

## Indonesia's national car dream: Symbolism or strategy?

**W**hen President Prabowo Subianto, marking his first year in office, announced that Indonesia's long-anticipated national car would be launched within three years, he was invoking a powerful symbol of industrial pride, sovereign control and collective aspiration.

Yet behind that symbolism lies a difficult question: Is a national car truly a pathway to development, or merely an expensive emblem of misplaced industrial pride and collective aspiration?

As economist Ha-Joon Chang (2002) reminds us, every advanced industrial nation once nurtured infant industries behind protectionist walls. But Chang also warns that protection without productivity is mere nostalgia. The true test is whether protectionism translates into competitiveness, whether nationalism can evolve into capability.

This is precisely where previous attempts such as Timor and Esemka faltered. They relied on patriotic rhetoric rather than industrial discipline. A national car can be a symbol of sovereignty but without technological mastery, it remains a hollow symbol, a flag without a factory.

Today's automotive landscape is one of consolidation, not frag-

mentation. The formation of Stellantis NV in 2021, as a merger between Fiat Chrysler Automobiles NV and Groupe PSA, epitomizes the scale of integration required to survive. The same logic drives alliances such as Toyota-Suzuki, Honda-Sony and Volkswagen-Ford on electric vehicles and autonomous platforms.

As Michael Porter argues in *The Competitive Advantage of Nations* (1990), national competitiveness depends less on isolation than on how firms are embedded within networks of industries and international clusters, a view that anticipated today's complex, cross-border value chains.

In this context, Indonesia's pursuit of a self-contained national car seems strategically outdated. Even Hyundai and Toyota no longer exist as self-sufficient entities, but as nodes in a global web of shared platforms, technologies and capital flows.

The contrasting stories of Malaysia's Proton and South Korea's Hyundai underscore a deeper lesson. Proton, once hailed as a symbol of national pride, was sustained through state protection and emotional appeal but never achieved technological independence, and eventually required foreign rescue through China's Geely.

A lecturer in management at Gadjah Mada University's School of Economics and Business and a researcher focusing on innovation systems and technology management who holds a PhD in management from the London School of Economics and Political Science

Hyundai, in contrast, succeeded through what Alice Amsden (1989) described as the discipline of a "learning by doing" developmental state, one where government intervention fostered technological learning and export competitiveness rather than permanent protection. South Korea's developmental model relied not merely on nationalism but on discipline, skill accumulation and strategic global integration.

Symbolism, as history shows, cannot substitute for strategy. Development economist Dani Rodrik (2007) argues that nations should pursue not self-sufficiency but self-determination in shaping their productive structures, tailoring industrial policy to local capabilities and constraints.

The point is clear: Indonesia does not need to own a brand; it needs to command the technologies that determine future mobility.

True sovereignty lies in functional mastery, the ability to design, produce and control critical components such as EV batteries, powertrains and automotive chips. In this sense, a domestically branded but imported car would be less "national" than an Indonesian-made inverter or battery cell that powers the world's EVs.

If

Indonesia aims to emulate the development model of Malaysia's Proton, it must accept eventual foreign absorption. If it seeks to follow the South Korean or Vietnamese models, it must invest deeply in R&D, technical education and industrial clustering. The most rational alternative may not be a national car at all but a national mobility ecosystem: an integrated system of sustainable,

accessible and locally engineered transport solutions.

Mariana Mazzucato emphasizes in *The Entrepreneurial State* (2015)

that government should not only correct market failures but also create markets through mission-oriented innovation. If the Prabowo administration seeks genuine technological sovereignty, it must view industrial policy not as protectionism but as mission-oriented investment that is coordinated, long-term and innovation-driven.

Rather than subsidizing a national brand, the country could channel resources into strategic nodes of the EV supply chain: battery manufacturing, rare earth material refining, semiconductor production and electric drive-train systems. These are the industries that define 21<sup>st</sup>-century competitiveness.

Porter's framework of value chain advantage also supports this approach: National prosperity depends less on owning final brands and more on dominating high-value segments of global production. For Indonesia, the EV ecosystem offers precisely such an opportunity.

A coherent industrial strategy for Indonesia must therefore begin not with a badge or a logo, but with the supply chain itself. The

### Insight

Nofie Iman

Yogyakarta

government should concentrate on developing strategic value chains, especially in EV batteries, anode and cathode materials and power electronics. This approach will build high-value capabilities and long-term export strength.

Equally important is fostering a robust ecosystem of world-class local suppliers by offering targeted incentives for tier 1 manufacturers in tooling, plastics and automotive electronics to establish facilities within the country. Strategic joint ventures and contract manufacturing arrangements could serve as vehicles for sustained technology transfer, rather than short-term assembly gains.

Indonesia should also embrace niche specialization, focusing on segments that reflect genuine domestic needs such as commercial vehicles, rural transportation systems, agricultural equipment and military logistics. These markets provide real volume, steady demand and opportunities for local innovation.

At the same time, incentive structures should be redesigned to reward technological learning and upstream value creation, not merely superficial compliance with local content rules.

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## Militarism, top-down policy muddle Prabowo's first year: CSIS

**Military role in civil affairs puts vulnerable communities at risk**

### Gembong Hanung

#### The Jakarta Post/Jakarta

President Prabowo Subianto's first year in office was marked by increasing military involvement in the public space and heavy reliance on top-down policymaking that undermines public participation and accountability in implementing his programs and policies, analysts have said.

During an event on Wednesday, researchers from Jakarta-based think tank the Centre for Strategic and International Studies (CSIS) presented their assessment of the administration of Prabowo and Vice President Gibran Rakabuming Raka one year after they took office in October 2024.

Growing militarism was a common criticism of the administration in the past year, which exposed the government's normalization of increased military roles in civilian affairs, CSIS politics and social change researcher Nicky Fahrni said.

He noted the military's presence in some of the President's programs, such as the food estate initiative and free nutritious meal program.

The rising role of the military in civilian affairs became evident after the massive restructuring within the Indonesian Military

(TNI) in August, when Prabowo established six new Army regional commands (Kodam), 14 Navy regional commands (Kodalmand) and three Air Force regional commands (Kodamau). The President also established dozens of territorial development brigades and battalions.

"But such policies were rushed, [...] showing declining meaningful public participation," Nicky said.

Those who bear the consequences of the military's presence in the country include communities that are deemed vulnerable, the researchers said, including those who live in Papua, where years of armed conflict between Indonesian security forces and Papuan separatists has taken place.

One year on, Prabowo has continued to weigh in on deploying military forces to resolve decades-long conflict, sidelining local dialogues and other peaceful mechanisms, said CSIS senior researcher Vidhyandika Perkasa.

He added that physical development would not cure the conflict in Papua, while increased military operations would only worsen social frictions and rights violations.

Prabowo, Vidhyandika said, went on to say, has so far repeated past mistakes by failing to address the root causes of the conflict.

"Don't focus solely on physical development," he said at Wednesday's event, "because the root problem lies in political trust and participation."

#### Top-down dominance

Prabowo's first year as Indonesia's president also saw growing central government dominance in implementing programs with limited participation from either local administrations or the public.

CSIS deputy executive director for operations Medelina K. Hendytiyo pointed out the brahmin surrounding Prabowo's flagship programs, such as the free nutritious meal program or the Sekolah Rakyat (community schools) initiative, through which the government offers free boarding schools to children with parents from the poorest 10 percent of households in the country.

The goals of such initiatives are commendable, but Medelina argued the programs focus solely on achieving large and quantified targets set by the central government, without considering infrastructure and budget constraints faced by local officials.

"With such top-down policies, the gap between what has been planned by the central government and what has been implemented in the regions is too

large," she said.

The free meals program was first rolled out in January and has reached at least 36 million schoolchildren, pregnant women and nursing mothers nationwide with more than 1 billion portions served. The government is targeting 85 million beneficiaries by year-end.

However, the rollout has been marred with operational flaws, leading to thousands of recipients suffering from food poisoning across the archipelago. Public pressure for the government to at least suspend the program for thorough evaluation has been growing, but Prabowo's administration insists on continuing the free meal distribution.

The central government's dominance in controlling major state projects is coupled with ongoing power consolidation under Prabowo, which is primarily aimed at supporting his policy initiatives, CSIS senior researcher Arya Farnandes said.

Prabowo's ruling coalition holds over 80 percent of the seats in the House of Representatives, with only the Indonesian Democratic Party of Struggle (PDIP) standing outside the grouping.

The President has also assembled a cabinet with more than 100 members, making it the largest in decades.

## Myanmar scam center raid sends hundreds fleeing to Thailand

### Agencies

#### Bangkok/Jakarta

More than 600 people fled one of Myanmar's most notorious scam centers and crossed into Thailand, a Thai provincial official told AFP on Thursday, after a military raid on the compound.

Sprawling compounds where internet fraudsters target people with romance and business cons have thrived along Myanmar's loosely governed border during its civil war, sparked by a 2021 coup.

A highly publicized crackdown starting in February saw around 7,000 workers repatriated and Thailand enact a cross-border internet blockade.

But an AFP investigation this month revealed construction has continued apace, while Starlink internet service receivers have been installed en masse, seeming to connect the hubs to the Elon Musk-owned satellite network.

Sawanit Suriyakul Na Ayutthaya, deputy governor of Tak province on the Myanmar border, told AFP "677 people fled from the scam center" KK Park in Myanmar across the Moei river into Thailand as of Thursday morning.

"Immigration police and a military task force have worked together to provide assistance under humanitarian procedures [...] and they will undergo screening," Sawanit said.



**Crackdown:** Members of Myanmar's military stand on Monday next to Starlink devices seized during a raid on the KK Park online scam center in Myawaddy in Myanmar's Kayin State. SpaceX has cut service to more than 2,500 Starlink devices at Myanmar scam centers, a company executive has said.

He added the process will allow authorities to determine if individuals are victims of human trafficking, and if not, they may be prosecuted for illegal border crossing.

While some scam workers are clearly trafficked into often fortified compounds, experts say others go voluntarily with hopes of earning more in the multibillion-dollar illicit industry that they claim at home.

The Tak Provincial Administration office, which oversees the area, said in a statement that the group entering from Myanmar

comprised "foreign nationals"—both men and women—and authorities expected more to cross into Thailand.

#### Conned out of billions

The Indonesian Embassy in Yangon reported that around 20 Indonesians had "successfully crossed into Thai territory via the Moei River" as of Wednesday evening, citing a report by Thai authorities to the Indonesian Embassy in Bangkok.

Earlier, the embassy said around 75 Indonesians were among the hundreds of peo-

ple who fled the complex on Wednesday morning.

The transnational scam industry has ballooned in Southeast Asia in recent years, with thousands of scammers involved, experts say.

Victims in the wider region were conned out of up to US\$37 billion in 2025, according to a United Nations report.

Thailand's deputy finance minister Vorapak Tanayawong resigned on Wednesday following allegations linking him to cyber scam operations based in neighboring Cambodia.

## Harvest ceremony



Antara/M Riyal Hidayat

Kenyah Dayak people perform the Huduo dance on Thursday at the opening of the Mecaq Undat Cultural Festival in the Pemung Madung customary house in Sungai Bawang cultural village, Muara Badak, Kutai Kartanegara, East Kalimantan. The Mecaq Undat is a traditional ceremony held to welcome the rice harvest season as an expression of gratitude.

## RI stands ground on Israel ban after Olympic hosting rebuff

### Radhiyya Indra

#### The Jakarta Post/Jakarta

Indonesia has reassessed its commitment to develop national sports and participate in international games, despite the International Olympic Committee (IOC) excluding the country from hosting future Olympic Games following a decision to ban Israeli gymnasts from participating in a competition in耶路撒冷.

Earlier this month, the government announced its decision to deny visas for Israeli athletes expected to compete in the 53rd World Artistic Gymnastics Championships held this week in Jakarta, citing Israel's military offensive in Gaza that has killed over 67,000 Palestinians.

Youth and Sports Minister Erick Thohir said the decision reflected Indonesia's principle of "maintaining security, public order and public interest" in every international event held in the country. The commitment stems from the 1945 Constitution that calls for the government to ensure world order based on freedom, peace and social justice.

"We understand the decision has consequences, when as long as Indonesia cannot accept Israel's presence, the IOC has decided that Indonesia can't host world championships as well as Olympic events, Youth Olympic Games or other activities under the Olympic umbrella," the minister said in a statement on Wednesday.

But the minister insisted the government would remain committed to preparing a blueprint for national sports development.

Indonesia would also "continue to play an active role in various sporting events in Southeast Asia, Asia and the World," Erick said, "so that Indonesian sports can become an ambassador and a reflection of the nation's prowess in the eyes of the world."

Erick cited the statement after the executive board of the IOC, of which Indonesia is a member, decided to cut off any form of dialogue with Indonesia's National Olympic Committee (NOC) about staging future Olympic Games, until the government gave an assurance it would accept athletes of all nationalities.



Youth and Sports Minister Erick Thohir

The IOC also urged all international sports federations not to permit Indonesia to host any sporting events following its decision against Israeli athletes.

"These actions deprive athletes of their right to compete peacefully and prevent the Olympic Movement from showing the power of sport," the IOC executive board said in a statement issued on Wednesday.

The government announced its decision to deny Israeli athletes visas to enter Indonesia on Oct. 9 following moves from politicians and Muslim groups to bar the Israeli athletes from taking part in the upcoming artistic gymnastic competition.

The Israel Gymnastics Federation immediately appealed the decision at the Court of Arbitration for Sport (CAS), which rejected the motion last week.

A week after the government announced the denial of Israeli athletes' visas, the IOC expressed its concern about the ban on entry.

In a statement on Oct. 18, the committee made clear its principled position that all eligible athletes, teams and sports officials must be able to participate in international sports competitions and events without any form of discrimination from the host country.

It cited the Olympic Charter and principles of nondiscrimination, autonomy and political neutrality that govern the Olympic Movement as the basis for its principle.

Indonesia has long shown interest in hosting the 2036 Summer Olympics. Last year, then-president-elect Prabowo Subianto and Erick, who was then the state-owned enterprises (SOEs) minister, met with IOC president Thomas Bach in France to talk about the potential for the country hosting the games.

# Athletes welcome new LPDP sports scholarship

Scholarship reserved for active, retired athletes looking to pursue higher education

## Radhiyya Indra

The Jakarta Post/Jakarta

Athletes have welcomed the new Endowment Fund for Education (LPDP) scholarship sports program reserved for active and retired athletes across the country, highlighting the importance of sportspeople to also pursue higher education.

The state-sponsored scholarship LPDP, managed by the Finance Ministry, has earlier this year opened the new scholarships for Indonesian athletes, allowing them to have more opportunity in pursuing scholarships for master's or doctoral degrees at home or overseas.

The scholarships are divided into two pathways: those for athletes or former athletes who have won international sporting awards and those for any athletes or sports personnel who pass a standard of grade per average (GPA) and English test score as the general LPDP scholarship.

"We will give our fellow ath-

letes, who spent most of their time hard at work in sports to win the Olympics, Asian Games, SEA Games or other regional competitions, an 'affirmation'. That is, a [looser] standard of their English fluency and GPA," LPDP president director Sudarto said on Oct. 9 in Bogor, West Java.

"Just imagine [the absurdity] of these athletes winning competitions like the Olympics and then being asked about their GPA, when they already propped up the nation's name [by winning the sports tournaments]," he said.

Sudarto later said on Wednesday that the program has seen a favorable interest, with 105 applicants for the achievement award pathway and 85 for the other pathway.

A total of 60 applicants combined from the two pathways are currently entering the final interview process that runs until November.

During its launch in July, Sudarto said the new program is introduced to reach beyond just "winning medals", but also about



**Sports scholarship:** Education, Science and Technology Ministry secretary-general Togar M. Simatupang (right), Presidential Chief of Staff acting deputy III Syska Hutagalung (center) and Deputy Youth and Sports Minister Taufik Hidayat speak to journalists on Wednesday after the launch of the 2025 Outstanding Athlete Scholarship at the Education, Science and Technology Ministry in Jakarta.

establishing a foundation for the country's sports industry through skilled coaches, sports scientists and a solid ecosystem.

Athletes across various sports branches have shared the sentiment, with some of whom show-

ing interest in applying themselves, such as rowing athlete Nur Annisa Solehah from Bandung, West Java.

Nur said she would want to pursue a master's degree in physiotherapy or sports management

through the LPDP program.

"Despite my career trajectory, I'm very keen to continue higher education because sports science is also very important," the 20-year-old told *The Jakarta Post* on Wednesday.

Nur, who has won silver and bronze medals in the Regional Sports Week (Porda), said her current undergraduate study at the sports' physical training department at Indonesia University of Education (UPI) in Bandung has taught her valuable lessons beyond rowing's practice.

"When we train someone, we cannot just give random programs. We also have to be aware of the athlete's anatomy and how we would handle their injuries," she added.

Gold-winning Paralympic badminton player Leani Ratri Oktila described the scholarship as "a very good step" to bolster the country's sports industry.

"Sports studies can improve athlete performance, because I have experienced it myself. I feel more confident when I train and

compete accompanied by experts in such fields," said Leani, who just undertook her doctoral study after winning gold in mixed doubles and silver in women's singles at the Paralympic Games in Paris, France last year.

Meanwhile, 24-year-old softball athlete Adji Gilang said he is also interested in pursuing the sports scholarship as he wanted to juggle both "a sports career and other conventional work roles" in the future.

"This could be the first step to fix the country's sports system because athletes not only need financial support, but also educational support," Adji told the *Post* on Wednesday.

"It is a fact that we all have our prime years [for being an athlete and that does not last forever]."

A proposal from the Youth and Sports Ministry for a long-delayed athlete pension fund has recently gained steam at the House of Representatives, with many athletes endorsing them for a more secure future in sports careers.

## Self-reflection



A visitor examines artworks at the Posko Visual 2025 International Poster Exhibition at the Malang Creative Center in Malang, East Java, on Thursday. The exhibition features approximately 600 posters from 35 countries, including China, Malaysia and Switzerland. The theme of the exhibition, which runs until Sunday, is "Life balance, self-reflection, security and back to nature".

## Gibran completes first year in largely symbolic role

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seen his involvement in strategic policy-making.

"Unlike previous vice presidents such as Jusuf Kalla, who focused on economic affairs, or Ma'ruf Amin, who specialized in the Islamic economy, Gibran's policy focus is still ambiguous," Adji said, noting that although Gibran has mentioned youth empowerment and industrial downstreaming, there has been no visible implementation.

Despite being left out of the government's decision-making, Gibran has continued the signature *blusukan* of his father, former president Joko "Jokowi" Widodo, visiting traditional markets and rural areas to check on the implementation of government key programs, including food self-sufficiency, he said during a visit to a corn harvest in South Sumatra last month.

of the 2029 presidential election, noting that these visits helped Gibran burnish an image of being close to the people and grounded in grassroots realities.

"I think the purpose is to remain perceived as approachable and connected with the people," he added.

State Secretary Prasetyo and special staffer to the Vice President, Tina Talisa, did not respond to a request for a comment from the *Post* about whether Gibran's role was deliberately limited.

Gibran has previously said he remains committed to carrying out the President's agenda.

"As the President's assistant, I will ensure that his vision and flagship programs, including food self-sufficiency, are implemented effectively," he said during a visit to a corn harvest in South Sumatra last month.

Meeting European Commission President Ursula von der

Leven in July, Prabowo paved the way to move the negotiations to the finish line, with an accord signed in Bali in September and ratification expected to happen by the end of next year.

Darmawan said the US tariff barrier made both sides "realize" that the agreement had to be finished immediately, as European countries sought to secure new trade partners and Indonesia "emerged as a strong candidate thanks to its economic stability and big market potential".

"Credit has to be given [to the government], although it's not totally new. The conclusion of the IEU-CEPA was a result of long, intra-administration work that ultimately reached its final stage now. Prabowo's government made use of the political momentum and global situation, which incentivized the conclusion of the long-delayed deal," Darmawan said.

Syafuddin said the US tariffs introduced a new urgency, "but the IEU-CEPA finalization was born out of strategic interests that have been solidifying" as the EU wanted to diversify its supply chains and secure critical minerals, while Indonesia needed to tap into a high-standard market and

draw investment.

He went on to say that the government deserved "recognition" for signing not just the IEU-CEPA but also the Indonesia-Canada CEPA (ICA-CEPA) within the same week.

"These steps show a neat execution, merging negotiation technique that went on for years with punctual political deal-making" and preparing Indonesia to move on to the implementation stage, Syafuddin said.

The government also wrapped up negotiations for a free-trade agreement with the Eurasian Economic Union in June, which Prabowo announced following a bilateral meeting with Russian President Vladimir Putin.

Jakarta also seeks to jumpstart negotiations for a preferential trade agreement with South America's Mercosur this year but signaled that the ball was now in the court of the bloc, which consists of Argentina, Paraguay, Uruguay, Bolivia and Brazil.

In a visit to Jakarta on Thursday, Brazilian President Luiz Inácio Lula da Silva said he and Prabowo had "agreed to accelerate the negotiations" before Lula's term ends in December.

## Indonesia's national car dream: Symbolism or strategy?

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Finally, no industrial policy can succeed without a foundation of research and innovation. Building a network of R&D facilities, testing centers and university-industry collaborations would transform the national car project from a political promise into a developmental mission. This, more than the pursuit of a symbolic brand, would make Indonesia a serious player in the global mobility transition.

Ultimately, Indonesia perhaps does not need a national car; it desperately needs national capability. As Amartya Sen (1999) reminds us, development is the expansion of capabilities, not possessions. If the nation can master mo-

bility technologies, such as batteries, systems and digital logistics, it will have achieved self-reliance in substance, not symbol.

Indeed, a more ethical use of public funds would be to invest in public systems that expand people's skills and acceleration of green transportation, instead of financing a vanity project of industrial nationalism.

The true national car for Indonesia should be sustainable national mobility: an integrated network of electric public transportation, logistics systems and local innovation hubs. If achieved, this would not only affirm Prabowo's claim that "we are a great nation", but also prove that greatness lies in competence, not slogans.

## Rights groups slam proposal to name Soeharto national hero

Continued from page 1

"If this proposal moves forward, the Reform movement could potentially end at the hands of Prabowo's administration," Usman said, adding that it would be the greatest betrayal of the people's mandate since 1998, which led to Soeharto stepping down from office.

The late president has been accused of stifling freedom of expression and silencing opposition through incidents such as the 1965-1966 mass killings, the so-called "mysterious killings" in the 1980s and the May riots of 1998.

In 2023, the administration of then-president Joko "Jokowi" Widodo recognized these events as among a dozen gross human rights violations.

Activist Dimas Bagus Arya of the Commission for Missing Persons and Victims of Violence (KontraS) denounced the inclusion of Soeharto in the list and said the decision displayed President Prabowo's "tone-deaf" administration.

"We have called for the government to side with the victims of state violence and gross human rights violations. But it seems like this regime has ultimately closed its door to public participation and only seeks to benefit a small group," Dimas told *The Jakarta Post* on Thursday.

Dimas said there was a clear "systematic political effort to push for the national hero title to be bestowed on Soeharto, who was the former father-in-law of President Prabowo".

Usman of Amnesty further urged the government to drop Soeharto from the list of nominees, saying that his inclusion "ignores the suffering of the victims and their families, who have yet to receive justice".

Saifullah did not immediately respond to the *Post*'s request for comments, but he has previously defended the proposal for Soeharto to become a national hero, saying "no one is perfect".

Soeharto, Gus Dur and the other proposed names all have inherent weaknesses and shortcomings. Why? Because they were human, and were prone to errors," he said in April.

Minister Fadli said on Tuesday that he hoped the list would be finalized by Nov. 10, National Hero Day, kompas.com reported.

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