

Indonesian court backs Widodo's election

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Indonesia's Constitutional Court upheld the re-election of President Joko Widodo for a second five-year term on June 27, rejecting a petition by his challenger, Subianto Prabowo, to have the April 17 election overturned on the basis of electoral fraud.

The unanimous decision confirmed that Widodo and his vice-presidential running mate, the conservative Muslim cleric Ma'ruf Amin, secured 85.6 million votes, outpolling Prabowo, and his running mate, Jakarta deputy governor Sandiaga Uno, at 68.7 million. The ruling also gave Widodo's five-party coalition a majority of more than 100 over Prabowo's four-party group in the 560-member lower house of the national parliament, the DPR.

Widodo's second term administration will be installed in October. In the meantime, following the court's ruling, Widodo and Prabowo, directly or through their representatives, have begun to work out what are essentially power-sharing arrangements.

The mass of the 263 million population, many of whom live in abject poverty, will not be involved, nor are their interests being discussed. The election itself was a thoroughly anti-democratic process, with many parties barred from participating.

Both men, and the political parties gathered around them, are based on different factions of the ruling elite. Widodo's coalition, and the party that leads it, former President Megawati Sukarnoputri's Indonesian Democratic Party of Struggle (PDI-P), represent sections eager to attract foreign investors to finance infrastructure projects. A key partner in this coalition is Golkar, the political instrument of the US-backed military dictatorship of General Suharto installed in the bloody coup of 1965–66.

Widodo said investment was necessary for job creation, but the main beneficiaries will be the wealthy. The richest 1 percent of the population owns 50 percent of national wealth; the richest 10 percent owns 77

percent. This wealth concentration has steadily increased since the collapse of the Suharto regime in 1998.

In his first policy speech since the election, on July 14, Widodo said he would invite “as much investment as possible” and that “anything that obstructs investment must be trimmed.”

The international financial press welcomed Widodo's victory and listed the measures needed to remove these “obstructions.” These included removing regulatory burdens, offering labour laws attractive to foreign investors, and further cutting price subsidies on fuel and electricity, which will affect the living standards of millions of the poorest people. Widodo was also urged to reconsider local content requirements, reducing investment restrictions and limiting the role of state-owned enterprises.

Like leaders throughout the Asia-Pacific region, Widodo has tried to balance between the US and China, which is now a leading investor in Indonesia. Prabowo accused Widodo of being too soft on China and declared he would review all Chinese-funded projects if he won the presidency. While Prabowo attracted no support from Washington, his anti-China stance is in tune with the Trump administration's aggressive policies.

Prabowo, a notorious Suharto-era general, and a former son-in-law of Suharto, also stood against Widodo in the 2014 presidential election and challenged that result as well. His faction represents less competitive layers of the ruling elite. It favours protectionist measures to ensure its economic interests are not side-lined in the dealings with foreign investors.

Prabowo and his Gerindra party attacked Widodo's reliance on Chinese capital. He posed as the defender of workers and farmers by claiming Beijing was sending too many Chinese workers into the country to work on infrastructure projects, and that Chinese involvement

was undermining Indonesia's sovereignty over its energy and food sector.

The Prabowo faction relied on the same forces it used to remove Widodo's protégé Basuki Tjahaja Purnama as governor of Jakarta in 2016–2017. They mobilised an anti-Chinese chauvinist campaign led by Islamist hard liners who painted Widodo as a Beijing stooge.

There were two days of protests and rioting by these Prabowo supporters in Jakarta on May 21–22, disputing the legitimacy of the election commission's poll declaration. Clashes with police left at least eight dead, 600 injured and hundreds arrested.

Concerns on both sides that the unrest could trigger wider discontent over poverty and inequality led to sordid deal making behind the backs of the masses, including Prabowo's protesting supporters. According to *Asia Sentinel*, with Widodo's permission his current vice president Jusuf Kalla, a member of Golkar, met with Prabowo the day after the Jakarta riots.

Tempo magazine reported National Intelligence Agency (BIN) chief Budi Gunawan, a man close both to Widodo and Megawati, then met with Prabowo in Bali on June 24. The involvement of Budi and BIN is significant. It underscores the reality that the military-intelligence apparatus, the ruthless instrument of the Suharto dictatorship, is still politically powerful and will again be well represented in Widodo's new cabinet.

On July 13, Prabowo and Widodo met in public, joined by Budi, Prabowo's Gerindra party general secretary Ahmad Muzani and Widodo's presidential campaign chief Erick Thohir. In his July 14 speech, Widodo hinted that a power-sharing deal could be worked even if Prabowo's faction remained in "opposition," saying "acting as opposition is also a very noble thing."

On July 20, the Prabowo faction let it be known that its price for formally joining the Widodo government would be eight positions in the 35-member cabinet, including control of the energy and food portfolios. However, Prabowo and his allies have said they would not make a final decision until September. Entry into the government would mean they could no longer pose as an "opposition" to head off social and political disaffection.

Whatever the final outcome of the horse-trading, two factors are pushing both factions to reach an

accommodation.

One is the growing economic malaise. The effects of the trade war between Indonesia's two largest trading partners, China and the United States, are being felt throughout the region. Singapore, the largest source of investment in Indonesia, suffered an economic decline of 3.4 percent in the second quarter of 2019. Between January and June, Indonesia's exports fell 8.75 percent year-on-year and imports were down 7.63 percent.

The second related factor is the explosive social situation. Official figures show 26 million Indonesians are living in poverty. But the poverty line, outside of Jakarta, is just 401,220 rupiah (\$US27.76) per month. One study showed that the real cost of living, for one person in a single room and minimal electricity, food and transport, on the outskirts of Jakarta, would be 790,000 rupiah.

The fear in ruling circles is that infighting in the political establishment could open the door for a mass movement of working people that rapidly spirals out of control, threatening the country's fragile bourgeois rule.



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