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## **From irony of success to tragedy of failure**

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Why has democratic development derailed in Indonesia, and can it be revived? During a decade and a half after democrats made Soeharto step down and rulers put on new cloths, mainstream scholars like Donald Horowitz and Larry Diamond dubbed Indonesia a showcase of liberal democratization.

Edward Aspinall certainly cautioned that the “the irony of success” was that the elites had adjusted to new freedoms and democratic institutions in return for the containment of popular movements.

But the expectation remained that, since the elites adjusted to the new rules of the game, they would also, gradually, build better parties, reduce corruption and respect the rule of law and human rights. Actually, it was clear already since 2004 that this expectation did not materialize and that the main reason (according to Indonesian Centre for Democracy and Human Rights (Demos) and later on University of Gadjah Mada’s nationwide surveys of how grounded experts assessed the dynamics) was that pro-democrats were not given fair chances to get into politics and propel progress.

Still, this fundamental problem of representation was brushed aside, while most experts focused on institutional flaws, and the political economists stressed the dominance of the oligarchs. It was not until retired general Prabowo Subianto gained vast support for his strongman agenda in the 2014 elections, and populist identity politics undermined then-governor of Jakarta Basuki Tjahaja Purnama (Ahok), followed by President Joko “Jokowi” Widodo’s dubious countermeasures, that most scholars agreed (in several international assessments and in Australian National University’s 2019 Indonesia update) that democracy is indeed regressing.

Yet, the focus remains on the institutional decay along with the maneuvers of the political elite, the oligarchs and their followers in un-civil society. This is of course important, but although it should be clear by now that democratization is not a technical matter that the elite will fix on its own, nothing is there of the processes and actors that might have resisted the perpetrators and nurtured positive change.

Ironically, this bias is now unmasked by reality itself through the Job Creation Law, exposing how the “irony of success” for elitist democratization has turned into a tragedy of failure. In three strokes, it is clearer than ever how democrats, and thus democracy, have lost out. Firstly, the law explicitly trashes quests for inclusive and sustainable development based on social contracts about increased productivity and more jobs through training and socioeconomic and environmental equity, plus production-oriented programs for the underemployed. Instead, priority is given to investments in extractive industries based on more exploitation of people and nature, along with handouts for the victims. The idea of an unemployment insurance is a lone step in the right direction, but entirely insufficient.

Secondly, there have been no serious efforts at partnership governance in the preparation of the law by including unions and informal laborers' organizations and their experts, as well as environmental organizations, on an equal basis with state and capital. The argument that these actors are not unified is like saying that civil society associations should not be listened to because they are so many and do not represent society at large.

Some unions only cater to their own members, but others are calling for broader alliances. Instead of promoting more unified organization and hearings and consultations, the Palace has – like Bonapartists in Paris and supposedly enlightened regimes in East Asia – relied on top-down policy development, in close contact with business, party bosses and transactions with selected labor- and religious players. Thirdly, the nontransparent deliberation of the bill in the House of Representatives has exposed the fact that there is not even a single little party in the House to represent the views of employees and sufferers of environmental degradation. In the worst case, they may thus bet on whatever opposition leaders, as others bet on Trump. How did we get there?

There are several dimensions to the history of why democrats did not do better. One is that, aside from bashing neoliberalism and campaigning against corruption, they have never really worked out a program on inclusive development based on equity, as an alternative to the liberal growth-first dogma. Moreover, as Stanley Adi Prasetyo, myself and others put it in 2002, Soeharto's "floating mass" policy was abandoned while pro-democrats remained "floating" by being bad at linking up with "the masses", building broad movements behind unifying policies and then a party to get into organized politics.

In addition, Soeharto's state corporatism was not replaced by a framework for social democratic negotiations between interest organizations and the state, but by liberal lobbying and horse-trading. Meanwhile, civil society groups tried local citizen action but were unable to scale up, or focused on special issues and interests, but only joined hands temporarily when addressing political matters of common concern, such as the 2003 Labor Law.

One positive opening from 2005 was that several groups could get together behind more comprehensive deals with politicians, such as between urban poor and Jokowi in Surakarta, and even better, the broad alliance 2010-2012 between unions, civil society groups and progressive parliamentarians for public health reform.

But, as shown by Luky Djani and myself (with Surya Tjandra and Osmar Tanjung), there was no follow-up reforms to rally behind, and there was no framework for negotiations, especially not for comprehensive reforms involving issues beyond wages, such as welfare, employment security and land reforms. Not even progressives asked for such a format. Instead, union leaders like Said Iqbal returned to the old pattern of specific contracts for their own members through transactions with the highest-bidding politicians (including Prabowo), and others followed suit. By implication, there was also reduced popular support for those trying to improve Jokowi's governance "from within".

So even though the state secretary and several advisors know perfectly well, including from northern Europe, what it takes to promote popular participation, the decision was instead to negotiate with the elite as well as to accommodate generals and conservative Muslim leaders, reduce the capacity of the anticorruption agency and enforce the Job Creation Law.

This is certainly not to blame pro-democrats for the derailing of democratic development by the elites and oligarchs. But dissident politics matter in shaping alternatives.

And four historical lessons are obvious: (1) the liberal crafting of democracy failed by not providing real chances for pro-democrats to get into politics and propel progress; (2) this

could not be fixed without a strong countermovement; (3) broad alliances to that end have proved possible behind comprehensive reforms, such as universal public health insurance, which could have opened up for democratization of politics; but (4) it also takes follow-up reforms on sustainable and rights-based economic growth to consolidate the alliance, plus the participation of democratic stakeholders in negotiating public policies and overseeing their implementation, which would now be a constructive alternative to the jobs law.