



Indonesia Elections 2024:

Continuity Under Prabowo Subianto

Brunswick Singapore
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Indonesia held its presidential and legislative elections on February 14, 2024, ushering in the end of the decade-long presidency of Joko Widodo, known as Jokowi.

The decisive victory of Defense Minister Prabowo Subianto, according to early results, who had chosen the sitting president's son as vice-presidential running mate, comes as little surprise given his strong approval ratings ahead of the election and the backing of Jokowi. The new government's term will begin in October.

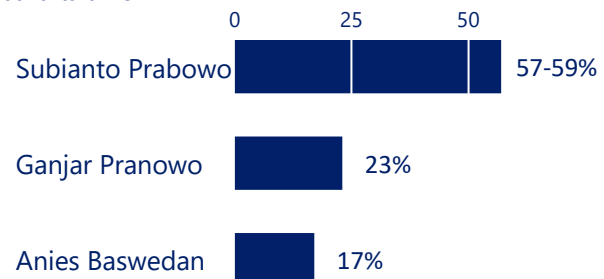
- **Prabowo is expected to focus on economic growth in pursuit of the goal set by Jokowi to turn Indonesia into one of the world's top five economies by 2045.**
- **He is expected largely to continue Jokowi's policy of economic transformation through infrastructure development and the downstreaming of Indonesia's resource-rich industries, following his pledge to carry forward Jokowi's legacy.**

Overview

Prabowo came out first with unofficial quick counts giving him 57-59% of votes, with about 80-90% of sample votes being tallied, followed by former Jakarta Governor Anies Baswedan, with around 23%, and former Central Java Governor Ganjar Pranowo with about 17%. Prabowo, a former military general, was buoyed by support from the outgoing president, whose approval rating stands at 78%. Prabowo has been incredibly astute at capitalizing on Jokowi's popularity and positioning himself as the candidate who would carry forward his legacy and his ambitious goal of turning Indonesia into one of the world's top

Prabowo Subianto's Decisive Victory

Indonesia presidential election quick counts as of 7pm Jakarta time*



*Quick counts serve as a means to offer preliminary results while the official results may take up to 35 days to be completed.
Sources: Lembaga Survei Indonesia (LSI), Indikator Politik, Charta Politika Indonesia and Litbang Kompas.



economies. More than 204 million Indonesians, about half of them younger than 40, voted in the elections on February 14.

The next few months will see individuals and parties jockeying to form a governing coalition that will result in a reconfiguration in Indonesia's legislative body, the People's Representative Council (DPR), and at the provincial and regency levels. This will determine how much support the President has from the DPR in support of his political and economic policy agenda.

What to expect under a Prabowo presidency

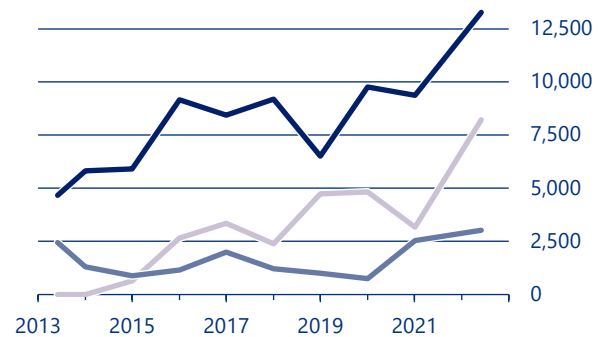
- **Continuity.** The Prabowo-led administration is expected to continue with Jokowi's policy agenda including infrastructure development, economic transformation through downstreaming and the construction of a new US\$32 billion capital Nusantara in Borneo. This is presumed to result in relative stability amid change over the next five years.
- **Ambitious economic growth.** Economic issues will be high on the agenda of the new administration as it looks to achieve Indonesia's goal of becoming one of the world's top five economies by 2045, the 100th anniversary of Indonesia's independence. Prabowo has set a 6-7% target for annual economic growth akin to Jokowi's goal of 7% growth that was ultimately never met during his presidency. To add to the challenge, investments in Indonesia's digital sector plummeted from approximately \$9.5 billion in 2021 to less than \$1.9 billion in 2023. Dozens of companies, including the country's [well-known tech unicorns](#), have downsized their workforce.
- **Continuation of the downstreaming policy.** Prabowo has pledged to continue efforts to develop downstream industries, as he seeks to achieve energy self-sufficiency for the country, despite recent mounting criticism around the effectiveness of the policy's implementation. Indonesia's ambition to become an EV hub is facing the growing challenge of manufacturers moving away from nickel-based batteries, leaving its vast reserves of the metal for other uses like stainless steel. For its downstreaming strategy to succeed, Indonesia will have to attract international companies to set up manufacturing and processing plants to move the industry further up the value chain.
- **Climate action.** The new administration is expected to continue working to deliver on Indonesia's climate targets. In contrast to previous elections, all three candidate pairings have vowed to take climate action if they win. Prabowo and Gibran have set out to transform Indonesia into a renewable energy and bioenergy powerhouse, although critics argue that this is aimed primarily at commodifying the country's natural resources for profit. In contrast to his opponents, who spoke of strengthening environmental, social and governance (ESG) standards for companies, Prabowo is likely to take a more business-focused approach and align climate policies with growth targets.
- **Grow foreign direct investment (FDI).** Prabowo is expected to maintain close ties with China, particularly with the aim of growing FDI, while promoting a solid relationship with the US. China has become a significant investor in Indonesia, increasing its FDI almost threefold from 2021 to 2022 to \$8.2 billion, making it the second-largest foreign investor in Indonesia after Singapore.



The US relationship with Indonesia has been weighted toward security and geopolitical issues in the Indo-Pacific and the South China Sea over trade and investment. In November 2023, US President Joe Biden and Jokowi discussed an Indonesia-US free trade agreement on critical minerals that would allow Indonesian exports to the US to be covered under the US Inflation Reduction Act. This remains unlikely, as Washington is concerned such a deal would provide Chinese corporations, which dominate Indonesia's nickel industry, a backdoor into the US. Should Prabowo move even closer to China, opportunities for other international investors might be affected, diminishing their competitiveness.

Singapore Has Been Indonesia's Top Foreign Investor for a Decade but China Is Catching Up

Foreign Direct Investment in Indonesia by **Singapore**, **China** and the US in US\$ million



Source: BPS Statistics Indonesia

Prabowo's transformation

A longtime figure in Indonesian politics – Prabowo ran for the vice presidency in 2009 and the presidency in 2014 and 2019 – Prabowo has successfully transformed himself from an opponent of Jokowi to an ardent advocate of policy continuity. He has rebranded his image from a ruthless military strongman with a questionable human-rights record to a cute, cat-loving grandfather, and has traded in his usually divisive rhetoric for a more inclusive message. To align himself even more firmly with Jokowi, he leveraged the president's desire to preserve his legacy by selecting Jokowi's son Gibran Rakabuming as his vice-presidential running mate. According to polls, Prabowo's support from those younger than 42, many of whom are too young to remember the accusations against Prabowo, is more than 60%.

Prabowo's popularity began to stagnate a few weeks before the election as criticism mounted against Jokowi's perceived intervention in the electoral processes. The pushback grew after the Constitutional Court declared Gibran eligible to run as vice president even though he does not fulfill the minimum age requirement of 40. The court, chaired by Gibran's uncle, granted an exception to Gibran who turned 36 on October 1, 2023.

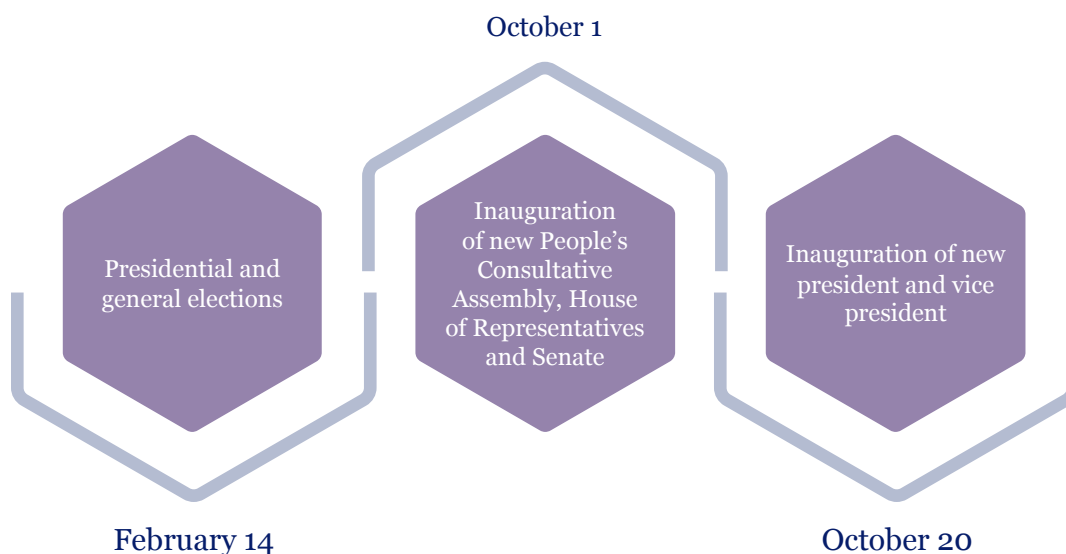
As the sitting president's support for Prabowo and Gibran became more visible recently through the use of social assistance (bantuan sosial or "bansos") funded by the state budget to garner support for the two, his perceived lack of neutrality has raised concerns around the corrosion of democracy and the advancement of dynastic politics in Indonesia, resulting in a decline in support for Jokowi, and by extension, the Prabowo-Gibran pairing.

Looking ahead

The General Elections Commission has said official election results will be released by March 20 at the latest. Ganjar and Anies have yet to concede defeat, urging the public to wait for the final results. Prabowo's presumptive victory is likely to face challenges by his opponents, particularly in light of the debate over Gibran's eligibility – a spokesman from Anies' campaign team claimed that the team has collected evidence of electoral fraud. The perceived erosion of democratic practices and political integrity will likely fester and lead to further controversy and distraction. Political alliances and dealmaking will also take shape in the coming months, determining who will have roles within the new cabinet and how much support Prabowo will have within the DPR to push through his policies.

All eyes will be on the continuing influence of Jokowi, the pivotal figure in this election, and the formation of Prabowo's first cabinet, particularly the new economic team handling finance, investment, trade, industry, and energy & mineral resources.

Timeline



Profiles of Prabowo and Gibran



Background

- Born into one of the most powerful families in Indonesia, Prabowo's father was a prominent economist and politician; his grandfather was

Political involvement

- Prabowo co-founded the Gerindra Party in 2008 and has served as its chairman since 2014.
- His candidacy is backed by the Advanced Indonesia



Prabowo Subianto

Political Party: **Gerindra**
Age: 72

- the founder of Bank Negara Indonesia.
 - He was married to Titiek Soeharto, the late President Soeharto's second daughter.
 - Prabowo is fluent in French, German, English and Dutch, having spent most of his childhood overseas.
 - Prabowo served with the Indonesian Armed Forces for 28 years before he was dishonorably discharged following the collapse of Soeharto's regime in 1998.
 - He was declared *persona non grata* by the US over alleged human rights abuses against the people of Timor Leste. The ban was effectively lifted in 2022 to allow him to visit the US after being appointed defense minister.
 - He founded Nusantara Group, a conglomerate with businesses in the palm oil, coal and gas, mining, agriculture and fisheries industries.
- Coalition, which currently has 10 member parties including Gerindra, Golkar, Demokrat and PAN – that collectively hold 261 out of 575 seats in the present House of Representatives.
- Prabowo's 2019 run for the presidency saw him courting the support of hardline Muslim groups against Jokowi's re-election, resulting in a highly polarizing campaign that led to post-election riots.



Gibran
Rakabuming Raka

Background

- Gibran is the current mayor of Surakarta (colloquially known as Solo), and the eldest son of Jokowi.
- He received most of his education abroad, obtaining his bachelor's degree from the Management Development Institute of Singapore and

Political involvement

- Given Gibran's past remarks that he did not want anything to do with politics, his joining the Indonesian Democratic Party of Struggle (PDI-P) and subsequently running for mayor in 2020 came as a surprise.



Political Party:
Independent
Age: 36

- pursuing further studies at the University of Technology Sydney in Australia.
- Following his return to Indonesia, Gibran became an entrepreneur, launching several companies including a catering business, F&B ventures, a culinary startup and a job search mobile application.
 - Gibran's political journey has received significant support from various parties, with the Indonesian Solidarity Party (PSI) in particular shifting from backing Ganjar to Prabowo after the declaration of Gibran's vice-presidential candidacy. PSI even named Gibran's younger brother Kaesang Pangarep as its chairman just two days after the latter signed up for the party.

To continue the conversation



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