

Contesting Welfare Discourses in Post-New Order Indonesia¹

Dimpos Manalu²

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Abstract

*This article analyses the contestation of 'welfare' discourses in Indonesia since the fall of the New Order, employing the discourse theory offered by Ernesto Laclau and Chantal Mouffe in their *Hegemony and Socialist Strategy* (2001 [1985]). Its main argument is that welfare is an "empty signifier", the meaning of which may shift or change as a consequence of the unfinished discursive contestations of various subject positions. This article identifies four central discourses, or master signifiers, between 1998 and 2015 that serve as "nodal points" in the hegemonisation of welfare: "Social Safety Net", "Creative Innovation" versus "Electoral Strategy", "Sustainable Development", and "Right of the People and Constitutional Obligation of the State". The dominant and hegemonic meaning of welfare, understood here as a "nodal point", is only temporary; it is partially fixed, while at the same time experiencing ongoing discursive contestation. It is, is being, and will be subjected to unending dislocation.*

Keywords: *discourse, nodal point, hegemony, articulation, welfare*

Introduction

Welfare, as seen through the analytical lens of Laclau and Mouffe (2001 [1985]), is an empty signifier that continuously experiences transformation and dislocation. It is never fixed, final, or complete, but rather undecidable and un-fixed, being continuously contested by all involved actors. It is a signifier created through the intersection and relational combination of various signifiers, which are

given a partially fixed yet dominant and hegemonic meaning. This meaning is continuously challenged and contested, and as such it is continuously and incessantly redefined.

Simply put, these thinkers explain how discursive social practices can systematically transform the identities of subjects and objects through articulation—the process through which connections are established between signifiers to create

¹ The majority of this article is adapted from a chapter in the author's dissertation, "Demokrasi sebagai Proyek Hegemoni: Wacana Politik Indonesia Pasca-Orde Baru 1998-2015" (Doctorate Programme in Political Sciences, Faculty of Social and Political Sciences, Universitas Gadjah Mada, Yogyakarta, 2019).

² Teaching staff, Master of Public Administration Programme, Faculty of Social and Political Sciences, Universitas HKBP Nommensen, Medan.

meaning. Discourse, meanwhile, is the result of 'all articulation processes', the totality of meaning within a certain time frame. The signifiers that emerge within articulation may be identified as "moments", while those floating signifiers that are not discursively articulated are known as "elements". Depending on the articulation, any signifier may transform into a "moment" or an "element".

Subjects and objects may only receive such a partially fixed significance where nodal points exist. Such nodal points are special discourses that organise other discourses into a particular identity framework. As explained previously, this process is possible because the identity articulated is an empty signifier. It exists and does not exist simultaneously; it exists, because it is the subject of discursive contestation, and yet it does not exist, as it has never been permanently fixed.

In this context, discourse analysis serves to narrate how meaning is contested and created at every level of society or map the contestations through which signs are fixed, with this process being considered natural. In other words, discourse theory is interested in analysing how structures, in this case discourses, are created and transformed.³

In other words, as Andersen (2003) writes, the concept of discourse analysis offered by Laclau and Mouffe seeks to explore matters of hegemony and supremacy in society. It does not investigate the individual contestations through which individuals fix meaning, but rather the hegemonic relations in society and conditions that shape hegemony.⁴ As

such, Laclau and Mouffe seek to understand the social practices through which discourses are articulated and contested to create social reality.⁵

Departing from the discussion above, this article seeks to identify the nodal points through which the meaning of welfare is fixed through hegemonic intervention. Meaning is created through specific nodal points, within a specific period. In this case, these nodal points are "Social Safety Net", "Creative Innovation" vs. "Electoral Strategy", "Sustainable Development", and "Right of the People and Constitutional Obligation of the State". These nodal points bind a number of discourses, or moments, as well as unarticulated signifiers (floating signifiers) that seek to become moments in various discursive fields.

In this study, analysis is conducted through the following stages: *first*, it identifies a number of nodal points within Indonesian welfare discourse since the fall of the New Order. These nodal points were identified through a comprehensive study of the literature, which offered a means of comprehensively understanding the changing meaning of welfare between 1998 and 2015. The dominant signifiers were identified in order to identify the "partially-fixed meaning" that may be considered "representative" of welfare and its understanding.

Second, recognising that nodal points are produced through the fixation or hegemonisation of floating *signifiers*, albeit not final or decidable, this article acknowledges that signifiers are partially-fixed meaning that are continuously

³ Jørgensen & Phillips, 2002: 24–26, 30.

⁴ Andersen, 2003: 55.

⁵ Howard, Norval, & Stavrakakis, 2000: 3.

contested by various subject positions. As such, this article seeks to identify the positions of the subjects involved in this contestation and in the creation of meaning.

Third, regarding these subjects' positions, it is necessary to identify and map the organisations, individuals, and political actors involved. This shows that the subject positions are inexorably linked to the political actors involved in the discursive contestation of meaning.

Following the perspective of Laclau and Mouffe, social categories should not be identified using traditional metrics, such as organisational and political affiliation (involvement in political parties, movements, etc.). Although these metrics are beneficial for actor analysis, social categories should be created based on their demands and the articulation of these demands within the logic of difference and the logic of equivalence. These demands are, in the classical text *Hegemony and Socialist Strategy*, identified as moments.⁶

This article will also show that welfare programmes are inexorably connected to, if not determined by, the extent to which political actors interact and establish relations with others over time. As they contest meaning, they signify welfare in accordance with their own perspectives and interests, even as they attempt to include others in a chain of equivalence. In other words, welfare programmes are subject to diverse actors'

efforts to assert their own interests, as well as contemporary specific social, economic, political, and power dynamics.⁷ As such, welfare discourses cannot be separated from the political economy and the dominant economic system.⁸

Welfare: An Enduring Political Project

Before dealing with Reform-era Indonesia, it is necessary to first examine the history of welfare, including its articulation, in the Indonesian political and economic system. It is an arena, wherein domination and hegemony are subjected to unending contestation.

During the Indonesian National Revolution, welfare was not only demanded by Marxists, but also articulated by Nationalists and Islamists. Although all three shared a desire for welfare, they articulated it in different ways. For instance, Muhammadiyah and Nahdlatul Ulama—Indonesia's two largest Islamic organisations—clearly emphasised welfare discourses in their organisational visions. Given the widespread demand to stop the Indonesian people from being 'sucked dry' by the forces of capitalism and colonialism, it is thus not surprising that welfare principles were subsequently ensconced within the 1945 Constitution. This is particularly evident in Article 33 of the Constitution, which expresses that the Indonesian economy should be shaped, organised, and controlled by the State; and that the Indonesian government must not

appear articulated within a discourse, we will call **moments**."—author's emphasis.

⁷ Mas'udi & Lay, 2018: 287.

⁸ Swasono, 2010: 48.

⁶ "The first path is to split the unity of the group into smaller unities that we have called **demands**: the unity of the group is, in my view, the result of an articulation of demands." See Laclau, 2007 (2005): ix–x, particularly Chapter 4. Compare with Laclau & Mouffe, 2001 (1985): 105: "The differential positions, insofar as they

"allow it to be self-regulating, or surrender control to the free market". In the context of social welfare, Article 33 identifies the achievement of "economic democracy" as the State's main goal, with economic activities being used to achieve national welfare.⁹

Efforts to achieve the lofty goals of Article 33, however, have not been simple. In nascent Indonesia, the national economy was controlled by foreign corporations, and this has remained true (albeit with several modifications) even today. Market mechanisms have driven investment and enabled state-owned and private corporations (national/international) to gain control of the economy, even as cooperatives—the sort of democratic institutions mandated by the constitution—have been marginalised. Welfare has not become an integral part of the economic system, but been reduced to an altruistic and philanthropist goal¹⁰ for the State and for private corporations.

Even in the early years of Indonesia's independence, however, there existed contestation between "pragmatists" or "administrators" and "ideologues" or "solidarity makers". Both sought welfare, and both had socialist tendencies, but the former (led and represented by Hatta) tended to be more accepting of a market economy and foreign corporations, while the latter (led and represented by Sukarno) tended to reject foreign corporations and emphasise the need for Indonesia's economic sovereignty. The first, although in a hegemonic position, made several

⁹ Swasono, 2010: 49, 67, 75.

¹⁰ Swasono, 2010: 113-114.

¹¹ Higgins in Wie (ed.), 2005; Soesastro & Budiman, 2005.

concessions to the latter by nationalising several important Dutch companies (the "Big Five").¹¹ Similar contestations existed in the New Order era, this time involving three main economic discourses: pro-market, nationalist-bureaucrats, and economic populist (read: the Pancasila economy). Throughout the New Order, a liberal economic paradigm was articulated as hegemonic, even as it accommodated the demands of the other discourses by including 'indigenous' entrepreneurs in national development and seeking to achieve economic equality.¹²

In 1997/1998, the Southeast Asian economic crisis sent the New Order's much-praised economy into shambles. This crisis, in turn, undermined the power of President Soeharto even as it invigorated demands for political reform. Welfare discourses were subsequently reignited, with its meaning contested by various parties. Welfare again became an "empty signifier", one that even today remains an arena for the contestation of dominance and hegemony. How has this contestation occurred?

"Welfare" as a Nodal Point

If we were to examine the political discourse of democracy on a grand scale—something outside the scope of this article¹³—we would recognise that welfare discourses were not non-existent before Indonesia's political reform, but were nonetheless limited to specific demands within a specific discursive field. The dominance of political freedom discourses

¹² Chalmers & Hadiz, 1997; Mallarangeng, 2002; Wie, 2005; Boediono, 2016.

¹³ For further discussion, see Manalu, 2019.

was evident, for example, in the "ten demands of the people" (popularly known as *Sepultura*) that were voiced by student activists in Java in the late 1990s. Approximately one decade later, calls emerged again, this time voiced by labourers and by populist actors who sought improved purchasing power, guaranteed pensions, health insurance, twelve years of compulsory education, and inexpensive housing.¹⁴ Indonesia witnessed a shift in its hegemony, from political freedom to welfare, with the above-mentioned demands its moments. In the following sections, we will explore the dislocation and contestation of discourses during this shift.

Debate Regarding the Amendment of Article 33: "Popular Economics" versus "Market Fundamentalism"

One major reform agenda undertaken by People's Representative Council/People's Consultative Assembly after the 1999 election was the amendment of the 1945 Constitution. There was a strong push for the constitution to be democratised, as for thirty-two years it had been used to "legitimise" the authoritarian powers of the executive branch (particularly the president). Over time, as the demands and articulations of actors in various sectors increased, the scope of these amendments was expanded to include not only political power (in the executive, legislative, and judicial branches) and human rights (as manifestations of political freedom and

good governance), but also matters of welfare and economics.

Many have discussed the dynamic processes through which the 1945 Constitution was amended, as well as the numerous controversies that emerged.¹⁵ In brief, to assist the Working Body of the People's Consultative Assembly in drafting constitutional amendments, through TAP IX/MPR/2000 several groups of experts advisors were appointed: the Political Group (led by Nazaruddin Syamsudin), the Society and Culture Group (led by Komaruddin Hidayat), the Legal Group (led by Sri Soemantri), and the Economic Group (led by Mubyarto). Acting as coordinator was Isma'il Suny.¹⁶

In this article, only one important aspect will be discussed: the dynamics of the amendments related to economic and welfare matters (Chapter VIII and XIV), including the discursive contestations revolving around these matters. Particularly important is Article 33, which—as mentioned above—is crucial owing to its regulation of economic systems, resource management, and the actors involved therein. This article was discussed by the Ad Hoc Committee I of the Work Unit, People's Consultative Assembly, which consisted of seven experts: Prof Mubyarto (chair), Prof Dawan Rahardjo, Prof Bambang Sudibyo, Prof Didik J. Rachbini, Dr Sjahrir, Dr Sri Adiningsih, and Dr Sri Mulyani Indrawati.

These economists were polarised, not along pro- and anti-welfare lines, but rather based on their understanding of

¹⁴ See, for example, Hiariej, 2017.

¹⁵ See Mubyarto, 2001; Indrayana, 2007; Fatwa, 2009; Hardjono, 2009; Asshiddiqie, 2010; Swasono, 2010.

¹⁶ Asshiddiqie, 2010: 251.

welfare itself (as informed by the interests they represented). The first faction sought to maintain Article 33, without any changes; members perceived it as not only relevant to Indonesia's contemporary challenges, but also as manifesting the desire to create economic sovereignty while warding off colonialism. For these economists, the economic crisis of 1997/1998 was irrefutable proof that the nation had abandoned the spirit of Article 33 in favour of capitalism. It was the small and medium enterprises that ultimately provided the nation with a necessary safety net. Members of this faction, the "Popular Economists", included Prof Mubyarto and Prof Dawam Rahardjo.¹⁷

Members of the second faction, meanwhile, held that Article 33 required revision—if not total transformation—to ensure it remained relevant to contemporary challenges. The spirit of socialism embedded in this article was perceived as no longer relevant to Indonesia, especially since the countries that employed such an ideology (such as the Soviet Union and the People's Republic of China) had begun implementing a market economy. Change was necessary, they argued, to ensure that Indonesia was economically competitive and sustainable—both of which were foundational for public welfare. This article was deemed "outdated", incapable of anticipating the demands of the times and guiding the nation in a rapidly expanding global market economy. Article 33 was perceived as "handicapped", lacking legal

¹⁷ At the time, the term *status quo* was used to identify the position taken by those seeking to maintain Article 33, while those who sought to amend it were deemed *reformists*. Such terminology was most common among the latter group (see Mubyarto, 2001: 178).

certainty and potentially ambiguous. As evidence, they referred to the "principles of the family system" (*asas kekeluargaan*), which had been abused by the New Order regime to monopolise the market while advancing cronyism and dynastic interests.¹⁸ Unlike members of the first faction, these reform-minded economists viewed Article 33 as a burden for the Indonesian people, an obstacle to the achievement of justice and prosperity. We may refer to this faction, which consisted of all members save Mubyarto and Dawam Rahardjo, as "Market Fundamentalists". It must be emphasised that these economists were not anti-welfare, but believed that welfare would be best achieved through market mechanisms.

Given these differences, it is not surprising that team members engaged in heated debates during their seven meetings, held between 19 March and 16 May 2001. Although from the beginning they had "agreed agree to disagree", a deadlock was unavoidable.¹⁹ These differences of opinion were so severe that, ultimately, Prof Mubyarto and Prof Dawam Rahardjo resigned, citing a lack of support for the continued maintenance of Article 33. Before the 2002 General Meeting of the People's Consultative Assembly, Mubyarto announced: "As I, together with Prof Dawam Rahardjo, truly disagree with the dismantling of Article 33 ... we realise that

¹⁸ Adiningsih, 2001: 68–85.

¹⁹ It was ultimately decided to submit two versions to Ad Hoc Committee I, Work Unit, People's Consultative Assembly.

our position on the Team of Experts is no longer appropriate."²⁰

As touched upon above, behind these debates were the sharply different (if not mutually opposed) economic discourses promoted by members. These discourses had deep historical roots. In the Sukarno–Hatta Era, from 1945 to 1965, economic-minded administrators were positioned vis-à-vis history-minded solidarity makers, united only in their shared opposition to colonialism. Under President Soeharto, from 1966 to 1998, economic actors and their discourses fell into three categories: capitalistic technocrats, nationalist bureaucrats, and economic populists (promoting a "Pancasila Economy"). All three worked in conjunction, united by their disapproval of the economic policies implemented by the previous regime (particularly the Guided Democracy and Guided Economy implemented by Sukarno between 1959 and 1965). During the amendment of the 1945 Constitution, finally, economists fell into two main factions: those oriented more to a populist economy (the "Pancasila Economy") and those technocrats oriented towards capitalism. These actors were united solely in their shared disapproval of the New Order economy and its rampant corruption, collusion, and nepotism.

Let us next turn to the demands and positions undertaken by these factions in their discussion of the 1945 Constitution. Both discourses were hotly contested, and each had its own followers. The Pancasila Economy discourse was supported by a minority of economists and activists, including student and youth activists.²¹ The

²⁰ See the letter of resignation included in Mubyarto, 2001: 177–179; *Kompas*, 25 May 2001.

Market Fundamentalism discourse, conversely, was supported by the Association of Indonesian Economists (ISEI); the largest such association in Indonesia, its members were predominantly pro-market. Market mechanisms were also promoted by the National Economic Council (Dewan Ekonomi Nasional, DEN), albeit with one provision: these mechanisms needed to be balanced by an institution designed to empower small-and-medium enterprises as well as cooperatives. It may be seen, thus, that DEN sought to hegemonise welfare discourse by embracing something that had traditionally been promoted by its opponents.

In its 1996 congress, ISEI formulated the Managed Market Economy Concept (*Konsep Ekonomi Pasar Terkelola*, KEPT), which it subsequently promoted through various activities. ISEI emphasised the importance of expanding the private sector, thereby increasing the competitiveness of the Indonesian market and its actors (both individuals and institutions). All economic actors must work towards realising a healthy, fair, and proportional economy. Competition, as facilitated by market mechanisms, will only increase efficiency (*pareto optimum*); this, in turn, will benefit both producers and consumers. However, ISEI recognised that market forces would not be capable of providing public goods and services, improving security, and promoting equity, on their own; government involvement was thus necessary. In other words, ISEI promoted a system wherein market mechanisms were forefronted, but still managed and controlled by the

²¹ Chalmers & Hadiz, 1997.

government.²² DEN, established by the Abdurrahman Wahid government, sought to accommodate a broader range of demands and interests. On the one hand, this institution was a staunch proponent of market mechanisms. On the other hand, it recognised the importance of small-and-medium enterprises and cooperatives, as well as the need to provide a safety net to overcome the deleterious effects of market forces.

In their views regarding market mechanisms, ISEI and DEN shared several similarities. Both desired a climate wherein competition could be undertaken freely, healthily, and transparently, while simultaneously offering a means of attracting investments and integrating Indonesia's economy into the global market. For DEN, "market mechanisms should be the main ones, not the only ones; these market mechanisms should be complemented by other institutions capable of mitigating their negative social consequences". As such, DEN asserted the importance of providing Indonesians with economic empowerment, as realised through rural development and poverty eradication programmes. It argued that small-and-medium enterprises, as well as cooperatives, should be supported through partnerships with state-owned enterprises, the integration of alternative financial institutions into the banking system, and to improve the quality of Indonesia's human resources; only then could small-and-medium enterprises become the main actors in the national economy.²³ Such

²² Association of Indonesian Economists (Ikatan Sarjana Ekonomi Indonesia, ISEI), 1996: 45–60.

²³ National Economic Council (Dewan Ekonomi Nasional, DEN), 2000: 118–130.

efforts to accommodate a range of welfare discourses may, applying the arguments of Laclau and Mouffe, be seen as acts of hegemonisation.

Similar hegemonisation was undertaken by DEN's opponents. For Mubyarto, the main issue was not "market mechanisms" as foundational components of the economic system, but rather the "economic system" itself. Citing Paul Samuelson, Mubyarto argued that "the political economy (Economics) is about economic systems, not about economists."²⁴ He asserted that the economic system outlined by Article 33 was neither a non-market (centralized) economy nor a capitalistic market economy, but rather a "socialist market economy".²⁵ Whereas liberalism and neo-liberalism originate from Western tradition, "the Indonesian economic ideology is one of equality and balance between (market) mechanisms and state control/management in resource allocation, as permitted by law". As such, a welfare state may only be achieved through a populist economy, which must be distinguished from socialism.²⁶

Mubyarto noted that market mechanisms had emerged around the world, providing evidence that "markets" must not be equated with "capitalism". Germany and Scandinavia, for instance, developed social market economies; the People's Republic of China advocated market socialism; and Japan promoted humanistic capitalism. Based on these arguments, it may be understood that

²⁴ Mubyarto, 2001: 9–12.

²⁵ Mubyarto, 2001: 5, it is sometimes identified as a "populist market economy".

²⁶ Mubyarto, 2001: 33–40.

Mubyarto's argument against the revision of Article 33 emphasised the article's continued relevance for contemporary Indonesia. Rather than revise Article 33, he underscored the importance of improving the public's understanding of its content. In other words, Mubyarto sought to ensure that market forces were controlled, even as other demands were accommodated. Another staunch opponent of the revision of Article 33 was Sri Edi Swasono, a senior economist who was the son-in-law of Mohammad Hatta (who had formulated the article). Although he was not team member, he was a member of the People's Consultative Assembly (representing experts).²⁷

Further efforts to incorporate diverse interests were undertaken by Mubyarto's compatriot, Dawam Raharjo. In a mass media article regarding the ongoing controversy, Dawam voiced his support for maintaining Article 33. Any revision, he urged, should come from the addition of new elucidatory paragraphs. To realise that its goals were realised, Article 33 required the support of a social market oriented towards realising sustainable development (including environmental conservation). In this manner, he argued, Article 33 could provide a "middle road"—a "democratic economy"—capable of supporting the Indonesian people.²⁸

As a consequence of this "democratic economy", Dawam argued, state-owned enterprises must be maintained, and cooperatives must be developed into small-and-medium enterprises. The private sector, he argued, would be best positioned as a tertiary actor, or recognised as existing at the same level

as the aforementioned institutions; in this manner, all could develop equally. No less important, he emphasised, was recognising the importance of labourers, peasants, and consumers as economic actors, in accordance with the principles of the family system. Meanwhile, the state (acting simultaneously as an actor and as a regulator) must be guided and controlled by parliament. State intervention is permissible in fiscal policy, he wrote, where its influence was indirect. Such intervention should be oriented towards ensuring equitable development that accommodates smaller and less developed sectors, but avoid creating distortion.

Referring to Anthony Giddens' *The Third Way*, which was popular at the time, Dawam argued that it was inopportune to challenge market mechanisms and globalisation, and claimed that socialism's greatest weakness was its failure to recognise the power of the market. He wrote:

"Nonetheless, we must follow Giddens' concepts, which accommodate change. First, Indonesia must embrace an open economy and navigate the currents globalisation. Cooperatives, for instance, must act as global/world class actors. Second, both the state sector and cooperative sector must work using competitive market mechanisms. As such, both state-owned enterprises and cooperatives must be professionalised. Through professionalisation, state-owned enterprises and cooperatives will gain opportunities equal to those available to the private sector; after all, the private sector's success comes from its

²⁷ Asshiddiqie, 2010: 254; M. Dawam Rahardjo, *Kompas*, 3 June 2001.

²⁸ M. Dawam Rahardjo, *Kompas*, 3 June 2001.

professionalism. ... At the same time, the Constitution must block the rise of monopolies, trusts, and cartels, and its prohibitions must apply to private enterprises, cooperatives, and state-owned enterprises. All have the opportunity to establish a conglomerate, within the limits of the Anti-Monopoly Law".²⁹

The "Populist Economy" received the backing of a number of social scientists and activists.³⁰ While promoting public welfare and criticising capitalism, they advocated the "middle road" approach that was dominating Western politico-economic discourses.³¹ Indonesian social scientists and economists also borrowed from Giddens' thought,³² deeming it necessary to create a balance between communities, the state, and the market.³³ Although they had begun elaborating upon Giddens' ideas, their explorations were limited and had yet to influence policymakers. Ideally, it would have been best for the Ad Hoc Committee to pursue this "middle road", rather than defend their own views to the point of deadlock.

²⁹ *Kompas*, 13 June 2001.

³⁰ See, among others, Francis Wahono, *Kompas*, 9 June 2001; I. Wibowo, *Kompas*, 11 June 2001; M. Dawam Rahardjo, *Kompas*, 13 June 2001; B. Herry Priyono, *Kompas*, 5 July 2001; Anwari WMK, *Kompas*, 10 July 2001; Idham Samudra Bey, *Kompas*, 18 September 2001.

³¹ Giddens, 1999.

³² To spread the thought of Anthony Giddens, a sociologist and the director of the London School of Economics, the Kompas-Gramedia Group has not only translated his works but also sponsored a discussion on the actualisation of the 'Third Way', which included a number of domestic historians. A summary of the discussion was presented in three articles in *Kompas*, 19 March 1999. At the beginning of the

"It is naïve to think that [we can avoid] using a market system in our economic activities. At the same time, it is naïve to entrust all elements of the economy to the market system. The same goes for the state and the community (in this case, cooperatives). In the current stage of history, it is urgently necessary to achieve balance between the public and community sectors, and in this the state must play a certain role," wrote B. Herry Priyono.³⁴

In brief, the debate over maintaining or amending Article 33 of the 1945 Constitution, which was viewed as manifesting the tensions between the conservative older generation that supported the status quo and the reform-minded younger generation, was one between two paradigms: "Popular Economics" versus "Market Fundamentalism". The former argued that market mechanisms were biased towards the interests of capitalist elites, and thus the root of poverty and inequality; the latter, conversely, argued that a market system could be fair and just so long as welfare distribution systems were undistorted.

following year, *Basis*—an influential Yogyakarta-based philosophy magazine—published a special edition on Giddens and his work (No. 01–02, Vol. 49, January/February 2000). See also Priyono, 2000; and Wibowo, 2000.

³³ Giddens (1999: 115) identifies it as the "new mixed economy". He writes that the new mixed economy looks instead for a synergy between public and private sectors, utilising the dynamism of markets but with the public interest in mind. It involves a balance between regulation and deregulation, on a transnational as well as national and local levels, and a balance between the economic and the non-economic in the life of the society.

³⁴ *Kompas*, 5 July 2001.

In the midst of this debate, hegemonisation efforts emerged from DEN and Dawam Raharjo, both of whom attempted to accommodate a broad range of demands into their welfare discourses. They sought to follow "the third road", borrowing the terminology offered by Giddens. Such terminology may be accepted, so long as the third road is understood as a hegemonisation project, one that recognises welfare as an empty signifier, something that only holds meaning within a certain timeframe. In Giddens' conceptual framework, conversely, the "third road" is not hegemonisation, nor is it intended to maintain the dominance of empty signifiers. The "third road" is often framed as the best and final solution, or even a new "messiah" that will end the reign of the "empty".

Furthermore, both sought to transform the Indonesian economy and distance it from the corruption, collusion, and nepotism of the New Order era. Ultimately, their debate produced a minor change to Article 33 of the 1945 Constitution. The "socialist" spirit of this article was maintained at the conceptual level, but positioned within a hegemonic framework dominated by the market. This had significant implications for welfare programmes, which remain evident even today.³⁵ This will be discussed in further detail in the following section.

Welfare Programmes and the Subject Positions

³⁵ "With the amendments, no fewer than four, the Indonesian economy transformed into a social market economy. Personal ownership rights, as well as other individual rights, as well as efficiency—a pillar of the market economy—were enshrined in the Constitution. As such, it

As shown above, the debate between the populist economy and market economy had significant implications for welfare programmes. Over time, it was evident that neither discourse was capable of accommodating welfare demands. In the following section, the author will explore the development of the welfare discourse, with a specific focus on the diverse moments involved.

As mentioned above, Indonesia's political landscape changed following the fall of the New Order regime. After 32 years of repression, new articulations rose to the surface, and thus a range of subject positions began reinterpreting and re-signifying welfare. These actors fell into three broad categories: government actors (both at the national and local level), international development agents, and activists. Central and local government actors understood welfare as encompassing the provision of social assistance and the payment of due compensation to individuals detrimentally affected by government programmes. At the same time, they used welfare programmes to accumulate public support, thereby reaping significant electoral benefits. International and multilateral development agencies, meanwhile, understood welfare as an instrument of political and economic liberalisation. Finally, civil society actors viewed welfare as a right, a constitutional obligation of the Indonesian state.

Even as the Reform-era government began implementing an increasingly free

may be said that the principles of capitalism began to be recognised, but at the same time Indonesian society and economics was evident, as seen in various articles and paragraphs." See Adiningsih, 2005: 26.

(liberal) and democratic political system, it inherited a significant economic crisis. It took six years, from 1998 to 2004, for the Indonesian economy to recover from the Southeast Asian economic crisis; this recovery time, longer than that of neighbouring nations, may be attributed in part to its ongoing political crises.³⁶ Four years later, however, Indonesia was struck by another recession, part of a global economic crisis that was triggered by the collapse of Lehman Brothers in the United States. Recovery was quicker, and Indonesia had begun consolidating its exports by 2010.³⁷

Welfare as a "Social Safety Net" and Welfare as "Social Assistance"

In the early Reform era, two discourses dominated welfare discourse: welfare as a social safety net and welfare as a social assistance programme. Welfare, rather than being recognised as a constitutionally protected 'social right' (as argued by Swasono above), was reduced to the "kindness of the state". Take, for example, the key words "safety" and "assistance" mentioned above. Both suggest that social welfare programmes are "curative", being "medicine" made available to "victims" by the government or by another stakeholder. This paradigm emerged during the economic crisis of 1997/1998, and maintained prominent throughout the ten years of Susilo Bambang Yudhoyono's presidency (2004–2014).

As mentioned above, in 1997/1998, Indonesia experienced a major monetary

³⁶ Boediono, 2016: 217.

³⁷ Malarangeng, 2002; Boediono, 2016.

crisis, and this ultimately produced an economic crisis in the real sector. To mitigate the deleterious effects of this crisis, the government implemented programmes that subsidised foodstuffs and provided a social safety net for Indonesia's poor. At its peak, the programme—known simply as the "Social Safety Net" (Jaringan Pengaman Sosial, JPN)—covered 8.7 million households (approximately 39.15 million individuals). This safety net was maintained for several years. In 2001, the programme's fourth year, it had a budget of Rp 2.2 trillion, with Rp 279.9 milliard (12.7%) allocated for rice subsidies.³⁸ The government also designed a District Development Programme (Program Pengembangan Kecamatan, PPK), wherein competitive grants were offered to thousands of villages throughout the Indonesian Archipelago. Most of these funds originated from World Bank loans or similar sources.

At the time, these programmes were criticised as temporary and unsustainable stopgap measures. Exacerbating the issue, corruption was rampant, Beneficiaries were poorly identified, and the number of poor was often manipulated. The programme was also criticised as failing to fully develop the potential and social capital of its recipients, instead trapping the poor in a cycle of dependency. Although presented as seeking to realise social empowerment, the programme was nonetheless created through a top-down and elitist process. It was even suspected that the programme was designed primarily to benefit President BJ Habibie and his Golkar Party, which was contesting the 1999 elections.³⁹

³⁸ Mubyarto, *Kompas*, 3 July 2001.

³⁹

<http://staff.ui.ac.id/system/files/users/gumila>

At the same time, the JPS programme—particularly its rice subsidies—limited farmers' purchasing power. Because the government had important vast amounts of rice during the economic crisis while simultaneously receiving grants from donor agencies, the price of processed and unprocessed rice plummeted. This was highly detrimental to farmers, who at the time constituted a majority of the Indonesian workforce. Even afterwards, when El Nino had concluded and domestic production had increased, rice imports continued; they had proven highly profitable to the elites involved. Faced with ongoing criticism, the government was urged to end the JPS programme and replace it with one oriented towards sustainable empowerment and poverty eradication (be it through the Presidential Instruction on Neglected Villages or another policy).⁴⁰ Important to note is that criticism focused not on the welfare discourses themselves, but the best means of distributing welfare.

In 2004, Indonesia held its first direct presidential election, which was won by Susilo Bambang Yudhoyono (best known as SBY) and his running mate Muhammad Jusuf Kalla. In the following election, in 2009, SBY was again elected president, this time with Boediono as his vice president. During his ten years presidency, SBY implemented three exemplary welfare programmes: the Direct Cash Assistance programme (*Bantuan Langsung Tunai*, BLT), the Family Hope Programme (*Program Keluarga Harapan*, PKH), and the National Social Empowerment Programme (*Program Nasional Pemberdayaan*

Masyarakat, PNPM). All except the last were funded through the national budget.⁴¹

BLT was implemented three times: first between October 2005 and September 2006, and again in 2008 and 2013. Designed to compensate for the rising cost of fossil fuels, it was hoped that this programme would reach the 30 poorest percent of Indonesia's population. In conjunction with BLT, the government implemented a subsidised rice programme colloquially known as Raskin (an abbreviation of *beras miskin*, rice for the poor), cash subsidies for certain classes of pregnant women, support for nursing mothers and infants, etc.

However, during the first phase of programme implementation, problems such as mismanagement were rampant and widely covered by the media. The government subsequently established the National Team for the Acceleration of Poverty Eradication (*Tim Nasional Percepatan Penanggulangan Kemiskinan*, TNP2K), with a legal basis in Presidential Regulation No. 15 of 2010, and attempted to address policy problems and improve programme implementation. Its first goal was implementing a unified database through which beneficiaries' information could be validated by name and by address. Despite representing a significant step forward, this database had some shortcomings: it did not include individuals who lived apart from their families (including street children, orphans, and convicts), nor, owing to a lack of coordination between the central and local governments, was it regularly updated.

r.r09/publication/artikel-patutkahprogramjpsdilanjutkan.pdf, accessed on 31 October 2018.

⁴⁰ Mubyarto, *Kompas*, 3 July 2001.

⁴¹ Manning and Miranti, 2015; Wisnu, Basri, Putra, 2015.

PKH, meanwhile, was designed for families with a monthly income lower than 80% of the poverty threshold—an estimated 1.5 million families. Through this programme, health indicators such as immunisation and postpartum check-ups saw significant improvement. Finally, PNPM was initiated in 2007 and formally concluded in 2014. Inspired by the PPK Block Grant programme, implemented with World Bank funds between 1997 and 1998, PNPM was made available to districts throughout Indonesia, and could be used for community development (infrastructure, revolving funds, healthcare, education, etc.). On the one hand, this programme was highly participatory, as communities were expected to develop their own plans and to become involved in development planning sessions. On the other hand, its ability to eradicate poverty was limited, as its benefits were enjoyed primarily by local elites. Furthermore, as with the PPK programme, funding was derived primarily from a World Bank loan.⁴² As such, it tended to reflect international donors' interests more than communities' own priorities.⁴³

SBY inherited Law No. 40 of 2004 on the National Social Security System, but was unable to realise its immediate implementation; discussion and planning continued for almost ten years. This law identified the National Social Security System as an important programme, one requiring the passage of a new law that would apply to all Indonesian (in

accordance with applicable guidelines and considerations). However, rather than create a new system, the SBY government expanded existing ones: the Social Health Insurance (*Jaminan Kesehatan Masyarakat*, Jamkesmas) scheme, funded through the national budget, and the Local Health Insurance Scheme (*Jaminan Kesehatan Masyarakat Daerah*, Jamkesda), funded through local governments. The rationale for this decision is certainly understandable: SBY wanted to avoid funding the entire programme through the national budget,⁴⁴ and by expanding existing programmes he was able to ensure that local governments bore part of the financial burden. By June 2012, more than 60% of Indonesians were covered either by this scheme or the Maternity Insurance (*Jaminan Persalinan*, Jampersal) programme implemented in 2011.

In 2011, Indonesia's healthcare expenditures only reached 2.7% of the GDP, falling far short of the 5% recommended by WHO. It thus lagged behind its fellow ASEAN members (average, 4.1%) and its neighbours in the Asia-Pacific region (average, 4.8%).⁴⁵ Similarly, Indonesia spent less than 2.8% of its GDP on education, far less than Malaysia (5.1%), Thailand (5.8%), and Vietnam (6.6%), but more than the Philippines (2.7%). It is not surprising, thus, that Indonesian students' performance in the fields of mathematics and science decreased under the SBY government; literacy rates similarly decreased, ranking among the worst in the

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See <http://www.worldbank.org/in/results/2009/01/21/indonesia-program-for-community-empowerment-in-rural-areas-pnpm-rural>; <https://finance.detik.com/berita-ekonomi->

bisnis/d-1055438/60-dana-pnpm-berasal-dari-utangan; both accessed 2 November 2018.

⁴³ Wisnu, Basri, & Putra, 2015: 339.

⁴⁴ Wisnu, Basri, & Putra, 2015: 330.

⁴⁵ Wisnu, Basri, & Putra, 2015: 331.

world.⁴⁶

Other healthcare indicators must be mentioned. In 2010, maternal mortality rates reached 220 per hundred thousand, while neonatal mortality rates reached 31 per thousand live births. Maternal mortality rates were significantly lower in Malaysia (29), Thailand (48), Vietnam (58), and the Philippines (99), as were neonatal mortality rates (Malaysia, 9; Thailand, 13; Vietnam, 29; and the Philippines, 30).⁴⁷ Ironically, as the programme continued, maternal mortality rates increased, reaching 305 per hundred thousand in 2015, with the most common cause being pre-eclampsia. Again, this was significantly higher than in neighbouring nations.⁴⁸ Neonatal mortality rates, conversely, decreased to 25.5 per thousand live births in 2016, but nevertheless remained higher than in neighbouring countries.⁴⁹

In other words, the main problem in welfare programmes during SBY's ten-year presidency, particularly in the matters of social and human development through the health and education sectors, was minimal investment.⁵⁰ Although SBY was able to reduce Indonesia's poverty rate, the income gap (Gini coefficient) increased from approximately 0.3 to 0.41.⁵¹

More generally, the SBY government

experienced several major obstacles in its implementation of welfare programmes. *First*, owing to the significant burden of subsidies (especially fossil fuel subsidies), available funds were limited. Between 2004 and 2014, the SBY government spent Rp 1,297.8 trillion (an average of Rp 129.7 trillion per annum) on fossil fuel subsidies. The previous government, under President Megawati Sukarnoputri, had spent Rp 198.6 trillion on similar subsidies over three years, an average of Rp 66.2 trillion per annum.⁵² *Second*, there was difficulty maintaining programme coherence, as despite programmes' distribution amongst diverse ministries, departments, and agencies, coordination was lacking. The government had no integrated database, let alone a grand design for social welfare. *Third*, there was difficulty coordinating the central and local governments, and this hindered the implementation of programmes and their budgets. For example, when central government implemented the Social Insurance Administration Organisation scheme (Badan Penyelenggara Jaminan Sosial, BPJS) in 2014, several local governments already had existing programmes.

Finally, the government had difficulty creating jobs, especially in the formal sector. The dominant market economy

⁴⁶ Wisnu, Basri, Putra, 2015: 335; *Kompas*, 12 November 2018.

⁴⁷ These figures are taken from Luc-Maurer, 2017: 620-621.

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<https://katadata.co.id/analisisdata/2018/05/30/rapor-merah-angka-kematian-ibu-Indonesia>, accessed on 2 November 2018.

⁴⁹<https://databoks.katadata.co.id/datapublish/2016/11/25/meski-menurun-angka-kematian->

[bayi-di-indonesia-masih-tinggi](#), accessed on 2 November 2018.

⁵⁰ Luc-Maurer, 2017: 620.

⁵¹ Manning & Miranti, 2015: 317.

⁵² <https://nasional.tempo.co/read/624005/10-tahun-presiden-sby-bakar-subsidi-bbm-rp-1-300-t/full&view=ok>, accessed on 31 October 2018. During SBY's second term, the amount spent on fuel subsidies was equivalent to 1.7–3.4 per cent of the national GDP (Wisnu, Basri, Putra, 2015: 329).

perspective underscored the importance of creating jobs as a means of reducing unemployment and mitigating poverty, and yet the existing labour law (Law No. 13 of 2003) provided workers with significant protections that reduced investors' interest. In his first term, SBY's efforts to revise this law failed; as a result, employment decreased in the formal sector but increased in the informal sector. During his second term, after labour laws were loosened, new jobs were created in the formal sector (in *labour-intensive industries*), while informal-sector employment decreased. This situation was facilitated by significant increases in Indonesia's commodity exports.⁵³

A contradiction is here evident: the SBY government was capable of financing more than a thousand trillion rupiah in fossil fuel subsidies, yet failed to provide similar support to the national welfare scheme. Even when Law No. 24 of 2011 regarding the Social Insurance Administration Organisation finally came into effect in January 2014, near the end of SBY's second term, this was the result of ongoing pressure from labour and civil society movements (as will be discussed below). It may thus be concluded that the welfare programmes developed by the SBY government tended to be oriented towards providing social assistance, and thus—as during the transitional period (1998–2004)—realised through stopgap measures that were temporary and unsustainable. The SBY government did not attempt to design a permanent social welfare system, but rather relied on programmes such as BLT to improve its public image and even buy votes.⁵⁴ Rather than increase

⁵³ Manning & Miranti, 2015.

⁵⁴ Sumarto, 2014.

Indonesia's healthcare and education budget, or implement a long-term social health insurance scheme, the SBY government spent ten years and trillions of rupiah subsidising fossil fuels. Such subsidies did not empower the poor, but rather benefited the middle and upper classes.

Welfare as "Creative Innovation" versus Welfare as an Electoral Strategy

It must be recognised that welfare discourses in Indonesia changed significantly after the implementation of regional autonomy. After Law No. 22 of 1999, more commonly known as the Regional Autonomy Law, came into effect on 1 January 2001, and after local leaders began to be directly elected by constituents (pursuant to Law No. 32 of 2004), governors, regents, and mayors throughout Indonesia raced to draft innovative and creative public services. Some were successful, and their innovative policies proved inspiring at both the local and national level. Others saw such policies as "mere" electoral strategies, as tools for improving their public image. In both cases, welfare was an important part of politics: candidates used welfare as a means of contesting their desired offices, while civil society actors it as an instrument of negotiation and bargaining. Often, welfare was used to quantify the public's satisfaction with current leadership. Welfare, in other words, became an integral part of electoral democracy at both the local and national levels.⁵⁵

The magazines *Tempo* and *Gatra* both published special editions on local

⁵⁵ Savirani, 2016.

leaders (regents/mayors) who had successfully implemented innovative programmes, and in doing so underscored that decentralisation had had some benefits. It was not, as pessimists often argued, simply a means of facilitating corruption, easing transactional politics, and creating local "kings" who controlled natural resources; it also allowed for the rise of creative and innovative leaders who dedicated themselves towards improving public welfare and developing local communities. Indeed, over time, these local leaders rose to national prominence; no longer was the government dominated by military elites and Jakarta-based political elites.⁵⁶

With the authority and financial resources made available to them, local leaders created innovative policies, including "integrated public service facilities, free health and education, e-government and e-procurement, environmentally minded development programmes, the involvement of indigenous communities such as the *Nagari* in West Sumatra and the *Desa Pakraman* in Bali, increased food production, deep-rooted leadership, and many more."⁵⁷

Of the numerous creative and innovative welfare policies introduced at the local level, not all were failures; several were noted successes. Welfare discourses presented as diverse and multidimensional; they could not be

reduced to a singular national framework, but had to be understood within specific and contextual regimes. In other words, in decentralised Indonesia, understanding the welfare regime as singular and uniform would be an oversimplification.⁵⁸

As mentioned above, public health and education are important indicators of welfare. This is not to say that public services in other sectors are not important; rather, access to health and education services are the best available instruments, especially among the lower classes. As will be shown in the discussion below, the agricultural sector was an important one at the local level, unsurprising given that the sector was the prime driver of most local economies. The following discussion will also show that welfare and human development programmes had been initiated by local governments, even before the national government. At the same time, it will highlight the disappointing reality that these welfare discourses were temporary, populist, and unsustainable, stemming from the "good intentions" of local leaders rather than the formal recognition of citizens' rights. Nevertheless, as will be shown below, these innovations inspired subsequent programmes at the local and national level.

Jusuf Serang Kasim, the Mayor of Tarakan between 1999 and 2009, was recognised as having transformed the city from a newly established one into a 'little Singapore' within ten years. Rather than

years later, he was elected Governor of Jakarta, and subsequently President of Indonesia.

⁵⁷ Andi A. Mallarangeng, *Tempo*, 22–28 December 2008.

⁵⁸ Mas'udi and Lay, 2018.

⁵⁶ *Tempo*, Special Edition, "10 Tokoh 2008: Mereka Bekerja dengan Hati Menggerakkan Daerah", 22–28 December 2008; and Special Edition, "Bukan Bupati Biasa", 10–16 December 2012; *Gatra*, Special Edition, "Kerja Inovatif Layanan Publik", 13–19 August 2015. Among those identified as one of 2008's top leaders was Joko Widodo, the mayor of Solo; several

build a luxurious city hall, his government focused on developing waste management systems, improving educational facilities (from the primary to the tertiary level), providing grants and scholarships to teachers, easing access to public services, expanding the mangroves from 9 hectares to 22 hectares, developing 2.7 km of coastline to reduce abrasion and increase tourism, etc. For four years, the Tarakan Municipal Government allocated 20% of its budget to education. These various policies enabled Terakan to develop rapidly, with an annual economic growth rate of 12.71%; for comparison, at the national level, the average economic growth rate was 6% per annum.

In Yogyakarta, Mayor Herry Zudianto (2001–2011) began allocating 20% of the municipal budget to education in 2006. Consequently, bribery became less prevalent during student intakes, and favoured schools were no longer limited to the wealthy. In the health sector, meanwhile, Zudianto established nutritional centres in every subdistrict, wherein pregnant women could receive free consultations. Approximately ten% of the municipal budget went to providing health services to city residents. Similar results were achieved by David Bobihoe Akib, the Regent of Gorontalo (2005–2010), who focused his programmes on the health, education, and agriculture sectors. He established village-owned enterprises, which helped farmers recover their assets from loan sharks and purchased harvests in times of plenty. Under the leadership of

Regent Andi Hatta Marakarma (2005–2010), East Luwu Regency in South Sulawesi implemented a "surrounding villages" policy dedicated towards improving the agriculture sector. He also eliminated tuition fees at the elementary and junior high level, and covered the medical costs of Class III inpatients. As a result, East Luwu Regency became one of the wealthiest municipalities in South Sulawesi, second only to Makassar City (the provincial capital).

In Jombang, East Java, Regent Suyanto (2003–2013) successfully transformed community health centres into small hospitals with extensive facilities, wherein specialists could bring their services to rural areas. Health services were provided free of charge for patients who showed a clinical card or poverty identification card, and at low cost for all other patients. A.A. Gde Agung, the Regent of Badung (2005–2010), achieved significant progress in the agricultural sector. This regency, the wealthiest in Bali, had a significant economic gap between its predominantly agrarian northern regions and its tourism-heavy southern areas. Gde Agung sought to bridge this gap by providing the agrarian sector with necessary infrastructure.

Any discussion of *Tempo* magazine's list of innovative leaders would be incomplete without reference to Mayor of Blitar Djarot Saiful Hidayat (2000–2010) and Mayor of Solo Joko Widodo (2005–2012).⁵⁹ Djarot became known for

⁵⁹ Two other leaders will not be discussed here, as both were tried and convicted of corruption: Regent of Sragen Saroni Wiyono Sukarno (2001–2011) and Mayor of Makassar Ilham Arif Sirajuddin (2004–2009). See <https://nasional.kompas.com/read/2012/09/2>

4/13040091/Mantan.Bupati.Sragen.Dihukum.7.Tahun.dan.Denda.Rp.11.Miliar, accessed on 14 November 2018, and <https://nasional.kompas.com/read/2016/02/29/16131321/Mantan.Wali.Kota.Makassar.Ilha>

advancing bureaucratic reform and good governance, as well as for protecting and empowering small enterprises and street vendors by, among others, prohibiting the opening of malls and supermarkets. The bureaucracy was reduced to 300 offices, with potential officials being recruited through independent channels. His government sponsored the rehabilitation of dilapidated homes and signed a citizen's charter with those living around the Bendo Community Health Centre; the clinic's service model ultimately became the standard for health facilities throughout Indonesia.

Last, but certainly not least, was Joko Widodo (popularly known as Jokowi). Although elected to two terms as Mayor of Solo, in 2005 and 2010, he ended his mayorship in 2012 when he successfully contested the Jakarta gubernatorial election. Only two years later, in 2014, he was elected president. His "only" capital in these elections was his experience in Solo, where he successfully used dialogue to relocate street vendors to the new Klitikan Market. He also successfully restructured the traditional markets, ensuring that they were properly and transparently managed. In the end, as a result of Jokowi's efforts, local government revenue from street vendors and traditional markets exceeded that from the hotel industry.

These are far from the only stories of creative and innovative policies developed to promote human development and welfare. Others may be seen, for example, from the experiences of Mayor of Surabaya Tri Rismaharini (2010–2020); Regent of

Keerom, Papua, Yusuf Wally (2010–2020); Regent of Enrekang, South Sulawesi, La Tinro La Tunrung (2003–2013); Mayor of Sawahlunto, West Sumatra, Amran Nur (2003–2013); Regent of Kubu Raya Muda Mahendrawan (2008–2013; re-elected in 2018); Regent of Wonosobo Abdul Kholiq Arif (2005–2015); Mayor of Banjar, West Java, Herman Sutrisno (2003–2013);⁶⁰ Regent of Banyuwangi Abdullah Azwar Anas (2010–2020), Regent of Kulonprogo Hasto Wardoyo (2011–2019);⁶¹ Regent of Bantaeng Nurdin Abdullah (2008–2018; elected Governor of South Sulawesi in 2018); Mayor of Bandung Ridwan Kamil (2013–2018; elected Governor of West Java in 2018); Regent of Batang, Central Java, Yoyok Riyosudibyo (2012–2017); Regent of Ogan Komering Ulu Herman Deru (2005–2015; elected Governor of South Sumatra in 2018); etc.⁶² If those political leaders who implemented welfare policies simply as a means of "gaining face", of improving their political image before elections, this list could be even longer. Populism and welfare discourses developed hand-in-hand as the Indonesian government created policies that promoted decentralisation and established a multi-party system, wherein local and national elections could no longer be won solely through money politics (as such channels were available to all parties and candidates).⁶³

These examples show that welfare programmes in any sector—be it education, health, or agriculture—remain vulnerable so long as they fail to incorporate democratic citizenship processes. Often, these

m.Arief.Sirajuddin.Divonis.4.Tahun.Penjara, accessed on 14 November 2018

⁶⁰ *Tempo*, Special Edition, 10–16 December 2012.

⁶¹ *Gatra*, Special Edition, 13–19 August 2015.

⁶² Vermonte, *Kompas*, 9 November 2018.

⁶³ Mas'udi & Lay, 2018.

programmes were unable to survive changes in leadership, as they depended on leaders' "good intentions" or specific commitments. Programmes were frequently implemented without any clear or standard targets, and thus had limited impact. It is not surprising that welfare programmes were clientelistic, often being accessed only by those already close to those in power. Such programmes were not understood as manifestations of citizens' rights, but rather as mere political tools through which power could be achieved and maintained. This very situation gave rise to populist leaders, who have sought and will continue to seek ever higher office.

In these cases, welfare discourses in Indonesia were articulated most strongly by the central government and by local executives. The counter-discourses of other actors had yet to have any significant impact.

Welfare as Part of the Global Agenda towards Sustainable Development

The discourse of welfare as sustainable development has been advanced primarily through the agendas of international donor agencies and multilateral institutions such as the United Nations Development Programme (UNDP), UNICEF, and the World Institute for Development and Economic Research (WIDER), as well as the World Bank, IMF, and World Economic Forum. It has been supported not only by state institutions, but also by a broad spectrum of non-governmental organisations, which have often served as brokers between international donors and government

agencies (at the central and the local level).⁶⁴

The global discourses of welfare and sustainable development have been reinforced by programmatically designed development goals, the most prominent of which are the Millennium Development Goals (MDGs) and the Sustainable Development Goals (SDGs). These programmes have been driven by several factors:⁶⁵ *first*, growing disparity between countries that have adopted neoliberal economic and political principles, including those identified by the *Washington Consensus* in the early 1980s (fiscal liberalisation, trade, foreign investment, privatisation, deregulation, etc.).⁶⁶ A study conducted by the World Institute for Development and Economic Research (WIDER) in the late 1990s found that almost all countries that had integrated themselves into the global capitalist market had experienced significant disparity, and this, in turn, had created significant social tension and disrupted political stability. The wealthiest fifth of the global population was responsible for 75% of global consumption, while the poorest fifth of the population enjoyed only 1.5% of global consumption.

Similar disparity is also evident in Indonesia. According to a World Bank report, the wealthiest 1% of Indonesians control slightly more than half (50.3%) of the country's wealth; the wealthiest 10% of Indonesians control 77% of its wealth. In the decade since the Southeast Asian economic crisis, the Indonesian economy grew consistently, averaging 5–6% per annum. Indonesia is the only Southeast Asian country included in the G20, a group

⁶⁴ See, among others, Ismail, 2019.

⁶⁵ Luc-Maurer, 2017: 626–630.

⁶⁶ See also Mas'oed, 2002.

of nineteen countries and the European Union that represents the world's largest economies.

Although Indonesia has successfully reduced the poverty rate, from 24% in 2009 to 11.3% in 2014, the gap between the rich and poor has grown; the Gini coefficient, a measure of statistical dispersion intended to represent income inequality, increased from 0.37 in 2009 to 0.41 in 2013. Ironically for the only Southeast Asian nation in the G20, Indonesia's income inequality is among the worst in the world, with a Gini coefficient similar to that of Ethiopia and the Ivory Coast in Africa.⁶⁷

Second, programmatically designed development goals emerged in response to new economic concepts and thoughts that reached beyond Smithian neoclassical theory, arguing that inequality would stymie growth and hinder governments' efforts to eradicate poverty. These thinkers included Amartya Sen, Joseph Stiglitz, and Paul Krugman, who had won the prestigious Nobel Prize in Economics in 1998, 2001, and 2008 (respectively). Their paradigm did not reject the market economy—Stiglitz, for instance, served as the World Bank's chief economist between 1997 and 2000—and thus was readily accepted by international and multilateral institutions. The Indian economist Amartya Sen, meanwhile, is recognised together with the Pakistani economist Mahbub Ul-Haq for significant contributions to human development

theory, including the Human Development Index introduced to the UNDP in a 1990 report.⁶⁸ Economic development is no longer measured solely through economic growth, but also through human development.

Since 2000, the UNDP has designed two sets of global development goals, each lasting a fifteen-year period: the Millennium Development Goals (MDGs, from 2000–2015) and the Sustainable Development Goals (SDGs, 2016–2030). The MDGs, designed as a global development paradigm, were announced at the Millennium Summit at the United Nations headquarters in New York, which was held from 6 to 8 September 2000. The SDGs were discussed and passed by the UN General Assembly between 25 and 27 September 2015, coming into effect on 1 January 2016. Unlike the MDGs they replaced, which were formulated using a top-down approach by experts at the Organisation for Economic Co-operation and Development (OECD) and international development agencies, the SDGs were formulated in conjunction with civil society actors and other stakeholders. As such, they have been seen as more comprehensive, inclusive, and equitable (see Table 1). Ultimately, however, both the MDGs and the SDGs were built around three pillars: human development, environmentally conscious development, and sustainability.

Table 1. Differences between MDGs and SDGs

MDGs, 2000–2015	SDGs, 2015–2030
50 Per Cent	100 Percent
	Ultimate target: complete eradication of poverty.

⁶⁷ Kompas, 9 December 2015.

⁶⁸ Maurer, 2017: 619.



MDGs, 2000–2015	SDGs, 2015–2030
<p>Ultimate target: to reduce poverty by half. Minimal. Already achieved by many nations.</p>	<ul style="list-style-type: none"> • Eradication of poverty • 100% of citizens should have a birth certificate • Focus necessary to accommodate the marginal and distant
<p>From developed nations, for developing nations</p>	<p>Universal</p>
<p>MDGs are envisioned as the duty of poor and developing nations, with developed nations playing a supporting role as donors/financiers</p>	<p>SDGs seen as duty and obligation of all nations.</p> <p>All nations obligated to achieve sustainable development</p> <p>All nations required to cooperate towards funding development programmes and implementing/revising relevant policies.</p>
<p>Top-Down</p>	<p>Bottom-Up and Participative</p>
<p>MDGs formulated by UN and OECD elites in New York, without consulting, meeting, or surveying ordinary people</p>	<p>SDGs formulated by team, involving face-to-face meetings in more than 100 countries as well as numerous surveys</p>
<p>Partial Solution/Stopgap Measure</p>	<p>Comprehensive Solution</p>
<p>Contains eight goals, mostly oriented towards addressing the symptoms of poverty</p>	<p>Contains seventeen goals, which are designed to promote structural and systematic transformation:</p>
<p>Does not recognise ecological and environmental issues</p>	<ul style="list-style-type: none"> • Gender equality • Governance • Revised consumption and production models • Revised taxation systems • Recognition of inequality/disparity • Recognition of urban issues
<p>Does not deal with economic inequality or disparity</p>	
<p>Does not deal with taxation or development funding.</p>	

Source: Hoelman et al., 2015: 15.

Neither the MDGs nor the SDGs are binding, nor can they be easily achieved, as their lofty targets are often beyond the reach of poor and developing nations. As such, countries are free to implement them in accordance with their own specific capacities, priorities, and development

policies. At the same time, however, it cannot be ignored that both the MDGs and the SDGs have influenced development discourses around the world—including in Indonesia. Both incorporate elements of financial support, albeit not always in accordance with beneficiaries'

expectations or developed nations' promises.⁶⁹ Similarly, both represent a shared commitment, one that has consistently driven UN members' domestic agendas and overlapped with their desire to eradicate poverty and minimise inequality.

In Indonesia, the MDGs were implemented through Presidential Instruction No. 3 of 2010 regarding Justice in Development. Ultimately, however, Indonesia was deemed to have failed in its commitment to achieve these goals and realise their targets. Owing in part to the government's top-down approach, lack of government commitment, poor intersectoral coordination, minimal involvement of civil society, and limited socialisation of its policies, stakeholders were unable to contribute significantly to government programmes. Furthermore, although the MDGs had been announced in 2000, the Indonesian government was late in implementing them, as it was oriented predominantly towards achieving domestic political reform. Data from the National MDG Secretariat, Indonesia had only achieved 13 of 63 indicators by 2015;⁷⁰ for instance, it failed to reduce maternal and neonatal death rates. In the end, Indonesia was only able to achieve four of the eight MDGs.⁷¹

As for the SDGs, the Indonesian government has committed itself to their implementation, as announced by a delegation consisting of Vice President Jusuf Kalla and several ministers before the before the United Nations General

Assembly. At the time, Kalla stated that the SDGs corresponded with the Jokowi–Kalla government's nine priorities (popularly known as "Nawacita").⁷² Indonesia also played an active role in the formulation of the SDGs. Susilo Bambang Yudhoyono, then the incumbent president, was a member of the committee that discussed the SDGs; other members included Prime Minister of the United Kingdom David Cameron and President of Liberia Ellen Johnson.⁷³

In realising such global agendas, Indonesia has been hindered by more than its administration, socialisation, and implementation approaches. Its greatest challenge has been its citizens' limited income, ranking 128th globally. More than half of Indonesians live below the international poverty line, and income inequality remains omnipresent. The global economic crises and recessions that have detrimentally affected Indonesia's economic growth have also been problematic. Furthermore, decades of revenue-oriented development programmes have had severe environmental consequences throughout the Indonesian Archipelago. Such programmes continue today, even though conservation is an important component of the SDGs. There is an ongoing tug-of-war between economic growth, conservation, and social welfare, a classical issue that nevertheless remains crucial today, being found not only in Indonesia, but around the globe.⁷⁴

⁶⁹ Between 2013 and 2014, the OECD recorded development aid of US\$ 135 milliard per annum. See Pakpahan, "Agenda Pembangunan Berkelanjutan 2030", *Kompas*, 17 September 2015.

⁷⁰ *Kompas*, 8 August 2015.

⁷¹ *Kompas*, 28 September 2015.

⁷² *Kompas*, 26 September 2015.

⁷³ Suyono, *Kompas*, 7 October 2015.

⁷⁴ *Kompas*, 12 October 2015.

According to Jose Graziano da Silva, Director of the Food and Agriculture Organisation of the United Nations (FAO), 72 of 129 nations were able to reduce malnutrition by half by 2015. Likewise, the global population living in extreme poverty was reduced from 43% (1990) to 17% (2015). However, such advances were not evenly distributed. More than 800 million people worldwide continued to suffer from hunger, and almost a billion lived in extreme poverty. Da Silva wrote that these ongoing issues could not be resolved simply by stimulating economic growth in the agriculture sector, but required social protections and access to cash/non-cash financial assistance programmes. Only then could true independence be created amongst the poor.⁷⁵

From this discussion, it is evident that national and global welfare discourses have remained dominated and hegemonised by a social assistance paradigm, rather than one oriented towards achieving justice by restructuring the economy. In this hegemonisation of welfare discourses, international donor agencies and multilateral institutions play an important role, as do central and local governments.

Welfare as a "Right of the People" and Welfare as a "Constitutional Obligation of the State"

⁷⁵ Kompas, 17 October 2015.

⁷⁶ Several labour unions with significant memberships have contributed significantly to the mobilisation of workers in Jakarta and the surrounding area. These include, for instance, the All-Indonesia Confederation of Labour Unions (Konfederasi Serikat Pekerja Seluruh

In Indonesia, demand for improved public welfare, as a manifestation of citizens' rights, emerged in the early years of the nation's political reform, with roots reaching far into the past. Peasant movements and customary communities throughout the Archipelago sought to reclaim lands that had been taken by the New Order government. Labour movements, similarly, demanded the right to unionise as well as such normative rights as increased wages, paid holidays, occupational health and safety insurance, etc. However, these demands were but drops in the sea of contemporary political discourses, mere floating signifiers (elements) in the discursive field. Political actors, including the mushrooming political parties, failed to accommodate these demands in their political programmes.

It must be recognised that, of the plethora of actors active at the grassroots level, labour movements had particular activities and their outcomes that resulted in their welfare demands becoming important moments in the ongoing contestation of welfare discourses. This may be attributed, at least in part, to their concentration in urban areas, where they were close to those in power and could easily access the mass media; neither was true for peasant movements or indigenous communities. Every year, on International Workers' Day (1 May), hundreds of thousands of labourers descended to the streets to demand that their rights be fulfilled and their welfare be improved.⁷⁶

Indonesia, K-SPSI), with an estimated 1.5 million messengers; the Indonesian Confederation of Prosperous Labourers (Konfederasi Serikat Buruh Sejahtera Indonesia, K-SBSI), with an estimated 250,000 members; the Confederation of Indonesian Labour Unions (Konfederasi Serikat Pekerja Indonesia, K-SPI),

Such demands are no longer sectoral; ten years after Indonesia began its political reform, labour movements had already established intersectoral chains of equivalence and networks, and were demanding (among other things) a universal health insurance scheme. As will be discussed below, labour movements contributed significantly to the ultimately implementation of this system.⁷⁷

Beginning in 2014, labour movements pressured the Indonesian government to recognise International Workers' Day as a national holiday. They also called for a revised Labour Law, increased wages, and the transformation of outsourced contract workers into permanent employees. At their peak, these movements demanded the implementation of a national health insurance programme.⁷⁸ They began establishing chains of equivalence, first through the Action Committee for Social Insurance

with an estimated 1,000,000 members; the Allied Congress of Indonesian Labour Unions (Kongres Aliansi Serikat Buruh Indonesia, KASBI), with an estimated 100,000 members; the National Confederation of Unions (Konfederasi Serikat Nasional, KSN), with an estimated 100,000 members; and the National Confederation of Labour Unions (Konfederasi Serikat Pekerja Nasional, K-SPN), with an estimated 500,000 members. Interview with Anwar Sastro Ma'aruf, labour activist, leader of the Popular Labour Party (Partai Rakyat Pekerja, PRP), and Secretary General of the Indonesian Confederation of Popular Movements (Konfederasi Pergerakan Rakyat Indonesia, KPRI), Jakarta, 5 March 2016.

⁷⁷ KAJJS was formally agreed approved between 6 and 8 March 2010 by a number of labour unions (K-SPI, K-SPSI, and Kobar), as facilitated by FSPMI and supported by the Trade Union Rights Centre (TURC) and Friedreich-Ebert-Stiftung (FES); see Tornquist et al., 2018: 143.

(Komite Aksi Jaminan Sosial, KAJJS)⁷⁹ and later through the newly establish Indonesian Council of Labourers and Workers (Majelis Pekerja Buruh Indonesia, MPBI). Established on International Labour Day, 1 May 2012, MPBI consisted of three influential labour unions: KSPI, K-SBSI, and K-SPSI.⁸⁰ Activists recognised that Indonesia's political parties had paid little heed to their interests in the first years of political reform. As such, labour activists indicated that MPBI was perceived as a step towards establishing an alternative labour party, or even an umbrella organisation that could accommodate grassroots activists in all sectors.⁸¹ Unfortunately, since the 2014 presidential election—when some unions supported Prabowo Subianto and his running mate Hatta Rajasa, while others backed Joko Widodo and Jusuf Kalla—this initiative has become fragmented.⁸²

⁷⁸ See Ma'ruf, 2015: 455–476.

⁷⁹ Tornquist, et al., 2018: 142–143.

⁸⁰ Tjandra, 2014; Lane, 2014: 473–474.

⁸¹ Tjandra, 2014; Ma'ruf, 2015; Interview with Anwar Sastro Ma'aruf, labour activist, leader of the Popular Labour Party (Partai Rakyat Pekerja, PRP), and Secretary General of the Indonesian Confederation of Popular Movements (Konfederasi Pergerakan Rakyat Indonesia, KPRI), Jakarta, 5 March 2016.

⁸² During the 2014 presidential election, there was significant polarisation in Indonesia, both within labour movements and in the public arena. Ultimately, although Joko Widodo and his running mate, the labour movement's support was divided. KSPI (chaired by Said Iqbal) supported Prabowo–Hatta, while K-SPSI (chaired by Andi Gani Nena Wea) and K-SBSI backed Jokowi–Kalla. Andi is the son of Jacob Nuwa Wea, a senior PDI-P politician who had served as Minister of Labour under President

Returning to Law No. 40 of 2004 regarding the National Social Insurance System, as reinforced by Law No. 24 of 2011 regarding the Social Insurance Administration Organisation, it must be recognised that both laws were concrete manifestations of a constitutional mandate.⁸³ Article 34, Paragraph (2), of the amended 1945 Constitution reads: "The state shall develop a system of social security for all of the people and shall empower the inadequate and underprivileged in society in accordance with human dignity". Law No. 40 of 2004 was passed on 19 October 2004 by President Megawati Sukarnoputri, towards the end of her presidency. For years, this law went unimplemented, having received little attention from the Susilo Bambang Yudhoyono government. Only after extensive lobbying by KAJIS did the government pass Law No. 24 of 2011, which was staunchly opposed by a number of private insurance companies and labour organisations. Without widespread demonstrations and protests, few would have known of the planned social insurance scheme. In this context, it is important to recognise the contributions of labour movements and civil society organisations, who articulated a new welfare discourse: welfare as a "right of the people" and as a "constitutional obligation of the state". Using a discourse that was contested, rather than "offered" as a

Megawati Sukarnoputri. Unlike in previous years, when International Labour Day was commemorated with a joint action, in 2014 these influential labour unions held their own activities. See, for example, Tjandra (2014), "Politik Buruh 2014", <https://nasional.kompas.com/read/2014/05/01/1403157/Politik.Buruh.2014>, accessed on 7 August 2018.

gesture of goodwill, these movements shifted the nodal point away from the hegemonic discourse of welfare as "social assistance", "electoral strategy", and "sustainable development".⁸⁴

Law 40 of 2004 and Law 24 of 2011, which came into effect in 2004, collectively represented the beginning of a new and different welfare discourse in Indonesia (especially in the health sector). Above, this article has shown how regional autonomy stimulated innovation and creation in welfare discourses, including in the education, health, and agriculture sectors. New policies generally lacked clear standards and targets, with their implementation changing from year to year in response to local political dynamics. Often, these welfare programmes were developed as electoral strategies, and prone to clientelistic practices.

These new laws sought to transform the situation. Their welfare programmes were not sectoral, but universal, accessible to all Indonesians—provided certain criteria were met⁸⁵—without discrimination and without short-lived political gains. SJSN/BPJS was designed as a centralised, standardised, and uniform health insurance programme that spanned the entire Indonesian Nation. Under these laws, the government was obliged to follow specific guidelines under parliamentary supervision. At the conceptual level, this programme was

⁸³ Sulastomo, 2011.

⁸⁴ Refer to Section 3.

⁸⁵ Essentially, all SJSN–BPJS members are required to pay a premium, the amount of which is determined based on their socio-economic class. For the poorest Indonesians, premiums are covered by the State through the national budget.

excellent; indeed, it is not excessive to identify these laws as having a revolutionary effect on the welfare discourse.

It is thus unsurprising that there was considerable public interest in these programmes. Indonesians, previously worried about the cost of healthcare, flocked to treatment centres—from clinics to hospitals—in droves. When the programme was first implemented in 2014, approximately 133.4 million Indonesians (40% of the population) registered. By 1 November 2018, in the programme's fifth year, the National Health Insurance/Healthy Indonesia Card (Jaminan Kesehatan Nasional/Kartu Indonesia Sehat, JKN-KIS) scheme reached 205,071,003 members; approximately 60 million Indonesians remained unregistered. As such, it covered 77% of all Indonesians.⁸⁶ Approximately 8% of all members were civil servants; 15% were private-sector employees; 15% were independent labourers; 3% were unemployed; 14% were beneficiaries of locally funded programmes; and 45% were beneficiaries of nationally funded programmes.⁸⁷ From these figures, it may be seen that healthcare facilities became increasingly accessible, especially to low-income households. Many, particularly those who suffered from long-term health issues such as heart disease, cancer, and diabetes, benefitted significantly from this welfare scheme.⁸⁸

⁸⁶ Growth in BPJS membership has fallen short of predictions. According to the National Roadmap for National Health Insurance, the Indonesian government had hoped to achieve universal health coverage by 2019 (*Kompas*, 13 November 2018).

Nevertheless, many technical issues became evident in the field. The most common complaints revolved around the long queues, the complicated referral process, the difficulty accessing intensive care, and the medication being lacking in availability, quality, and amount unavailable. Many expressed disappointment that their cards were not accepted for all services, and that regulations changed frequently. Many indicated that BPJS patients were treated discriminatorily by hospitals and other facilities, being marginalised in favour of paying patients.⁸⁹

Another major problem, according to Professor of Public Policy and Health Administration Laksono Trisnantoro (Universitas Gadjah Mada), was that JKN services were biased towards urban areas. Urban healthcare facilities were more comprehensive, and their staff was more skilled. In rural areas, beneficiaries had difficulty accessing the same services, even as they paid the same premiums.⁹⁰ The limited availability of health facilities, as well as the uneven distribution of doctors/medical staff, overlapped with infrastructural and bureaucratic shortcomings. Further complicating the issue was the disparate level of development in various territories and provinces; health services in major cities were quite different than those in smaller cities—let alone those in rural areas and border regions. Nonetheless, the overall

⁸⁷ *Kompas*, 13 November 2018.

⁸⁸ *Kompas*, 12 November 2018.

⁸⁹ *Kompas*, 12 November 2018.

⁹⁰ *Kompas*, 12 November 2018.

quality of health services in Indonesia has improved.

Another issue, according to BPJS staff themselves, is budgetary; except for 2016, when the programme had a surplus of approximately Rp 160 milliard, the amount of revenue received through premiums has fallen short of the amount claimed. In 2014, the programme had a deficit of Rp 1.93 trillion; deficits were also reported in 2015 (Rp 4.41 trillion), 2017 (Rp 10.19 trillion), 2018 (Rp 9.1 trillion), and 2019 (Rp 28 trillion);⁹¹ all such shortcomings had to be covered through the national budget. In order to reduce deficits, the government began examining the possibility of increasing premiums.⁹² Per 1 July 2020, premiums have been increased, even as this decision was broadly opposed by civil society organisations.⁹³

Finally, and no less importantly, welfare programmes have long been implemented by non-state actors (both religious and cultural) in the health, education, and micro-finance sectors religion.⁹⁴ Many studies have shown that religious communities have often used welfare programmes as "entry points", and as such have been integral to their proselytisation and their services.⁹⁵ Many of Indonesia's most prominent hospitals, schools, universities, cooperatives, and credit unions were developed by religious organisations such as Muhammadiyah and Nahdlatul Ulama or by churches. These

⁹¹ *Kompas*, 13 November 2018; <https://databoks.katadata.co.id/datapublish/2019/08/08/iuran-semua-kelas-naik-berapa-defisit-bpjs-kesehatan>.

⁹² *Kompas*, 14 November 2018.

⁹³ <https://money.kompas.com/read/2020/07/01>

welfare programmes, the first and oldest in Indonesia, have had a lasting effect.

However, these programmes are not discussed in detail in this article. Although these religiously and culturally driven welfare programmes are well established, they have had limited influence on Indonesia's political dynamics (including, for example, the political reform that began in 1998). Religious and cultural actors tend to extricate themselves from politics, and thus have little influence on Indonesia's political and power structures. Their welfare discourses, though evident in the discursive field, tend to support those of state and global actors.

Conclusion

Welfare discourses have deep roots in Indonesia's political and economic history. Since the country's independence, a welfare discourse has been embedded in Indonesia's economic system. This is regulated through Article 33 of the 1945 Constitution, which understood the ideal economy as one built on a foundation of cooperatives, complemented by state-owned enterprises and private corporations, with welfare stemming from an inherent social solidarity. However, in reality, the Indonesian economy has been oriented predominantly towards capitalism, liberalism, and market mechanisms. It has been difficult to realise

[/084657526/iuran-bpjs-kesehatan-resmi-naik-mulai-hari-ini](https://www.kompas.com/read/2020/07/01/084657526/iuran-bpjs-kesehatan-resmi-naik-mulai-hari-ini).

⁹⁴ Mas'udi & Lay, 2018.

⁹⁵ Aritonang, 1988, 2004; Alwi Shihab, 1998.

the idealism inherent to Article 33, let alone maintain it across diverse regimes.

The twenty-year period since Indonesia began its political reform is no exception. Welfare discourses have been contested by a wide range of actors, all of whom have sought to achieve hegemony. Between 1998 and 2015, welfare discourses revolved around four nodal points, each of which had its own subject positions and actors. *First* were those subject positions who understood welfare as social assistance; these actors were predominantly government agencies at the national, provincial, and local levels. *Second*, were those subject positions that understood welfare as creative innovation and/or an electoral strategy; these were predominantly individual politicians, again at the national, provincial, and local levels. *Third* were those subject positions—mostly international donor agencies and institutions working in conjunction with the Indonesian government and civil society organisations—who understood welfare as sustainable development. Fourth were those subject positions, most prominently members of KAJIS, who understood welfare as a right (for citizens) and as a constitutional obligation (for the state).

Gosta Esping-Anderden, in *Three Worlds of Welfare Capitalism*,⁹⁶ identified three types of welfare regimes: liberal, conservative, and social democratic. Borrowing these categories, and referring again to the history of Indonesia's dominant and hegemonic welfare discourses (especially over the past two decades), the Indonesian welfare regime may be understood as liberal one. This is supported by several points. *First*, the nation's economic system leans heavily on

market mechanisms. *Second*, welfare programmes were initially developed as social security nets. *Third*, before the mid-2010s (when labour and civil society movements successfully pressured the government to implement a national social welfare scheme), programmes had been initiated at the local and national level by benevolent elites at the local level.

If, following Giddens (1999),⁹⁷ we categorise welfare discourses as negative and positive discourses, we would recognise that the dominant and hegemonic welfare discourses that have circulated in Indonesia have understood welfare as "the war against suffering, disease, ignorance, dilapidation, and sloth". As such, it has been perceived as a burden for the Indonesian nation and budget. According to Giddens, these are not characteristic of positive welfare, which would perceive welfare as the state's investment in its citizens—social investment. Positive welfare is oriented towards developing human capital rather than providing direct financial assistance. As such, it would emphasise programmes that improve education and health services or create an active civil society over subsidies and direct cash transfers.

Why has such a "liberal welfare" or "negative welfare" regime become dominant and hegemonic? It may be understood that, reflecting the assumptions of Laclau and Mouffe, political articulations in post-reform Indonesia almost universally understood welfare as a form of social assistance, as an electoral strategy, and/or as an element of sustainable development. These articulations advanced the views of important actors such as government

⁹⁶ Mas'udi & Lay, 2018: 279.

⁹⁷ Giddens, 1999: 136ff.

officials, politicians, economists/technocrats, entrepreneurs, academics, and even international organisations, most of which embraced a neoliberal paradigm. Such a liberal understanding of welfare has endured owing to its ability to establish chains of equivalence with other understandings, including that which understands welfare as the right of citizens and as the constitutional obligation of the state.

Surveys conducted by Demos (2007) and the Department of Government and Politics at the Faculty of Social and Political Sciences, UGM (2013) may also help us understand these welfare discourses and their development. In the first survey, respondents did not identify welfare as an important public issue. In the second survey, conversely, 55% of respondents identified welfare services such as health insurance, education, security, public transportation, and housing as issues of paramount importance. Only 14% prioritised citizenship and civil rights, even though these had dominated the Demos survey. This supports the argument that, in the early 2010s, democracy discourses were increasingly dislocated by welfare discourses.⁹⁸

In a broader context, welfare began to become a prominent nodal point in

Indonesian democracy when direct local and national elections were first implemented in 2005. This political momentum was supported by the Millennium Development Goals (MDGs), which were incorporated into the national development agenda through Presidential Instruction No. 3 of 2010 regarding Justice in Development. Welfare discourses were strengthened by labour and civil society movements, which pressured the government to implement a universal healthcare scheme—pursuant to Law No. 40 of 2004 regarding the National Social Insurance System, as reinforced by Law No. 24 of 2011 regarding the Social Insurance Administration Organisation—after almost a decade of neglect. Since then, welfare discourses have developed within a context unprecedented in Indonesian history, wherein the health of Indonesians—especially the poor—is guaranteed by the state. If seen through the hegemony lens of Laclau and Mouffe, welfare discourses have become increasingly broad. No longer are they restricted to liberal paradigms; through extensive articulation and re-articulation, labour and civil society movements have created a shared discourse that can nonetheless be subjected to further dislocation. Welfare discourses, as always, continue to be contested.

⁹⁸ Savirani, 2016: 24–26.

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