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Prabowo vows to protect national wealth in first state address

Radhiyya Indra
and Maretha Uli

The Jakarta Post/Jakarta

President Prabowo Subianto promised in his first State of the Nation Address on Friday to safeguard the country's resource for use by the state for the people's prosperity and to put an end to its continuous outflow to other countries.

In front of over 600 lawmakers and state officials, the President boasted of his administration's short-term successes and reiterated its future goals in the address delivered during the plenary meeting of the People's Consultative Assembly (MPR) at the Senayan legislative complex in Jakarta on Friday.

The annual address, delivered ahead of Independence Day on Aug. 17, was attended by former presidents Susilo Bambang Yudhoyono and Joko "Jokowi" Widodo, as well as former vice presidents Try Sutrisno, Boediono, Jusuf Kalla and Ma'ruf Amin. Former president Megawati Soekarnoputri, who chairs the Indonesian Democratic Party of Struggle (PDI-P), the only party outside Prabowo's government, was noticeably absent from Friday's event.

Protecting national wealth and resources took up a major portion of Prabowo's speech, with him asserting Indonesia's

need to be self-sufficient in its economy in order to be fully independent.

He further warned of a massive "net outflow of national wealth," a term he has used since 2014 to describe the drain of wealth out of the country.

"If we keep letting our national wealth go to other nations, we face the potential of becoming a failed state," the President said. "That's why I must take the necessary steps [to prevent it], even if the steps are tough and unpopular with specific parties."

He also pledged to protect the nation's resources and people from what he called "serakahomics," referring to the pursuit of profit at the expense of ordinary people, by taking legal action against people who break rules, make life harder for the people and seek outrageous profits from the suffering of the poor.

Prabowo also alleged abuses of power by "certain entrepreneurs" to dominate and manipulate the rice industry, and said his administration would improve licensing for large-scale rice mills to guarantee the "right quantity, proper quality and affordable prices for consumers."

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Presidential sign-off: President Prabowo Subianto (left) signs the draft state budget bill for fiscal year 2026 and its accompanying financial note, witnessed by House of Representatives Speaker Puan Maharani (center) and Regional Representative Council (DPD) Speaker Sultan Bachtiar Najamudin, during the opening plenary session of the 2025-2026 legislative year on Friday at the Nusantara Building in the Senayan legislative complex in Jakarta.

Govt banks on 'ambitious' revenue in 2026 budget

Expenditure for free meals program to nearly triple

Dini Ghibari
and Ni Made Tasyarani

The Jakarta Post/Jakarta

President Prabowo Subianto has set an "ambitious" revenue target for his first-ever state budget amid the country's flagging tax collection, as he seeks to raise spending for his flagship programs.

During the state budget address on Friday, Prabowo highlighted that the budget was designed to strengthen the country's "food, energy, economy and defense" resilience and to support the vision of transforming Indonesia into a strong, prosperous and independent nation.

The plan is to ramp up state revenue by 9.8 percent to Rp 3.14 quadrillion (US\$194.5 billion) from the expected Rp 2.86 quadrillion this year, according to the latest Finance Ministry projections.

Meanwhile, the country recorded only modest revenue growth of 5.6 percent in 2023 and 2.4 percent last year. This year's revenue is projected to grow by just 0.5 percent as tax revenue, which makes up the bulk of state income, is projected to fall short by about Rp 82 billion, reaching just 94.9 percent of the Rp 2.71 quadrillion target.

To reach next year's pace, Fi-

Budget plan foresees fiscal deficit at 2.48% of GDP in 2026

(Figures in trillion rupiah unless otherwise stated)

Indicator	Latest 2025 projection	Proposed 2026 budget
Total revenue	2,866	3,148
Tax revenue (incl. customs & excise)	2,387	2,692
Non-tax revenue	477	455
Total spending	3,526	3,787
Central government	2,963	3,137
Regions and villages	564	650
Deficit	662	639
Deficit (in percent of GDP)	2.78	2.48
Education budget	690	758
Health budget	211	244
Social aid budget	468	508
Food security	155	164

Source: Finance Ministry

JP/Aditya Hadi

nance Minister Sri Mulyani Indrawati revealed in a press conference on Friday that tax revenue must grow by 13.5 percent year-on-year (yoy), which she described as "rather high and ambitious."

However, she suggested the target was achievable given the budget's gross domestic product (GDP) growth and inflation assumptions of 5.4 percent and 2.5 percent, respectively. The GDP

growth projection represents an acceleration from the 5.12 percent recorded in the second quarter of this year.

According to Sri Mulyani, this combination would bring the tax buoyancy to between 7 and 9 percent, an indicator that links GDP growth with tax revenue to assess whether tax performance is buoyant. Taxes are considered buoyant when revenue increases proportionately or more than

economic growth.

With 7-9 percent buoyancy, Sri Mulyani said this translates to an "extra effort" of about 5 percent, which she believes is attainable. "We still see room for improvement," she added.

That said, there will be no regulatory changes to pursue the ambitious tax collection target. Instead, she said the government would focus on "internal reform," citing improvements to the faulty Coretax system as an example.

Moreover, the government has set its sights on the shadow economy and illegal activity, which have long been overlooked, viewing these segments as potential revenue sources.

Prabowo said in his speech that the government had taken control of 3.1 million hectares of illegal oil palm plantations out of a potential 5 million ha. Neither the President nor Sri Mulyani explained how this would affect revenue, but the latter said it had "created a new database" without elaborating on its scale or connection to the budget.

On the spending side, the government has allocated Rp 3.13 quadrillion, up 17.8 percent from this year's budget.

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Remembrance day



A student scatters flower petals at a grave on Friday during a ceremony marking the end of World War II in Asia at the Ereved Kemang Kuning cemetery in Surabaya, East Java. The 80th anniversary event paid tribute to all victims who suffered during the war.

All former presidents invited to Independence Day ceremony

Yerica Lai

The Jakarta Post/Jakarta

The government has invited all former presidents and vice presidents to attend the 80th Independence Day ceremony in Jakarta over the weekend, in what will be the first commemoration to be led by President Prabowo Subianto since taking office.

The celebration will take place on Sunday at the State Palace and will feature a military parade, a flag-hoisting ceremony and cultural performances. The guest list includes leaders of state institutions, cabinet members, foreign envoys and members of the public.

State Secretary Prasetyo Hadi said on Thursday the government has started sending out invitations to all former presidents and vice presidents to Sunday's flag-hoisting ceremony, including Megawati Soekarnoputri, Susilo Bambang Yudhoyono and Joko "Jokowi" Widodo.

"Almost all invitations to our national figures have been delivered, and most have confirmed their attendance," Prasetyo, who also chairs the Independence Day celebration committee, said on Thursday. He however stopped short of confirming whether or not Megawati, Yudhoyono or Jokowi would

actually attend Sunday's event.

Megawati's relationship with Yudhoyono has been frosty for the past two decades, ever since he left her cabinet to mount a challenge against her in the 2004 presidential election.

Her relationship with Jokowi has similarly soured, following his decision to part ways with her Indonesian Democratic Party of Struggle (PDI-P), which had backed him for more than a decade, to support Prabowo on a rival ticket in last year's presidential election.

On Friday, both Yudhoyono and Jokowi attended the annual People's Consultative Assembly (MPR) plenary meeting, where Prabowo delivered his first State of the Nation address as the country's president. But Megawati skipped the meeting as she has been "unwell," according to daughter Puan Maharani who also serves as the House of Representatives speaker.

It remained unclear whether Megawati would attend Sunday's event at the palace, but PDI-P politician Garjar Pranowo said on Thursday that she is scheduled to lead the flag-raising ceremony at the party's education centre in Lenteng Agung, South Jakarta, as reported by Tempo.co.

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Indonesia rejects Netanyahu's Greater Israel vision

Yvette Tanamal

The Jakarta Post/Jakarta

Indonesia has strongly rejected and denounced Israeli Prime Minister Benjamin Netanyahu's vision of a "Greater Israel" through the full annexation of Palestinian territories and other countries in the Middle East.

The Foreign Ministry, in a statement issued on Thursday, called for the international community to take concrete steps to halt Israeli policies that "erode the prospects for peace," stressing that lasting peace in the Middle East can only be achieved through the two-state solution and granting Palestinians their right to self-determination.

"Indonesia calls on the international community, especially the United Nations Security

Council (UNSC), to reject all forms of annexation and permanent occupation by Israel, whether in Palestine or elsewhere in the region," the ministry said.

International outrage over Netanyahu's foreign policy in the region flared up earlier this week, following his recent interview with Israeli media i24 TV where the prime minister revealed that he "very much" connected to the vision of Greater Israel.

First emerging in the 19th century as a Zionist, messianic vision of Israel's borders, the term Greater Israel according to traditional texts refers to the totality of area stretching from "the brook of Egypt to the Euphrates," or present-day Gaza, West Bank, Egypt, Jordan, Iraq, Saudi Arabia and Lebanon.

The term was later used after the Six Day War in 1967 to refer to Israel and its conquered lands: the Gaza Strip, the West Bank, East Jerusalem, the Golan Heights and the Sinai Peninsula. Thursday's statement slammed that vision, saying that it "flagrantly violates international law and diminishes prospects for peace in Palestine and the Middle East."

Middle Eastern countries have similarly denounced Netanyahu's vision, with Saudi Arabia, Jordan, Qatar and the Arab League having issued statements to express their deep discomfort and outrage.

"[Netanyahu's remarks] reflect expansionist and aggressive intentions that cannot be accepted or tolerated, and they reveal an extremist mindset

steeped in colonial delusions," read a Tuesday statement from the Arab League.

Jordan has similarly decried Netanyahu's remarks, dismissing them as an inconsequential "claim and delusion adopted and promoted by the extremists of the Israeli government [that] encourage the continuation of cycles of violence and conflict."

Netanyahu's remarks came just days after Israel's security cabinet agreed a plan to further expand its military operations in Gaza, a takeover that would include emptying the enclave's local population out to other countries, and the entry of Israeli Defense Forces (IDF) into Gaza City.

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When governance loses its moral compass: Lessons from Pati

In the heart of Central Java, a local political storm has erupted that speaks volumes about the state of governance in Indonesia. The crisis in Pati, marked by mass protests, allegations of corruption and calls for impeachment, offers more than just a regional scandal. It is a mirror reflecting the erosion of ethical leadership, the fragility of democratic accountability and the urgent need to reimagine public service as a moral vocation.

The controversy began with a dramatic increase in land and building taxes (PBB), reportedly up to 250 percent, imposed without adequate public consultation. This sparked widespread outrage among residents, culminating in a massive protest that turned violent.

The situation escalated further when Pati Regent Sudewo, a Gerindra Party politician, was implicated in a corruption case involving railway infrastructure projects under the Transportation Ministry. Although he returned Rp 3 billion (US\$185,566) to the Corruption Eradication Commission (KPK), the gesture did little to restore public trust.

What made matters worse was Sudewo's public response. Instead of acknowledging the grievances of his constituents, he chal-

lenged them, stating he would not be intimidated even if 50,000 people took to the streets. Such rhetoric reveals a troubling disconnect between elected officials and the people they serve.

Governance is not merely about policy execution or administrative efficiency. At its core, it is a moral enterprise. Ethical governance demands transparency, accountability, empathy and a commitment to the public good. When these principles are abandoned, governance becomes a tool of domination rather than a platform for service.

To understand the depth of the crisis in Pati, we must turn to ethical theory. Immanuel Kant's deontological ethics teaches us that individuals must be treated as ends in themselves, not merely as means to an end.

In this light, the unilateral imposition of burdensome taxes without public dialogue violates the moral duty of government to respect the autonomy and dignity of its citizens. Utilitarianism, as articulated by Jeremy Bentham and John Stuart Mill, offers another lens. It holds that the right action is the one that produces the greatest good for the greatest number of people.

The Pati tax policy, which disproportionately harms low-income residents, fails this test. In-



Insight

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stead of maximizing welfare, it exacerbates inequality and social unrest.

Aristotle's ethics of virtue reminds us that ethical leadership is not just about rules but about character. It is about character. A virtuous leader embodies traits such as honesty, courage and compassion. Sudewo's defiant stance and dismissive tone suggest a deficit in these virtues. Leadership devoid of moral character is not just ineffective, it is dangerous.

Finally, Jürgen Habermas' discourse ethics emphasizes the importance of inclusive, rational dialogue in legitimizing public decisions. Governance must be rooted in communicative action, where policies are shaped through deliberation and mutual understanding. The absence of such discourse in Pati's policymaking process undermines its democratic legitimacy.

Trust is the currency of governance. Without it, even the most well-intentioned policies will fail.

ter. The Pati crisis illustrates how quickly trust can erode when ethical norms are ignored. Citizens no longer see their leaders as protectors of the public interest, but as self-serving actors insulated from accountability.

This erosion of trust has broader implications. It weakens civic engagement, fuels cynicism and opens the door to a populist backlash. In a democracy, the legitimacy of government depends not only on electoral mandates but also on moral credibility. When leaders lose their ethical compass, they lose the mandate to govern.

The decision by Pati's regional legislature to initiate impeachment proceedings against Sudewo raises important questions. Is this a genuine effort to uphold ethical standards, or merely a political maneuver?

The answer depends on the integrity of the process. Impeachment should not be weaponized for partisan gain. It must

be grounded in clear evidence of misconduct and guided by principles of justice. If conducted transparently and fairly, it can serve as a powerful corrective mechanism, reaffirming the idea that public office is a trust, not a privilege.

The Pati crisis is not an isolated incident. It reflects systemic challenges in Indonesia's governance landscape. To move forward, we must embrace a new paradigm, one that places ethics at the center of public administration. The nation can consider the following five steps to build a more ethical and participatory government.

First, ethics education for public officials. Rather than militaristic bootcamps, ethical training should be mandatory for government officials, from village heads up to ministers. This includes not only legal compliance but also moral reasoning, empathy and civic responsibility.

Second, institutionalizing public dialogue. Governments must create formal mechanisms for citizen engagement, town halls, public hearings and digital platforms that allow for meaningful input. Policies that affect livelihoods must be created, not imposed.

Third, strengthening oversight bodies. Independent watchdogs, civil society organizations and investigative media must be em-

powered to monitor government conduct. Whistleblower protections and transparent audit systems are essential.

Fourth, cultivating virtuous leadership. Recruitment and promotion within the bureaucracy should prioritize character and integrity, not just technical competence. Leaders must be evaluated on their ethical behavior, not merely their performance metrics.

Fifth, reforming political culture. Political parties and electoral systems must incentivize ethical behavior. Campaign financing, candidate selection and party discipline should be restructured to reward honesty and public service.

The uprising in Pati is a wake-up call. It reminds us that governance without ethics is governance without soul. As Indonesia continues its democratic journey, it must confront the moral deficits that threaten its institutions. This is not just a matter of policy; it is a matter of conscience.

We must demand more from our leaders, not just competence, but character. Not just results, but responsibility. Not just power, but principle.

Only then can we build a government that truly serves the people, and earns their trust and legitimacy.

Jokowi's presidency ushered in 'authoritarian revival'

Verica Lai

The Jakarta Post/Jakarta

Joko "Jokowi" Widodo's ascent to the presidency in 2014 stirred hopes for change in Indonesia, but a decade later, he departed leaving what experts have described as modest economic progress accompanied by the weakening of Indonesia's democratic guardrails.

A former furniture maker who grew up in a run-down riverside area in Surakarta, Central Java, Jokowi came to power as a political outsider with limited connections to the elites, a refreshing prospect in a landscape dominated by oligarchs, New Order-era holdovers and corrupt politicians.

But when he stepped down last year, he left behind a fragile economy and a political system showing signs of the New Order's old playbook of co-optation and repression, experts said on Wednesday during the launch of *The Jokowi Presidency: Indonesia's Decade of Authoritarian Revival*.

The book, introduced in celebration of the 60th anniversary of the ANU Indonesia Project, assembles leading scholars from a wide range of fields, including foreign policy, security, economics, politics, law and human rights. It examines Jokowi's political evolution and its impact on Indonesia.

At the event, hosted by the Jakarta-based Centre for Strategic and International Studies (CSIS), ANU researcher and coeditor Sana Jaffrey described Jokowi as a "disruptive president" whose ambitious developmental agenda came at a steep democratic cost.

"What we saw was co-optation of critics and allies, the centralization of state power reminiscent of Soeharto's (New Order) era and the systematic dismantling of accountability mechanisms, first to serve Jokowi's economic vision and ultimately for the pursuit of



Special shout-out: Former president Joko "Jokowi" Widodo returns a greeting on Friday as he, along with former President Susilo Bambang Yudhoyono and former vice presidents Try Sutrisno, Boediono and Jusuf Kalla, attends President Prabowo Subianto's annual State of the Nation address, ahead of the country's Independence Day in Jakarta.

personal power," Jaffrey said.

Despite his focus on infrastructure and economic growth, by the time he left office, Jokowi had delivered only "modest economic change," coeditor Eve Warburton noted.

Even though we think of him as a developmentalist and as someone with a very clear, well-articulated developmental ambition, what our scholars and analysts in this book show is that the results were very mixed," Warburton said.

A central paradox in Jokowi's presidency, she added, was that he remained among the most popular leaders in Indonesia's democratic era, despite what academics and activists saw as an "abandonment of what they thought to be a democratic mission."

When he left office last October, Jokowi's approval rating stood at around 75 percent, above the average for his two terms, several polls showed.

Jaffrey attributed this to his humble background and deep understanding of what ordinary Indonesians valued, something that his predecessors and political elites were not able to do, citing Jokowi's expansion of social assistance (bansos), which critics allege was politicized toward the end of his presidency.

"To the elites, this is often considered a waste of money or can come across as something that is patronage in politics, but it is, in a very real way, makes a difference in ordinary people's lives," she said. "That understanding allowed Jokowi to wield extraordi-

nary political capital, often in ways that were completely unchecked."

Still, Jaffrey said Indonesia avoided a complete authoritarian reversal, pointing to Jokowi's failed bid for a third term as proof that some democratic guardrails, including elite rivalry and public backing for direct elections, remained intact.

"The political elites and parties themselves don't want to see a system concentrating power in one person or party," Warburton added. She noted that the public's strong support for democracy and direct elections, even mobilizing in the streets when they feel key democratic institutions are under threat, serves as another critical safeguard against deeper democratic decline.

Climate crisis driving young Indonesians out of school

Report warns of health, early marriage risks

Radhyya Indra

The Jakarta Post/Jakarta

The worsening climate crisis is disrupting the lives and future of Indonesian youths, forcing some out of school and into work while threatening their health and access to food, according to the latest report by rights NGO Save the Children, presented at *The Jakarta Post's* earlier this week.

Based on consultations in July with teenagers aged 15 to 19 in Jakarta and Kupang, East Nusa Tenggara, the report found that increasingly unpredictable and extreme weather has caused crop failures and triggered natural disasters, upending daily life for children in both rural and urban areas.

In Jakarta, several children described struggling to access nutritious food, consuming instant noodles more often than vegetables and fish. Many avoided fish altogether, citing worsening water quality as floods become more common.

"It's so hard to even eat fish, because we know how much bacteria and germs are in the water due to the floods," said Jakarta-based Amirah, who opted for a pseudonym, in the report.

The Meteorology, Climatology and Geophysics Agency (BMKG) has cautioned since April that the country would see more hydrometeorological disasters due to climate change, including floods.

In Kupang, failed harvests and declining fish stocks have forced families to substitute rice with cheaper staples like cassava and corn, while once-abundant local fruits have grown scarce and expensive.

The dire situation has pushed some children to leave school and work to help support their families.

"It ended up working because my father couldn't produce any vegetables on our family's farm due to the dry season, which reduced my pocket money from Rp 5,000 (31 US cents) to Rp 2,000," said Kupang-based Tono, also not his real name.

The report also found that girls face even tougher times from the climate-induced situation, with many forced into early marriage to ease their family's financial burden. Frequent evacuations due to natural disasters also expose girls to harassment at shelters.

"It is us girls who are often catcalled, insulted, harassed or asked for our phone numbers," said Vina, another pseudonym, in the report.

Warnings from environmentalists

Uli Arta Siagian, campaign manager of the Indonesian Forum for the Environment (Walhi), said the findings align with her group's own research linking the climate crisis to more ecological disasters, worsening economic conditions and declining children's health.

"The climate crisis impacted the quality and quantity of our farmers' agricultural produce, which caused the community's economy to suffer. [...] Furthermore, it also directly impacts children's nutritional needs," Uli told *The Post* on Wednesday, adding that Walhi has documented reduced harvests of coffee, staple crops and local produce in multiple regions.

Uli warned the trend would worsen unless there are "fundamental changes in policies and real actions" from the government.

Under President Prabowo Subianto's administration, Indonesia has made several climate pledges, including achieving net-zero emissions by 2060 and retiring all coal-fired power plants by 2040.

However, Uli criticized several laws for enabling "the destruction of nature in the name of investment," singling out the Job Creation Law, which has faced backlash for potentially weakening environmental protections.

She urged its repeal alongside the passage of long-delayed legislation such as the Indigenous Rights bill and a proposed Climate justice bill.

"Future generations will inherit a dire situation if nothing changes," Uli said.

Representatives from the Environment Ministry did not immediately respond to *The Post's* request for comments.

Meanwhile, Save the Children has urged the government to address these threats by improving climate literacy in schools, ensuring disaster-affected children receive balanced nutrition, and strengthening food security through climate-resilient farming, among other measures.

Child psychologist Annella Sari Sani also stressed the importance of protecting children's education, warning of the cascading effects of disruption. "When children are cut off from education, they will find it hard to develop their cognitive capacity, which will then lead to their difficulties in finding jobs. It's a never-ending cycle," Annella said on Thursday.

Japan's emperor expresses 'deep remorse' 80 years after WWII

Hiroshi Hiyama

Agence France-Presse/Tokyo

Tens of thousands of people braved blazing heat to pay their respects at a controversial Japanese shrine on Friday, as Emperor Naruhito spoke of his "deep remorse" on the 80th anniversary of the nation's World War II surrender.

A cabinet minister was among the visitors to Yasukuni Shrine in Tokyo, which honors 2.5 million mostly Japanese soldiers who perished since the late 19th century, but also enshrines convicted war criminals.

Trips to the shrine by government officials have angered countries that suffered Japanese military atrocities, particularly China and South Korea.

It came as Naruhito said he felt a "deep and renewed sense of sorrow" in a somber speech alongside Empress Masako in an indoor arena in the center of the city, where the national flag flew at half-mast outside.

"My thoughts are with the numerous people who lost their



Enduring memory: People release doves to pray for peace at Yasukuni Shrine in Tokyo on Friday, on the 80th anniversary of Japan's surrender in World War II.

precious lives in the last war and their bereaved families," the 65-year-old said.

"Reflecting on our past and bearing in mind the feelings of deep remorse, I earnestly hope that the ravages of war will never again be repeated."

Prime Minister Shigeru Ishiba also addressed the ceremony,

pledging "to uphold the painful memories of war [...] passing them down across generations, and pursue actions toward lasting peace."

Ishiba, a political moderate, sent a customary offering to Yasukuni, according to Kyodo news. No Japanese prime minister has visited the shrine since 2013,

when a trip by then-premier Shinzo Abe sparked fury in Beijing and Seoul, and a rare diplomatic rebuke from close ally the United States.

Reflection, wrongdoings

With temperatures above 30 degrees in the picturesque grounds around the shrine, there was a sea of umbrellas as people tried to shelter from the sun. At least two people became unwell in the heat and were forced to seek help.

Takashi Eguchi, a 53-year-old graphic designer from Tokyo, told AFP Yasukuni served as an accessible place in the heart of the city for ordinary people to reflect on the nation's history.

"We live in a moment when wars have broken out or are likely to break out in various places," he said. "So I came here to look back at what Japan has done, including its failures."

Another visitor, who identified himself only by his surname Harada, came dressed in a Japanese imperial army uniform to honor the sacrifice of the war dead.