



Two Years of the Yudhoyono Presidency

by Jusuf Wanandi

Susilo Bambang Yudhoyono (SBY) was elected two years ago by 62 percent of voters in Indonesia's first direct election for the presidency. That was an achievement, and was made possible because he was a new face and quite popular. People were confident that Yudhoyono would bring change and end the malaise that had surrounded the country since the 1997 financial crisis.

What is his report card after two years as president? It is a mixed picture, with some good decisions and policies, but also some bad ones. And because there have been a lot of no decisions, bad policies are still in place.

Among the achievements is the resolution of the conflict in Aceh, which had damaged Indonesia's political stability for 20 years. Peace in Aceh had eluded all administrations since Soeharto. Another positive was the brave decision to reduce the fuel subsidy by increasing the average price of fuel by 120 percent in order to remove the heavy burden on the budget.

Bad decisions started when Yudhoyono formed his rainbow Cabinet, accommodating too many incompetent ministers proposed by political parties. He had majority support and did not need to form a coalition of nine political parties. If he was worried about the need for a majority coalition, that should have been taken care of with the election of his vice president, Jusuf Kalla, as the new chair of Golkar, the largest faction in Parliament.

Yudhoyono made it public that after his first year in office he would evaluate the performance of his ministers and make the necessary changes. To the disappointment of many, he failed to make substantial changes after a year, with the exception of strengthening his economic team.

Having failed to improve his Cabinet, the president has blamed the bureaucracy for being unwilling to cooperate or implement his decisions and policies – among other reasons, for fear that they may be implicated in corruption. This has been an excuse for the bureaucracy in other places, including in South Korea recently.

However, perhaps the more important factor is the uncertainty within the bureaucracy about whether the president is tough enough to push for his policies. The president needs to bring in more people like Kuntoro Mangkusubroto at the Aceh-Nias Rehabilitation and Reconstruction Agency, who is able to act and institute change, and back them fully.

SBY must also deal with a phenomenon observed in other places where democracy works: Parliament has become assertive and does not want to act as a rubber stamp for the government, as it did for 40 years under Sukarno and Soeharto.

This is a natural development and the Parliament should not be solely blamed for the slow process of legislation. Instead, the president should assign somebody to be in charge of dealing with Parliament. This function could be played by a good politician and as a full-time job, if need be with the rank of a state minister. He should have an office in Parliament and follow lawmakers' activities on a daily basis. Only then can he react immediately if there is an important issue and be able to inform the president for a decision to be made. In the U.S., the president often deals directly with Congress. It would be good if SBY could also do this.

Yudhoyono has made a number of initiatives for fighting corruption, but not many big cases have been pursued by him or his attorney general. Several important cases that have been prosecuted were on the initiative of other institutions, such as local governments, the Supreme Audit Agency (BPK), the Corruption Eradication Commission (KPK) and NGOs.

SBY's major shortcoming is his poor performance in creating more employment for Indonesia's poor. Over 40 million people still live below the poverty line (\$1 a day). Around 12 million people are unemployed and more than 30 million are underemployed.

He has not been able to get economic growth of 6-7 percent, necessary to absorb new entrants into the workforce. Fresh money, new factories, and new jobs are needed for that.

This can only come from new investments, including foreign direct investment (FDI). And that is not happening because the private sector thinks Yudhoyono is unable to remove the main constraints for growth: high taxation, a militant and inflexible labor force, corruption, lack of public order, and a miserable court system. He has promised to do so, but implementation has not happened in any significant way.

Public disorder is not only an impediment to investment but affects the overall stability and peace of the country. Some improvements have occurred, but there is still a feeling of great unease and of being endangered because radical and extremist groups can roam freely and damage property or even endanger lives without any action or sanction from the police or other security enforcement agencies. This has inhibited moderates from voicing their views and their opposition to extremism because they feel unprotected.

On issues related to radicalism and extremism, which appear to cause him great nervousness, SBY can always rely on the support of moderates, particularly Nahdlatul Ulama and Muhammadiyah, the mainstay of Islamic moderation in Indonesia. He has not done so in a consistent and regular manner. The moderates do not expect SBY to participate directly in the debate, but to have a firm stance in upholding the rule of law in cases where extremists are violating the law and disturbing peace and security in society.

The overall environment today is not conducive for investment, tourism, and other economic activities. The vice president has been vocal about the excesses, but that is not adequate. The president himself has to be more resolute about implementing the rule of law.

In fact, the president should be able to do the job well, because he is intellectually well endowed, a good speaker, telegenic, and good looking, and he has had real experience in governance, in the Army where he was the chief of staff for political affairs.

He badly needs a group of senior advisers, but so far he does not appear to want to have this. The advisers should be well-experienced people he can trust, and they should be able to strengthen his ideas and convictions to be able to make the necessary decisions, especially on matters in which he has no expertise, such as the economy and Islam.

There are also external factors that account for the country's underperformance. These include the series of natural disasters, starting with the tsunami in Aceh, higher oil prices, and the weaker economy in the U.S., but other countries in the region also face these factors and have achieved better growth.

The main problem for Indonesia now is leadership. Soeharto never prepared a generation of leaders to take over from him, and all four presidents since Soeharto have been weak. SBY was expected to be the exception, because he has the right training and the right experience as an Army man who reached the top of the force when it was still a dominant force in the country under Soeharto.

But, alas, this has not been the case. It could be, but Yudhoyono only has two years left to prove it to the people, because 2009 will be an election year and from mid-2008 people will only pay attention to campaigns instead of development.

If he cannot demonstrate concrete results, such as increased employment, better incomes for common people, availability of public housing, and improved infrastructure, including power plants, his popularity will not be enough to get him reelected.

In these remaining two years, Yudhoyono has to concentrate on difficult and boring issues such as economic well-being and public order, which are critical to the people and to his own reelection chances. All the interest and attempts to solve conflicts in the world will not help him win a second term.

In facing all these challenges, the president should be able to count on the full support and backing of his vice president, Jusuf Kalla. He should use this support to the maximum. In his major achievements, as in resolving the Aceh conflict and reducing the fuel subsidy, Kalla's support was critical. But in the end, the outcomes were successful because of the president's direct involvement and decisions.

This should be his mode for decision-making. The public will support this because they like to see a single leadership team that consists of a Javanese and a non-Javanese, as was

the case with the country's first president and vice president, Sukarno and Hatta.

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