



**CHARTING A NEW PATH:
INDONESIA'S PRESIDENTIAL TRANSITION, 2014**

SYNOPSIS

Indonesia's 2014 presidential election opened a new era in the country's political life. For the first time since 1998, when a 30-year period of authoritarian rule ended, a popularly elected president completed two full terms in office and ceded power to a successor from a different political party. The transition tested the leadership of the outgoing president, Susilo Bambang Yudhoyono, whose cabinet included opponents of his elected successor, Joko Widodo. Governor of Jakarta and a former mayor, Jokowi, as the incoming president was popularly known, faced a steep learning curve, but Yudhoyono's cooperation eased the challenge. The director of Yudhoyono's innovative delivery unit, Kuntoro Magusubroto, worked with Jokowi's transition team. The unit prepared reports and briefings that gave the incoming Jokowi team an overview of key policies and programs. Other ministries provided briefings that varied in depth. The cooperative tone of the 2014 transition was a welcome departure from prior divisive handovers. Nonetheless, as of 2016, there was still a need to adjust the timing of the five-year plan with regard to the transition period as well as provide a legal basis for transferring information between incumbent ministers and incoming government officers.

Robert Joyce drafted this case study based on interviews conducted in Jakarta in May 2016. Case published August 2016.

INTRODUCTION

The Sunday before he handed over power to his elected successor, in October 2014, Indonesian president Susilo Bambang Yudhoyono posted a picture of his clean, bare office for his millions of Twitter followers. In a message attached to the photo, Yudhoyono said that although he was stepping down after two 5-year terms, the role of the presidency would remain unchanged and that his successor would continue to help Indonesians prosper.¹

Since his election 10 years earlier in Indonesia's first direct presidential vote, Yudhoyono had led a diverse coalition of political parties. He had

brokered compromises and introduced a number of important reforms in government operations, drawing on skills he had honed earlier as a general, cabinet minister, and vice president.² Although criticized for not having taken those changes far enough, he had embraced reform of the country's finance ministry and economic services and supported an extensive community-driven development program. Cooperating with his successor to leave office responsibly presented a final test of his leadership.

The incoming president, Joko Widodo, better known as Jokowi, had won election in July. A self-made businessman who ran a furniture exporting

company, he had become the first directly elected mayor of his native Surakarta, a city in central Java also known as Solo, in 2006.³ Popular for his perceived humility as well as his success in building political stability and improving the city's economy, Jokowi gained national prominence. Six years later, he won election as governor of the regional district that included Indonesia's capital city, Jakarta. And less than two years later, the Indonesian Democratic Party of Struggle (Partai Demokrasi Indonesia Perjuangan, or PDI-P) nominated him to run for president.

In its election coverage, United Kingdom–based magazine *The Economist* described Jokowi as “the only serious contender to have emerged from Indonesia's democratic present rather than its authoritarian past.”⁴ The comment was a jab at Jokowi's opponent, Prabowo Subianto, a former general who had been tossed out of the military amid accusations that he had ordered the kidnapping of student protesters.⁵

Jokowi won the July 2014 election with 53% of the vote. In August, he appointed a five-member transition team to prepare for his inauguration, scheduled for October, although Prabowo's supporters had challenged the election results in court. Led by former trade minister Rini Soemarno, the team's job was to transform Jokowi's political platform into a workable policy agenda and figure out how to restructure Indonesia's executive branch—the office of the presidency and the ministries—to enable the new president to put his plans into action. To succeed, Jokowi's team required the outgoing government's cooperation, which only Yudhoyono could guarantee.

Yudhoyono had to marshal his cabinet ministers to work with Jokowi, even though many came from parties that, like Yudhoyono's, had backed the new president's opponent. Success depended largely on political will from both sides and a shared sense of responsibility for the country's future. There were few laws or regulations to guide the transfer.

THE CHALLENGE

The country's recent past did not augur well for the success of the 2014 handover. Indonesia had had three presidents during the six years between the end of the Suharto regime and Yudhoyono's election in 2004, and each transfer of power had been abrupt and contentious.

When Suharto stepped down in 1998, Vice President Bacharuddin Jusuf Habibie assumed office. He left the post only a year later, after parliament's rejection of the annual formal accountability speech he offered. Days later, Abdurrahman Wahid took over, only to be impeached in July 2001. Parliament then chose Megawati Sukarnoputri, Wahid's vice president and leader of Jokowi's party, the PDI-P. Yudhoyono won the first of his two 5-year terms when he defeated Megawati in the 2004 general election—the first time Indonesians elected the president directly.

A decade later, as Yudhoyono and Jokowi prepared for the handover of power, they had an opportunity to set a new tone and forge a transition process that would let the new president hit the ground running. But there were serious political and administrative hurdles. The first challenge sprang from the tensions that the election campaign had produced. Yudhoyono and most of his allies had not supported Jokowi's candidacy. Yudhoyono's own party had backed Jokowi's opponent, and the president himself had spoken favorably of Prabowo before the election,⁶ although some observers said Yudhoyono's remarks fell short of an endorsement.⁷

In the immediate aftermath of the election, both Jokowi and the Indonesian public were uncertain about whether Yudhoyono intended to work with his successor and if so to what extent.⁸ Even if the outgoing president did decide to cooperate, he had to persuade his ministers, some of whom had firmly backed Prabowo, to follow his lead.

A second challenge arose from Jokowi's position as a newcomer to Indonesia's national

political scene. An asset during his campaign, being an outsider was now a liability. With only eight years of experience in politics and none as a national-level official, the incoming president had to navigate treacherous political waters and a notoriously convoluted bureaucracy. And although the president-elect's party, the PDI-P, still had some veterans from Megawati's administration 10 years earlier, many of the rank-and-file members had no experience in national government and little working knowledge of the country's institutions.

Political entanglements, many of them related to Megawati, also threatened Jokowi's transition from the outset. There was a history of bad blood between the outgoing and incoming political parties. Megawati, the daughter of Indonesia's first president, Sukarno, led the PDI-P with a tight grip and had a long-running feud with Yudhoyono. Relations between the two had been strained since 2004, when Yudhoyono, then Megawati's vice president, decided to run for the presidency. He defeated Megawati in a landslide election victory, and relations soured. Megawati's staff provided little support for the incoming Yudhoyono team, prompting the *Jakarta Post* to say at the time that Megawati's "actions and remarks, so far, during this historic transition period, have left us dumbfounded."⁹ Although Yudhoyono had tried repeatedly to reconcile with Megawati during the succeeding years, there was no reason for either side to expect strong cooperation.

Moreover, Megawati was poised to play an active role in the government of the younger, less-experienced, former mayor. Hasto Kristiyanto, a senior PDI-P official who served on Jokowi's transition team, said Megawati had planned to run again in 2014 but later decided to nominate the more popular Jokowi. James Van Zorge, a political risk consultant and Indonesia specialist, said Megawati viewed Jokowi as "more of a placeholder than a president."

"I made you a presidential candidate," Megawati told Jokowi at a televised PDI-P rally in May 2014, two months before the election.¹⁰ "But you should remember that you are the party's

official, with a function of implementing the party's programs and ideology."

Jokowi also faced political complications related to the PDI-P's electoral coalition with four smaller parties. Senior officials of each party wanted a seat at the bargaining table—especially during the cabinet selection process.

During the campaign, Jokowi had promised a "professional" government and said that political influence would not determine cabinet posts under his government. But because his coalition had a minority in parliament, he needed solid backing from allies and support by others in order to implement his priorities.¹¹ Jokowi had to walk a fine line between appointing people who could rally political support for his policies and the need for highly competent managers and sector specialists.

Jokowi's pick for a running mate illustrated the need for compromise. In May, Jokowi chose as his vice president Jusuf Kalla, an experienced politician who had served as a minister in Megawati's government and as vice president under Yudhoyono.¹² Kalla was a leader of Suharto's Golkar Party and could attract votes and support even though Golkar formally endorsed Jokowi's election opponent, Prabowo. Despite the political advantages, there were downsides to selecting Kalla, however. Yudhoyono had removed Kalla from the vice presidency after his first term partly because of Kalla's resistance to reforms.¹³ It was far from clear that Jokowi could count on Kalla to share his reformist spirit and manage policy issues.

As if high tension, limited experience, past history of limited cooperation, and coalition politics were not enough to impede a smooth transition, the government's complex organization posed a challenge in itself. Leading the more than 4 million people who worked in the national civil service was a far stretch from running a municipal administration or a provincial government. Jokowi inherited 34 ministries and several special-purpose offices set up during Yudhoyono's tenure. Three of the 34, called *coordinating ministries*, served to organize work around three priority sectors:

politics and security, the economy, and social welfare.

As Indonesia's new president, Jokowi wanted to overhaul the cabinet structure to better fit his priorities. Even though he was legally empowered to do so, the existing civil service rules, internal regulations, and budget policies made it difficult for any president to change the executive branch's structure or even ministry names. During the transition period, he had to wrestle with ways to address those problems.

Finally, Indonesia's national planning and budgeting processes further complicated the transition by solidifying future priorities established under the outgoing administration instead of giving the incoming government a say. In 2013, as required by law, the Ministry of National Development Planning had begun work on a five-year development plan covering 2015–19. By the July 2014 election, the document was in the final editing stage, according to Prasetijo Widjojo, who was a deputy planning minister at the time. Although the document was not binding, it was a formal statement of the government's development strategy, and ministries were obligated to produce their own documents on how they proposed to implement the goals it articulated. Jokowi had to find a way to incorporate his priorities into the planning process.

The budget presented a similar challenge. Yudhoyono had to send his 2015 budget proposal to parliament in August—two months before Jokowi was to take office. The country's laws required that legislators vote on the proposal in early October—before the end of the legislative term and before the new president's inauguration. The timeline was against Jokowi, who had no opportunity to influence the budget, which the finance ministry had worked on for months.

Law also restricted the budget deficit to 3% of gross domestic product. Because the 2015 budget estimated a 2.3% deficit, Jokowi had little leeway for new programs and projects.¹⁴ Energy subsidies, which were estimated to take up as much as 18% of the budget, represented a costly item that Jokowi had to address if he wanted to invest in the

country's future.¹⁵ The new president wanted to reduce these subsidies, enacted decades earlier to lower Indonesians' fuel costs, but the issue was sensitive with both politicians and the public.

FRAMING A RESPONSE

Well ahead of the 2014 election, Yudhoyono and Jokowi had started to make separate plans for Indonesia's transition to new leadership. When the election results were in, the question was how to bring those efforts together.

Yudhoyono: Planning past his term

Near the end of his second term, Yudhoyono began to think about his legacy. Risk consultant Van Zorge, who in 2016 was working with the former president to establish a presidential center that would focus on positive aspects of Yudhoyono's decade in office, described him as “very, very attentive to his reputation.”

In 2012, Yudhoyono and a group of his ministers had attended the inauguration of Timor-Leste's new president. The positive, upbeat atmosphere of the event impressed him and the others, according to Djoko Suyanto, coordinating minister of legal, political, and security affairs. “What we saw in the ceremony was beautiful. . . . The former president gave a beautiful departing speech and complimented his successor,” Suyanto recalled. “It surprised me at the time because in our experience, the transition of leaders has never been smooth.”

Inspired by the Timor-Leste example, Yudhoyono decided that his government would work toward a cooperative handover of power that would set a standard for future transitions, Suyanto said. In his role as coordinating minister for political affairs, Suyanto played a crucial role in that task. Formerly Indonesia's highest-ranking military officer, Suyanto had no political affiliation and was viewed as nonpartisan. His background helped him command respect not only within Yudhoyono's cabinet but among members of the opposition PDI-P as well. “They trusted me because I'm not a member of the party,” he said.

Yudhoyono's presidential delivery unit, known by its Indonesian acronym, UKP4, was also particularly well positioned to assist with the transition. The head of the unit was Kuntoro Mangkusubroto, a former minister of energy who had overseen reconstruction following the 2004 Indian Ocean tsunami that devastated Aceh province on the Indonesian island of Sumatra. The UKP4's core staff of roughly 20 monitored the progress of priority government programs while suggesting solutions to bottlenecks that sometimes arose when projects required cooperation among ministries.

A year before Yudhoyono's term ended, Kuntoro had laid some of the groundwork for a transition of power. "In 2013, when we started the preparation, we didn't know who was going to be president," said Rivana Mezaya, who worked with Kuntoro in the delivery unit. "There were no nominations yet. We were open to work with any kind of candidate."

With the end of Yudhoyono's term looming, Kuntoro began work on a project to forecast and analyze the challenges the next president would face. Kuntoro wanted the analysis to serve as a primer for the incoming leader, and he hired Yanuar Nugroho, a public policy researcher at the United Kingdom's University of Manchester to write the report.

Nugroho described the document as an alternative to the five-year plan being developed by the planning ministry at the time. He said he analyzed strategic policy challenges—achieving food security, building a clean and successful government, ensuring proper health facilities, and the like—and sought indicators to measure progress on each. Nugroho also consulted focus groups to discuss important issues on the horizon. He completed the study several months before the 2014 election.

Setting a course

Even though he had not yet been elected president, Jokowi also took several important steps to solidify his political position and pave the way for a successful outcome. As required by law, he

developed a political platform that formed the basis for his policy agenda. To draft the document, Jokowi relied on the PDI-P's existing policy team, input from his own trusted aides, and his running mate Kalla's contributions, according to PDI-P official Hasto. The final, 42-page platform broadly favored a strong state role in helping to make Indonesia more self-sufficient in energy, manufacturing, and agriculture—all features of Sukarno's ideology. Some aspects clashed with Yudhoyono's more market-centered approach, but not all. Specifically, the document suggested reducing energy subsidies while boosting domestic energy production and further developing Indonesia's maritime infrastructure—ports, shipping lanes, and the fishing industry—one of Jokowi's top priorities.

During the campaign, Jokowi's staff refined the platform in response to debates between the candidates and media scrutiny. Kalla advised shortening the document and emphasizing a few broad points to win wider public appeal. Eventually, Jokowi and Kalla settled on nine principles, known as Nawa Cita. The broad list included strengthening the government's role in the economy with a view to reduce the impact of global trade, reforming the civil service, restructuring the government, and building new infrastructure.

GETTING DOWN TO WORK

Although Jokowi had emerged as the apparent winner of the July election, his opponent's protests and related court action raised uncertainties that delayed the work on the handover process. By August, when the president-elect shifted gears from campaign to transition, the October inauguration was roughly 10 weeks away. President Yudhoyono was in an awkward position because he could not officially mobilize his government to work with Jokowi until the legal dust had settled.

Appointing a transition team

In early August, Jokowi broke with past practice and announced the members of his transition team. Earlier presidents had usually kept

secret the names of their advisers. Megawati had wanted the names of Jokowi's advisers to remain secret, too, Hasto said. "Megawati's concern was that if the team were known to the public, Jokowi supporters and interest groups would influence the transition team and push their own agendas," he said. But Jokowi thought his momentum had stalled, Hasto said.

By early August, almost a month had passed since the July election. Excitement over Jokowi's apparent victory had diminished amid his opponent's legal challenge, which was still dragging through the court system. Announcing the team helped generate new enthusiasm, and it was consistent with the candidate's pledge to improve transparency.

To staff the transition team, Jokowi selected a mix of people who represented diverse political interests and backgrounds. The chair and four deputies played especially important roles in developing policy proposals. Soemarno, Megawati's former trade minister, led the team. She set up meetings with key officials in the government, civil society, and other fields. She also was involved in helping the president-elect restructure the cabinet and select his ministers. Hasto, a former PDI-P legislator who later served as vice-secretary-general of the party and was close to Megawati, led working groups on the budget and energy. The three other deputies also brought distinctive ties and experience to the job. Anies Baswedan, who had started a civil society program that placed young, educated Indonesians in rural areas to teach, had served as a spokesperson for the Jokowi campaign and was personally close to the candidate. He handled health care, education, and poverty. Andi Widjajanto, a professor of international relations at the University of Indonesia, had advised Jokowi during the campaign and handled international relations and security issues. Jokowi also appointed Akbar Faizal, a member of the allied National Democratic Party, to represent his party and other coalition partners. Faizal worked on infrastructure and housing.¹⁶

Working groups were responsible for outlining steps the new government ought to take once in

office. Each deputy oversaw three or four such groups, which were staffed by as many as 10 sector specialists or former officials. The working groups were relatively fluid, and advisers often participated in meetings outside their main focus. The groups drew up detailed policy suggestions based on the Nawa Cita principles, Jokowi's campaign statements, and meetings with specialists and representatives of allied political parties. In October, the heads of the working groups sent their reports to the transition team deputies for whom they worked. The deputies then compiled and presented the reports to Soemarno, who reviewed them with the help of Pratikno (who, like many Indonesians, used one name), a professor of political science at Gadjah Mada University.

Opening an unofficial channel

Kuntoro and his staff at the UKP4 delivery unit began an informal dialogue with Jokowi officials shortly after Jokowi's apparent victory in July, said Nugroho, the researcher who drew up the document that analyzed challenges the next president was confronting. Kuntoro's overture was a backdoor way that Yudhoyono, whose party had endorsed Jokowi's opponent, could help the incoming president before the courts resolved the election challenge. Kuntoro said Yudhoyono was aware of the forecasting report and of the early contact with the Jokowi team.

Kuntoro was well-placed to act. The UKP4's independence and flexibility enabled him to meet with Jokowi's transition team while the legal challenge to the election, then in the courts, restrained many official dealings between the incoming and outgoing sides. Also, Kuntoro's personal reputation for honesty and the results he had delivered after the 2004 tsunami and then as head of the UKP4 bolstered his credibility with members of the Jokowi team. Finally, because the UKP4 was responsible for monitoring priority programs across the government and resolving bottlenecks, the office had a wealth of valuable information. "We were the hub of all the information," said Kuntoro's staff member Mezaya.

With his forecasting document in hand, Nugroho and Kuntoro had something to offer the Jokowi team and a foundation on which to begin discussions. In July, Kuntoro said, he and his unit “started sending signals to the elected president’s team that we were ready to have a discussion with them.” In August, after Jokowi appointed his transition team but before the courts confirmed his victory, Kuntoro met behind closed doors with the incoming transition team.

The UKP4 compiled two transition-related reports for the Jokowi team, Kuntoro said. The first was the so-called foresight document, which highlighted and analyzed future challenges and described relevant indicators for measuring improvement. A second report summarized the UKP4’s work during the previous five years, including the progress of key programs the unit tracked and how the unit itself operated.

In addition to preparing the reports, Kuntoro and his staff made themselves available to answer questions from Jokowi’s people. Occasionally, Kuntoro said, he assigned a member of his 20-member staff to help one of Jokowi’s working groups on a specific problem.

The energy working group had especially successful exchanges with Kuntoro’s staff, said Agung Wicaksono, a UKP4 staffer who worked with Jokowi officials on the energy team. In August, Kuntoro’s staff organized a forecasting workshop focused on the energy sector. For two weekends, energy scholars, government officials, and members of the Jokowi team brainstormed future challenges to the sector. The workshop served to build trust between the handful of members of the UKP4 and Jokowi’s team and provided a basis for discussion in the Jokowi energy working group. Wicaksono later joined the energy ministry as an adviser and said the Jokowi government adopted many of the workshop’s recommendations.

Creating protocols for an official channel

On August 21, the constitutional court, Indonesia’s highest legal authority, rejected the electoral challenge against Jokowi, removing the

last formal obstacle to the transfer of power. “After our constitutional court decided that Jokowi had won the election—there were still high tempers on both sides—we started to look at how we could manage the handover,” Suyanto said.

Yudhoyono ordered his cabinet to cooperate with the Jokowi team. Suyanto recalled that the president told his ministers: “Let’s forget what happened. Now our job is to carry through with the transition.”

A week later, Yudhoyono and Jokowi met on the Indonesian island of Bali to discuss the transition and open a direct exchange of information. “We set up communication between Yudhoyono’s team and Jokowi’s team. That was very important,” Suyanto said. The meeting also served to bring the two men together in the public eye—a symbolically important event.

At the meeting, Jokowi also pressed Yudhoyono to eliminate the energy subsidies that were choking the budget, Jokowi told reporters afterward,¹⁷ but Yudhoyono declined to make such a sweeping move in the waning days of his presidency.¹⁸

The president’s finance minister, Chatib Basri, said he had prepared the technical calculations required and had urged Yudhoyono to cut the subsidies, but the president decided not to take this step. Jokowi’s PDI-P had for years opposed Yudhoyono’s own earlier efforts to eliminate the subsidies. The party had changed its position now that it had won the presidency and had to find money in the budget for its priorities. The flip may have irked the outgoing president. Political costs may also have entered the calculation. Yudhoyono was concerned about his legacy and public image as his 10-year presidency neared an end, and he may have wanted to preserve his popularity. The consultant Van Zorge called him “extremely risk averse” on this and other issues.

A few days after the Bali meeting, Yudhoyono established a strict protocol that required Jokowi’s team to send all requests through coordinating ministers. The rules came after complaints by ministers that Soemarno and Jokowi’s working groups were calling their offices directly with

questions and requests for information, Suyanto said. Yudhoyono and Suyanto, former generals, did not like the ad hoc, undisciplined process. “We felt it was inappropriate,” he said. “The government was still Yudhoyono’s government, and it should not be disturbed.” Jokowi’s team complied with the procedures, which slowed the flow of information somewhat.

The extent of the exchange of information varied across the government. At the finance ministry, Basri and his senior staff had prepared for the incoming minister some introductory documents and a record of their activities. Basri said he was available to work with Jokowi officials to address questions and concerns they had about the 2015 budget. By contrast, Suyanto said, the ministers in the political and security sectors prepared no formal documents. The burden was on Jokowi’s team to ask questions—except in the case of intelligence briefings, which the president-elect received.

Suyanto said that most of the time, the Jokowi officials neither asked detailed questions nor sought advice from their outgoing counterparts. “Maybe they don’t know what they want to ask,” he said. “Most of them had not been in ministries before.”

An aide to Hasto said Jokowi’s working groups were concerned mainly with broad issues and left details for the incoming but as yet not appointed ministers to work out with the permanent civil service.

Restructuring the cabinet and selecting ministers

During the campaign, Jokowi had promised to populate his cabinet with policy experts who had the education and background needed to excel in their positions. He also had pledged to streamline the government’s work flow. However, advice from experienced officials as well as political pressure soon made it clear that significant changes would be difficult. Indonesian law gave Jokowi only limited authority to rework his cabinet and ministries. He was not permitted to make changes in the foreign affairs, defense, or home ministries; and any changes in the ministries of finance,

religion, and law required explicit permission from parliament. Other ministries could be altered or eliminated with parliament’s consideration. The total number of ministries could not exceed 34, the number that Yudhoyono had. Jokowi had 14 days after his inauguration to make any changes.¹⁹

The president’s own decision-support structure was also large and complex. Yudhoyono had received counsel from an array of sources. The state secretary handled legal decrees and administrative orders. The cabinet secretary was the president’s liaison with the ministers. For political advice, the president relied on personally selected advisers known as special staff. A delivery unit—an innovation Yudhoyono had introduced at the start of his second term in 2009—monitored the implementation of priority government programs. The staff associated with those offices numbered in the thousands.

Streamlining these institutions was a challenge. For example, the cabinet secretary and state secretary under previous Indonesian presidents had overlapping responsibilities. But to combine the offices, a president had to relocate displaced civil servants (they could not be fired easily because of legal protections), draw up a new organizational structure, and amend the budget, a step that required parliamentary approval. Other challenges included likely pushback from civil servants who resisted change and likely opposition by political parties that stood to lose key patronage positions.

Pratikno, the political science professor who later became Jokowi’s state secretary, led the transition team’s evaluation of the cabinet’s structure, with contributions by Sofian Effendi, who worked with an outside group of former officials and scholars to advise the Jokowi campaign. They considered three options: The first was to minimize disruption by keeping the cabinet as it was. The second was to slash the number to ministers to as few as 20 in order to streamline cabinet decisions, facilitate management of the group, and reduce coalition parties ministers’ opportunities to press competing interests. The third option was a blend of the first two by a

trimming of the number of ministries but leaving at least 30.

Effendi, a retired public policy professor at Gadjah Mada University and a former public official, consulted with former ministers, senior civil servants, and scholars during August and September and asked several of his colleagues to do the same. Many of the people with whom they spoke favored a smaller, more manageable cabinet, but the advisers also saw that reduction in cabinet size could cause political trouble by eliminating roles for appointees from allied parties.

When Pratikno and other Jokowi team members asked Kuntoro how to restructure the executive branch, the UKP4 head advised against any major cabinet reforms early in the term. “Based on our experience, trying to merge ministries or detach ministries would take at least two years,” Kuntoro said. “The process is unbelievably tedious and very hectic.”

Kuntoro also counseled against Jokowi’s proposal to restructure and shrink the staff of the presidential office. The incoming president wanted a simpler organization that consolidated monitoring and evaluation, political relations, communications, and cabinet relations into a single office. Kuntoro said such a move would trigger significant pushback and costly delays. Kalla also warned against immediate bureaucratic shake-ups.

In late October, Jokowi announced his cabinet. He decided to keep the number of ministries at 34 but eliminated all vice ministers except in foreign affairs. The move reduced the number of senior ministry positions, many of which had been considered patronage posts.

Jokowi created the Coordinating Ministry for Maritime Affairs, a move that underscored the president’s focus on the sector. He combined the ministries of forest and environment to focus the government’s efforts on deforestation and its contribution to global warming, Effendi said. He also shifted the higher-education desk from the ministry of education to science and technology, which Effendi said served to strengthen the government’s efforts to educate students for jobs in the technology sector.

Coping with a time crunch

The entire transition process took place under a demanding timeline. The crunch especially affected work on the 2015 budget and the national development plan.

Jokowi’s team had only weeks in August and September before the outgoing parliament had to pass the 2015 budget. Likewise, the team had to work with outgoing officials in the planning ministry to introduce the new president’s priorities into the medium-term development plan, which was in its final stages.

Hasto, Soemarno, and other members of Jokowi’s team worked with officials from the finance ministry and the UKP4 to determine how they might incorporate the new president’s priorities in the 2015 fiscal plan.

Basri, Yudhoyono’s finance minister, said his ministry based the 2015 budget proposal on the previous year’s—with no new initiatives—in order to make the transition process simpler. Two issues, however, could imperil the new government’s fiscal policy, Basri said. The first involved the energy subsidies. Basri said he advised the Jokowi team to eliminate the subsidies as quickly as possible because low global oil prices at the time would reduce the move’s impact on the public. He said he ensured that the budget was structured to facilitate the removal of the subsidies without having to rework the entire plan. The second issue was cabinet restructuring, he said. Renaming, combining, and creating new ministries would delay the implementation of any new budget, Basri recalled telling the Jokowi team.

Basri said he had expected the original 2015 budget to be in place for only about three months because the new administration could adjust the law, as previous governments had done. Jokowi’s eventual pick for minister of finance worked to deliver an updated budget as quickly as possible. The amended budget law, with significant cuts in subsidies and increases in capital spending, was ready by January 2015. Parliament passed the new budget in February.²⁰

The medium-term national development plan presented similar challenges. Even though the plan

was not binding, as the budget was, the multiyear undertaking could not be amended easily.

Just a few weeks before Jokowi's inauguration, his team finally met with officials from the planning ministry. Law required the planning document's release in January, and Deputy Planning Minister Prasetyo knew his team at the ministry had little time to accommodate the new president's proposals. Prasetyo, who had been in government for 35 years, had created a list of Jokowi's priorities, based on statements made during the campaign. "I took the initiative with my team to make a list of Jokowi's political promises during the campaign, of things to accomplish in four or five years," he said. "Then we calculated the financing we would need."

When Prasetyo's staff analyzed the proposals and their costs, it became clear that Jokowi's political promises exceeded the country's fiscal realities. Prasetyo recalled thinking that Jokowi's pledge to increase tax revenue to 16% of gross domestic product was too optimistic. At the time, the figure was about 11%.²¹ Prasetyo said he and his team did what they could, but the Jokowi team faced tough decisions.

Discussing the national planning document with Jokowi's transition team was difficult, Prasetyo said, because most of Jokowi's team members had little or no national government experience and were unfamiliar with how the planning process worked. "The PDI-P had been in opposition for 10 years before coming into the government. They don't know exactly what's going on in the government and what the process is," Prasetyo said. "I'm not sure they had the technical capacity."

Andriano Chaniago, who became Jokowi's first planning minister, had participated in those conversations, although he did not know at the time that he would be asked to lead the ministry. Once he took office, he met with his predecessor and began to work with civil servants in the ministry to insert the working groups' recommendations into the plan, which was already in its late stages. The final draft reflected some of the new president's major priorities, including

increased spending on maritime infrastructure. In January 2015, Jokowi issued the new national development plan as an executive order.

Some of the Jokowi's advisers said the president saw the plan as reflecting too many of his predecessor's priorities and too few of his own. "We have a very hierarchical system, and time was very limited," said Prasetyo, a senior planning ministry official who left the ministry before Chaniago took office. "We tried to make our technocratic draft in line with Jokowi's vision," he added. "It wasn't easy. . . . We didn't have enough time to communicate with the presidential team."

Appointing a new cabinet

In August and September, the president-elect also began to identify people to serve in the cabinet and help lead the new government. Indonesian presidents typically waited several days or weeks after inauguration to reveal their cabinet ministers, but Jokowi had made a promise to commit to appointing technocrats so as to avoid the delays his predecessors had experienced.

Political challenges arose immediately. Megawati quickly torpedoed Jokowi's hopes to create a nonpartisan cabinet, and her political allies openly criticized the president-elect's attempt to favor technocrats over political leaders in the selection process. "It is Megawati's prerogative to decide candidates to be conveyed to Jokowi for the cabinet," Eva Kusuma Sundari, a PDI-P member of parliament, told Bloomberg News agency at the time.²²

Interpretations of that episode varied. Hasto, who was on Jokowi's transition team, said Megawati simply saw a need for political experience. "Megawati understood the role of the president," Hasto said. Naming people to cabinet appointments and other strategic positions was Jokowi's prerogative, but it was important to have politicians in the cabinet, Hasto said. "At the end of the day, a minister who had poor relationships with the political parties and the parliament would face problems," he added.

Kevin O'Rourke, who produced the *Reformasi Weekly* newsletter, a review of Indonesian politics

and policy making, wrote that the new president was “grappling at the outset with the crux of contradictions in Indonesian politics: the imperative to govern cleanly, on one hand, versus demands made by established patronage networks.”²³ To maintain his coalition and preserve any chance of winning the support of other parties, Jokowi had to agree to appoint politicians to ministerial posts.

By mid-September, Jokowi had reversed his earlier pledge and conceded that half of his ministers would be sector specialists and the other half would be politicians.²⁴ Attention quickly shifted to the question of specific appointments. Megawati pushed several of her own candidates,²⁵ and Jokowi’s coalition allies pressed for their own nominees.

In a break with past practice, Jokowi submitted a confidential list of more than 40 nominees for vetting by Indonesia’s anticorruption commission (the Komisi Pemberantasan Korupsi, or KPK).²⁶ The commission responded by flagging several on the list as potentially problematic but did not reveal any names publicly.²⁷ The commission registered a strong objection by way of a red flag when a particular person was found to be involved in an ongoing investigation and could be named as a suspect. A weaker objection, by way of an orange flag, signaled general suspicion because of offshore accounts or personal wealth that was unaccounted for. The KPK registered a weak objection, a yellow flag, if the public had complained of the official.²⁸ Jokowi said he took the commission’s suggestions into account when making his final selections.

Involving the KPK in the selection process was a possibly shrewd political move. It enabled Jokowi to maintain his reputation as a champion of clean government despite his reversal on the issue of having politicians in his cabinet.²⁹ In addition, the commission’s review likely eliminated some nominees whom Jokowi did not want in his cabinet but could not deny to his allies. O’Rourke called the decision to involve the KPK “not only sound and proper, but also politically astute.”³⁰ Not everyone agreed with that assessment,

however. For example, Hasto said that giving the commission vetting authority diminished the power of the president and that the KPK’s evaluation itself lacked transparency.

Jokowi still had not announced his cabinet by the time of his inauguration on October 20. When he introduced his list a week later, the cabinet was split between politicians and sector specialists, as expected. Jokowi appointed Puan Maharani, Megawati’s daughter, as a coordinating minister. The finance ministry went to the then deputy minister. Transition team chief Soemarno, who had served as trade minister under Megawati, took over the powerful Ministry of State-Owned Enterprises. Professor of international relations Widjajanto, who had advised Jokowi on international relations and security during the campaign, became cabinet secretary. The new president and cabinet officers hired some of the outgoing officials to fill other positions in the administration, thereby fostering continuity in some policy areas; Nugroho and other members of Kuntoro’s UKP4 staff in particular received key posts, for example.

OVERCOMING OBSTACLES

Getting his cabinet in place was only the beginning of Jokowi’s struggles. Because the president had changed the names of several of the ministries, had combined others, and had created a new coordinating ministry, some of the new cabinet officers suddenly found they could not draw on their budgets because the names of their organizations no longer corresponded to the organizations’ legal names in the official accounts. It was still possible to pay civil servants and cover office costs, but there was no money to pay for programs.

“The cabinet was a sitting duck until April [of the next year],” said Nugroho, who stayed on in Jokowi’s presidential office. “With the change in nomenclature, they could not access the money.” Jokowi officials and outside observers estimated it took the government six months to a year to overcome the delays. And the reorganization presented problems—at least in the short term.

Prasetijo, who took a position as an adviser in the Coordinating Ministry for Human Development and Cultural Affairs, said organizational and staffing turbulence over the makeover slowed spending and weighed on the economy, which was already under pressure from lower commodity prices. By June 2015, the government had used only 35% of its budget, according to a Bloomberg report.³¹ Gross domestic product growth slowed to 4.7% for the full year, from 5.0% in 2014 and 5.6% in 2013.³² Although it was understandable that the new president would want to make difficult changes up front, the planning fell short of what was required for a smooth transition.

At the end of 2014, about two months after his inauguration, Jokowi also began to reorganize his office of the presidency. He took aim at the delivery unit, the UKP4, which had assisted his team during the transition. He kept the cabinet secretary and state secretary offices, which together contained most of the presidential employees. The revamped structure absorbed the UKP4's monitoring, evaluation, and troubleshooting functions, the political advisory and communication roles of Yudhoyono's special staff, and planning and forecasting tasks.

In January, Jokowi appointed Luhut Binsar Pandjaitan, a confidant and former general, to lead the new office of the presidency. Luhut became a deputy the new president relied on for political support, especially with the military.

Like new and renamed ministries, the new presidential office had to wait months until it could spend its budget. Moreover, the office had to be organized from scratch. Nugroho, whom Jokowi appointed as one of Luhut's deputies, called the decision "not effective." He added, "We had to start from zero." Kuntoro, who left the UKP4 when Yudhoyono's term ended, called the new office a "typical bureaucratic structure. . . . That's the first step to failure."

Hasto said members of Jokowi's transition team underestimated the impact of the cabinet and presidential restructuring because many of them were new to government and had a weak understanding of how things worked. "When

changing the structure of the government in the future, we need to look at best practices and how the government is working now," he said.

ASSESSING RESULTS

At the handover ceremony in October 2014, Yudhoyono praised Jokowi and wished him luck, mirroring the transition he had observed in Timor-Leste two years earlier. The joint appearance marked a symbolic moment for Indonesia. "In all my time, the handover has never gone more smoothly," Suyanto said.

There were several commonly-used benchmarks for measuring presidential transition success. First was the level of civility and willingness to solve problems. Second was the level of cooperation between the incoming and outgoing administrations in transferring information. A third was the new president's ability to have a program or set of priorities in place at the beginning of the presidential term to guide the work of civil servants. Fourth was the incoming leader's timely identification and vetting of cabinet ministers. A final indicator was the presence or absence of sabotage by the outgoing leader, who was in a position to deplete budgets or appoint high numbers of political supporters to government jobs, both of which would hinder the incoming president's ability to work on programs.

Measured in terms of cooperation, the 2014 Indonesia transition was reasonably successful. Both incoming and outgoing officials described their interactions as generally smooth, and Jokowi transition team members lauded their counterparts for being helpful and forthcoming.

Equally important were the decisions senior leaders made at various times to favor cooperation over dissonance. On several occasions, Yudhoyono and his ministers—or Prabowo and his supporters—could have made the transition far rockier than it turned out to be: Yudhoyono could have eschewed meetings or withheld information until after the court ruling on the election outcome. Or he could have quashed cooperation when he felt Jokowi's team was not following his rules. "Yudhoyono wanted to create a new

tradition of handing over,” Suyanto said. “If [he] had taken a hard line, maybe things would have been different.” Likewise, Prabowo could have kept pushing his allies, including Yudhoyono’s party and many of his coalition allies, to continue to fight on his behalf through Jokowi’s inauguration. Instead, he attended the ceremony and saluted the new president.

Although civility marked the occasion, the thoroughness of information handover varied. Not all ministries drafted transition briefing reports for the incoming team, although the finance ministry set a model for the future. It took both sides to make the process a success, however, and deeper preparation by the outgoing government could have improved the quality of the meetings between the two sides that were sometimes the only opportunities for debriefing.

In terms of providing clear policy priorities to guide government during the opening months, the 2014 transition also had some successes and some missed opportunities. Jokowi’s staff had articulated a program as required by electoral law, but the length and rigor of his working groups’ reports varied considerably depending on the knowledge and experience of those involved. For instance, some teams benefited from participation by former insiders who understood how Indonesia’s institutions worked, but others such as Baswedan and other civil society members and scholars had little experience in writing policy plans that civil servants could use. As a result, policy direction was weak in certain parts of the new government.

Hamstrung by regulations, the effort to refashion the cabinet by combining some ministries and creating a new coordinating ministry floundered, impeding the effort to address the program articulated in the campaign.

Making high-level cabinet appointments, including completing the kind of ethics vetting conducted in many democracies, also proved difficult. The backroom negotiations that had produced the list of appointees undermined some of the president’s campaign pledges to appoint more technical specialists, causing some dismay among voters. In part, the challenge arose from

the perceived need for a broad coalition in the cabinet to bring political stability. Cabinet appointments were also contested because Indonesia’s political parties were still largely personality based. Compromises had to be made on personnel rather than on the policy program. The absence of established ethics standards, practices, and review committees also contributed to the discontent this phase generated by requiring the president to rely on the anticorruption commission for review of people under consideration for high-level jobs.

During his first year in office, Jokowi reassigned several of his senior officials—moves that reflected his transition team’s difficulties in selecting the right people as well as in shifting power balances within the governing coalition.

Finally, although there were no signs that the Yudhoyono government tried to spend lavishly or reward supporters with jobs, the rigidities built into the bureaucratic structure made it difficult to shift policy in response to voters’ wishes. The five-year plan that had been largely completed before the transition contained much of the big-picture policy direction for the government. The budget for the first year of the term was likewise already set. And although Yudhoyono did not take any last-minute actions to sabotage the incoming Jokowi administration, his hesitancy to remove energy subsidies left the government in a difficult fiscal position and forced Jokowi to make an unpopular decision early in his term.

Those problems aside, in 2016 German public policy research organization Bertelsmann Stiftung reported in its Transformation Index a slight gain in the Indonesian government’s steering capacity, or the ability to prioritize and deliver on objectives. The government’s score rose to 6.3 from 6.0 in 2014 on a 10-point scale. (Yudhoyono’s administration matched that score in 2010 but scored 6.0 or below for much of his term). The 2016 report, based on governance evaluation questions answered by country experts, cited Jokowi’s focus on his nine priorities, the Nawa Cita, and his ability to prod his ministers to implement his vision.³³

REFLECTIONS

In crossing a political divide and cooperating with the new administration, outgoing Indonesian president Susilo Bambang Yudhoyono's ministers helped move Indonesia a step closer to a tradition of amicable governmental change. Advisers to incoming president Joko Widodo (or Jokowi, as the incoming president was popularly known) also reflected on how to improve the transition process further.

Members of both the incoming and outgoing administrations stressed that it was helpful to have people who had real experience in leading a ministry. "One of the weaknesses of the transition team was that we didn't have any experience in running government," said Hasto Kristiyanto, who served as a deputy on Jokowi's transition team. "Most of us were scholars, lecturers in universities, and political observers. For the next transition team, it would be better to have more former ministers, who have lots of experience in managing government."

Participants also said it would be useful to have a formal system for running background checks on incoming cabinet ministers. Jokowi decided to involve Indonesia's anticorruption commission in cabinet vetting—a creative move, but an approach that did not adequately meet the need. The commission may have arguably been the most appropriate public agency then in place to conduct ethics reviews, but its criteria for flagging unsuitable cabinet nominees were unclear. Improved and more-transparent criteria, as well as

the presentation of a rationale for the decisions rendered, could help in future vetting efforts.

The transition also pointed to the need for changes in certain internal government processes and the laws or regulations that shaped those processes. It was important both to make it easier to reshape the president's own advisory system and to influence the five-year plan that the civil service would follow as a guide during the new president's term in office.

Differences of opinion remained about whether a new law should specify transition procedures or standards, or whether the process should remain informal and flexible. Some of the participants in the 2014 transition said it would be better to let best-practices develop over time before attempts to dictate the form and format of handovers. Others said a law could serve a useful role by providing civil servants and other members of an outgoing administration with the legal backing for cooperating with an incoming government without fear of political retribution. "I hope and I believe that all transitions from one leader to another will run smoothly," said Djoko Suyanto, outgoing coordinating minister of political and security affairs. "Democracy is democracy. Competition is competition. Democracy and competition should be dynamic, but it should not go further than the election. It should not have further impact or effect on our society. Competition is hard. But as long as we can manage the elections peacefully, it should be easy to manage the transition."

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