

VAN ZORGE REPORT

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Behind the Headlines

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INTELLIGENCE

Golkar's game

IN BRIEF

From the periphery

Merauke: Indonesia's new breadbasket?

FEATURE

Transportation in the capital:
Building momentum or permanent gridlock?

PRESENTATIONS

Mari Pangestu, Minister of Trade

Economic outlook 2010 and beyond

Dahlan Iskan on electricity and his first 100 days at PLN

Sidney Jones on the jihadi networks

VZ UPFRONT

- FROM THE EDITOR 5
- **On blasphemy**
Indonesia's Constitutional Court upheld a challenge to the controversial blasphemy law. The case pitted liberal ideals of religious freedom against arguments for social harmony and protection of religion. But the law is not only a bad law from a liberal perspective: If you really want to protect religion, keep it away from the state. Also, labeling groups as 'deviant' will not lead to social harmony.
- INTELLIGENCE 7
- **Golkar's game**
The Democrat Party holds its national congress in late May to choose a new chairman. Competition is already heating up between the three main candidates, and even those outside the party, including rival party Golkar, are trying to influence the process.
- IN BRIEF 9
- **From the periphery**
This issue's *From the periphery* includes stories on a drought that is affecting some 200,000 farmers in East Nusa Tenggara, possible graft during a micro hydration project, and the return of malaria to Central Java.
 - **Merauke: Indonesia's new breadbasket?**
Plans to build large-scale 'food estates' - ostensibly to meet Indonesia's food security needs - are accelerating. But Indonesians don't eat basmati rice, so what's the food estate really about? The pilot project, which will be created in Papua, faces considerable logistical hurdles and its utility remains unclear.
- FEATURE 16
- **Transportation in the capital: Building momentum or permanent gridlock?**
Jakarta's transportation woes are familiar to denizens and visitors alike, and the congestion is only getting worse. Insufficient roadways and public transportation have kept commutes excruciating, but new faces in the administration and a better economic and fiscal outlook are giving new energy to long-delayed plans for mass rapid transit and true system integration. The plan includes targets of three million commuter rail passengers a day, an MRT by 2016, and extending the TransJakarta corridors deep into Jabodetabek. Public transportation won't stop the traffic, but it is the best way to start.
- PRESENTATIONS 26
- **Mari Pangestu, Minister of Trade**
Now in her second term as Minister of Trade, Mari Pangestu spoke recently at the Jakarta Foreign Correspondents Club (JFCC) regarding directions in policy. She briefed the crowd on goals for the ASEAN economic community, and how ASEAN is the backbone of Indonesia's trade policy. She also noted that Indonesia forging closer trade relations with the U.S. was not a threat to China, and vice versa.
 - **Economic outlook 2010 and beyond**
The Executive Network (TEN) brought together four experts: Milan Zavadjil from the IMF, Joachim von Amsberg from the World Bank, Rizal Ramli, chairman of ECONIT, and Nicholas Cashmore from CLSA, for a panel discussion on Indonesia's economic prognosis. All four agreed Indonesia is in a strong position especially as it rebounds from the world financial crisis. 6 percent and even 7 percent growth is forecast for this year, but the good news comes with some suggestions and some warnings: Indonesia should use its current position to invest in infrastructure, get serious about industry, and watch out for the rising rupiah. All this, plus highlights from two recent World Bank reports.
 - **Dahlan Iskan on electricity and his first 100 days at PLN.**
Dahlan Iskan shared his methods for battling a culture of corruption at PLN, which include not wearing a

suit or sports jackets, eschewing the private lift and corner office, dining with employees in the canteen, and most importantly, appointing the board of directors himself (a condition for his accepting the position). As for electricity, he said there would be no more blackouts in Java or Bali, and that he is eyeing Sumatra as the next center for development. Read also why geothermal power makes the most sense if it's coming from eastern Indonesia.

- **Sidney Jones on the jihadi networks**

International Crisis Groups's senior advisor Sidney Jones gave a presentation following the arrest of terror suspects in Aceh. She explained that the recent arrests are evidence of a strategy of alliance among groups of extremists, greatly facilitated by family links and lax monitoring. The network also shows that there are now three streams of jihadism in Indonesia: Noordin Top's (the deceased terrorist mastermind) stream focuses on Al Qaeda-style attacks; a "soft" Jemaah Islamiyah approach that focuses on *dakwah*; and one alliance that focuses on local targets, and prefers assassination to bombings.

VZ DATEBOOK	49
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