

# Stagnation or Transformation in Indonesia?

OLLE TÖRNQUIST

In October, Joko Widodo, or “Jokowi”, campaigning on a populist pro-democracy platform, became the new president of Indonesia after a bitter election campaign against oligarch Prabowo Subianto, a former military officer who was supported by elements of the former Suharto regime. Jokowi’s victory illustrates both the real achievements and the profound limits of Indonesian democracy. Fortunately, it also highlights possibilities for substantive reform.

Indonesia is regularly hailed as a showcase “new democracy” – an all too rare democratic success story from the post-1970s Global South (Diamond 2010; Horowitz 2013). Conditions there were far from ideal for the emergence of a liberal democratic regime. But despite a background of more than three decades of harsh dictatorship and even a massacre of leftists, endemic corruption, capitalist growth based on the extraction of resources and dizzying inequalities, the post-Suharto order has not collapsed. Indeed, Indonesia is the freest country in south-east Asia, and has managed to combine vibrant elections with political stability and sustained economic growth.

In mid-October Joko Widodo, known popularly as “Jokowi”, was inaugurated as new president after a bitterly contested campaign against super rich oligarch Prabowo Subianto, a former Special Forces General and son-in-law of Suharto. A modest local businessman, country town mayor and then governor of Jakarta, Jokowi’s populist pro-democracy platform saw him to a narrow win. His victory illustrates both the real achievements and the profound limits of Indonesian democracy; fortunately, it also highlights possibilities for substantive reform.

## Elitist Democratisation

Observers of Indonesian politics broadly agree on both its successes and its

problems. Indonesia permits relative freedom for private enterprise, freedom of association and free elections. Destabilising identity politics has been successfully contained and dominant political actors have been largely reconciled to the democratic “rules of the game”. Critics add, however, that corruption and cronyism persist, and that the pace of reforms has stagnated (PWD 2014).

The early years of the previous president Yudhoyono’s reign, which began in 2004, saw political stability and economic growth, pledges to fight corruption, a democracy-oriented truce in Aceh, increasing involvement of civil society activists in politics, and the emergence of several promising leaders – Jokowi among them – from directly elected positions in local politics. Recent years have seen a regression on most fronts: persistent corruption, including within the president’s own party; Aceh’s backsliding into ineffective and corrupt rule by conservative former rebels and harsh sharia laws; ever greater domination of parliamentary politics by monied interests, and difficulties in broadening growth beyond favourably priced commodities for export, cheap labour and middle-class consumption.

## Three Views on Indonesia

There are three major ways to think about Indonesia today. The dominant liberal view is that Indonesia proves the possibility of rapid democratisation, and that its problems, while real, are no worse than anywhere else in the Global South or during the early phases of democratisation in north America and Europe. Reforms such as more public funding of parties and efforts by civil society activists and union leaders to enter mainstream

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politics will eventually take the country towards full liberal democracy (Mietzner 2013; Aspinall 2010, 2013; Caraway and Ford 2014). The contrary and increasingly influential structuralist position is held by conservatives on the one hand and radical Marxists on the other. The conservatives agree with Samuel Huntington's (1965) old and Fukuyama's (2014) new position, that democratisation increases corruption and conflict and must therefore be preceded by "politics of order" and efficient state-building. The political corollary in Indonesia is a desire for "stronger leadership". The radicals by contrast (Winters 2011, 2014; Robison and Hadiz 2004, 2014) survey contemporary Indonesian politics and conclude that little has changed since Suharto, except that the oligarchs are no longer ruled by Suharto and his inner circle but by themselves and their figureheads who form political cartels (Slater 2013). In addition, decentralisation has enabled a wider circle of business actors to gain access to favourable contracts and concessions through politics. Hence Indonesia is an oligarchic democracy, whose reform requires structural change at the level of

political economy. Marxists like Lane (2014) see a potential for accomplishing this in progressive unions and social movements, but most political economists deem these, as well as progressive middle-class and business organisations, far too weak. The upshot of these structuralist analyses is therefore that for more substantive democracy, Indonesia must wait, either for a further augmentation of state capacity (say the conservatives) or for the development of capitalism beyond accumulation based on plunder and cheap labour, and the consequent emergence of a business constituency with an interest in predictable and transparent regulation through the rule of law (say the radicals).

A third, social democratic-oriented, position has largely emerged out of studies of and with critically reflective democracy activists. The conclusion is that reform has stalled for the same reasons it was initially successful (Prasetyo et al 2003; Priyono et al 2007; Samadhi and Warouw 2009; PWD 2014; Törnquist 2013; cf also Nordholt 2004; Klinken 2009). Indonesia's democratic transition was in effect a shift from dictatorial to opportunist rule,

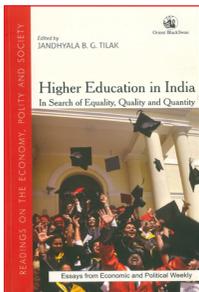
by means of a pact between "moderate" actors in the opposition and the old regime based upon the exclusion of hardline supporters of dictatorship, on the one hand, and popular movements, on the other. This elitist model of democratisation rested on two pillars: marginalisation of popular organisations and the referring of dissidents to activities in civil society, and depoliticisation, in the form of privatisation and the transfer of jurisdictions to technocrats, the courts and local elites. Initially this served the purpose of involving the powerful actors in developing and thus adhering to the new rules of the game, opening up for stability and growth and thereby even invalidating Huntington's and Fukuyama's theses that democratisation has to be preceded by politics of order and strong state-building. But over the years, the effect of both pillars has also been to restrict the ability of popular constituencies and the progressive interests among middle classes and businessmen to press against corruption and struggle for the rule of law and inclusive development. As a result, most "moderates" with their fingers in the pie have abstained from

## Higher Education in India

### In Search of Equality, Quality and Quantity

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India has a large network of universities and colleges with a massive geographical reach and the facilities for higher education have been expanding rapidly in recent years. The story of higher education in India has seen many challenges over the decades and has not been without its share of problems, the most serious being a very high degree of inequity.

Drawn from writings spanning almost four decades in the EPW, the articles in this volume discuss, among other things, issues of inclusiveness, the impact of reservation, problems of mediocrity, shortage of funds, dwindling numbers of faculty, and unemployment of the educated young.

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seriously fighting corruption, improving legal consistency and broadening political representation.

Liberal hopes for further democratisation by simply tweaking institutions at the top are thus misplaced; the social balance of power must be altered. But whereas radical structuralists say that democratisation can proceed only once capitalism has become sufficiently progressive, and the conservatives claim that democracy must be deferred until the requisite state capacity has been built by “strong enlightened leaders”, social democratic-oriented observers suggest that the most genuine path to altered power relations is through transformative, democratic politics in the form of struggles for reforms that increase the political capacity and representation of actors with a real interest in fighting corruption, promoting the rule of law and deepening democracy.

### Jokowi's Welfare Populism

This background established, what is the significance of Jokowi's rise and what prospects does it hold out going forward?

Within the sphere of mainstream politics, Prabowo represents most of the oligarchs and political and administrative elite that survived the Suharto regime, spearheaded by his own Gerindra party, Suharto's old Golkar party, dethroned leaders of modernist Muslim parties and fragments of outgoing president Yudhoyono's Democratic Party. Extra-parliamentary support comes from fellow officers, Prabowo's super rich brother, extremist Muslim groups and the ambitious leader of the best organised trade union (who had been promised the ministry of labour). Jokowi's mainstream base is threefold: dissident rival oligarchs from Suharto's old Golkar party (such as vice president Jusuf Kalla and media mogul Surya Paloh), political, religious and military elites behind Sukarno's daughter Megawati, the traditional Muslims and former army leader Wiranto. He also has the support of many of the politicians, administrators and business people who benefited from the radical decentralisation that took place after Suharto and from 2004, not least by

means of the direct election of political executives as heads of villages and districts, and as mayors and governors. Elections may only occasionally have fostered better governance; but they have undermined the centralised powers of the major oligarchs, generals, top-level bureaucrats and party bosses. Moreover the direct elections have at times enabled scattered pro-democrats, who have been unable to form effective parties, to rally behind relatively progressive political figures – among them, Jokowi.

More promisingly, Jokowi does not only stand for a critique of the centralistic strong-man policies represented by Prabowo. Jokowi also represents a desire for local negotiations in increasingly chaotic and ungovernable urban areas between, on the one hand, business and middle classes who want plots for commercial ventures and space for cleaner cities, and, on the other, subordinated classes being dispossessed of land, housing and livelihood (cf Pratikno and Lay 2013). Similar problems occur frequently in rural and semi-urban areas where people are threatened by deforestation and land-grabbing on the part of commercial interests.

Thus, Jokowi is part of and at times benefits from two of the most important socio-economic trends in Indonesia: the rise of populism and participation, and growing demands for a welfare state and inclusive development. Both trends have the potential to feed into a broad political alliance in favour of transformative social democratic policies (PWD 2014).

### Post-Clientelism

The new trends are most visible on the political level. Generally, mobilising political support in the Global South is done through patronage and clientelism. In Indonesia, these mechanisms continue to predominate in those constituencies characterised by stable relationships between patrons, bosses, and employers, on the one hand, and the electorate on the other. In other constituencies in Indonesia and elsewhere, as in India, however, post-clientelism has developed (cf Manor 2013). Here

clientelism must be supplemented in order to attract more independent voters among middle classes and uprooted people in new workplaces and settlements. Instead of patronage, these people tend to prefer fair government programmes. In Indonesia post-clientelism has been most obvious in the direct elections of political executives in a number of urban and semi-urban areas dominated by commerce, industry and educational institutions.

A central post-clientelistic technique is populism, i.e., politics conducted through a relatively direct relationship between a charismatic leader and the people. Conservative national populism is typically combined with identity politics, as in the case of Modi in India, and/or “strong leadership”, as in the cases of Thaksin in Thailand and Prabowo in Indonesia. As against these forms of conservative populism, Jokowi represents a more participatory and welfare-oriented populism, with firmer roots in territorial citizenship. Special features of this are non-corrupt and better public services, improved public education, more substantial social security and the previously mentioned local negotiations between business, middle classes, workers and the urban poor to manage chaotic urban development.

### Social Democracy Upside Down

The neo-liberal informalisation of employment relations adds to these interests in public services, welfare and negotiated development. Efficient modern units are combined with poorly developed ones, and there is pervasive subcontracting and temporary and self-employment. As a result, Indonesia's uneven industrial and commercial growth has delivered less unified workplaces and fixed employment relations than expected, just like in India. As it is therefore increasingly difficult to bargain effectively with employers, contract labourers, domestic workers and the self-employed must turn to the state and politicians for support. At times Indonesian union leaders, too, have been forced to join with contract labourers and others, in part because in Indonesia's labour market workplace bargaining is insufficient; broad alliances and public

support are also needed. In this context, demands for fixed employment relations, collective wage agreements and, when necessary, minimum wage regulations must be combined with a struggle for as universal as possible public services, welfare measures and economic policies that may generate more jobs. First, because demands for such measures can unify a broad alliance of notoriously fragmented groups with otherwise variant interests. Second, so that the costs involved can be shared by as many citizens as possible through public rather than private provisioning, which also fosters voluntary redistribution of wealth if middle classes pay more through taxes for good services as do the less well off (Törnquist 2013; PWD 2014).

In the Global North, extensive industrialisation birthed and unified powerful labour movements that could negotiate with similarly unified representatives of employers, and build alliances with farmers and white workers to foster inclusive economic growth and welfare states. Many historical social democratic experiences remain valid. These include democratic participation in public governance

and the development of services and social security that provide welfare but also strengthen the representation and bargaining power of the subordinated groups while promoting inclusive growth (Stokke and Törnquist 2013). But the kind of massive industrialisation that generated fairly unified labour movements will not be repeated in the Global South (Therborn 2012). Instead, the uneven character of development (including the combination of efficient and inefficient units, scattered workplaces, and informalised employment) may foster concerted popular action by alliances of otherwise disparate constituencies in favour of public regulation, provisioning and social welfare as well as economic policies geared towards greater production and competition as well as increasing employment. Moreover, the alliances created by these struggles might then push on to fairer social pacts and more inclusive growth. This would amount, in effect, to historical social democracy turned upside down, with demands for rights and regulations rather than industrial development generating broad alliances and political development.

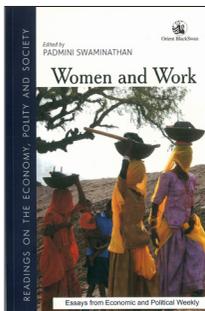
### Possible Options

Are any of these potential developments in fact unfolding? In addition to varied experiences in other parts of the Global South, which cannot be expanded upon here, two Indonesian cases stand out amidst persistent fragmentation and poor organisation. One relates to the alliances and negotiations that developed around Jokowi's local electoral victories and governance during his political rise, from 2004 in the city of Solo (Pratikno and Lay 2013) via the Jakarta region between 2012 and 2014, to the national level at present. As previously mentioned, a number of scattered popular organisations, civil society activists and intellectuals have been able to cohere behind Jokowi's efficient management and deals negotiated with powerful business and political elites. Similarly, contributions by many thousands of volunteers were crucial in tipping the balance in the presidential election campaign. The second case is the successful broad alliance between trade unions and various popular organisations and civil society groups from around 2010 for progressive social security legislation, spearheaded among

## Women and Work

*Edited by*

**PADMINI SWAMINATHAN**



The notion of 'work and employment' for women is complex. In India, fewer women participate in employment compared to men. While economic factors determine men's participation in employment, women's participation depends on diverse reasons and is often rooted in a complex interplay of economic, cultural, social and personal factors.

The introduction talks of the oppression faced by wage-earning women due to patriarchal norms and capitalist relations of production, while demonstrating how policies and programmes based on national income accounts and labour force surveys seriously disadvantage women.

This volume analyses the concept of 'work', the economic contribution of women, and the consequences of gendering of work, while focusing on women engaged in varied work in different parts of India, living and working in dismal conditions, and earning paltry incomes.

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Maithreyi Krishnaraj • Maria Mies • Bina Agarwal • Prem Chowdhry • Ujvala Rajadhyaksha, Swati Smita • Joan P Mencher, K Saradamoni • Devaki Jain • Indra Hirway • Deepita Chakravarty, Ishita Chakravarty • Uma Kothari • J Jeyaranjan, Padmini Swaminathan • Meena Gopal • Millie Nihila • Forum against Oppression of Women • Srilatha Batliwala • Miriam Sharma, Urmila Vanjani • J Jeyaranjan

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others by parliamentarian Rieke Diah Pitaloka of Megawati's Democratic Party of Struggle (Cole 2012; Tjandra 2013) and the untold story of what has happened to efforts at sustaining and further developing such alliances.

These developments are promising and call for close study. The future will depend upon Jokowi's management of looming economic and political troubles. Worryingly, Prabowo's coalition of parties dominates parliament and has already induced the scrapping of direct local elections. This decision should be possible to reverse with the support of former president Yudhoyono and his party, but if not the space for democratisation will be severely curtailed.

Second, Jokowi does not have the luxury of oil wealth, à la Brazil. Consequently, he has already had to remove long-standing fuel subsidies, increasing fuel prices by some 30%. Remarkably, this has so far been accepted without major protests. One reason is that the increase was preceded by a decision to use substantial parts of what is saved from less oil subsidies to increase social security, grant access to 12 years of free education for all and providing subsidies for the worst affected parts of the population, some 15 million people, by way of smart cards. The efforts are comparable to those in Brazil. Another reason for acceptance is that the other part of what is saved (from reduced subsidies) will be channelled into the fostering of less extractive and more inclusive economic growth, including by investments in crucial infrastructural projects.

The hard question is, however, for how long ordinary people and the supportive sections of business will trust Jokowi's capacity to deliver to their expectations. Moreover, he may prove unable to combine increased access to public services, social security and especially decent employment conditions on the one hand, with efforts at inclusive economic growth, on the other if Vice President Kalla and important sponsors in the chambers of commerce and employers' associations dominate economic and labour market policies on their own. If so, Jokowi may end up substituting genuine reform with "hand-outs", as did

Sonia Gandhi and a series of welfare-oriented governments in Tamil Nadu in India. In addition, protests drummed up by unions promoted by Prabowo and the Muslim Brotherhood party are expected shortly in connection with negotiations for minimum wages.

Hence there is a need for more organised support and accountability through a pact between Jokowi, the unions, other popular organisations and modernisation-oriented employers to oversee the re-direction of public resources and regulations in favour of a combined package of improved labour regulations, social security and inclusive development. However, Jokowi is not likely to opt for this if not urged to – and union leaders feel they have not been given sufficient influence in the new government. Much depends, therefore, on the ability of currently scattered popular organisations and civil society activists to reinvigorate the extra-parliamentary alliances and work with progressive politicians to press a core set of demands for public services, social rights, decent employment relations, inclusive growth and democratic participation in public governance.

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