

Politics

Wealthy Indonesians Set to Win No Matter Who Becomes President

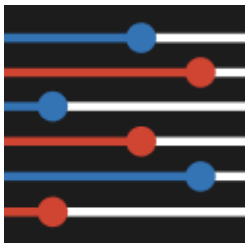
- Jokowi's political rise has come at a cost for young democracy
- Election fuels concern about influence of political dynasties



Prabowo Subianto, left, with running mate Gibran Rakabuming Raka, son of President Joko Widodo. *Photographer: Dimas Ardian/Bloomberg*

By [Philip Heijmans](#)

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A group of powerful Indonesian oligarchs gathered at a cafe in Jakarta last month in a show of support for Prabowo Subianto, underlining why the ex-general may be third time lucky in the upcoming presidential election.

“We are small in number, yes,” coal billionaire Garibaldi Thohir told the room in a widely publicized video of the event. But “in this room maybe one third of Indonesia’s economy is here.”

Their support is a big change from five years ago, when Thohir’s brother – sitting cabinet minister Erick Thohir – led President Joko Widodo’s campaign to beat Prabowo for a second time. Jokowi, as the incumbent is popularly known, can’t run for a third term and has implicitly backed Prabowo by having his 36-year-old son join the ticket as vice president.

Yet the band of American-educated businessmen gathered in the cafe are just as key to victory when 205 million Indonesians elect Jokowi’s successor on Feb. 14.

Prabowo, a former son-in-law of the late dictator Suharto, sang along to Creedence Clearwater Revival during the meeting as he expressed his gratitude for their support.

“I get it now why I lost the presidential election twice,” said Prabowo, who was once banned from entering the US over suspected rights abuses. “Back then, I was not invited here.”

The remarks underscore the sway Indonesia’s ruling class of tycoons and politicians still have in choosing the country’s leaders, nearly three decades since the country embraced democracy.



Garibaldi Thohir Photographer: Dimas Ardian/Bloomberg

While Suharto's ouster in 1998 ushered in an era of reform, politics remain dominated by the factions that made fortunes during his three-decade rule. Their influence over the economy and politics ensured policies that enlarged their wealth from land and the exploitation of the nation's vast natural resources.

Emails seeking comment sent to Garibaldi Thohir through his company PT Adaro Energy Indonesia Tbk and to Erick Thohir through the Ministry of State-Owned Enterprises were not answered.

Political Elite

As many as half of the 575 lawmakers in parliament have connections with the mining sector, according to the Indonesia Mining Advocacy Network, which investigates the crossover between officials and business.

"Indonesia is governed by the oligarchy – the political elites and the business elites – and when it comes to their interests, I think they overlap," said Dedi Dinarto, an associate with advisory firm Global Counsel. "This kind of conflict of interest, where a businessman knows a policy is going to come out from a government, is not ideal, but that's the fact in Indonesia."



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When Jokowi became president in 2014, some analysts expected the former furniture maker from humble origins to sweep away the old power structure. But by his second term, any hope of that was gone as he stacked his cabinet with prominent businessmen and former rivals, including Prabowo as defense minister. With their backing, and the support of four in five ☐☐ lawmakers in the lower house, Jokowi was able to pass reforms designed to elevate Indonesia to the world's 4th largest economy by 2045.

Meanwhile, Indonesia's tycoons were amassing record wealth. Forbes reported a 40% increase last year among the 50 richest on its list, to reach a total of \$252 billion. London-based consultancy Knight Frank projects the number of individuals with a minimum net worth of \$30 million will more than double by 2026 from a decade earlier.

"Jokowi has been very, very smart to make use of the elite concerns to serve his purposes," Dinarto said.



Jokowi, second left, with Erick Thohir, center, at the inauguration of a photovoltaic power plant in Purwakarta, Indonesia, in November 2023. *Photographer: Rosa Panggabean/Bloomberg*

The elite have managed to retain their influence for several reasons. For one, the first direct presidential vote after Suharto's ouster didn't occur for six years. In the interim, the president was picked directly by lawmakers. Then, expensive election campaigns created a barrier for new players.

More critical still is a provision that remains in the Constitution after the end of Suharto's three-decade dictatorship: that presidential and vice-presidential aspirants must secure the backing of at least 20% of parliament members, or show that they won at least a quarter of the popular vote in the previous election.

The rule, upheld under Jokowi, has been challenged at the Constitutional Court over 30 times as critics complain it puts government representation out of reach of ordinary citizens.

"It's like going to a concert but using tickets that have already been used," said Herdiansyah Hamzah, a constitutional expert at Universitas Mulawarman in East Kalimantan. "In the end, the presidential candidates are dominated by old people and certain parties."

Cost of Business

Jokowi's critics say he hasn't helped. He's been accused of defanging the anti-graft body that was probing his ministers and his government has passed laws limiting criticism of the president and public institutions. His landmark job creation law – already dogged by transparency concerns – was initially rendered legally defective before it was revised and passed □□.

Representatives for Jokowi didn't respond to requests for comment.

Indonesia ranked 115th out of 180 in Transparency International's 2023 corruption perception index, after posting its worst slide since the reform era the prior year.

“Jokowi and his inner circle are trying to resolve bottlenecks to ensure that his priorities are approved and can proceed smoothly. But in the process they changed some rules,” said Alexander Arifianto, a senior fellow with the Indonesia program at the S. Rajaratnam School of International Studies. Now, “they are treated like gods.”

Jokowi's most telling gambit was to allow his elder son, Gibran Rakabuming Raka, to run for vice president alongside Prabowo. His younger son, 29-year-old Kaesang Pangarep, helms a fringe party that as of Jan. 12 had raised more campaign funds than any other in the Prabowo camp, data show. A son-in-law, Bobby Nasution, is the mayor of Medan, Indonesia's fourth-largest city.

Some observers say the strategy is an effort to maintain a direct line to the presidency after he leaves office by creating a lasting political dynasty.



Gibran after a medical check-up, required for candidacy in the election, in Jakarta. Photographer: Dimas Ardian/Bloomberg

Indonesia's dynastic politics is "a big problem," former vice president Jusuf Kalla said in an interview. "Even Suharto was good for 10 years," he said. "When the children are still in school that's good, but when they grow up and get to know the business – that's the problem."

Yet Jokowi's gambit to bring his son into the political arena has created fractures in the traditional circles of power and raised concern about the influence of the nation's elites.

Gibran's candidacy, for example, was made possible by a Constitutional Court ruling that was presided over by Jokowi's brother-in-law. That sparked discord within the cabinet and led to student demonstrations.

Corruption probes against a pair of ministers from junior coalition partner the National Democratic Party raised speculation that the investigations were motivated by the party's support for former Jakarta governor Anies Baswedan's presidential bid.

Similarly, a probe of the trade ministry led by National Mandate Party chief Zulkifli Hasan over alleged corruption related to sugar imports was seen as "an attempt to bargain" over support for Jokowi's candidate, said Titi Anggraini, an advisory board

member of the Association for Elections and Democracy, or Perludem, an independent, non-profit advocacy group.

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Election rivals have also alleged interference on the campaign trail.

“We book a campaign venue for a rally and last minute the permit for the event is revoked by the local police,” said Tom Lembong, an ex-trade minister serving as vice-chair of Anies’ campaign. “No reason given.”



Anies Baswedan, left, Prabowo Subianto, center, and Ganjar Pranowo during the final presidential debate in Jakarta on Feb. 4. Photographer: Dimas Ardian/Bloomberg

One big indication of a rift in the traditional political alliances was the decision by the ruling party’s matriarch Megawati Sukarnoputri, to back the party’s own candidate Ganjar Pranowo after initially seeking to have her daughter campaign for the position.

“Everything has been weakened because of the politicization of the constitutional court, the vulgarity of dynastic politics and now elections full of controversy,” said Perludem’s Anggraini.

– *With assistance from Soraya Permatasari and Chandra Asmara*

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