

# **Indonesia: Prabowo's golden Indonesia – oligarchy style militarism**

Tuesday 18 March 2025, by [BALOWSKI James](#), [KARUNIANIDI Riang](#), [NEGORO Dipo](#) (Date first published: 7 March 2025).

**The first one hundred days of the administration of President Prabowo Subianto and Vice President Gibran Rakabuming Raka has already given us a picture of how this regime will run in the future. Prabowo has managed to repeat former president Joko "Jokowi" Widodo's success in consolidating the majority of the existing political elite factions.**

This has included further strengthening the military as the strongest political elite faction in Indonesia since the 1965 anti-communist purge. This consolidation was carried out based on the distribution of political power and economic access.

The one political elite faction that is outside of Prabowo's coalition, the Indonesian Democratic Party of Struggle (PDI-P), can never become an opposition force, because their interests are actually similar to those of the political elite as a whole. A "carrot and stick" approach has been used by the Prabowo-Gibran regime against the PDI-P during this period of negotiations.

Meanwhile the popular protest movement has reemerged with the #Indonesiagelap (Dark Indonesia) demonstrations, which first emerged with the #ReformasiDikorupsi (Reform Corrupted) protests in 2019, but which are still predominantly spontaneous in nature.

Prabowo's Indonesian Forward Coalition Plus (Kim+) which includes his Greater Indonesia Movement Party (Gerindra), the Golkar Party, the Democrat Party, the National Mandate Party (PAN), the Indonesian Solidarity Party (PSI), the Crescent Star Party (PBB), the Indonesian People's Wave Party (Gelora), the Indonesian Reform Movement Party (Garuda) and the People's Justice and Prosperity Party (Prima), along with the Justice and Prosperity Party (PKS), the National Awakening Party (PKB), the United Development Party (PPP), the United Indonesia Party (Perindo) and the National Democrat Party (Nasdem) are preparing themselves to continue to rule for at least the next 10 years.

Prabowo, at a friendly gathering of KIM+ party heads at his residence in Hambalang, West Java, on Friday February 14, proposed the formation of a permanent coalition. He claimed that this was for the sake of unity and maintaining a "cool" political atmosphere, but in fact this is a consolidation of the political elite to strengthen their future position.

The unity that was built on the basis of sharing out portions of power resulted in the Prabowo-Gibran regime's Red and White cabinet being booted. According to some mass media, 50 percent of the cabinet consists of professionals.

But this analysis is incorrect, first because it seems to assume that the professionals are separated from their political interests and secondly, military and police officers are also categorised

as professionals, ignoring the fact that Indonesian Military (TNI) and National Police (Polri) are a political elite faction that has a history of being thirsty for power.

With 48 ministers, five agency heads and 55 deputy ministers, this is the largest cabinet since the 1965 disaster and the budget for the additional ministries has swelled by more than 100 percent and will cost a massive 777 billion rupiah a year.

This does not including special staff who are also a way to share out positions. Assuming a special staff minimum net salary of 25 million rupiah per month, one ministry must budget 125 million rupiah every month if they have five special staff. With 48 ministries the state must allocate at least 72 billion rupiah per year to pay special staff alone. Not including advisors, messengers and the Presidential Special Staff.

The Prabowo-Gibran regime then issued Presidential Instruction (Inpres) Number 1/2025 on Efficiency of Expenditures in the Implementation of the State Revenue and Expenditure Budget and the Regional Revenue and Expenditure Budget for the 2025 Budget Year, aka "budget efficiency".

Through this policy Prabowo is targeting savings of 306.69 trillion rupiah. In his speech at the climax of the 17<sup>th</sup> anniversary of the Gerindra Party on Sunday February 16, Prabowo said that in the first round, the budget savings will reached 306.69 trillion rupiah. Then, in the second round, budget efficiency is targeted at 308 trillion rupiah.

At least 59 ministries and state institutions will be affect by cuts. These vary ranging from quite small such as the Ministry of Religious Affairs (0.02%) and the agency overseeing Prabowo's flagship free nutritious meals (MBG) program the National Nutrition Agency (0.28%), to big such as the Ministry of Communication and Information (38.57%) and the Ministry of Agriculture (41.80%).

But we can still see that that two ministries with the largest budget are ministries that function to repress of workers and the ordinary people. These are the Ministry of Defence (Kemhan) and the TNI with budgets amounting to 139.2 trillion rupiah and the National Police with a huge budget of trillion rupiah.

Next is the Ministry of Social Affairs of with a budget of 78.6 trillion rupiah, around 90 percent of which will be used for bribes to appease the people in the form of direct social assistance, along with a new institution controlled by the military, the National Nutrition Agency with a budget of 71 trillion rupiah.

One of the results of budget efficiency is cuts to education funding that was already expensive and becoming more expensive. Indonesia is the third largest higher education institution producer in the world after the United States and India. There are around 4,000 universities throughout the country. However, every year the costs of tertiary institutions increases by an average of 15 percent.

Meanwhile the average increase in wages has never reached as much or gone beyond this. The budget cuts to the Ministry of Higher Education, Science and Technology will further exacerbate the educational situation in Indonesia after several scholarship platforms amounting to more than 2.6 trillion rupiah were lost due to cuts. At the same time, the National Research and Innovation Agency (BRIN) was also hit with a 50 percent budget cut and as a consequence, 12 research organisations under BRIN were frozen. And this is just related to education and research.

The National Human Rights Commission (Komnas HAM), whose initial budget was set at 112.8

billion rupiah was cut by 46 percent to 52.1 billion. These cuts will result in the freezing of the monitoring of human rights situations in Papua and the absence of accommodation expenses and official travel assistance in cases of human rights violations, including an end to the work of resolving past human rights violations. The cuts will also have an impact on the Witness and Victim Protection Agency (LPSK), which will no longer provide protection or assistance due to the absence of a budget.

These budget savings will be used for the MBG program, around 391 trillion rupiah. The MBG program is regulated under Presidential Regulation Number 83/2024 and controlled by an institution called the National Nutrition Agency (BGN) in which many retired TNI officers fill the leadership positions.

The chairperson of the BGN is Dadan Handayana, a lecturer from the Bogor Institute of Agriculture (ITB). In the position of deputy chairperson is retired Major General Lodewyk Pusung and the principal main secretary is retired Brigadier General Sarwono. In the Inspectorate there is retired Brigadier General Jimmy Ginting. The position of Deputy for Systems and Management is held by businessperson Tigor Pangaribuan. In the position of the Deputy for National Provision and Distribution there is retired Brigadier General Suwardi. In the position of Deputy for Promotion and Cooperation there is Nyoto Suwigno, formerly from the National Food Agency (Bapanas). Finally, the position of Deputy for Monitoring and Supervision is held by retired Major General Dadang Hendrayudha.

Most of them are retired military officers and former Defence Ministry officials. Nevertheless, the BGN has also mobilised the TNI in the distribution of food. TNI Information Centre head Major General Hariyanto said that the TNI's tasks included three main aspects, namely monitoring, evaluation and facilitating logistic.

Meaning it is the TNI itself that provides the logistics, distributes the food and also conducts evaluations and monitoring. According to the Indonesian Military Headquarters (Mabes TNI), they have deployed soldiers from 351 District Military Commands (Kodim), 14 main Navy bases (Lantamal) and 41 Airforce bases (Lanud) to support the MBG program.

In the field, this program has already created problems. Many students have been poisoned by stale food or eating under-cooked meat. At the same time, many BGN program partners have resigned because they were not paid by BGN. These are the problem on the surface. Beyond this, this program is very business oriented. As outlined in the implementing rules, at least 40 percent of the staple supplies for the program must come from farmers in the regions where the program is realised, while the other 60 percent is not clearly stated and most likely the procurement process is carried out under the table.

This opens the potential for corruption. The program is also very corporate orientated as was shown directly by the Coordinating Minister for Maritime Affairs and Investment when Chinese companies were interested in building a cutlery production factory in Indonesia. This does not rule out the possibility that other food corporations will also be invited to be involved.

The MBG program is different from what is run in other countries. In Cuba, for example, the lunch program is directly integrated with the education curriculum where students are encouraged to find out the types of food eaten by people throughout the world and determine which foods are nutritious for them. So, in this way it needs to be planned and integrated with the national production chain and distribution of food ingredients.

In addition to this, the Prabowo regime has also initiated the creation of the Daya Anagata

Nusantara (Danantara) sovereign wealth fund. This body will manage assets of up to 15,949.5 trillion rupiah or US\$980 billion from state owned enterprises (SOE). The management structure will be filled by the oligarchic circles of power and commanded directly by Prabowo.

Former presidents Susilo Bambang Yudhoyono (SBY) and Joko Widodo have been given positions on the Advisory Board, while SOE Minister Erick Thohir and Financial Services Authority (OJK) chairperson Muliaman D Hadad are on the Supervisory Board, along with Finance Minister Sri Mulyani and former British prime minister Tony Blair. The implementing body is headed Downstream Investment Minister Rosan Perkasa Roeslani with businessperson Dony Oskaria as Operational Holding/Chief Operations Officer (COO) and businessperson Pandu Patria Sjahrir as Holding Investment/Chief Investment Officer (CIO). Behind them there are companies like PT Adaro Energy Indonesia (Adro), the mining company TBS Energi Utama (Toba), PT Arsari Pradana Utama (Arsari, a business group owned by Prabowo's brother Hashim Djojohadikusumo), the Recapital Group and so on.

According to President Prabowo's directives, investments by Danantara will mainly be directed to three sectors: natural resource management, AI and digital development and energy and food security. With a project criterion that can disperse a minimum of \$US1 billion or 16 trillion rupiah we can already speculate that the political elite, especially the conglomerates, who do business in the natural resource sector, AI and digital development, as well as energy and food, will soon be swimming in Danantara money. Of course there will also be a variety of fees worth billion and even trillions for taking care of such large assets.

In the future, as regulated under revisions to the State-Owned Enterprises Law, Danantara will also manage the dividends of SOEs. The law also states that 99 percent of SOE assets and dividends will be fully controlled by Danantara without being able to be audited by the Supreme Audit Agency (BPK) for the Corruption Eradication Commission (KPK) because it is no longer the subject of state institutions. This agency will become a legal ATM machine for the political elite to gamble without any accountability.

The impact of Danantara will also be felt directly by the working class and the ordinary people. In the future, it is very likely that SOE assets will be mortgaged to obtain fresh money and be re-rotated to Danantara. Meanwhile the benefits generated by SOE companies will not be allocated to service improvements. For example, if the state owned rail company PT KAI makes a profit, this will be channelled into Danantara, and not for adding new train routes or passenger cars.

We can also see this from previous programs of the political elite as a whole. Such as the Omnibus Law on Job Creation (UU Cipta Kerja), the Mineral and Coal Mining Law (UU Minerba) and National Strategic Projects (PNS) like the new state capital (IKN) Nusantara in East Kalimantan which in 2022-25 has already cost 124.6 trillion rupiah. The Minerba Law revisions also allows for religious organisations to receive special mining business licenses in addition to SOEs. Add to this the massive food estate program in South Papua and the new Criminal Code (KUHP).

Dwi-fungsi (dual-function) oligarchic style or oligarchic style militarism is getting stronger. The Army is preparing a plan to form 100 new battalions to support the MBG and other development programs. The Minister of State-Owned Enterprises has just appointed Major General Novi Helmy — who is still an active military officer — as the President Director of the State Logistics Agency (Bulog). Bulog holds a strategic position in the procurement of goods for the MBG program.

Meanwhile in January, Prabowo held a closed meeting with two hundred selected colonel-ranking military officers. They were given a short course on management, business, finance and investment

and there was a discussion that focused on the food and energy sector. They are targeted to get positions with the Defence Ministry, SOEs and regional government SOEs.

Prabowo in a speech at the launch of Danantara claimed the fund would be for the welfare of the people. While People's Justice and Prosperity Party (Prima) chairperson and Agus Jabo Priyono, who is also the Deputy Minister of Social Affairs, said that Prabowo's policy was progressive and populist. But in fact the policy benefits the elite and oppresses the rest of us, first by robbing of our welfare, the workers and the ordinary people, which will be followed by the narrowing of democratic space and increasing repression. The weapon is militarism so that we cannot reclaim our welfare.

We cannot hope that the Prabowo-Gibran regime will take immediate and concrete steps to improve itself in the interests of the ordinary people. We also cannot hope for the political elite outside of Prabowo's coalition to become an opposition to improve the situation for us. Likewise, we do not want to return to the previous situation of pushing for minimum wage rises, an education budget of 20 percent, demands for transparency, research funds etc.

This is the politics of here and there, them and us, the political elite (the bureaucrats, conglomerates and generals) opposing us (the ordinary people and workers). The only way is for us, the workers and the ordinary people, to take power from their hands of political elite. Cutting all ties with the political elite so we can pursue our own programs for sake ourselves, workers and the people. When power is in our hands, then all resources will be made efficient and used to focus on basic development programs that allow for the development of Indonesian society to advance.

Our urgent need now is on the one hand, to fight for efficiency measures for ministries or institutions that are not related to socially productive development including the Ministry of Defence, the police, the Attorney General's Office (AGO), the State Intelligence Agency (BIN), the DPR, the People's Consultative Assembly (MPR) etc.

Likewise, ministries, institutions, positions and useless projects must be abolished. These include the IKN, PSNs, Danantara, deputy minister posts, the Ministry of Religion Affairs, Special Staff, Special Envoys, etc. Aside from this, the wages for state officials, senior officials, non-ministerial institution officials, commissioners and directors of SOEs must be cut so they are equivalent of the average worker's wage while all the special rights in the form of allowances and other subsidies are abolished. Another urgent step is to arrest, prosecute, imprison and confiscate all the assets of the corruptors and the tax embezzling conglomerates.

Workers and the ordinary people must also stop the development of militarism and the dual function of the oligarchy style ABRI (as the TNI was known during the New Order dictatorship). Military involvement in civilian domains such as in government positions or programs such as the MBG, the formation of food security battalions must be stopped.

Likewise, the TNI's territorial command structure, which mandates the deployment of military command posts and detachments at all levels of the civil administration, must be abolished as a whole. Militarism is the main obstacle to democracy and the development of the power of workers and the ordinary people.

The country's political elite are a huge parasite that squanders the national wealth. This is because first, the political and bureaucratic elite sitting in the current government are not involved in productive work. Second because the entire country is living off the labour of workers and the ordinary people. Just look at the posture of the state budget (APBN) where the largest revenue portion comes from taxing ordinary wage earners.

Remember! The taxes imposed on the conglomerates are still paid for by the ordinary people when they buy an item or service. On the other hand, almost 50 percent of the state budget will be used to pay off debts. These debts were mainly accrued during the New Order military regime of former president Suharto and former president Widodo. Debts that do not produce prosperity for workers and the people of Indonesia.

These parasites must be destroyed, a new structure of power is needed that can become an organisation that regulates economic life for the progress and welfare of workers and the ordinary people. The state budget under a worker and people's power will become simpler. When the parasites are successfully destroyed, the state budget will become a public tool for the development of productive social forces to produce abundance and distribute this evenly among everyone. To determine how many goods and services are needed for the people's consumption, to develop the economy and how much can be saved.

The initial strategic step in developing the social productive forces is to nationalise existing strategic assets. National industrialisation or industrial development with an emphasis on heavy industries which can also reorganise the agricultural sector. The reorganisation of the agricultural sector must also be carried out with an agrarian reform program where the state redistributes land to small and marginalised farmers in accordance with the demands of the majority of farmers and also to increase their productivity.

At the same time combining large amounts of lands to be used as target of collective agriculture. Agrarian reform must also be able to answer the issue of the elimination of middlemen and brokers in the distribution chain of agricultural products. This program must be supported by the development of modern agricultural technology. Winning this program means improving the ability of the working class and farmers to increase domestic food production. So that the fulfillment of food needs all levels of working class society, including the poor in urban areas, can be done throughout the country. Thus, Indonesia's dependence on food imports can be ended.

These strategic steps can then become the foundation for worker and people's power to provide free education, healthcare and subsidised and free nutritious meals at least once a day for children and adolescents who go to school.

This new power must support itself through the power of workers and the ordinary people. Only with this will it have the power to rule and pursue policies that will liberate and improve the welfare of workers and the people. This power must be built now with the real conditions that we face today.

At least since 2019 we have seen the emergence of various movements under the hashtags #ReformasiDikorupsi, (Reform Corrupted), #GejayanMemanggil (Gejayan Calling), #MosiTIdakPercaya (Motion of No Confidence), #RakyatBergerak (People in Motion), #SemuaBisaKena (Anyone can be Targeted) and #PeringatanDarurat (Emergency Warning). But in general, all these movement began and were dominated by a spontaneous character.

What we can learn from these movements is that spontaneous movements cannot continue to survive and achieve their goals. Mobilisation can be large on one, two or several occasions. But not all the demands can successfully be won. Such conditions actually have potential for revolutionary organisations. We must be able to encourage them to organise themselves. This means building the space and structure needed so that discussion, debate and decision making are possible, so that the course of the struggle is not unilaterally decided by certain activist cliques. When the spontaneous masses learn to organise themselves, this can encourage an increase in their militancy and provide room for revolutionary consciousness that that was previously closed due to a lack of space to articulate the political struggle.

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