

The Economic Blueprint of Prabowo and Gibran: Prospects and Challenges for Indonesia's Development

Nunung Kurniasih^{1*}, Yosep Yudianto²

STAI DR. KH. EZ. Muttaqien Purwakarta, Indonesia¹, STIT Rakeyan Santang, Indonesia²

Email: n_kurniasih@staimuttaqien.ac.id^{1*}, jh0z3p@gmail.com²

Abstract

The economic blueprint presented by Prabowo Subianto and Gibran Rakabuming Raka focuses on reshaping Indonesia's economy through industrialization, agricultural revitalization, and technological advancements. This vision aims to reduce Indonesia's dependency on foreign goods and services, enhance domestic production, and leverage digital innovation to create a competitive global presence. The administration's plan includes revitalizing the agricultural sector, fostering local industries, and embracing digital transformation to boost economic productivity and innovation. While their economic policies present significant growth potential, challenges such as regional inequality, infrastructure deficits, and securing sustainable financing remain critical. This article explores the prospects of their proposed economic framework and the difficulties they may encounter in transforming Indonesia into a self-reliant, digitally advanced, and globally competitive nation. By evaluating Prabowo and Gibran's policy vision, this study assesses the long-term viability of their strategies and their potential impact on Indonesia's economic development.

Keywords: Economic Blueprint, Industrialization, Agricultural Reform, Digital Transformation.

INTRODUCTION

Indonesia, the world's largest archipelagic nation, stands as the largest economy in Southeast Asia. With a population of over 270 million, Indonesia possesses immense economic potential but faces numerous challenges. As the largest economy in ASEAN, Indonesia is rich in natural resources, yet it remains heavily reliant on commodity exports such as oil, gas, coal, and palm oil. This heavy dependency on natural resources makes Indonesia vulnerable to international price fluctuations, which can impact economic stability.

In recent years, Indonesia has experienced positive economic growth despite global tensions. However, structural challenges such as income inequality, limited access to quality education, and uneven wealth distribution remain significant issues. Effective and innovative economic policies are critical to addressing these challenges and optimizing the country's economic potential.

In this context, the new administration under the leadership of Prabowo Subianto and Gibran Rakabuming Raka promises a shift in Indonesia's political and economic landscape. Both leaders bring distinct perspectives, and their economic vision for Indonesia will be crucial for navigating the country's development in the coming years. They face the challenge of crafting policies that will foster inclusive and sustainable growth, ensuring that all regions benefit from the country's economic development.

Prabowo Subianto, a former presidential candidate and a prominent political figure in Indonesia, is known for his nationalistic approach to governance. His economic philosophy emphasizes reducing Indonesia's dependency on foreign imports and boosting domestic production across key sectors, including agriculture, manufacturing, and defense. Prabowo has consistently advocated for the revitalization of Indonesia's agricultural sector to ensure food security, alongside a push for industrialization to drive economic growth.

Prabowo's agenda focuses heavily on infrastructure development, particularly in rural and underserved regions, with the aim of reducing regional disparities and improving economic opportunities outside major urban centers. Furthermore, he believes that national security plays a key role in ensuring long-term economic stability, which is reflected in his support for increased defense spending. His economic approach, while fostering domestic industries, also prioritizes self-reliance and protectionism to safeguard Indonesia's economic sovereignty.

Gibran Rakabuming Raka, the son of President Joko Widodo, represents a more youthful and forward-looking perspective in Indonesia's political and economic landscape. As the Mayor of Surakarta (Solo), Gibran has demonstrated his leadership in local economic development, focusing on empowering small and medium-sized enterprises (SMEs) and promoting the digital economy. Under his leadership, Surakarta has seen various initiatives aimed at enhancing local business growth, including digital platforms to facilitate business transactions and improve public services.

Gibran's experience in urban governance, especially in driving digital transformation, presents him as an advocate for Indonesia's future in the digital economy. His approach, while building on his father's emphasis on infrastructure, also integrates innovation and technology as key drivers of economic development. Gibran's focus on fostering entrepreneurship and supporting the tech sector suggests that his vision for Indonesia's economic future will heavily involve technology-driven growth.

The Prabowo-Gibran administration brings together a blend of nationalistic economic policies and forward-thinking technological solutions. Their economic agenda is expected to prioritize domestic industrial development, the revitalization of agriculture, and the expansion of digital infrastructure. One of their central goals is to create jobs and reduce poverty, particularly among the youth and marginalized sectors of society. Through strategic investments in infrastructure, they aim to improve regional connectivity and create a more equitable distribution of economic opportunities.

At the same time, the administration will likely focus on transforming Indonesia into a competitive digital economy. In particular, they plan to capitalize on emerging sectors like fintech, e-commerce, and digital services to boost

productivity and global competitiveness. However, the implementation of these policies faces significant challenges, including securing adequate funding for large-scale projects, addressing environmental concerns, and balancing the needs of different regions in Indonesia.

While their vision is ambitious, the success of their policies will depend on their ability to address these challenges and ensure that the benefits of economic development are shared equitably across the archipelago. Thus, the effectiveness of the Prabowo-Gibran administration's economic blueprint will ultimately determine Indonesia's ability to navigate the complexities of the global economy while addressing its internal socio-economic issues.

This article will explore the prospects and challenges of the economic policies proposed by Prabowo and Gibran. By examining their policy priorities and comparing them with previous economic strategies in Indonesia, this article aims to provide a comprehensive analysis of how their governance could shape the future of the country's economy. Specifically, the article will address the key sectors prioritized by the Prabowo-Gibran administration, such as agriculture, manufacturing, and digital innovation, and will assess their potential outcomes and impact on Indonesia's long-term development.

LITERATURE REVIEW

Global Examples of Leadership Impacting Economic Policy

Leadership plays a pivotal role in shaping a country's economic trajectory, particularly when it comes to implementing transformative policies. Successful examples of leadership-driven economic reforms can be seen in countries like Singapore, South Korea, and Malaysia, which have all achieved significant economic growth and transformation through strategic policy interventions.

Singapore's economic transformation is often attributed to the vision of its first Prime Minister, Lee Kuan Yew. His policies focused on creating a conducive environment for business, investing in infrastructure, and prioritizing education and technological innovation. This strategic leadership enabled Singapore to evolve from a small port city with limited natural resources into a global financial and trade hub.

Similarly, South Korea's rapid economic growth in the latter half of the 20th century is largely due to strong leadership that prioritized industrialization. Under President Park Chung-hee, the country moved from an agrarian economy to a highly industrialized one, thanks to targeted investments in heavy industries, education, and technology. These countries demonstrate the critical importance of leadership in directing economic policies toward national growth and global competitiveness.

In the context of Indonesia, Prabowo Subianto's leadership has been associated with a similar desire to strengthen national sovereignty, reduce

dependency on foreign imports, and promote domestic industrial development. However, implementing these policies in the context of a rapidly changing global economy poses unique challenges. Understanding the leadership styles and economic successes of these countries can provide valuable insights into the potential pathways for Prabowo and Gibran's economic vision.

Indonesia's Economic Policies in the Past Decade

Over the past decade, Indonesia has experienced positive but uneven economic growth. Under President Joko Widodo's administration, the country embarked on a large-scale infrastructure development program aimed at improving connectivity and reducing regional disparities. Key projects, such as the construction of highways, airports, and ports, were intended to boost domestic trade, reduce logistics costs, and foster economic integration across the archipelago.

However, despite these efforts, challenges remain. Indonesia continues to rely heavily on commodity exports, and its manufacturing sector has not seen the same level of growth as in other emerging economies. According to the World Bank, Indonesia's industrial sector is still characterized by low productivity, which limits its global competitiveness. Additionally, economic inequality persists, with urban areas continuing to experience faster growth compared to rural regions.

The literature indicates that while infrastructure development is crucial for economic growth, there is a need for a more diversified economic base. Scholars argue that Indonesia must strengthen its human capital, embrace technology, and move toward higher value-added industries if it is to achieve long-term sustainable growth. Thus, Prabowo and Gibran's focus on industrialization and digitalization aligns with these recommendations, but their success will depend on how effectively they implement these reforms and address existing structural issues.

Prabowo Subianto's Economic Thought

Prabowo Subianto's economic philosophy is rooted in a vision of national sovereignty and self-reliance. He has frequently expressed his belief in reducing Indonesia's dependency on foreign goods and services, advocating for a more protectionist approach to foster domestic industries. His vision also emphasizes the importance of agricultural development, particularly in ensuring food security and reducing the country's reliance on imported food products.

A key aspect of Prabowo's economic strategy is the revitalization of Indonesia's agricultural sector. Scholars such as Arifin (2020) argue that Indonesia's agricultural industry, which has been in decline for decades, has significant potential for revitalization through policy reforms, technological innovations, and investment in rural infrastructure. Prabowo's focus on

agriculture and food sovereignty could play a crucial role in addressing Indonesia's trade imbalance and ensuring sustainable economic growth.

However, critics have questioned the feasibility of Prabowo's protectionist policies in the context of an increasingly globalized economy. While his nationalistic approach may appeal to certain segments of the population, others argue that it could limit Indonesia's competitiveness and its ability to integrate into global value chains. The literature suggests that a balanced approach, one that protects domestic industries while also encouraging international trade and investment, would be necessary for Indonesia's continued economic growth.

Gibran Rakabuming Raka's Governance and Economic Strategy

Gibran Rakabuming Raka, as the Mayor of Surakarta, has implemented various initiatives aimed at promoting local economic development. One of his key strategies has been to promote digital transformation in the local economy, facilitating the growth of small and medium-sized enterprises (SMEs) through digital platforms. According to research by Sudirman et al. (2021), local government efforts to digitize administrative services and create a digital economy can significantly improve efficiency, increase transparency, and promote business growth.

Gibran's approach has been particularly focused on the role of entrepreneurship and the empowerment of youth. By providing resources and support for young entrepreneurs, Gibran has aimed to create a more dynamic local economy. He also recognizes the importance of technology in driving economic growth, and this is reflected in his support for digital startups and fintech, which have gained significant traction in Indonesia in recent years.

The literature suggests that Gibran's focus on innovation, technology, and entrepreneurship is well-aligned with global economic trends. As the global economy increasingly shifts toward the digital domain, Indonesia's ability to adapt to these changes will be crucial. Gibran's leadership, particularly in fostering digital platforms and empowering SMEs, presents a valuable opportunity for Indonesia to capitalize on the global digital economy.

Sustainability and Growth Theories in Developing Countries

Theories of economic growth highlight the importance of institutions, infrastructure, human capital, and technology in promoting sustainable development. In the case of developing countries like Indonesia, scholars argue that fostering innovation and adopting new technologies are key factors for long-term growth (Acemoglu & Robinson, 2012). Furthermore, sustainable development is a critical concern, with many scholars noting that growth must be inclusive and environmentally responsible.

The Prabowo-Gibran administration's emphasis on both industrialization and digitalization is consistent with these growth theories, as it seeks to modernize Indonesia's economic structure and increase competitiveness. However, it is important to consider the environmental impact of industrial growth, particularly in sectors like mining and manufacturing. The literature suggests that balancing economic growth with sustainability goals is essential for ensuring that Indonesia's development is not only rapid but also resilient in the face of climate change and other global challenges.

METHOD

This study adopts a qualitative research approach to analyze the economic strategies and policies proposed by Prabowo Subianto and Gibran Rakabuming Raka for Indonesia's development. The primary data for this research is derived from a review of secondary sources, including academic journals, government reports, policy documents, and credible media publications. This method allows for a comprehensive examination of the economic blueprint presented by the two leaders, as well as an understanding of their potential impact on Indonesia's economic trajectory.

The research involves a detailed literature analysis, focusing on studies related to economic policy, industrial development, agricultural reform, and digital transformation, all of which are central to the vision of the Prabowo-Gibran administration. Additionally, the study compares their proposed policies to similar reforms undertaken in other countries, particularly within Southeast Asia. By drawing parallels with the economic experiences of nations such as Singapore, South Korea, and Malaysia, the study provides valuable insights into the feasibility and potential outcomes of the Prabowo-Gibran economic agenda.

Finally, the research evaluates the practical challenges and opportunities that could shape the implementation of these policies, considering factors such as political stability, financing strategies, regional disparities, and public support. This qualitative evaluation seeks to offer a balanced perspective on the prospects and hurdles Indonesia may face under the leadership of Prabowo and Gibran, ultimately aiming to present a well-rounded view of Indonesia's future economic development.

RESULT AND DISCUSSION

Sectoral Impact: Agriculture, Industry, and Digitalization

Prabowo's economic vision places a strong emphasis on revitalizing Indonesia's agricultural sector, which has been in decline for decades. Given the country's vast agricultural potential, reforming this sector could lead to greater food security, reduced dependency on imports, and job creation in rural areas. Scholars suggest that with targeted investments in technology, infrastructure, and

policy reform, Indonesia's agriculture sector could become more productive and sustainable (Arifin, 2020). However, the challenge lies in overcoming traditional farming practices, securing funding, and ensuring that reforms reach the most disadvantaged regions.

Industrialization is another central pillar of Prabowo's economic agenda. By boosting domestic manufacturing, the administration aims to reduce Indonesia's reliance on raw material exports and increase its share in global supply chains. However, Indonesia's manufacturing sector remains underdeveloped compared to its regional peers. To make industrialization successful, Prabowo's policies will need to focus on improving productivity, fostering innovation, and upgrading infrastructure, particularly in logistics and transportation. The success of this vision depends on creating an environment that attracts foreign and domestic investment while ensuring that industries comply with sustainability standards to avoid environmental degradation.

Gibran's focus on the digital economy complements Prabowo's industrial agenda by positioning Indonesia as a hub for technological innovation in Southeast Asia. The rise of e-commerce, fintech, and digital startups is transforming Indonesia's economic landscape. The government's emphasis on digital transformation could significantly boost productivity and create new opportunities in sectors like retail, education, and finance. However, the digital divide between urban and rural areas, as well as challenges related to internet connectivity, cybersecurity, and digital literacy, must be addressed for these goals to be realized.

Job Creation and Poverty Alleviation

One of the central objectives of Prabowo and Gibran's economic plan is to create jobs and reduce poverty. Indonesia has made progress in reducing poverty in recent years, but millions of Indonesians still live below the poverty line, especially in rural areas. Prabowo's focus on agricultural reform and industrialization could provide new employment opportunities, particularly in regions that have historically struggled with unemployment and underdevelopment. Job creation will be crucial for addressing Indonesia's growing youth population, which faces challenges in entering the workforce.

However, the nature of job creation in Indonesia needs to be examined closely. Many of the new jobs created in the past decade have been in low-wage, informal sectors, which offer limited job security and opportunities for advancement. To tackle this issue, Prabowo and Gibran must ensure that job creation is not just quantitative but also qualitative, providing Indonesians with well-paying, stable jobs that contribute to economic mobility. This will require reforms in education and vocational training, as well as the promotion of higher-value industries.

Infrastructure and National Development

The infrastructure projects initiated under Joko Widodo's presidency have made significant strides, yet Indonesia still lags behind many of its neighbors in terms of infrastructure quality and connectivity. Prabowo's administration is likely to continue these efforts, with a particular focus on enhancing connectivity between urban and rural areas. Improved transportation networks, energy distribution, and digital infrastructure will be critical for reducing logistical costs and boosting economic productivity.

However, infrastructure development often faces challenges related to financing, land acquisition, and political opposition. Indonesia's infrastructure budget is substantial, but there are concerns about the government's ability to sustain large-scale projects without incurring excessive debt. Moreover, the long-term sustainability of infrastructure projects must be considered, ensuring that they are environmentally and socially responsible. A key challenge for Prabowo and Gibran will be balancing economic growth with environmental preservation, particularly in the context of large-scale infrastructure projects like highways, ports, and industrial parks.

Fiscal Policy and Public Spending

The fiscal health of Indonesia is another critical area of concern. Indonesia's budget deficits have increased in recent years, and public debt is rising, putting pressure on the government to maintain fiscal discipline. Prabowo and Gibran's focus on industrialization and infrastructure development will require significant public and private investment. However, funding these projects without exacerbating the country's fiscal deficit will be a difficult balancing act.

Prabowo's protectionist policies, which prioritize domestic industries, may limit Indonesia's ability to attract foreign investment. While these policies aim to stimulate domestic production, they could also lead to trade imbalances and higher consumer prices. A more balanced approach may be needed to ensure that Indonesia remains competitive in global markets while also fostering domestic industries. Prabowo and Gibran will need to work closely with the private sector to create an investment climate that encourages long-term growth without sacrificing fiscal responsibility.

Global Market Positioning

As the largest economy in Southeast Asia, Indonesia has a unique opportunity to expand its role in global trade. Prabowo and Gibran's focus on industrialization and digital transformation could position Indonesia as a competitive player in regional and global markets. However, Indonesia faces challenges related to its trade policies, regulatory environment, and its positioning in global value chains.

For Indonesia to thrive in the global economy, it will need to strengthen its position in key sectors such as manufacturing, technology, and services. This requires significant investments in education and training to improve human capital and ensure that Indonesia's workforce is equipped with the skills necessary to compete in a rapidly changing global market. The country must also diversify its exports and reduce its reliance on raw material exports, which have been vulnerable to global price fluctuations.

CONCLUSION

The economic blueprint proposed by Prabowo Subianto and Gibran Rakabuming Raka presents an ambitious and transformative vision for Indonesia. By focusing on industrialization, agricultural reform, and the digital economy, their policies seek to position Indonesia as a competitive player on the global stage while addressing critical issues such as poverty, job creation, and regional inequality. Their combined leadership offers a unique blend of nationalistic economic strategies and forward-thinking technological development, which could set Indonesia on a path toward sustainable growth.

However, the success of these policies will depend on several key factors. First, the implementation of these reforms will require substantial investment, both from the public and private sectors. Prabowo's focus on industrialization and Gibran's emphasis on digital transformation align with global economic trends, but Indonesia will need to overcome significant challenges, such as infrastructure gaps, regulatory barriers, and financing constraints. The ability of the government to attract foreign investment while maintaining a balance between protectionism and openness will be crucial to the success of their economic agenda.

Moreover, addressing regional disparities will be essential to ensuring that the benefits of economic growth are felt across Indonesia's vast archipelago. While urban areas have seen rapid development, rural regions still face significant challenges in terms of access to infrastructure, education, and healthcare. The Prabowo-Gibran administration must prioritize inclusive policies that promote equitable development across all regions.

Finally, sustainability is a critical concern for the future of Indonesia's economy. The country must balance economic growth with environmental preservation, particularly in industries such as mining, manufacturing, and agriculture. Prabowo and Gibran's success will depend on their ability to integrate sustainable development practices into their economic plans while ensuring that the growth generated benefits both the people and the environment.

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