



Research Office
Legislative Council Secretariat

Fact Sheet

Indonesia: parliament, political scene and selected policies

FSC12/2024

- This *Fact Sheet* provides information on Indonesia regarding:
 - (1) Parliament and political scene; and
 - (2) Selected policies.

(1) Parliament and political scene

(a) Political background

Government leadership

- Before 2002, the President and Vice President of Indonesia were elected indirectly by the national legislature in Indonesia. The Constitution of Indonesia was amended in 2002 to stipulate democratic and direct elections for the President. The first direct presidential election was held in 2004.
- **Prabowo Subianto** (普拉博沃) of Great Indonesia Movement Party, who is also the Defence Minister in the current-term government and a former general, won the latest presidential election held on 14 February 2024. He will be sworn-in on 20 October 2024, succeeding the incumbent **President Joko Widodo** (“Jokowi” 佐科維多多) who served two terms as President.¹ Prabowo has **pledged to continue with Jokowi’s economic reform agenda and business-friendly policies**.
- **Gibran Rakabuming Raka** (吉伯朗), son of Jokowi, will be the Vice President.

¹ The Constitution of Indonesia mandates a two-term limit for Presidents.

(1) Parliament and political scene (cont'd)

(b) Parliament

Composition and functions

- As the national legislature in Indonesia, the **People's Consultative Assembly** ("MPR") consists of two elected representative bodies: the House of Representatives (Dewan Perwakilan Rakyat or "DPR") and the House of Regional Representatives (Dewan Perwakilan Daerah or "DPD").
- In joint sittings, DPR and DPD constitute MPR to which the President is responsible. MPR is empowered to promulgate the Constitution and inaugurate and dismiss the President and the Vice President.
- **H. Bambang Soesatyo** of Golkar Party is currently the **Speaker of MPR**. Speaker of MPR is elected by Members of the Parliament.²
- **House of Representatives (DPR)** is entrusted with the following three main functions as stipulated under the Constitution:
 - (i) legislative – drafting and passing laws, as well as discussing and approving government regulations;
 - (ii) budgeting – approving the state budget together with the President, after considering the views of DPD; and
 - (iii) oversight – conducting interpellation through questioning the President and other senior government officials.
- **House of Regional Representatives (DPD)**, as the chamber for matters of regional management, enjoys less power than its parliamentary counterpart, and is confined to proposing bills to DPR and overseeing the implementation of policies and laws primarily related to:
 - (i) issues of regional autonomy;
 - (ii) relationship and financial balance between the central and regional governments;
 - (iii) formation, expansion and merger of regions; and
 - (iv) management of natural and other economic resources.
- **The new Members of DPR and DPD elected in the February 2024 general election will take their oath in October 2024.**

² There are 9 **Deputy Speakers in MPR**. One of the Deputy Speakers is **from the House of Regional Representatives (DPD)**. Meanwhile, with the exception of Golkar Party (which is the **political party of the current Speaker of MPR**), **each party with representation in the House of Representative (DPR)** has one Member serving as a Deputy Speaker.

(1) Parliament and political scene (cont'd)

(b) Parliament (cont'd)

Lower House:
House of
Representatives

Membership

- DPR **currently** comprises **575** Members elected by proportional representation in 80 multi-member constituencies (the number will increase to **580 in the new DPR**). The number of seats designated for each constituency, varying between 3 and 10 seats, is dependent on the size of population.

Speaker

- **Puan Maharani** of the Indonesian Democratic Party of Struggle is the **Speaker of DPR** (as her party had the largest representation in DPR).
- There are **4 Deputy Speakers** in DPR.³

Electoral system

- Election of DPR is held once every **five years**.
- The last election was held on 14 February 2024, while the next election is scheduled for **2029**.
- In 2022, an amendment to the electoral law was made to provide for a slight increase in the number of seats for the 2024 election to 580, as well as an increase in the number of constituencies to 84 to cater for the addition of new provinces in the Papua (巴布亞) region.
- Voters may cast their ballot for either a political party or a candidate. Parties receive seats in proportion to their share of votes, and candidates are elected according to the highest number of votes. **Parties must garner at least 4% of the national votes in order to win a seat in DPR.**

Party division

- Official announcement on seat allocation for the new parliament by the General Elections Commission is expected in **June 2024**, after all election disputes are settled in the Constitutional Court.

³ The 4 Deputy Speaker positions in DPR are reserved for Members from **parties ranking in the second to fifth places in terms of number of seats**. The current Deputy Speakers are Lodewijk F. Paulus (Golkar Party), Sufmi Dasco Ahmad (Great Indonesia Movement Party), Rachmad Gobel (National Democrat Party) and Muhaimin Iskandar (National Awakening Party).

(1) Parliament and political scene (cont'd)	
(b) Parliament (cont'd)	
Lower House: House of Representatives (cont'd)	<ul style="list-style-type: none"> Nevertheless, preliminary estimates from analysts can provide insights into the approximate composition of the new DPR, as follows:⁴ <ul style="list-style-type: none"> (i) Indonesian Democratic Party of Struggle (110 Members, <i>down from 128 Members currently</i>); (ii) Golkar Party (102 Members, up from 85); (iii) Great Indonesia Movement Party (86 Members, up from 78); (iv) National Democrat Party (69 Members, up from 59); (v) National Awakening Party (68 Members, up from 58); (vi) Prosperous Justice Party (53 Members, up from 50); (vii) National Mandate Party (48 Members, up from 44); and (viii) Democrat Party (44 Members, <i>down from 54</i>).
Upper House: House of Regional Representatives	<p><u>Membership</u></p> <ul style="list-style-type: none"> DPD currently comprises 136 non-partisan representatives (the number will increase to 152 in the new DPD), with four from each of the 34 provinces in Indonesia. <p><u>Speaker</u></p> <ul style="list-style-type: none"> La Nyalla Mahmud Mattalitti (not affiliated to any political party) was elected by DPD Members as the Speaker of DPD. There are 3 Deputy Speakers in DPD.⁵ <p><u>Electoral system</u></p> <ul style="list-style-type: none"> Election of DPD is held once every five years. The last election was held on 14 February 2024, while the next election is scheduled for 2029. In 2022, the electoral law was amended to raise the number of DPD seats for the 2024 election by 16 to 152 to account for the addition of new provinces in Papua. Political parties cannot contend for the DPD election, as only individual candidates are allowed to participate in the DPD election. Voters in each province choose one candidate on the provincial ballot, and the four candidates who win the most votes in each province are elected.

⁴ United Development Party, which currently has 19 Members in DPR, may fail to secure any seats in the new term as it won less than 4% of the national number of valid votes.

⁵ The 3 Deputy Speakers in the DPD are Nono Sampono, H. Mahyudin and Sultan Baktiar Najamudin, all of whom were **elected on a non-partisan basis**.

(1) Parliament and political scene (cont'd)

(c) Executive Branch

Overview

- **The President** is both the head of state and head of the Executive Branch. The Constitution empowers the President to:
 - (i) submit legislative bills to Parliament for approval;
 - (ii) issue government regulations in lieu of laws during exigencies;
 - (iii) appoint Supreme Court justices, ambassadors and consuls;
 - (iv) serve as the Commander-in-Chief of the armed forces;
 - (v) declare a state of emergency and war, and conclude treaties with other countries;
 - (vi) grant clemency, amnesties and pardons; and
 - (vii) award titles, decorations and other honours.
- The President performs his or her executive functions with the assistance of the **Vice President** and an appointed **Cabinet of Ministers** responsible to him or her. The number of Cabinet Ministers and the nature of their policy portfolio are decided by the President.

(d) Judicial Branch

Overview

- The judiciary is composed of different groups of courts. Civil disputes and criminal law cases are handled in the district courts, whereas appeals are heard in the high courts at the provincial level. The **Supreme Court** is the final court of appeal and has the power to review legality of government regulations.
- There is also the **Constitutional Court**, which has the power to (i) determine constitutionality of laws; (ii) **rule on the legality of election results**; and (iii) impeach the President.
- In addition, there are specialized courts dealing with matters in relation to religion, military, administration, commercial, fishery, tax, industrial relations, juvenile, human rights and corruption.

(2) Selected policies

(a) Religion	<ul style="list-style-type: none">• The Indonesian Constitution states that “The State shall be based upon the belief in the One and Only God” but at the same time “The State guarantees all persons the freedom of worship, each according to his/her own religion or belief”.• According to the 2020 census, 87.0% of the Indonesian population were Muslims; Protestant Christians, Roman Catholics, Hindus, Buddhists and Confucians accounted for 7.4%, 3.1%, 1.7%, 0.7% and 0.03% respectively.• Javanese and Sudanese are the two largest ethnic groups in Indonesia, accounting for about 40% and 16% of the total population respectively. On top of that, there are more than 15 ethnic groups (e.g. Chinese, Indians, Malays, Arabs) in the country.
(b) National Medium-Term Development Plan for 2020-2024	<ul style="list-style-type: none">• In 2020, the government promulgated The National Medium-Term Development Plan for 2020-2024 (“Medium-Term Plan”), with a view to boosting economic growth and resilience.• The Medium-Term Plan sets out a number of strategic priority projects, including:<ul style="list-style-type: none">(i) building science and technology parks and supporting tripartite (industry-government-university) collaboration;(ii) promoting industry 4.0⁶ development in five priority sub-sectors (food and beverages, textile and apparel, automotive, electronics, chemicals and pharmaceuticals);(iii) improving information and telecommunications technology (“ICT”) infrastructure to support digital transformation; and(iv) infrastructure development.

⁶ Industry 4.0 (or “the Fourth Industrial Revolution”) generally refers to the development of high value-added industries and manufacturing processes which make use of smart production, data analysis and Internet of Things. Industry 4.0 has the potential to (i) increase automation of processes, monitor resources and processes; (ii) make smarter business decisions faster; (iii) predict consumer needs more accurately and optimize inventory; and (iv) formulate a truly productive and connected manufacturing environment.

(2) Selected policies (cont'd)

(c) Innovation and technology

- To promote **commercialization of Research and Development outcome** and encourage innovation, the Indonesian government has obtained Asian Development Bank (亞洲開發銀行) funding to **enhance science and technology parks at four selected universities** as prioritized in the Medium-Term Plan. The projects are expected to be completed by end-2027. The respective focuses are:
 - (i) Bandung Institute of Technology (萬隆理工學院) – engineering (transport and energy including energy storage), ICT, disaster prevention, and food and health technology;
 - (ii) Gadjah Mada University (加查馬達大學) – health and pharmaceuticals, agro-industry, and renewable energy;
 - (iii) IPB University (茂物農業大學) – agro-processing, food technology, and natural cosmetics and pharmaceuticals; and
 - (iv) University of Indonesia (印度尼西亞大學) – medical device technology, drugs and food innovation, and engineering innovation including artificial intelligence and renewable energy.

It is noted that many of the focus areas covered echoed with the priority sub-sectors highlighted for industry 4.0 development in the Medium-Term Plan.
- Indonesia has also made significant investments in ICT infrastructure to accelerate digital transformation in the country. On **improving telecommunications connectivity across the country**, some initiatives include:
 - (i) completing the Palapa Ring Project in 2020 to add 35 000 km of land and sea cable for high speed internet access;
 - (ii) building base transceiver station towers to improve internet coverage of rural villages; and
 - (iii) launching Project Satellite SATRIA in 2023 to deliver high-speed internet services in disadvantaged areas including many islands in the Indonesian archipelago.

(2) Selected policies (cont'd)

(d) Infrastructure	<ul style="list-style-type: none"> The incumbent President Jokowi's administration invested heavily in infrastructure projects – including roads, ports, airports and public transportation systems – in a bid to improve connectivity and lower logistics costs, thereby attracting foreign investment: <ul style="list-style-type: none"> (i) Indonesia's first high-speed railway (Jakarta-Bandung HSR 雅萬高鐵) came into operation in October 2023, cutting the travel time between Jakarta (雅加達) and Bandung (萬隆), the country's third largest city, from three hours to under 40 minutes. The project was built by PT Kereta Cepat Indonesia China, a joint venture between several Indonesian and Chinese state-owned enterprises. During its the first six months of operations (i.e. up to mid-April 2024), the Jakarta-Bandung HSR had served 2.56 million passengers and made 7 050 trips.⁷ The Medium-Term Plan identified public transit as an area for priority attention and targeted to implement mass transit systems in six metropolitan areas (Jakarta, Surabaya (泗水), Medan (棉蘭), Bandung, Makassar (望加錫), and Semarang (三寶壟)), with an aim to reducing economic losses due to congestion. Reportedly, the project remained largely work in progress.
(e) Capital relocation	<ul style="list-style-type: none"> A new capital named Nusantara (努山達拉), located in East Kalimantan on Borneo, is set to replace Jakarta by August 2024. In March 2024, a total of 25 government agencies/public bodies (including the Secretariat Generals of MPR, DPR and DPD) have expressed readiness to relocate to Nusantara. The government announced plans back in 2019 to move its capital city from Jakarta to Nusantara, with a target to start relocating from 2024. The whole development was estimated to cost US\$33 billion (HK\$260 billion). Furthermore, the government designated another USD\$40 billion (HK\$320 billion) for urban regeneration in Jakarta (e.g. constructing a mass rapid transit system and improving sewage system) over 10 years.

⁷ In the long-run, it aims to serve 31 000 passengers with 68 trips per day.

(2) Selected policies (cont'd)

(e) Capital relocation (cont'd)

- In January 2022, the Indonesian Parliament passed the Capital City Bill to enable the start of the construction of the new capital.
- A number of reasons were cited for the relocation:
 - (i) over-crowding in Jakarta is estimated to cost US\$9 billion per year in lost productivity;
 - (ii) the geographical characteristics of Jakarta make it vulnerable to flooding, natural disasters and other environment risks; and
 - (iii) the new capital offers momentum to introduce a centralized management of government properties.⁸
- In addition to the opportunity for urban renewal in Jakarta, the relocation of capital city to Nusantara can serve to address economic inequality across different regions in Indonesia through encouraging greater investments (specifically on areas such as renewable energy and tourism infrastructure) to Indonesia's outer lying provinces especially those in the Eastern part of the country.

⁸ Reportedly, Indonesian government agencies are spread out in more than 200 000 central government office buildings in 2017.

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Note: ^ Internet resources listed in this section were accessed in May 2024.