

Fault Lines: Jakarta, Indonesia

DEC 2017



Jakarta is the economic, cultural, and political center of Indonesia. As such it represents an interdependent and complex problem set where points of friction manifest and potentially pose a threat to the stability of Indonesia as a whole.

Culturally, and in part as result of their country's archipelago geography, Indonesians remain rather insular. Historically-rooted prejudices against the Chinese continue to be prevalent and have risen in recent years. These prejudices, in combination with increasing preference for the role of Islam in government, contributed to the ouster of the mayor of Jakarta and effectively served as a harbinger of changes to come in the Jakarta political and social environments.

Despite being a major regional economic link, and the seat of ASEAN, the Bank of Indonesia, and the Indonesia Stock Exchange, Jakarta is home to a rapidly growing and economically struggling population. Rampant corruption and economic policies favoring the middle class have effectively created a disadvantaged population that is vulnerable to exploitation by actors in the region.

The following fault lines, if exploited, have the potential to contribute to instability in the Jakarta operational environment:

Resurgence in historical prejudice against the Chinese: The native (*pribumi*) Indonesian population is endemically prejudicial against ethnic Chinese Indonesians and Chinese influence in Indonesian politics and economy. This prejudice is fueled by the confluence of economic inequalities suffered by many natives. Thus, they believe that ethnic Chinese are more likely than *pribumi* to benefit from the Jakartan economic environment. Further, *pribumi* perceive that ethnic Chinese harbor divided national loyalties based on their ethnicity and the economic opportunities provided by Chinese investment.

Widespread corruption and partiality in business and politics: Corruption is viewed as the biggest problem in Jakarta and a significant contributor to the city's inability to systemically function (economically) for all. Economic and political influence can be bought (and sold) to further the agendas of multiple actors and effect change across Jakartan society.

Lack of economic mobility for lower socioeconomic groups: Jakartans of lower socio-economic class often suffer from a lack of basic services (notably water and sewage), experience evictions in favor of new development that will not benefit them, and are unable to afford a post-elementary education required for formal employment, all situations that restrict opportunity for improvement of socioeconomic status/quality of life.

Contentious division over the role of Islam in government: Indonesia is experiencing a growth in support for incorporating Islamic laws and traditions into formal government despite its current status as a secular state. Recent legislation has codified laws that mandate respect for Islam and prescribes heavy penalties for those convicted of violating them. The inability to come to consensus on the role of Islam in politics is an ongoing conflict of disparate views.

FAULT LINES are "exploitable sources of instability in the human domain; they can be real or perceived."

Source: GCKN Fault Line Methodology, 2017

FAULT LINES

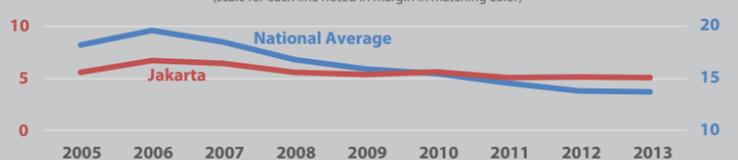
(if exploited)
Assessment of impact



Percentage of ethnic groups in Jakarta, 2000 census



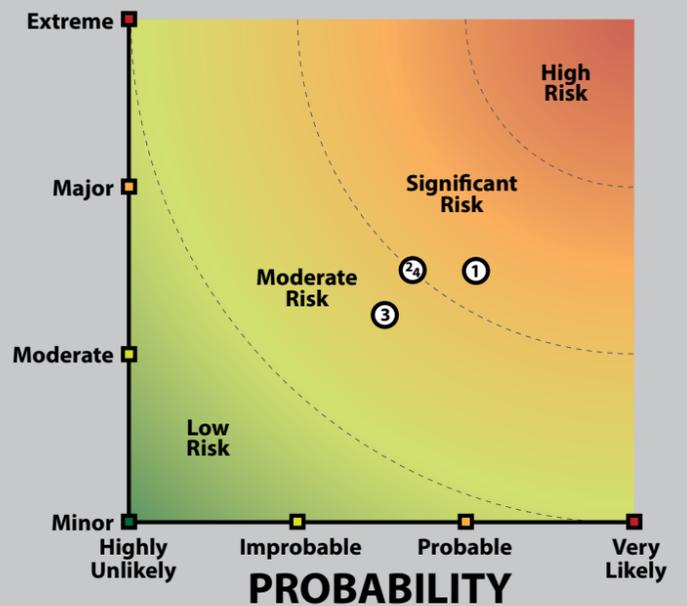
Percentage of population below the poverty line, 2005-2013 (scale for each line noted in margin in matching color)



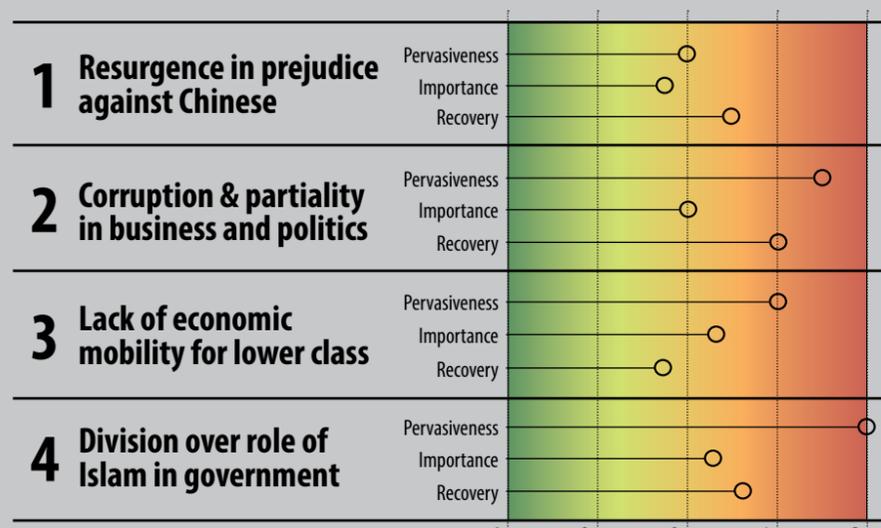
- 1 Resurgence in prejudice against Chinese
- 2 Corruption & partiality in business and politics
- 3 Lack of economic mobility for lower class
- 4 Division over role of Islam in government

- SIGNIFICANT**
Probable with major consequence
- MODERATE**
Probable with major consequence
- MODERATE**
Probable with major consequence
- MODERATE**
Probable with moderate consequence

CONSEQUENCE

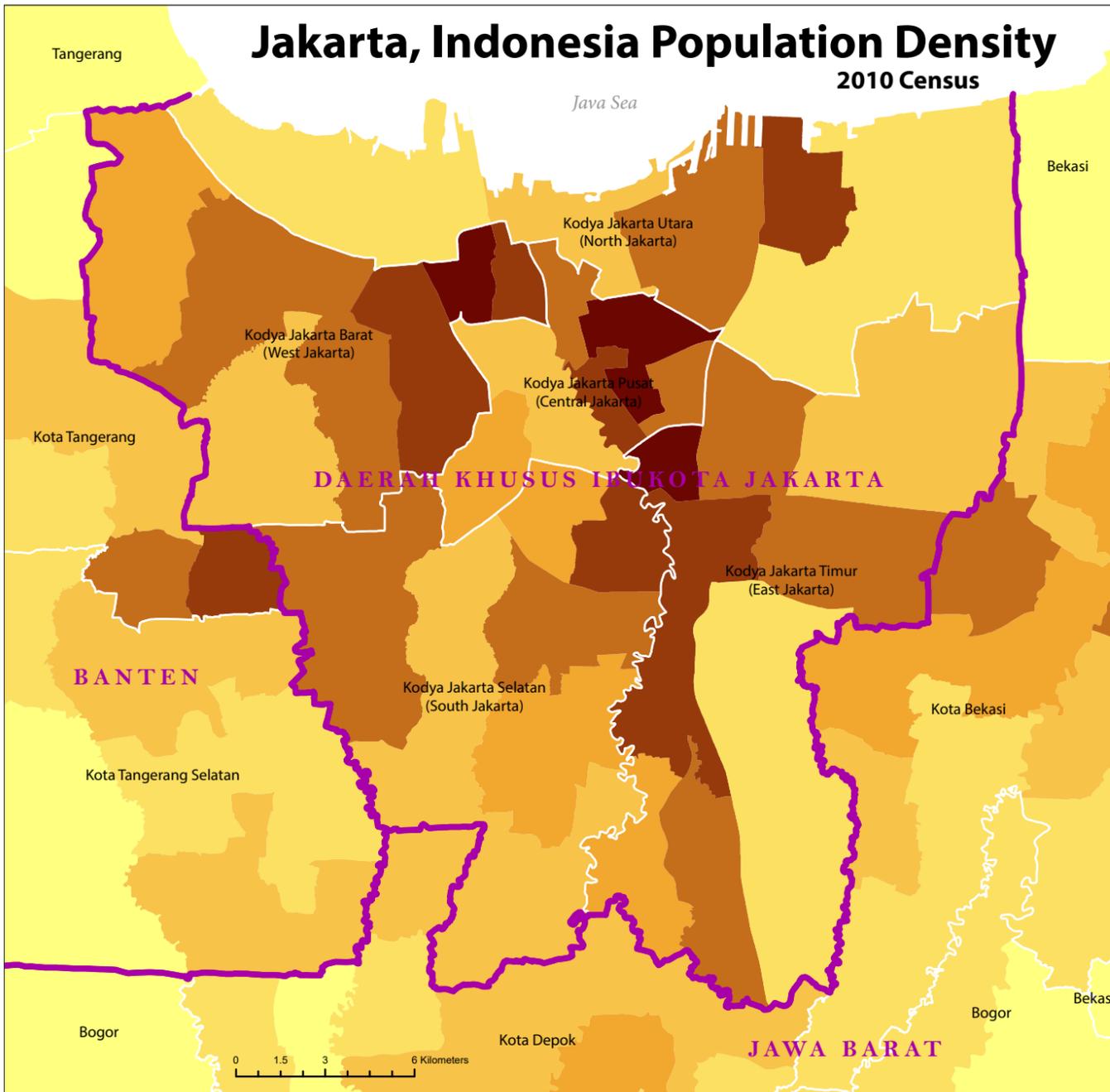


Pervasiveness, Importance, & Recovery



Implications:

If exploited, these conditions could substantially affect the political and economic stability of Jakarta, and therefore Indonesia as a whole. A population marginalized by corruption and economic policies preventing social mobility is likely to be vulnerable to actors who promise increased agency. As the vast majority of Jakartans are Muslim, the most likely exploitation method is Islamic populism. Given the recent propensity to support an increased role for Islam in Indonesian politics and the growing presence of extreme Islamist ideologies, Indonesia's ability to continue to act as a U.S. ally in the fight against Islamic terrorism in the region could be degraded. The resurgence in historical Chinese prejudice may result in reduced Chinese investment in Indonesia and Jakarta. This would ultimately harm the economy and create an opening for other countries to gain influence in Indonesia and Jakarta while reducing the Chinese sphere of influence.



A Fault Line Analysis is our methodology for identifying unstable and exploitable conditions within an OE.

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Persons per sq. km.

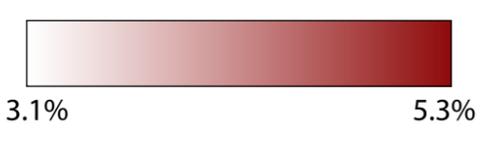
- Less than 5,000
- 5,001 - 10,000
- 10,001 - 12,500
- 12,501 - 15,000
- 15,001 - 20,000
- 20,001 - 30,000
- More than 30,000



Reported religion

- (shown in pie charts)
- Muslim
 - Christian
 - Catholic
 - Buddhist
 - Not asked

Poverty rate



Source: Lambang Badan Pusat Statistik (BPS) Indonesia (<http://sp2010.bps.go.id/>)