Joko Widodo installed as Indonesian president

John Roberts, Peter Symonds
23 October 2014

Joko Widodo was sworn in on Monday as Indonesia's seventh president, along with his vice-president, Jusuf Kalla, at a plenary session of the People's Consultative Assembly (MPR). It was the culmination of this year's bitterly contested parliamentary and presidential elections.

The investiture ended the decade-long, two-term presidency of Susilo Bambang Yudhoyono, which was a period of relative stability, underpinned by growing exports to China and high capital inflows. However, the country's economic growth rate is now near its lowest level in four years, amid a slowdown in China and heightened global financial uncertainty.

Widodo's inauguration was surrounded by media hype, with photos of him parading through Jakarta to cheering crowds. He campaigned as a "man of the people" from humble origins who would be the first president from outside Jakarta's political-military establishment. By contrast, his main opponent, Prabowo Subianto, was a notorious ex-special forces commander and former son-in-law of the dictator Suharto.

Sections of the ruling elite in Indonesia, as well as internationally, backed Widodo, calculating that his carefully-cultivated image will help ram through the unpopular pro-market measures being demanded by the International Monetary Fund and World Bank. He has already pledged to slash fuel price subsidies, which will boost transport costs and add to rising prices. According to UN figures, half of Indonesia's 250 million population lives under or near the poverty level of $US2 a day.

Widodo, a small businessman, was picked up and moulded by powerful sections of the Jakarta establishment. He won the post of mayor of Solo in 2004 as the candidate for former president Megawati Sukarnoputri's Indonesian Democratic Party of Struggle (PDI-P). His backers in the 2012 election for Jakarta governor included Prabowo, as well as Kalla, a senior figure in Golkar, the political instrument of the Suharto dictatorship.

After it became clear that Megawati was unlikely to win the 2014 presidential election, she backed Widodo as the PDI-P's candidate. His supporters included former army commander Wiranto, who loyally served Suharto until he was forced to step down in 1998, and ex-general A.M. Hendropriyono, former director of the National Intelligence Agency, which was responsible for many of Suharto's crimes.

During the election campaign, the US signalled its support for Widodo. US ambassador to Indonesia Robert Blake sent an email to the *Wall Street Journal* which subsequently published an article in June citing the email and Blake's call for Indonesia to investigate Prabowo's alleged human rights abuses. Washington's posturing on human rights in Indonesia is especially nauseating given its role in supporting Suharto's bloody coup in 1965-66 and in backing his dictatorship and its crimes for three decades.

The Obama administration's opposition to Prabowo stems primarily from his support for an economic nationalist agenda that could cut across the interests of American and other international investors. Prabowo has close connections to layers of so-called crony capitalists, on which the Suharto dictatorship rested.

Those concerns remain, particularly in international financial circles. Prabowo refused to accept the election outcome and has held together an alliance of parties that commands a majority in the parliament. In an article this month entitled "The empire strikes back," the British-based *Economist* warned: "The old guard is out to obstruct the next president's ambitious plans for

© World Socialist Web Site

reforms."

The *Wall Street Journal* looked to Widodo's installation as the means to end limits on foreign investment, including the requirement that mining corporations establish processing plants in Indonesia. "Joko Widodo is the first entrepreneur to become president of Indonesia, and his supporters hope that his history of pragmatism and disdain for red tape will help him modernise the country's economy," its article commented.

Widodo's inauguration was attended by US Secretary of State John Kerry, as well as Australian Prime Minister Tony Abbott. Chinese President Xi Jinping sent his special envoy, Yan Junqi, to the ceremony and to have initial talks with Widodo. Indonesia is the largest economy and most populous country in South East Asia. It plays a central diplomatic role in the Association of South East Asian Nations (ASEAN) and sits astride key strategic shipping lanes from the Indian Ocean to North East Asia.

Kerry used the opportunity to call for Indonesia to play a greater part in the new US-led neo-colonial war in the Middle East, on the pretext of combating the Islamic State in Iraq and Syria (ISIS). Under President Yudhoyono, the Indonesian security apparatus forged closer ties with the US and its allies, including Australia, under the banner of the bogus "war on terror."

Over the past five years, the Obama administration has conducted a diplomatic offensive and military build-up against China known as the "pivot to Asia." The US has transformed ASEAN and its associated forums into a diplomatic battleground, exploiting longstanding territorial disputes in the South China Sea to drive a wedge between Beijing and its neighbours.

Unlike the Philippines and Vietnam, which, with US support, aggressively pursued their maritime claims, the Yudhoyono administration sought to avoid confrontations with China in order to preserve important economic ties.

Sections of the Indonesian military, however, took a more antagonistic stance against Chinese claims to waters that lie within the exclusive economic zone around Indonesia's Natuna Islands.

Indonesian armed forces chief General Moeldoko told his Chinese counterparts during a visit to Beijing in February 2014: "We are a sovereign country, we will protect our territory, and we will do whatever is necessary to protect our sovereignty." Earlier this year, the Indonesian military announced plans to station an infantry battalion in the Natuna islands and extend a runway to prepare for the permanent stationing of an air force fighter squadron.

During the election campaign, Widodo pledged to boost the military budget to 1.5 percent of gross domestic product, an increase of nearly 70 percent. If the promise is implemented, the funds will contribute to a further modernisation of the Indonesian armed forces, particularly the air force and navy. Undoubtedly Kerry used his talks with Widodo to offer closer military and intelligence ties, provided that Jakarta aligns itself with Washington against Beijing.

Widodo is yet to announce his cabinet after weeks of negotiations aimed at securing broader support and undermining the Prabowo bloc's parliamentary majority. He has even wooed Prabowo and Golkar leader Aburizal Bakrie, a member of the Prabowo group. At the same time, Widodo has sought to reassure international finance capital by promising that over half the cabinet positions would go to pro-market business figures and technocrats.

The difficulty of this balancing act was underscored by yesterday's rejection by the KPK, the country's anti-corruption agency, of eight of his nominees for the 33-member cabinet. The announcement is not only a measure of the endemic corruption in the Jakarta political establishment but of the deep divisions in ruling circles amid a slowing economy and rising geo-political tensions.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site