

## **Will SBY Strive for Greatness? Prospects for the Indonesian President's Second Term**

by Alphonse F. La Porta

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Indonesian President Susilo Bambang Yudhoyono, familiarly known as SBY, will be inaugurated for a second term on Oct. 20, 2009. As the first democratically elected president and the first to be elected to a second term, SBY has opportunities that no other Indonesian leader has had. Yudhoyono can achieve greatness in domestic and international terms and lead his country into a new era of committed democracy.

President Yudhoyono has an opportunity to turn national challenges into national achievements. The three areas in which SBY can stake a claim to greatness are:

- Enlarging the sense of religious and cultural tolerance of most Indonesians and effectively combating radicalism and its violent offshoot, terrorism.
- Initiating a broad process of reform and integrity in Indonesia's underperforming bureaucracy.
- Removing obstacles to badly needed infrastructure development to position Indonesia for a new stage of economic growth and social advancement.

### **Religion and Radicalism**

While it can be argued that, under Yudhoyono's guidance, Indonesia has done more than a creditable job in combating terrorism, the hotel bombings of July 17, 2009 indicate the deep roots of Islamic extremism. Nonetheless, SBY gets high praise for peacefully ending the armed rebellion in Aceh, reducing sectarian conflict in central Sulawesi, and promoting wealth-sharing with Papua, a long-neglected development challenge.

Yet pockets of violent dissidence, fueled by transnational radicalism and Al-Qaida and other terrorist movements, remain. There is no room for complacency, as Indonesia bitterly learned from the July hotel bombings. Law enforcement authorities must improve their predictive capabilities and tactical methods, as well as forge new grassroots relationships through community policing. Furthermore, reform of the Indonesian armed forces, or TNI, should be pushed forward, not only to get the military out of business, but also to rationalize roles and missions to concentrate on borderland and sea space surveillance, staunch smuggling and other illegal activity, and improve

peacekeeping capabilities. There is no room for the TNI to indulge themselves by buying expensive and inappropriate weapons systems.

Perhaps more importantly, a new equilibrium is needed for the role of religion in society. Indonesia's varied and syncretist religious heritage is increasingly vexed by new orthodoxies that intrude on personal freedoms in the still-new democracy, as well as clearly violate established law and civil protections. The challenge for the national government, in light of its constitutional role of recognizing and regulating religious practice, is to confine extreme views to the margins of society, promote modernity and tolerance in the 21,500 (and likely more) religious schools, and raise the bar (there's at word again) for religious leaders of all faiths to act responsibly in the greater public interest. Importantly, the implementation of *syariah* in Aceh, despite the law passed by the outgoing regional assembly, must take into account the will of the majority, civilized norms, and Indonesia's international human rights obligations.

### **Bureaucracy and Integrity**

During his first term, SBY made an excellent start in strengthening institutions to root out corruption, garnering wide public acclaim. But an ambiguous law was passed by the Indonesian Parliament in its closing days that seems to impinge on the mandates of the Anti-Corruption Commission, known as the KPK, and the Anti-Corruption Court. President Yudhoyono's legal team must implement regulations that preserve the investigative independence of the KPK, ensure the integrity of the court, and establish effective and independent provincial KPKs. Indonesia's legal and human rights communities are worth listening to on these issues.

To her credit, Finance Minister Sri Mulyani Indrawati began a wide-ranging, some would say ruthless, reform of her ministry, the Tax Authority and Customs. Trade Minister Mari Pangestu has instituted organizational and other reforms. SBY has promised that the process of bureaucratic reform will expand exponentially throughout the government by 2011. The chronically underperforming, overstuffed, and over-privileged Civil Service is in dire need of reform, starting with the intake process to salaries, perks, performance standards, promotion, and tenure. Indonesia deserves far better government performance than it has received, as evidenced yet again by lapses of local officials in the recent earthquake in Padang, West Sumatra.

### **Development and Growth**

President Yudhoyono recently called for "de-bottlenecking" and accelerating growth through infrastructure development, improvements in "soft" infrastructure such as policy implementation and structural improvements, fine-tuning energy, agricultural and other subsidies, and promoting

technology and creativity to enhance productivity. This is serious business and the government cannot settle for degrees of economic nationalism and protectionism if economic growth and job creation are to follow.

During the first SBY administration, such compromises were all too evident and there has been a dampening of world-class investor interest; this has advantaged opportunistic countries and less capable operators. Writing reasonable rules to implement the new mining law, combating unrealistically restrictive oil and gas cost recovery requirements, upholding contracts, and not retroactively changing the rules of business deserve attention in the months ahead. In short, the second SBY administration is advised to hang out the “Open for Business” sign as Vietnam has done, to help business grow rather than satisfy special interests or jingoistic inclinations.

### **The Obama Factor**

President Barack Obama’s “homecoming” to Indonesia in mid-November during his visit to Singapore for the Asia-Pacific Economic Forum (APEC) Summit has been postponed. Obama will skip Indonesia in favor of visiting China, South Korea, and Japan. Given the hype about Obama’s early life in Jakarta, his enormous popularity in the region, and the importance of Indonesia as a Muslim majority and democratic nation, *not* visiting *tanah air kita* (our common homeland) has been characterized as a snub by the media and others. The delay has renewed questioning about U.S. sincerity in deepening the bilateral relationship through a bilateral “Comprehensive Partnership,” a menu of policy dialogues and action programs that both nations believe could refashion and upgrade relations.

Whether the Obama administration can recover from the sourness occasioned by the postponement is an open question. A rescheduled – and longer – visit in mid-2010 can re-establish U.S. credibility and give real substance to Indonesia’s importance in U.S. eyes. On another level, the Northeast Asian bias typical of U.S. Asian policy should not be allowed to overturn the benefits of Secretary of State Hillary Clinton’s visit last February and other efforts to devote more attention to Southeast Asia. United States actions *vis à vis* Northeast Asia should take account of interests in the ASEAN region, particularly relating to Indonesia, as befits a more mature partnership.

### **Into the Future**

By all accounts, President Yudhoyono’s second inauguration will be a modest affair as befits his personality and style. Cabinetmaking is in full stride; prospects are for a more technocratic, less political, and more manageable leadership team. SBY is in undisputed control. Assuming he does not compromise his principles and better instincts, positive action across a broad range of issues could occur in coming months.

The optimism which greets Dr. Yudhoyono’s second term is justifiable. Now Indonesia has to live the promise.

Mr. President, raise the bar and strive for greatness.