

"The contenders for President may be very different, but either way ties with India are set to deepen."

Indonesia's single-day and complex elections are today. The rematch, after 2014, between incumbent President Joko 'Jokowi' Widodo of the Indonesian Democratic Party of Struggle (PDI-P) and his challenger, Prabowo Subianto of the Great Indonesia Movement Party (Gerindra) will decide what trajectory the country will take over the next five years.

The result will have an impact on the domestic economy and polity, with both candidates having fine-tuned their positions since 2014. Indonesian foreign engagements will also see a change depending on whether it pursues its own Indo-Pacific strategy and an Association of Southeast Asian Nations (ASEAN)-plus foreign policy. Given its large population, mainly Muslim, its growing middle class and market and its strategic location, the election is of interest to the region.

Political highlights

In 2019, the Election Commission approved 16 parties to run for parliament. Mr. Jokowi's coalition has 338 out of 560 current MPs to Mr. Subianto's 222 MPs. Indonesian law requires that political parties have at least 20% of the seats in Parliament, or 25% share of the popular vote, before they can nominate a presidential candidate in 2019. If the Democratic Party of former President Susilo Bambang Yudhoyono had not supported Mr. Subianto's bid, his candidacy would have failed and Mr. Jokowi may have been the only candidate. The churning in parties like the Golkar and National Mandate Party (PAN) which were firmly with Mr. Subianto in 2014 has made a change in Indonesian politics.

Indonesia has a GDP of over \$1 trillion (2017 figures) and a growth rate of about 5%. Its population is nearly 270 million. Its diverse natural resources include abundant coal and palm oil. Changing trade rules are having an effect on the Indonesian rupiah. In the run-up to these elections and after, the dominant themes are the growing debt, social and economic inequalities, the role of Islam in politics as well as fake news.

Mr. Jokowi remains the man to beat, as he is still popular and seen to be sincere and honest even though he has not fulfilled all his campaign promises of 2014. An election in 2017 for Jakarta Governor, seen as a barometer to the 2019 election, threw up a surprise result when 'Ahok' Basuki Tjahaja Purnama, backed by Mr. Jokowi's party, lost to Anies Baswedan, supported by Mr. Subianto. In 2017, Mr. Ahok was sentenced to two

years in prison on a charge of blasphemy. For 2019, Mr. Jokowi's running mate is Indonesian Ulema Council Chairman Ma'ruf Amin, The choice of Ma'ruf Amin, 76, is seen as a response to the Muslim backlash faced in the Jakarta election. That Mr. Amin had a hand in toppling Mr. Ahok on charges of blasphemy is now just a footnote in these elections.

What they stand for

Mr. Jokowi is also seen to be pro-Chinese, having pledged support for the Asian Infrastructure Investment Bank and being a vocal supporter of the Belt and Road Initiative (BRI). Some analysts feel that Mr. Jokowi could face problems for the largesse he shows to China. He has even handed over to China a prestigious high-speed railway that was proposed by the Japanese in 2015, but which has still not taken off. His support to Chinese overtures to build infrastructure for Indonesia has often seen others shut out, at Chinese behest, or by a tweaking of rules. Most Chinese engagement is through public sector entities, which are now in heavy debt since the sovereign guarantee route was not applied to keep up with constitutional norms of debt and deficits. Due to the slow pace of the BRI projects, many public sector units have serious debt issues. But these are not the ideas which win elections and Mr. Jokowi's finger on the popular pulse through welfare measures, including the 'Indonesia Health Card', has won him support.

Mr. Subianto presents a more nationalistic image with an emphasis on security, balanced foreign policy, more local manufacturing, and a just social order. He is seen to be more open to partnerships with countries besides China, having said so at an Indonesian economic summit in 2018. His support to business is seen through his choice of running mate for 2019, 'Sandi' Sandiaguno, 49, a wealthy former fund manager who was Jakarta Deputy Governor (2017-18). The latter is seen as pro-business, particularly the private sector. Being young and social media savvy, he could get the support of millennials, who form about 30% of the electorate.

India and Indonesia have shared friendly relations. Mr. Jokowi paid a bilateral visit in 2016 and again in 2018 for an ASEAN commemorative summit in New Delhi. Prime Minister Narendra Modi paid a visit to Jakarta last year as part of a three-nation tour. The two leaders have given shape to several ideas on infrastructure, strategic partnership, naval and army cooperation and trade and commerce. The dialogue among faiths is on, and there is closer cooperation on counter-terrorism and other non-traditional threats. They have different views on China, but it is not seen as a hindrance to the bilateral relationship. If Mr. Jokowi wins, as polls predict, the relationship will be on firmer footing than it is now.

However, India need not worry too if Mr. Subianto wins. He sees many models in India's development that are worth emulating. He could, in fact, open more strategic space and markets for India, but he would need time to settle down as he has little prior experience in administration.

Indo-Indonesia relations

Why in the discussion?

- The recently Voting for the president and vice-president with the Parliament has started in Indonesia, the third largest democracy (on the basis of Population) in the world.
- For the first time in the history of the country, elections are of the President and the Vice-President along with the general election being held.
- This is the biggest election in Indonesia's history.
- In the Muslim majority, President Joko Viudodo is in rivalry with from the former army chief, Prabowo Subianto.

Background

- Both countries are secular where Hindus, Muslims, Sikhs, Christians all live together.
- India and Indonesia are the countries with the highest Muslim population in the world, committed to youth aspirations and development.
- Both countries are members of G-20, NAM, EAS, IORA, AIIB and many such groups.
- In spite of these simbeing heldilarities and the relatively short distance between India's Andaman and Aceh Island of Indonesia, the relationship has not yet matured.
- Both countries have thousands year old ancient heritage, culture and business contacts.
- In Indonesia, Hinduism, Buddhism and Islam spread through India. Prambaranan Hindu Temple and Borobudur Buddhist Temple in Yogyakarta and the influence of Ramayana and Mahabharata are the signs of this old connection.
- During the freedom struggle also, India and Indonesia remained close to each other. In the first parade of the Republic Day in 1950, President Sukarno was the chief guest.
- After this, there was some disturbance in relations in the 1970s that continued till the restoration of democracy in Indonesia by the end of the decade of the 1990s. There has been some improvement in relations since then.

Trade relations

- India is the largest country importing crude palm oil from Indonesia and imports coal, minerals, rubber, pulp and paper from there.
- India exports sophisticated petroleum products,

maize, commercial vehicles, telecommunication devices, oilseeds, animal feed, cotton, steel products and plastic etc. to Indonesia.

- India's leading companies investing in Indonesia are: Tata Power, Reliance, Adani, L & T, GMR, GVK, Videocon, Punj Lloyd, Aditya Birla, Jindal Stainless Steel, Essar, TVS, Bajaj, BMEL, Godrej, Bamen and Lorry, State Bank of India, Bank of India etc.
- As far as trade and economic relations are concerned, Indian companies have made substantial investments in infrastructure, electricity, textiles, automotive, mining, banking and FMGC areas of Indonesia.
- Many Indonesian companies have invested in infrastructure projects of India.

Recent agreements between the two countries

- Recently, under the chairmanship of Prime Minister Narendra Modi, the Union Cabinet has given its approval for signing of a Memorandum of Understanding between India and Indonesia on dealing with drug trafficking, illegal trafficking and movement.
- This agreement will help in mutual cooperation to combat intoxicated and drug trafficking and drug controuing.
- This agreement will be effective from the date of signing and will be applicable for a period of 5 years. India has signed such treaties / agreement letters / agreements with 37 countries.

main point

- According to the agreement, cooperation between the two countries will lead to tackling of intoxicated and drug and drug trafficking in accordance with United Nations International Drug Control Treaties.
- Under this consent letter, the exchange of details based on the existing statutory tools of the National legislation of both the countries in dealing with drug trafficking, illegal trafficking of narcotics and its movement is included.
- Along with this, allowing and encouraging each other in the use of controlled distribution operations, in terms of identifying people involved in drug work, drug trafficking and its movement and compulsory chemicals, money laundering are also included.
- Under the consent letter, there is provision for retaining the confidentiality of the information and

Expected Questions (Prelims Exams)

1. Consider the following statements-

1. Indonesia and India are jointly the members of ASEAN, NAM and G-20
2. India imports the highest amount of palm oil from Indonesia.
3. Borobudur Buddhist temple is located on the island of Kalimantan Indonesia.

Which of the above statements is/are correct?

- (a) 1 and 2
- (b) Only 2
- (c) 1 and 3
- (d) All of the above

Expected Questions (Mains Exams)

- Q. Which types of effects can be seen on the bilateral ties of India due to the change of power in Indonesia? Discuss.**

(250Words)



Note: Answer of Prelims Expected Question given on 16 APR. is 1(b)