

# PERSPECTIVE

RESEARCHERS AT ISEAS – YUSOF ISHAK INSTITUTE ANALYSE CURRENT EVENTS

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## Business Throws its Support Behind Indonesia's Opposition-Free Liberal Democracy

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*Sandiagno Uno, Minister of Tourism and Creative Economy, is also an entrepreneur and a businessman. This picture was taken at the 6th Annual Indonesia Economic Forum in Jakarta on November 20, 2019. Photo: ADEK BERRY/AFP.*

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## EXECUTIVE SUMMARY

- Some writers have described political life in Indonesia as regressing into illiberal democracy due to the absence of an opposition that can offer itself as a viable alternative to the current government. However, it may be more useful to characterise contemporary Indonesian politics as going through a phase of liberal democracy where the government is comprised of most of the major parties in parliament, with not much divergence in their policy preferences. A typical opposition is absent not due to suppression but because it has yet to evolve.
- In this opposition-free liberal democracy, the government commands an overwhelming parliamentary majority with the capacity to pass constitutional amendments, which could include a provision to allow President Widodo to stand for another term as President. Whether this materialises would depend on the political parties' calculations on how this might impact on their own prospects and the possible reactions from civil society.
- As electioneering activities start to warm up for the 2024 elections, potential candidates are seeking to enhance their credentials and quietly assessing their own electability. In this context, the traditional political party elites have to contend with a new breed of entrepreneur politicians whose profiles are boosted by their achievements in the ongoing transformation of the Indonesian economy.
- Presumably to alleviate political tensions and promote investor confidence, an important business federation, the Indonesian Chamber of Commerce, has publicly called for election contenders to promise that the losing candidates will be brought into the government after the elections. Clearly the business community favours the sort of consensual politics ushered in by Jokowi's inclusion of Prabowo and his allies in the government after the previous elections.

## INTRODUCTION

Academic analysts of Indonesian politics have been arguing whether Indonesia's political system is an "illiberal democracy" or a democracy sliding backwards, a regressing democracy.<sup>1</sup> However, there are other ways to understand what is happening. Indonesia's political format since 1998 has been that of liberal democracy but perhaps better described as 'liberal democracy minus'. It is important to understand the "minus" aspects in order for us to locate current tensions and contradictions.

The classic liberal democratic format has multi-party free elections, freedom of speech and organisation, and a free press. All liberal democracies so far have existed under capitalist economic systems, which means that while formal democratic rights are legally available to all, there is no level playing field in terms of resources available to different political actors. Acceptance of capitalism defines what is considered legitimate questions for contestation in mainstream politics.

This situation also applies in Indonesia, but with some minuses. First, in classic liberal democracy, anti-capitalist ideologies are not banned but are marginalised due to the long-term ideological hegemony of pro-capitalist outlooks. In Indonesia, because of its specific history, such ideologies, in particular, what is classified as Marxism-Leninism, are formally banned. Free speech is also limited formally in that advocating a change of the formal state ideology, Pancasila, is prohibited,<sup>2</sup> as is advocating for separatism of any part of Indonesia.

In some senses, they are in practice (though not in principle) not yet significant minuses, except in the case of the ban on advocating separatism in western Papua. The formal ban on spreading Marxism-Leninism has been, so far, irrelevant, as there are no substantial organised forces trying to do this. Many books on these subjects, for and against, are published, but none are a part of any significant effort to spread these ideas widely. Two organisations have now been banned for advocating the establishment of an Islamic State to replace Pancasila; however, nobody has been arrested for this and people who believe in this continue to advocate it. In the case of separatism, people are arrested and gaoled in western Papua for calling for self-determination or independence in West Papua, and even in Jakarta.<sup>3</sup> This is the most significant and oppressive "minus" of these minuses.

It is, however, not these formal repressive limitations which make political life in Indonesia's liberal democracy different. The fundamental location of democratic limitations is not to be found in legislative or formal provisions or government policy, but rather in society itself and in its history. Indonesia is a liberal democracy without an opposition presenting itself as an alternative government with differing policies. Such opposition is not banned or suppressed by the state – it simply does not exist. Mainstream political life is not characterised by competition between radicals, progressives, liberals, moderates, centrists, right-of-centre, conservatives and reactionaries as in most large capitalist democracies.

Civil society acts as a social opposition that might oppose specific policies *but does not offer itself as an alternative government*. In a situation where there is no pattern of "government and

opposition”, the social opposition does not have the leverage of threatening to switch support from one side to the other. This situation also frames the current preparations for the 2024 elections. How do the current parliamentary political parties situate themselves vis-à-vis each other when they all share the same political and development outlook?<sup>4</sup>

## **TO COALESCE OR NOT TO COALESCE?**

The current cabinet under President Joko Widodo comprises Ministers from seven of the nine parties in parliament and one from a party that did not win any seats. This coalition has given the government an overwhelming majority in parliament, although it has hardly been necessary since the remaining two parties have mainly voted with the ruling coalition on all substantial questions. The Democrat Party, founded for Susilo Bambang Yudhoyono, is primarily not in the coalition because of irreparable bad relations between the two former Presidents, Yudhoyono and Megawati Sukarnoputri, chairperson of the Indonesian Democratic Party of Struggle (PDIP), Indonesia’s biggest party and holding more than 20% of the seats in parliament.<sup>5</sup>

The smooth functioning of this coalition under President Widodo immediately poses the question: why not continue it? If all the seven parliamentary parties in the Widodo government agree to amend the Constitution and then nominate Widodo again, they easily have the numbers to do so.<sup>6</sup> This would also mean that there would be only one presidential candidate, as even the combined numbers from the Democrat Party and the Justice and Welfare Party (PKS) are not enough to nominate a candidate.

There are two complicating calculations to this scenario. First, to what extent some parties will calculate that fielding a Presidential candidate from their party may help their campaigns for seats in the parliament which may be seen as more important than the actual prospect of their candidate becoming President. To date, almost all parties have stated they will nominate a candidate from their own ranks. Second, all the parties, and the political elite in general, will calculate the costs of deepening the sense of weakening democracy and lack of accountability if they unite to ensure only one candidate. The parties may calculate that a Presidential election with two or three candidates may be a better tactic for them. These calculations are still ongoing, however, and we may not see a conclusion for some time yet.

In the meantime, those individuals with potential party backing, from all backgrounds, will test the waters over the next several months using poll responses to publicity runs and initiatives to assess their ‘elektabilitas’.<sup>7</sup> This will have a strong influence on decisions about which presidential candidate to back—Joko Widodo or one of the personalities currently being tested out.

Developments in the Indonesian political economy have, however, introduced a new dimension in the calculation of the ‘elektabilitas’ of candidates.

## **NEW-STYLE BUSINESSMAN POLITICIANS**

President Joko Widodo's economic policies have prioritised supporting and pushing forward private sector economic activity. This has included a so-called "Revolution 4.0"<sup>8</sup> involving, in particular, the increased development of the Applications Sector. Online ordering of services and goods has expanded greatly.<sup>9</sup> This, no doubt, combined with the boost to the economy in 2022 as the value of exports climbed to give Indonesia a trade surplus,<sup>10</sup> has both worked positively for the Widodo government's image and elevated the profile of figures associated with the modernisation of the economy. This has been the case in particular for three ministers with business backgrounds, namely: Sandiaga Uno, Minister of Tourism and Creative Economy; Nadiem Makarim, Minister of Education, Culture, Research, and Technology; and Erick Thohir, Minister of State-Owned Enterprises.

Although Uno had been the Vice-Presidential Candidate with Prabowo Subianto in 2019, nominated by Gerindra Party, he was not a long-term Gerindra member – not a cadre. Neither Makarim nor Thohir have party histories, although Thohir has connections to the religious organisation Nahdatul Ulama. In recent months, their names have also entered the lists of potential presidential and vice-presidential candidates in media and various polls, although scoring very low. Top of the list in this discussion is, by far, Sandiaga Uno.

As early as in January 2020, President Widodo named Sandiaga Uno as a possible 2024 Presidential candidate.<sup>11</sup> This may have been politeness appropriate for the period of settling his rapprochement with General Prabowo, with whom Uno had partnered as VP candidate in 2019, but it, in turn, gave Uno an extra push. More recently, the high-profile Young Entrepreneurs Association (HIPMI) has supported Uno as a Vice-Presidential candidate, usually alongside PDIP's Ganjar Pranowo. If we see a revival of discussion sometime over the next several months about Widodo standing again, we can also expect Uno's name to be mentioned again.<sup>12</sup>

Uno, and sometimes, Thohir, score only around 5% in most polls testing 'elektabilitas'.<sup>13</sup> Yet this emergence of non-party business figures as potential presidential or vice-presidential candidates, or even as political figures with their own standing, is perceived as a threat by party elites. Government coalitions are negotiated among the parties by the Party Chairpersons.<sup>14</sup> The entry into the game of non-party figures with their own basis of support, including from these new style entrepreneurs, complicates this process.

Between February and July 2022,<sup>15</sup> there was a wave of reactions from many political parties strongly stating that both the President and Vice-President must be "cadres" of a political party. Party figures appeared on television<sup>16</sup> on a daily basis arguing that parties must be rewarded for the work they have put into developing cadres and leaders. The campaign by almost all the party leaders grew intensive before fading away. The broad coalition is evolving into an all-faction coalition. Apart from bringing in these three businessmen, Widodo has also brought into the cabinet a retired top police general. Of course, there were already two New Order generals in the government, Luhut Panjaitan and Moeldoko. The police general was General Tito Karnavian, who retired from National Police Commander during the first Widodo

Presidency. However, it is the HIPMI that gives them enough bargaining power to irritate some party leaders.<sup>17</sup>

This development may signal the likelihood of campaigns being launched to achieve a combination of a party politician and one of the business-political figures teaming up as President and Vice-President. It would represent a significant shift from Vice-Presidential candidates being chosen to accommodate political Islam. Whether this happens will also depend on the results of the testing out of initiatives.

The various calculations described above fundamentally constitute what mainstream political life within Indonesia's democratic system is. The promotion of individual personalities and taking stands on what kind of background – party machine, political personality or businessman – makes most political noise. The debate over policies is provoked without the mainstream, and comes from civil society; but this is usually settled through a unanimous stance from all the parties, business, ex-police and ex-military personnel within the ruling coalition. In almost all cases, this unanimity has been a rejection of the pleas made by civil society. This was the case with the weakened Corruption Eradication Commission Law as well as the Job Creation Law (Omnibus Law). The one exception to date was when the Law Against Sexual Violence, a law championed by civil society, was passed by the DPR, although some clauses were watered down. It is being tested again with the proceeding through parliament of a new Criminal Code Law, which is being criticised outside parliament for its range of human and personal rights restrictions.

## **NEGATING OPPOSITION: ELECTIONS TO DECIDE WHO INVITES THE REST INTO GOVERNMENT**

It is worth noting that one important business organisation has come out publicly in support of the general political format initiated by President Widodo. The all-party, no opposition format has now been openly supported by the Indonesian Chamber of Commerce (KADIN). Of course, the first step in doing this was President Widodo's embrace of his twice Presidential rival, Prabowo Subianto. KADIN has proposed that this precedent continues, with the winner embracing the loser as a standard approach to Presidential elections. A July 11 *Republika*<sup>18</sup> newspaper reported the KADIN Chairman, Arsjad Rasjid, stating that Kadin: "hoped that, after the election, the losing presidential pair would be invited into government by the president-elect. Together, *gotong royong* manages and builds the country. As President Jokowi did, inviting Prabowo Subianto and Sandiaga Uno, to enter the cabinet."

However, Rasjid has argued that this commitment should be made before elections, not afterwards. This way, he argues, everybody will be more motivated. The people and the candidates can be reassured, and their capital does not just disappear. If they lose, there is still certainty and hope that they will join the next government.

Rasjid took a neutral stance on whether President Widodo should stand again or for any particular candidates. In fact, he seemed to be arguing that the more candidates there are, the

better, but that they must all declare beforehand that they would invite into the government all losing candidates. It seems clear that the Kadin leadership is also validating the idea that there be more figures from the business sector stepping forward.

This approach means that the government parties – i.e. everybody – can act unhampered by any mechanism of political accountability, giving the country the appearance of having a diminishing democratic life.

## **FROM SOCIAL TO POLITICAL OPPOSITION: IS IT HAPPENING?**

Both the business sector and the existing parties now all seem to have settled for the current format of a politically liberal attitude to polemics among themselves, but within a framework that accepts the broadest possible governing coalition,<sup>19</sup> and with no political opposition offering itself as an alternative. Opposition to government policy emerges from outside the parliamentary parties, from civil society organisations. The question thus arises as to whether there is a process underway for that social opposition to evolve into political opposition. Given the homogeneity of outlook on the current mode of politics among the existing parties, such an evolution would require the formation and successful electoral registration of new parties committed to a different set of policy priorities than those of the existing parties.

While there are nine parties in the DPR, all of whom will be able to participate in the 2024 elections, there are a total of 76 parties currently registered with the Ministry of Human Rights and Law.<sup>20</sup> The General Elections Commission is now receiving applications to participate in the 2024 elections. These applications will be vetted to ensure that the parties meet the stringent requirements to be verified for election participation.<sup>21</sup> As of August 2022, there are already five new parties that have submitted applications, and more are expected.<sup>22</sup> Of these new parties, it is possible to identify two as having connections with organised civil society and opposition to current government policies. These are the Workers' Party (PB),<sup>23</sup> the initiative of leaders of some of the larger trade unions that have criticised the Job Creation Law, and Prima Party,<sup>24</sup> which describes itself as anti-oligarchy and which originates from a faction of the People's Democratic Party (PRD) that was the vanguard opposition party to the New Order in the 1990s. However, both these parties have yet to pass verification to participate in the elections. Neither has yet won support from many of the civil society social opposition groups, who are suspicious of these parties' history of linkages to the existing party elites.

There are, at this moment, still no solid signs of the social opposition evolving further to produce a political opponent with an alternative set of policy priorities. The KADIN's perspective of all parties in government sharing a single goal of economic growth along the lines currently being pursued remains unchallenged.

## ENDNOTES

<sup>1</sup> Vedi Hadiz, “Behind Indonesia’s Illiberal Turn”, in <https://www.newmandala.org/indonesia-illiberal/>, 20 October, 2017; Edward Aspinall and Marcus Mietzner, “Indonesia’s Democratic Paradox: Competitive Elections Amidst Rising Illiberalism,” *Bulletin of Indonesian Economic Studies* 5, no. 3 (2019): 295–317; <https://ipsh.brin.go.id/2022/04/29/prevent-indonesias-democratic-regression-rate-ahead-of-electoral-year/>

<sup>2</sup> <https://nasional.okezone.com/read/2022/07/09/337/2626745/draf-rkuhp-serukan-ganti-ideologi-pancasila-diancam-5-tahun-penjara?page=2>

<sup>3</sup> <https://fulcrum.sg/jakarta-and-papua-where-there-are-no-risk-free-choices/>

<sup>4</sup> The one noticeable ideological difference is the PKS’s adherence to moral puritanism on issues of sexual mores, however this did not stop the PKS being able to work smoothly within the governing coalition formed under President Yudhoyono.

<sup>5</sup> A key exception to this is the relationship between the PDIP and the Demokrat Party. Susilo Bambang Yudhoyono had been a Minister in the government of President Megawati Sukarnoputri had had allegedly given a commitment not to stand against Megawati after she finished her term.

However, he then formed the Demokrat Party which nominated him for the Presidency. He stood against here and won. Cooperation between the PDIP and Demokrat has not been possible since then. Again here, we see the differences do not relate to policy but personal rivalries

<sup>6</sup> <https://fulcrum.sg/a-third-term-for-jokowi-weighing-the-risks-of-constitutional-change/>

<sup>7</sup> Max Lane, *Indonesia’s 2014 Legislative Elections: The Dilemmas of “Elektabilitas” Politics* at [https://www.iseas.edu.sg/wp-content/uploads/pdfs/ISEAS\\_Perspective\\_2014\\_25.pdf](https://www.iseas.edu.sg/wp-content/uploads/pdfs/ISEAS_Perspective_2014_25.pdf)

<sup>8</sup> Ministry of Industry, *Making Indonesia’s Fourth Industrial Revolution* at <file:///C:/Users/ASUS/Downloads/BPPI.pdf>

<sup>9</sup> <https://blogs.worldbank.org/eastasiapacific/why-e-commerce-key-indonesias-small-businesses>

<sup>10</sup> <https://en.antaranews.com/news/242789/indonesian-economy-to-grow-507-percent-in-2022-second-quarter>

<sup>11</sup> <https://kabar24.bisnis.com/read/20200116/15/1190733/saat-jokowi-menyapa-sandiaga-uno-dan-bicara-capres-2024>

<sup>12</sup> For more on the early start to party maneuverings for 2024, see <https://www.iseas.edu.sg/articles-commentaries/iseas-perspective/2021-73-political-parties-manoeuvring-after-the-jokowi-prabowo-rapprochement-by-max-lane/>

<sup>13</sup> <https://www.antaranews.com/berita/2996273/survei-index-prabowo-unggul-dalam-bursa-capres-2024>

<sup>14</sup> In June, 2022, a photograph of the <https://mediaindonesia.com/politik-dan-hukum/499457/tujuh-ketua-umum-parpol-koalisi-pemerintahan-sambang-istana>

<sup>15</sup> Just a few examples include: <https://www.merdeka.com/politik/pemilu-2024-idealnya-capres-cawapres-dari-kader-parpol.html>; <https://news.detik.com/berita/d-5930261/elite-pd-harusnya-capres-cawapres-wajib-kader-parpol-kalau-sekarang>;

<https://www.cnnindonesia.com/nasional/20210127083059-32-598855/ruu-pemilu-calon-presiden-kepala-daerah-wajib-kader-parpol>; <https://www.idntimes.com/news/indonesia/melani-hermalia-putri-politikus-golkar-sebut-capres-harus-kader-parpol>;

<https://www.viva.co.id/berita/politik/1492941-pks-sebut-di-dpr-mulai-muncul-wacana-tolak-capres-bukan-kader-partai>; <https://www.beritasatu.com/news/888113/ketua-harian-gerindra-capres-dan-cawapres-tidak-harus-kader-partai>;

<sup>16</sup> <https://www.youtube.com/watch?v=vkRgDrMgI20>

<sup>17</sup> There is another aspect to this polemic: it can also be seen as being aimed at Anies Baswedan. Baswedan, now Governor of Jakarta, scores high in presidential polls, usually number 2 or 3, alongside Ganjar Pranowo and Prabowo Subianto. Baswedan himself is not a

cadre of a specific party, although he was nominated by the PKS and Gerindra when he stood for Governor. However, his history is that he first approached the Demokrat Party, and then became a campaign spokesperson for Joko Widodo after Widodo was nominated by the PDIP, before he accepted the PKS nomination.

<sup>18</sup> <https://rm.id/baca-berita/nasional/131902/kadin-akan-deklarasi-bertanding-untuk-bersanding-yang-menang-merangkul-yang-kalah>

<sup>19</sup> A key exception to this is the relationship between the PDIP and the Demokrat Party. Susilo Bambang Yudhoyono had been a Minister in the government of President Megawati Sukarnoputri and had allegedly given a commitment not to stand against Megawati after she finished her term. However, he then formed the Demokrat Party which nominated him for the Presidency. He won. Cooperation between the PDIP and Demokrat has not been possible since then. Again here, we see the differences do not relate to policy but to personal rivalries.

<sup>20</sup> <https://kumparan.com/kumparannews/ini-76-parpol-terdaftar-di-kemenkumham-yang-bisa-daftar-pemilu-2024-1xx03FqrKeM/1>

<sup>21</sup> This test requires parties to have offices in all provinces and in 75 per cent of the total regencies and cities in the province concerned. They would also need to have offices in 50 per cent of the number of sub-districts in the district and cities concerned, as well as 1,000 members in each district and city. Another requirement is that there is a party member for every 1,000 members of the total population of each district and city. Furthermore, 30 per cent of all local leaderships must be women.

<sup>22</sup> <https://www.jawapos.com/nasional/politik/03/08/2022/ini-5-parpol-baru-yang-sudah-daftarkan-calon-peserta-pemilu-2024/>

<sup>23</sup> For further analysis on the Workers' Party see <https://fulcrum.sg/indonesias-new-workers-party-ambiguity-in-labour-politics/>

<sup>24</sup> <https://www.tribunnews.com/nasional/2022/08/01/profil-partai-prima-lengkap-dengan-sejarah-dan-susunan-pengurusnya>

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