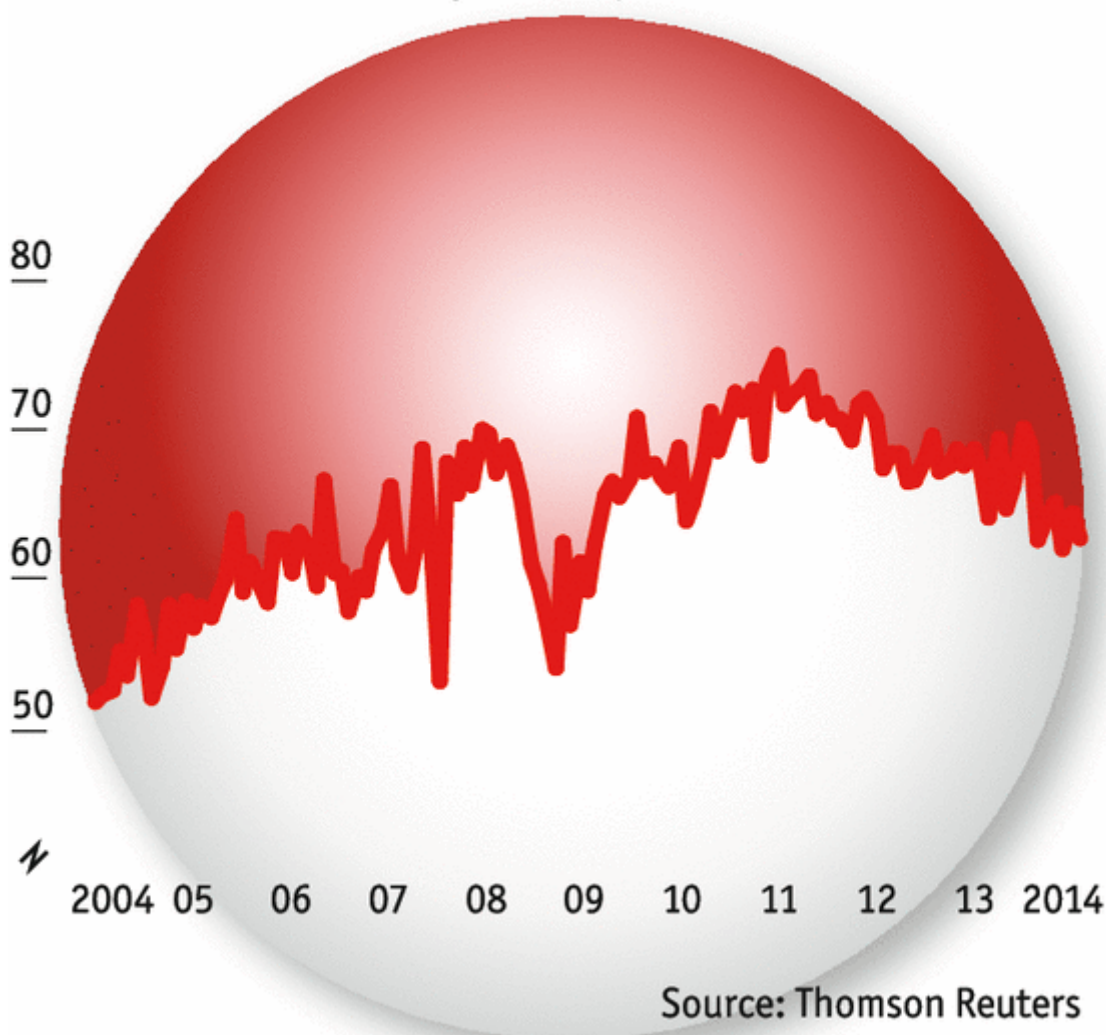
Indonesia's fresh start

The pragmatic president will find it harder to get things done nationally than he did locally

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Primary colour

Raw materials and primary commodities as % of all Indonesia's goods exports



To appreciate just how unusual a figure Indonesia's newly elected president, Joko Widodo (known as "Jokowi"), cuts in his country's politics, compare his background with those of his four predecessors.

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When Suharto resigned after holding the office for 31 years, he was replaced by the vice-president, B.J. Habibie, who had spent two decades in government. Mr Habibie was followed by Abdurrahman Wahid, who under Suharto's rule headed Indonesia's biggest Muslim organisation, which his grandfather founded. Then came Megawati Sukarnoputri, daughter of the president preceding Suharto, and a former legislator and party chair; she was followed by Susilo Bambang Yudhoyono, also a legislator as well as a general in Suharto's army.

Jokowi, by contrast, served neither in the armed forces nor the legislature. He was one of four children born to a timber collector, and he was raised in a shack on a flood-prone riverbank. He graduated from university with a forestry degree, then built up a successful furniture-export business before serving first as mayor of Solo, his hometown, and then as governor of Jakarta. In office he built a reputation for clean governance and frequent *blusukan*: impromptu neighbourhood visits with a minimal entourage, during which he spoke with—and, more unusually for Indonesian politicians, apparently actually listened to—his constituents. He improved the city's tax receipts, put government services (including his budget, salary and public meetings) online and built markets for vendors to stop them blocking traffic.

Like Barack Obama six years earlier and half a world away, Jokowi's campaign attracted waves of energetic young volunteers, eager to donate their time and social-media savvy. His approachability and modest background appealed to Indonesia's electorate, and propelled him to a six-point victory over Prabowo Subianto (Suharto's son-in-law, and a former commander of Indonesia's Special Forces). His inauguration on October 20th marked the first handover of power from one directly elected Indonesian president to another.

But whether the traits that helped Candidate Jokowi will serve him equally well as president remains unclear. Candidate Jokowi won in large part because he convinced voters he was not a typical Indonesian politician. But in order to get legislation passed, President Jokowi will have to work with and appeal to precisely those typical Indonesian politicians. He cannot rely on partisanship: members of his coalition hold a minority of seats in Indonesia's parliament, and the much larger bloc of Prabowo-backers have made clear that they will use procedural manoeuvres and the institutions of Indonesia's fragile democracy to block him at every turn.

And even within his own PDI-P party, his relative inexperience may put him at a disadvantage to both his party chair, Ms Megawati, and his

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vice-president, Jusuf Kalla, who has served as a legislator, a minister under Mr Wahid and vice-president during Mr Yudhoyono's first term. Jokowi's supporters point out that he had a minority in Jakarta's city council, and still managed to compile an impressive record as governor.

They must hope he shows the same mettle as president. Jokowi has ambitious plans for universal health care and education, but unless he trims the country's immense fuel subsidies he may find himself unable to pay for them. Those subsidies account for around one-fifth of total government spending; worse, Indonesians have grown so used to them that simply getting rid of them immediately and altogether may prove politically impossible. A likelier scenario is a multi-year taper, which is better than doing nothing, but still prevents more productive uses of government capital.

Indonesia is South-East Asia's biggest country, both by population (256m) and size of its economy. But GDP growth has begun to slow—from an annual average of 6.3% between 2010 and 2012 to 5.8%, a four-year low, in 2013 and 5.2% in 2014—just as millions of young Indonesians are reaching working age. Slower growth in China and continued European sluggishness have dampened demand for the raw commodities that still comprise too large a share of Indonesia's exports (see chart on previous page). Jokowi will have to find a way to shift the economy towards domestic consumption and value-added manufacturing.

That will be difficult without doing something about Indonesia's appalling infrastructure. A World Economic Forum survey ranked Indonesia's infrastructure 82nd in the world—behind Thailand, Mexico and Egypt, among other places—and just barely ahead of India and Tajikistan. The number of days containers spend between unloading and leaving the gates of Jakarta's port, which handles most of Indonesia's international trade, rose from 4.8 in 2010 to about six in 2014.

But improving infrastructure will take deft political manoeuvring as well as huge capital outlays. Soon after Suharto's resignation Indonesia began a programme of massive decentralisation, giving power not to the provinces (for fear of encouraging secessionism) but to districts and villages. This has made local government more autonomous and responsive—it is doubtful that Jokowi could have got quite as much accomplished in Solo and Jakarta as he did without the power granted to him under decentralisation. But it also means that ambitious national infrastructure projects require approvals from numerous politicians, not all of whom may share the president's steadfast opposition to graft.

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Mr Yudhoyono's presidency was marked by Indonesia's emergence onto the world stage: the country joined the G20, began the Bali Democracy Forum and took a prominent role in climate-change negotiations. Jokowi begins his presidency with two high-profile international events—the East Asia summit and the G20 summit—in the same week, but foreign policy played little part in his campaign, and at least in the short term he will be a more inward-looking president than his predecessor. He was elected, after all, on his record as a problem-solver, and on the promise that he could do for all Indonesians what he accomplished for residents of Solo and Jakarta. In 2015 he needs to show that he really can.

Jon Fasman: South-East Asia bureau chief, *The Economist*

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