



Indonesian President Prabowo Subianto salutes new ministers during their cabinet inauguration ceremony in the State Palace of Jakarta, Indonesia on 8 September 2025.
(Photo from Prabowo Subianto / X)

Prabowo's Cabinet Reshuffle: Consolidating Politics, Recalibrating Policy?

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The Indonesian president's Cabinet reshuffle was a mixed bag. Will consolidating political clout come at the risk of restoring confidence?

On 8 September 2025, Indonesia's President Prabowo Subianto carried out [a Cabinet reshuffle](#), introducing a handful of new appointees. Purbaya Yudhi Sadewa was named Minister of Finance; Ferry Juliantono, Minister of Cooperatives and Small and Medium Enterprises; Mochamad Irfan Yusuf, Minister of [Haj](#) and Umrah; and Mukhtarudin leads the newly elevated Ministry for Migrant Workers Protection. The reshuffle happened after [protests erupted across major cities](#) in late August into early September, fuelled by the people's grievances over inequality, elite privilege, and heavy-handed policing.

The Cabinet changes can be read as a potential recalibration of policy and the president's political response to the unrest, as his administration nears its first anniversary in office. In a move that surprised many, Prabowo replaced Sri Mulyani Indrawati, long seen as a guarantor of Indonesia's fiscal prudence, with economist Purbaya Yudhi Sadewa, whose low public profile and limited experience in direct fiscal management unnerved markets. The immediate reaction was a [one to 1.3 per cent drop](#) in the stock market index (IHSG) and a [weakening rupiah](#) in offshore trading.

With advanced degrees in economics from Purdue University, however, Purbaya has solid [technocratic credentials](#). He had led the Indonesia Deposit Insurance Corporation (LPS) since 2020 and previously served in senior roles at Danareksa Securities, the Coordinating Ministry for Maritime and Investment Affairs, and the

Executive Office of the President (KSP) during former president Joko “Jokowi” Widodo’s first term, among other appointments. Some might see Purbaya’s career as being linked to Indonesia’s Economic Council chair, former coordinating minister for maritime and investment affairs Luhut Binsar Pandjaitan. This, coupled with other shifts in the ministerial line-up, has raised speculation that Prabowo might be gradually purging known Widodo loyalists from his Cabinet.

Prabowo’s decision to remove Sri Mulyani (who has been targeted by many as the face of unpopular tax and austerity policies) while retaining Police Chief Listyo Sigit (who is also a source of public outrage) reflects a deliberate political calculation. By sacrificing a technocrat, Prabowo might think he is signalling responsiveness to economic grievances and easing public anger yet avoiding impacting the leadership of the security apparatus that he must rely on to contain further unrest. This choice perhaps underscores a governing style that prioritises loyalty and coercive stability over structural democratic reform.

While the new ministers may ensure greater alignment with President Prabowo’s planned agenda, unintended consequences like market instability, diminished investor confidence, and creeping militarisation will pose profound risks to his plans.

Looking at the other appointments, Prabowo's broader strategy seems to be more about shoring up control than answering the people's demands (such as those for the police chief to be [fired](#)). [Ferry Juliantono](#), a Gerindra politician and long-time Prabowo loyalist replaced Budi Arie Setiadi, a close ally of Jokowi, which may signal the president's deliberate narrowing of political space for Jokowi's camp. This does not amount to open confrontation but suggests that Prabowo is prioritising party loyalty over coalition inclusivity. For businesses and observers, the message is clear: the administration is moving toward tighter internal control, potentially sidelining more figures linked to Jokowi. While this may create short-term cohesion for Prabowo, it may risk straining relations with Jokowi and his followers, with uncertain consequences for the grand coalition in power.

The dismissals of the coordinating minister for political, legal, and security affairs (Menko Polhukam) Budi Gunawan and the youth and sports minister without immediately naming their successors added some [uncertainty](#). Budi Gunawan, a retired police general and ex-head of the National Intelligence Agency (BIN) who served as a close aide to Indonesian Democratic Party of Struggle (PDI-P) chair Megawati Sukarnoputri, was removed [without an ad interim](#) appointee: Defence Minister Sjafrie Sjamsoeddin has been [appointed](#) as a placeholder. This further unsettles Indonesia's civil-military balance, as such a move consolidates control over defence and internal security affairs — even if temporarily — under one military figure. It raises more

concern that Prabowo might further erode the post-*Reformasi* principle of civilian supremacy vis-à-vis the military in government. Though it can be justified as improving bureaucratic efficiency, the optics of militarised governance could carry lasting implications.

Another aspect of Budi Gunawan's removal is that it signals a recalibration in Prabowo's relationship with his erstwhile ally, Megawati. By sidelining a figure so closely tied to her, Prabowo is effectively reducing Megawati's influence while tightening control over the politico-security apparatus, especially if he installs a loyalist as Menko Polhukan. While this strengthens Prabowo's authority, it risks straining ties with PDI-P when he might need its future support. Again, this move may bring short-term coherence in the president's mind but raises longer-term questions about PDI-P's role in Indonesia's democratic balance.

Separately, the new haj minister [Mochamad Irfan Yusuf](#), a grandson of the late Nahdlatul Ulama (NU) founder KH Hasyim Asy'ari with links to NU and Gerindra, brings religious capital to a fledgling ministry whose creation could serve policy and electoral purposes if managed well. Prabowo's appointment of [Mukhtarudin](#), a Golkar cadre with business ties, reflects coalition accommodation while signalling greater state oversight of the politically sensitive migrant worker sector.

Overall, this reshuffle was an attempt at a strategic reset or at minimum, a political recalibration: the key

economic and other important posts were given to some loyalists, while there might have been private coalition deals. These steps are not likely to calm public anger and may risk further unsettling the markets, especially if the new faces do not perform well. By gradually embedding more loyalists in his Cabinet, Prabowo likely aims to shed more of Jokowi's influence while tightening policy alignment. The elevation of the ministries for haj and umrah, cooperatives, and migrant workers shows that the president is also prioritising symbolic and distributive politics. Nonetheless, the reshuffle might reinforce [perceptions of growing militarisation](#) and the centralisation of power. If ministers' staying power becomes more about loyalty than performance, Indonesia will risk sliding toward what scholars call [authoritarian resilience](#), where democratic institutions remain formally intact but are substantively hollow.

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