



**S. RAJARATNAM SCHOOL
OF INTERNATIONAL STUDIES**
A Graduate School of Nanyang Technological University

RSIS COMMENTARIES

RSIS Commentaries are intended to provide timely and, where appropriate, policy relevant background and analysis of contemporary developments. The views of the authors are their own and do not represent the official position of the S.Rajaratnam School of International Studies, NTU. These commentaries may be reproduced electronically or in print with prior permission from RSIS. Due recognition must be given to the author or authors and RSIS. Please email: RSISPublication@ntu.edu.sg or call (+65) 6790 6982 to speak to the Editor RSIS Commentaries, Yang Razali Kassim.

No. 005/2012 dated 9 January 2012

Indonesia's Political Outlook 2012

By Leonard C. Sebastian and Yoes C. Kenawas

Synopsis

The major political events that dominated the news in 2011 are likely to continue to shape Indonesian politics in 2012. Election law reform and prospective candidates for the 2014 presidential election will draw most attention.

Commentary

2011 WAS a challenging year for the SBY administration. President Susilo Bambang Yudhoyono had to deal with a fragile political coalition under the auspices of a Joint Secretariat (Sekber). This coalition remains tenuous primarily because its pivotal members, the Golkar Party and the Prosperous and Justice Party (PKS), behave more like opposition parties than committed members of a coalition.

The fractious nature of the coalition was particularly evident prior to a mid-October 2011 cabinet reshuffle and further manifested in high profile corruption cases that tarnished the image of President Yudhoyono and discredited the Democrat Party (PD). It created a mutual-hostage situation among political parties as well as between the executive and legislative where neither was able to take excessive advantage of each other.

Political trends for 2012

If the representatives of the political parties in Cabinet gave the impression that they supported the President's policy initiatives, they did little to constrain their political party colleagues who sought to undermine him in Parliament. Yudhoyono has limited options to deal with this situation as he still needs support from these political parties to find the compromises necessary to ensure he leaves behind a credible legacy when his presidency ends in 2014.

Political trends evident in 2011 will recur in 2012. The Joint Secretariat will remain an unreliable coalition. Golkar, PKS, and to some extent the United Development Party (PPP), will continue to play hardball on several unresolved issues, particularly the corruption scandals surrounding former PD treasurer M. Nazaruddin and the Bank Century case. These political risks will be exploited by the opposition Indonesian Democratic Party of Struggle (Partai Demokrasi Indonesia Perjuangan/PDIP), and by members of Yudhoyono's coalition when they find it expedient to engineer political instability, thereby further compromising PD's image among the electorate.

A corruption case which involved the bribing of most of Parliament's finance commission to appoint Ms. Miranda Goelton as a Senior Deputy Governor of Bank Indonesia in 2004 has entered a new phase with the recent arrest of businesswoman Nunun Nurbaeti in late 2011. This case is crucial owing to its links with members of political parties, particularly PKS and the PDI-P. This situation provides the perfect window of opportunity for PD to strike back.

Given the coalition's shaky foundations, there might be a possible overhaul of the coalition in 2012, initiated by Golkar and PKS. This is primarily because they hold the advantage, or to use the Bahasa Indonesia term - berada diatas angin.

Key Issues in 2012

Debates on election law reform, particularly the minimum parliamentary threshold (PT), will be a major point of contention. While the big political parties PD, Golkar, PDIP want to raise the minimum threshold to four to five percent, PKS, the National Mandate Party (PAN), the National Awakening Party (PKB), PPP and other smaller parties want to retain the minimum threshold at three percent to make it easier for themselves to contest. PD is placed in a dilemma since the majority of its coalition partners come from smaller parties like PAN, PKB, and PPP. PD's actions will determine whether loyalists like PAN would be forced to disengage from the current coalition.

In 2012, more aspirants may announce their candidacy for the 2014 presidential election. Thus far, only Golkar Chair Aburizal Bakrie and PAN Chair Hatta Rajasa (the Coordinating Minister for the Economy and President Yudhoyono's in-law) have accepted their party's nomination. PD will likely keep its options open, possibly taking their cue from Yudhoyono on his preferred successor. PDIP's position remains ambiguous. Will the party nominate former president Megawati Sukarnoputri or her daughter Puan Maharani? The Greater Indonesia Movement Party (Gerindra) is likely to nominate its chairman, Prabowo Subianto.

Beyond the national political stage, there are a few key political developments in 2012 that merit attention. The first is the gubernatorial election in Jakarta and Aceh. The former is important because it involves the election of leaders of the nation's capital, receives wide media coverage, and is a national barometer of other local elections. It will be ominous for the other provinces if the Jakarta race is compromised either through an inability to resolve election-related conflict, maintain security, or manage the electoral process.

Controversy surrounding the Aceh gubernatorial election was already evident in 2011. There was political tension between the Aceh Party (Partai Aceh) and incumbent Governor Irwandi Yusuf over a Constitutional Court decision.

The Constitutional Court annulled an Aceh special local Administration Law (Qanun) prohibiting independent candidates to run in the upcoming election. The Qanun promulgated in 2006 served to facilitate former Free Aceh Movement (GAM) members to contest in the 2006 election. According to the Qanun, independent candidates were only allowed to compete in the 2006 direct election when Aceh did not have local political parties. Currently, the local-based Partai Aceh asserts that Aceh has its own special Administration Law which is different from national law owing to the special status of Aceh. Partai Aceh maintains that the Aceh chapter of the General Election Commission should refer to that special Law, prohibiting independent candidates from running in the next election.

Aceh's local regulations made to facilitate GAM's requirements are in contradiction of national law. Consequently, security disturbances in the election and post-election phases remain a distinct possibility. If peace is to be maintained, Acehnese elites will need to exercise political maturity while the central government and the security forces must aim to manage the situation well.

Complicated and Challenging

The second issue is the performance of newly-elected commissioners of the Corruption Eradication Commission (KPK), under its new head, Abraham Samad, who was not a popular choice. It is rumoured that the DPR or Parliament chose him to weaken the Commission. Will the new chairman be able to override public doubts about his capabilities and more importantly, have the courage to deal with high-profile corruption cases?

The third issue is the selection of the new commissioners for the General Election Commission (KPU) who are to take charge of the 2014 presidential and legislative elections. These commissioners must improve on the 2014 election given the controversies surrounding the election.

Had President Yudhoyono not won decisively in 2009, a national crisis would have arisen over the widespread allegations of election fraud. Political interests of the elite will play a crucial role in the selection process, which is likely to be complicated and challenging.

Leonard C. Sebastian is an Associate Professor and Coordinator of the Indonesia Programme and Yoes C. Kenawas is a programme Research Associate at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University.