

Contrary to quite widely held opinion, President Joko Widodo appears determined to give effect to a reform agenda in his second term. Focused on education and investment - especially in infrastructure - the ambit is characterised by Jokowi's preference for tangible outcomes.

The President's social policy agenda is conservative and, on the issue of religious conservatism, potentially authoritarian.

Experienced watchers of Jakarta affairs saw horse trading around ministerial appointments, a slew of back-sliding law changes ahead of October's Cabinet appointments and the accommodation of Prabowo Subianto as Defence Minister as signs of weakness. Many have predicted a wasted second term, instanced by the loss of momentum by Jokowi's predecessor, President Susilo Bambang Yudhoyono.

Two small changes in Cabinet went largely unnoticed. Luhut Pandjaitan, a former general and strong ally of Jokowi, had Investment tagged onto his title as Co-ordinating Minister for Maritime Affairs. Suahasil Nazara, chair of the Fiscal Policy Agency in the Ministry of Finance, was made deputy to Finance Minister Sri Mulyani Indrawati. Nazara's title also came with an Investment tag.

Heads rolled in the ministries responsible for Indonesia's extensive array of public authorities. Arifin Tasrif, Indonesia's Ambassador to Japan who had previously headed an SOE fertiliser company, was appointed Minister for Energy and Resources and Erick Thohir, a prominent entrepreneur, is now Minister for State Owned Enterprises. Similarly, Jokowi's concern about education standards led to the appointment of Gojek founder Nadiem Makarim as Minister for Education and Culture, while former BAPPENAS and Finance Minister Bambang Brodjonegoro is now Minister for Research and Technology.

The President is said to have laid out specific, tangible goals to Ministers in his sights. The new Energy Minister, for example, was told that oil import costs had to be cut and targets for renewables met.

Further evidence of intent is in the appointments in support of new Ministers. In the case of Thohir, there were two deputies. Kartiko Wirjoatmodjo gave up his job as head of Bank Mandiri, while Budi Gunadi Sadikin – another Bank Mandiri alumni - is former head of PT Inalum.

Given the profile and evident capabilities of these key appointments it would seem safe to assume that both they and the President have serious intent. Thohir has apparently acted quickly on his Ministerial staff – in a Ministry whose reputation would offer little assistance to those targeted. His public statements suggest a priority for improved performance, governance and interaction with private partners and investors.

Thohir made his own public statement with the sacking of Garuda Airlines CEO Gusti Ngurah Askhara Danadiputra after revelations related to the importation of an exotic motorcycle in a Garuda aircraft. Thohir said he would pursue “any others related to this case”, amid further allegations of improper conduct in the airline management.

Perhaps the most striking appointment was that of Basuki Tjahaja Purnama, known as “Ahok”, to head the nation's largest enterprise, Pertamina. When Jokowi was Jakarta Governor, Ahok was his right hand. On Jokowi's elevation to the Presidency, Ahok became Governor and quickly cemented a reputation for effective reform and transparency. However his outspoken style attracted critics and ultimately brought him undone when a careless remark at a rally became evidence in a blasphemy trial that led to his imprisonment.

Ahok's appointment at the head of Pertamina was accompanied by two notable additions to its board. Deputy Finance Minister Nazara was one, while former Central Java police chief Condro Kirono's appointment was apparently a deliberate signal that illegality – notorious oil “mafia” -

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contributing to Pertamina's poor financial performance would be addressed. Telkomsel president director Emma Sri Martini is the new Pertamina finance director. One sign of the task ahead came in a wry – possibly sarcastic – remark of a former Energy Ministry official who told media that he looked forward to Ahok's efforts in recovering the substantial debt to Pertamina owed by the Finance Ministry and military.

While Pertamina will test Ahok's considerable capabilities, he has the public backing of Minister Thohir and the evident support of both the President and Finance Minister Sri Mulyani. Action on PLN, the national electricity monopoly, is less obvious. Jokowi has been keen to accelerate the takeup of renewables, at least in part to relieve the imported cost of diesel, but PLN has made no progress and is widely presumed to be influenced by coal interests. PLN's CEO Sofyan Basir lost his job in May after a corruption investigation into PLN coal contracts at Riau-1 power station.

Former Communications Minister Rudiantara's appointment as head of PLN was announced in December, noticeably absent a public endorsement from SOE Minister Thohir. Rudiantara had a number of roles in telecoms companies in recent years and was a vice president of PLN for two years from 2006.

By taking on the issues in Pertamina, Jokowi is likely to test the balance of influence in the Government overall. Pertamina is often described as a honeypot for politicians. It is also a source of funding for public projects of many kinds and provider of various subsidies that themselves have political impact. At the same time, it is evident that Thohir and others are intent on cleaning up a number of key state enterprises with interesting appointments such as Chandra Hamzah, former deputy chairman at the highly effective Corruption Eradication, Commission as head of Bank Tabungan Negara (KPK).

One appointment that will be watched carefully is that of Fachrul Razi as Minister for Religious Affairs. Breaking with the usual practice of appointing religious scholars to the post, Jokowi chose a former military general who had presided over the ouster of Prabowo from his military post in 1998. Razi's appointment is presumed to be a direct response to fears of rising religious radicalism and he wasted no time in making his point, announcing in his first week that the wearing of conservative religious clothing (cadar, veil and men's short trousers) in public buildings is banned.

Given the length and complexity of Indonesia's election cycle it is often assumed that the latter years of the five year Presidential term are ineffective. On the immediate evidence, it would appear that Jokowi has chosen to stake his political capital on a sharp improvement in infrastructure investment and SOE performance, improved education outcomes and a conservative, possibly authoritarian, approach to civil issues.



Michael Gill

Michael Gill is the former Chief Executive Officer of the Australian Financial Review Group (1998-2011) and former Chairman of the Australian Associated Press (1999-2011). He was also the President of UNICEF Australia between 2007 –2014