### **CHAPTER 6**

# **DEMOCRATISING LOCAL POLITICS:**

# The Case of Indonesia

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The most radical change in Indonesia after the Suharto regime ▲ is possibly decentralisation.² This is primarily from the centre to the districts, towns and cities as well as to the private and associational sectors. There are five major outcomes: (1) Centralised authoritarianism rule has been undermined; (2) politics has been localised with poor democratic qualities; (3) many attempts to build political alternatives from below have developed but largely faltered; (4) several internationally poorly supported more politically oriented attempts to combine democratisation, welfare and inclusive economic development have also emerged and stumbled; and (5) in this context the special related but backfiring case in Aceh where the combination of democratisation, local parties and peace was at the core. The challenges will be summarised in the main part of the essay and then read briefly against more fortunate cases in other contexts, followed by a conclusion on how it might be possible to foster democratisation of local politics in-spite of a sad story about

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 $<sup>^{2}</sup>$  When nothing else is spelt out, this essay draws on Törnquist 2013.

international cooperation.

#### 6.1 Decentralisation and democratisation in Indonesia

First, decentralisation has certainly undermined the preconditions for the restoration of centralised authoritarian rule in Indonesia. Equally important, it has often (but not always) contributed to freedoms and wider local space for various actors (dissidents too) as well as to the spread of surprisingly liberally oriented elections. Indonesia after 1998 has thus even been deemed a showcase of the world wide crafting of democracy since the late 1970s by way of elitist, moderate and internationally supported design of intrinsic institutions (rules of the game) in a liberal democracy, which all major actors have then been expected to adjust to (e.g. Aspinall 2010).

Second, decentralisation has however also contributed to the weakness of Indonesian democratisation. Numerous studies have shown how decentralisation has paved the way for the expansion of powerful elites and abuse of public resources on the local level (e.g. Aspinall and Fealy 2003; Robison and Hadiz 2004; Nordholt 2004; Nordholt and Klinken 2007; Klinken 2007; 2009). According to the two nation-wide qualitative democracy surveys carried out in cooperation between scholars and experienced local practitioners in 2003-2004 and 2007-2008 (Priyono et al 2007, Samadhi et al. 2009), the democratic deficits may shortly be characterised as noninclusive electoral and party systems making it next to impossible for anyone but the privileged actors to participate with successful parties or as candidates in elections; weak supplementary forms of issue and interest representation beyond already influential actors' networking, 'good contacts' and lobbying; bent and twisted rule of law; widespread corruption; poor state capacity to implement decisions; commercial and political monopolisation of influential media and the public discourse; scattered pro-democrats and many uncivil associations.

Some scholars argue that this is because the oligarchs nourished under Suharto have survived him and employed the new rules of the game work to their own benefit, particularly, perhaps, on the local

level (Hadiz 2009, Winters 2011). Others say there are *also* a number of additional not so economically and militarily but yet socially and culturally powerful actors who were comparatively subordinated under Suharto but have advanced since, both within business and politics, and who are much more able than the oligarchs and the former state-executives themselves to mobilise supporters and win elections (e.g. Nordholt 2004; Nordholt and Klinken 2007; Klinken 2007 and 2009 and Priyono et al 2007, Samadhi et al. 2009). Together these dominant actors bring Indonesia close to the Indian polity that Kanchan Chandra (2004) has labelled 'patronage democracy'; and in any case the monopolisation of organised politics and the established forms of representation has nourished a general lack of trust in democracy and public institutions.

The cautious optimism at the time of the just mentioned second democracy survey (Samadhi et al. 2009) of the attempts made at fighting corruption, even by the authorities under President Yudhoyono's regime, has over the years given way to outright democracy bashing, and the feeling that advances require more than liberal electoral democracy (c.f. Törnquist 2012). A recent review of the fate of democratisation suggests that the dominant and mostly elected elite has been successful in containing and even reversing critical aspects of the democratic advances, including those concerned with managing elections, efforts at curbing corruption and minority rights (Mietzner 2012).

Given, moreover, the predominant narrow and institutionalist definition of democracy in terms of freedoms and elections, the common argument is that it takes other measures to curb corruption and promote welfare measures. As pro-democrats have lost ground, the counter argument that such aims would call instead for improved democratic representation of the middle and working classes as well as supplementary forms of representation to supervise public governance are typically deemed unrealistic. Most worrying, those within the upper and middle class that rarely manage to win elections may well use the general discontent with elitist democracy to 'strengthen the rule of law', 'prevent disruptive populist rule' and, the argument goes, thus build stronger preconditions for

#### democracy.

Their views find an echo in the current international support for 'sequencing of democracy' (c.f. Carothers 2007a, 2007b), which resembles Samuel Huntington's (1965) thesis from the cold war about the need for 'politics of order' ahead of popular sovereignty. A concrete example is the alliance in Thailand from 2006 onwards between metropolitan middle classes (that fail to win elections), the king and the military. Indonesia has been down this path once before, when it gave rise to Suharto's New Order regime in the mid-1960s. In contemporary Indonesia, former Vice-President Jusuf Kalla often stated that it was premature democratic elections that lay behind various conflicts and that profitable business-driven development would provide the best remedy. Other illustrations include the fostering of 'people power demonstrations' against corruption and abusive politicians on the one hand, and presidentialism, stronger executives and the 'streamlining' of the party system towards a majoritarian two-party system on the other. The latter is often accompanied by a general admiration of Singapore as well as China's attempts to promote stability and economic growth ahead of 'excessive democracy'. Meanwhile, religious activists also argue for the need to reduce the public sphere, this time in favour of religious values, communities and leaders.

#### Weak civil society based projects

Third, decentralisation has been and continues to be the framework for a number of faltered attempts to foster alternative democratisation 'from below'. Decentralisation has opened up for the involvement of civil society organisations and activists with alternative ideas that would rarely have had a chance of being anything but debated in closed seminars under more centralist regimes. But by contrast to for instance Antlöv and Wetterberg's (2013) positive view of what civil society groups can achieve through advocacy and deliberation in Indonesia, my results from comparative studies suggest that it also and primarily takes organised and representative democratic politics. For example, it was Kerala's much admired politically implemented decentralisation that paved the way for extensive

popular engagement in alternative development plans. The Brazilian participatory councils in public administration and budgeting processes were facilitated by politicians (and their experts), typically supported by the radical union and social movement base Workers Party (PT). In the Philippines, CSOs expanded politically and made an impact on the municipality and village levels which enabled them to develop alternative development projects with various partners.

In Indonesia there have been similar though more modest tendencies in several districts (though less so on the village level where decentralisation has been held back). But, within the increasingly dispersed and fragmented forms of localised governance, the organisations adhering to the society perspective have been unable to make decisive contributions to democratisation. The empirical evidence from surveys and case studies (which were carried out in consultation with the activists themselves) are unambiguous (Budiman and Törnquist 2001; Prasetyo, Priyono and Törnquist with Birks 2004; Priyono, Samadhi and Törnquist with Birks 2007; Samadhi and Warouw 2009). The civil society activists have typically related themselves to fragments of immediately affected sections of the population and have rarely connected them organisationally as well as in terms of joint policies. For instance, there have been few attempts to connect activities in the workplaces and residential and other communities. Thus these activists have contributed to segmented participation in specific localities and on a great variety of specific rights and complaints, neglecting broader perspectives of how to promote better governance, development and public welfare for large sections of the people. The focus of the campaigners have been on the institutional means of democracy to foster the rule of law, justice, human rights and basic needs, civil control of the army, attempts to curb corruption, freedom of media and citizen participation - paying much less attention to equal and inclusive citizenship, democratic political-, issue- and interest based representation, and the government's capacity to implement policies.

Hence, the democracy surveys referred to above as well as follow up case studies point to more diversified civil society engagements than Antlöv and Zetterberg's data (2013). Moreover, the activists' presence was quite limited within public administration, in public and private workplaces and in organised politics. The most frequent activities included collection and spreading of information, lobbying and pressure group activities as well as in promotion self-management and self-help activities. The activists' sources of access to power and their ways of gaining authority and legitimacy remained focused on their own knowledge and participation in the public discourse at the expense of organisation, attempts, attempts to get public mandates and win elections. Finally (and in spite of some advances over the years) the advocates of the social perspective remained poorly connected to social movements and popular organisations (and vice versa); collective action was mainly based on individual networking, popular leaders or alternative patronage as against broad and representative organisations; and the attempts to approach elections, parliaments and the executive institutions of the central and local government remained primarily by way of media, NGOs and pressure and lobby groups.

No doubt this provided the limited number of people involved with some more influence and benefits, which certainly was a major advance as compared to the subordination of people under Suharto when organised politics (beyond that of the government party) was prohibited at the grassroots level in order to make ordinary people a 'floating mass'. Yet at this point the pro-democracy activists themselves were typically 'floating' in the sense of lacking extensive and solid social constituencies and rarely able to generate substantial democratic improvements in terms of popular control of public affairs on the basis of political equality with fundamental principles and criteria such as a well-defined demos and public affairs, political equality and democratic representation. One may even argue that several of the organisations contributed to more polycentrism and privatisation, thus weakening the basis for local democracy according to its just mentioned basic principles. Meanwhile moreover, the same groups were often marginalised or co-opted by more powerful local actors within politics, administration and business as well as by not very democratic but stronger CSOs and international organisations and donors.

It is true that there have also been widespread attempts at localised and supposedly traditional forms of participatory governance, formalised under the name of *Musrenbang*. This format is locally inclusive, but mainly consists of already existing groups and important figures and movements. This reflects predominant power relations and rarely fosters the inclusion of subordinated and alternative interests and ideas. Additionally, local priorities need to be confirmed on supra levels where politicians and executives are in thorough control. The supplementary and massive World Bank financed community development programme, moreover, tends to bypass public administration in favour of civil society and market oriented solutions, thus avoiding many of the challenges of democratisation. (Sindre 2011)

#### Stumbling socio-political alternatives

Fourth, a number of exciting but internationally poorly supported and also not too successful groups and movements have developed more effective democratic politics by combining democratisation, welfare and inclusive economic development. One type of project has been characterised by attempts at democratising popular communities such as customary (adat) groups, indigenous populations and Muslim congregations on the basis of equal though alternative citizenship. This was meant to provide the foundations for locally rooted governance and thus base interventions in mainstream politics. Typically, however, a community would not claim equal citizenship rights for all the people in the locality but only for itself as a specific community. It was also unclear what public affairs (such as natural resources or citizen rights and obligations) that this community rather than people in general or several communities together would control and on what grounds.

It is therefore likely that it would take the introduction of broader and more inclusive political formation by a locally trusted yet nationally widespread cluster of equal rights-based movements to unleash the full democratic potential of the different communities. So far such attempts have been based on environmental groups

and fledgling farmers and agricultural workers' organisations. The former attempt continues in the direction of a green party, which may well gain some ground but possibly remain rather marginal if it is not able to develop broad alliances. The other more agrarianbased and more comprehensive party project, however, collapsed when it failed to form a sufficient number of local units around the country to be eligible in elections. To counter the common suspicion (among the NGOs and workers and farmers' groups supposed to form the basis of the party) that the propelling political activists would cater to their own interests, it was agreed that candidates in elections would come directly from the basic organisations. But these organisations obviously deemed the political project to be too risky and expensive as compared to their usual practices of fostering clients and members' interests as pressure and lobby groups via individual top level contacts. Moreover, the questions of how to develop and decide on joint platforms and priorities as well as to elect and keep candidates accountable were never really resolved. Meanwhile others tried to build a national ideology-driven party with well-educated and solidly organised cadres to provide political guidance and coordination to the CSOs and the social movements. However, there were simply very few strong and broad popular movements to guide. And those in the making were often not convinced of the need to subordinate themselves to external would-be leaders with parachuted agendas. Yet new attempts are being developed with firmer bases in popular movements and with ideas of bypassing rather than further developing democratically poorly organised politics by way of 'people power actions'.

Hence other consistent leaders and their followers have tried to enter into politics on the basis of broader class based organisations and solidarities, for example among dispossessed peasants and agricultural workers as well as among various industrial workers and informal sector labourers. At best these attempts have also been combined with community organising in neighbourhoods. Commonly, however, the differences between the peasants' organisations, the unions, their leaders and associated communities have been difficult to overcome. This as well as the need to link activism with specific

benefits to the people who engage has prevented broader joint work and linkages with other pro-democratic constituencies and wider popular issues. While some remarkably consistent experiments are still evolving, several campaigners have been inclined to return to lobbying and pressure politics.

One partially more successful exception is the organisations that tried to build strategies to take advantage of what may be labelled with James Manor (2010, 2013) 'post clientelist' opportunities. In the Indonesian context this refers to groups which tried to make an impact by entering into co-operation with strong political actors who anyway need to broaden their alliances and support base by going beyond their predominant clientelist arrangements. Thus they also engaged in programmes that attract wider sections of the population that for instance wish to see less corrupt governance and better public welfare systems. And the politicians very much wanted to improve their reputation by engaging high profile experts and NGO activists, whose groups would then be given financial support and special favours in return. In this context - and in exchange for lending their good names and endorsing the politicians in elections - pro-democratic groups typically tried, then, to sign a public memorandum of understanding or 'contract' with the politicians on what measures would be implemented in case the politicians would win the elections, to become indispensable for the politicians, to get the measures that they contribute to institutionalised and to design them in such a way that they increase the capacity of wider sections of the population. Many of these arrangements are limited, however, by the general character of the measures that are agreed on in the agreements which, moreover, tend to focus on the rather narrow policy areas where the activists have some influence. Furthermore, most civil and popular actors lack sufficient bargaining power to enforce the deals. They are typically short of crucial campaigners, unable to deliver a substantial number of votes and without sustainable organisations to keep successful politicians accountable after the elections. The most positive cases, such as the election and performance of the progressive Mayor Joko 'Jokowi' Widodo in the central Java city of Solo (Surakarta) 2005, the successful 2012 election of the same leader in Jakarta, and the almost successful candidacy of union and civil society related activists Rieke Diah Pitaloka and Teten Mazduki in the 2013 West Java governor election, point to the importance of broader social movements and quite instrumental populist party-politics (c.f. Partikno and Lay 2013).

#### The rise and fall of the Aceh alternative

Fifth, the initially so promising special case of Aceh. This attempt was part of the strategy of fostering political inclusion in the framework of decentralisation by way of local parties and independent candidates in the election of local political executives in the process of peace building (Törnquist, Prasetyo and Birks 2011). (Thus one may even say that agreement on democratisation preceded peace.) Much of the strategy to promote peace and post-tsunami reconstruction by way of democratisation was fostered by leading reformists in the Free Aceh Movement (GAM) and related civil society organisations. Remarkably, these leaders and activists, even managed to build an alliance and to win the 2006 elections of Governor Irwandi Yusuf and Deputy Governor Muhammad Nazar and local heads of district and towns, in-spite of resistance from the aristocratic GAM leaders in exile and of course the mainstream Indonesian politicians.

Thereafter, however, the advances were rapidly undermined. The development aid section of the international community were busy with the post-tsunami reconstruction work without making much efforts to employ the massive programmes in attempts at better governance in Aceh; and the more political section applauded President Martti Ahtisaari's democratic peace agreement but failed to (or did not want to) understand what international support was needed to sustain its intensions.

This helped making it possible for the autocratic ex-GAM leaders to skilfully form and develop their own local Aceh Party (PA) without really having to compete with any organised alternative. So when the civil society activists were harassed and isolated by the PA and Governor Irwandi, and when PA entered into a tactical understanding with President Susilo Bambang Yudhoyono's Democratic Party in the 2009 parliamentary elections, the civil society parties suffered

disastrous electoral losses and were disqualified from further participation. Thereafter PA was thus relieved from the need to compete against local parties and could proceed by doing away with Irwandi and other reformists by undemocratic means, first by marginalising them inside the party and then by trying to prevent them even from running as independents in the upcoming local elections, arguing that the Helsinki agreement had only allowed for independent candidates in the 2006 elections. After the Helsinki agreement, however, Indonesia as a whole had also agreed to the inclusion of independent candidates in the election of political executives. And this certainly applied to Aceh too -- especially since the intention of the Helsinki agreement was inclusion rather than exclusion of vital actors.

Thus PA's opponents in civil society groups and dissenting leaders appealed to the Constitutional Court -- which on two occasions supported them by upholding the national right of independent candidates (pioneered in Aceh). Finally, moreover, some elements of the 2006 alliance between reformist former rebels and civil society activists seemed to re-emerge. So maybe there was thus a possibility to re-establish elements of transformative politics by combining the fifth projects (discussed above) of political contracts and the idea of independent candidates. PA responded, however, by resisting the legal system, obstructing democracy by boycotting the elections and fuelling fears that the newly-found peace was in jeopardy. In Jakarta, moreover, almost everyone from President Yudhoyono and former President Megawati to former general turned business tycoon and presidential candidate, Prabowo, calculated that they had to strike favourable alliances with PA in order not to lose out in the province. Thus it was even widely argued that democracy had to be set aside in order to 'save peace'. Eventually the Constitutional Court postponed the elections for a brief period to allow PA to change its mind, and this decision was widely accepted in Aceh. But predictably the postponement was extended for quite a long period.

Thus PA could benefit at the expense of the other candidates and even received additional financial support and advice from powerful allies in Jakarta, including former generals who used to fight GAM. Meanwhile, PA itself focused on its organisational and clientelist strength within the old command structure of GAM and added intimidation and the argument that if it was not elected, peace might be at risk. So given that the PA's critics, who banked on their personal appeal and support from within the same command structure, abstained from building an effective organisational and political alternative, the PA's landslide victory was not very surprising.

Given the political manipulations in the lead up to the elections and that PA has now gained almost total political (and economic) hegemony in the province in strategic alliance with the political and economic elite in Jakarta, the once promising process of democratisation has been severely undermined. Beyond Aceh itself, these developments have thus pointed to the partial viability of combining the idea of independent candidates and political contrasts, while the question of how CSOs can expand and relate to organised politics remains unresolved.

#### 6.2 Farewell to normativism

What are the major lessons from the attempts at democratisation in the context of decentralisation? Initially one obviously needs to recall that the normative postulation in the context of the mainstream efforts at crafting democracy have not proved generally valid. Decentralisation of power and governance from centralised and often authoritarian institutions to local state units and governments as well as to markets and widely defined civil society organizations does not necessarily open up for 'everything good' including local democracy and popular oriented growth. Hence it is necessary to specify instead the aim in terms of a democracy that can be used by not just the elite but also ordinary people to foster public governance and social and economic development according to their own visions and interests – and to engage in unbiased empirically oriented studies of such experiences; the latter is certainly not easy, but for an analytical framework, see Törnquist 2013.

#### **Comparative insights**

Further, such studies cannot be limited to in-depth inquiries; there is also a need for comparisons of when and how democratisation in local contexts has been used to further improve the capacity of actors of change. Given that contextual factors are vital and varying, comparisons tend to be based on either the method of explaining similar outcomes with a few factors in common despite everything else being different, or on contrasting experiences with regard to similar thematic issues or challenges in order to gain from new perspectives; and I think the latter is to be preferred as it allows for considering the importance of contextual histories and dynamics and the reading challenges and positive outcomes against each other. (C.f. Skocpol and Somers 1980 and Stokke and Törnquist 2013)

What are the major insights? I have already touched on the lessons from show cases such as Kerala and Brazil; and one could add South Africa's unique early (but not lasting) combination of social movement trade unionism, civics and rights oriented political leadership. Here as well as in Indonesia there are clear indications that when an organisation made substantive advances, these advances were related to political coordination among the groups themselves as well as popular based cooperation with democracyoriented politicians and local governments that could open up favourable channels of influence for actors of change and thus also strengthen their organisations and joint work. In other words, the advancing of popular aspirations by way of decentralisation towards local democratisation required demands from below for political coordination and top-down schemes that opened up for beneficial influence for actors in favour of democracy and inclusive development. The keywords are thus transformative politics towards improved democratic representation (Cf. Webster, Stokke and Törnguist 2009; Stokke and Törnguist 2013).

Yet there have been crucial drawbacks too, even in the show cases. The major difficulties for the Kerala People's Planning Campaign in the context of decentralisation were to overcome the increasingly party dominated issue and interest organisation and related clientelist practices; to combine old and new political and

citizen organisations as well as regular liberal democratic and new forms of democratic representation; to develop universal measures to include as large sections of the population as possible and to only foster welfare measures that also were good for production (C.f. Törnquist and Tharakan 1996, Törnquist 2004, Törnquist et al. 2009). In Brazil the successful participatory measures have been impossible to scale up, so on a national scale consultation and advice have substituted for democratic participation and decision making; populist schemes have gained increasing importance; and communities threatened by dispossession of their means of production and substance tend to be set aside. (Cf. Bull 2013 and Baiocchi et al. 2013) And the lack of a real competitor has contributed to arrogant hegemonic power politics on part of the African National Congress (ANC) and the undermining of much of its previously so fruitful cooperation with social movement oriented trade unions and community and issue based citizen organisations. (cf. Heller 2013, Jordhus-Lier 2013).

On the other hand there are exciting new evidences from various contexts (including the efforts by the broad alliance behind the Indonesian Social Security Action Committee (KAJS) that previously scattered trade unions and organisations in the informal sectors find reasons to joint hands in demanding public welfare measures (and not just benefits from the employers) as well as in resisting informalisation (in the form of subcontracting and leasing out of work, temporary hiring in of employees and migrant labourers), land grabbing and other forms of original accumulation of capital by dispossession, indirect exploitation through extra charges for various services and permits, high prices on inputs in production and on crucial consumption items, and subordination and abuse of women. In addition, some of this is also turning major concerns among new middle classes. The predominant argument so far has been that the new middle classes and skilled workers who benefit from the rapid globalisation of not just trade but also production tend to abstain from broader alliances and prefer private (or limited group-) solutions. But deregulation of employment conditions and insecure welfare may begin to affect them negatively too or at least generate

insecurity. Similarly certain employers, even in China, seem to prefer public social welfare arrangements to promote flexibility and social and political stability as well as solid trade unions to negotiate deals with (in addition to gain from increasing consumption thanks to reduced need for savings). And increasingly many listen to reports such as from UNRISD (the United Nations Research Institute for Social Development) emphasising the need for growth and structural change that generate productive employment, comprehensive social policies, state action, coordination and sufficient enough representation of actors of change to fight corruption and develop social pacts combining welfare and economic development (UNRISD 2010).

#### The new relevance of old Scandinavian politics

Interestingly, all these aims and challenges call to mind the successful achievements in Scandinavia during the mid-1930s to manage rapid uneven development and counter labour conflicts, widespread poverty and unemployment, surging sympathies for communism, communal conflicts and the general threat of fascism/Nazism. This is when the foundations for the Scandinavian combination of welfare and economic development were created. The fundamental immediate condition for success was that the benefits of then innovative Keynesian stimulation of the economy and the favourable export markets could be sustained thanks to central level collective agreements between employers' associations and trade unions, with the support of the new social democratic government. On the one hand, trade unions won collective agreements with the employers on equal wages. This was to benefit the low-paid majority of the workers and created more jobs by increasing the competitiveness of the modern export industry as well as enforcing investment and economic growth in weak sectors. In addition, the wage-earners gained step-wise welfare reforms through the central and local state, including pensions, social security, improved housing, education and training and unemployment schemes. And over the years they also came to influence the central and local governments' executive boards and commissions (and to some extent corporate boardrooms). On the other hand, the dynamic entrepreneurs gained industrial peace, a flexible labour market and the potential for rationalising production, wage levels based on what companies exposed to international competition could pay, and a public insurance system that took responsibility for social welfare. These social growth pacts were not in order to negate class struggle but to institutionalise democratic institutions as possible for fair negotiations that fostered social and economic development. This is how economic growth and public revenues increased by way of comparatively equal wages, full employment and social security. (For an elaboration and further references, see Stokke and Törnquist 2013a)

Many of the structural conditions for these social growth pacts and the combination of welfare and growth that they fostered along with high trust in public administration certainly do not exist in countries like Indonesia and regions like Aceh. For example, there is a shortage of well organised and powerful employers and workers organisations, there is little trust in the state and there is no broad electoral support for social democratic oriented welfare policies. But aside from some fundamental differences, such as a long history of free peasants and relative ethnic and religious homogeneity, that is not the crucial point! If these and similar historical factors had been decisive, the changes would have been much earlier and not from the mid-1930 and onwards. The real point is that most of the 'good conditions' were the result of transformative politics and policies that had fostered sufficient conditions in the form the strong social movements and interest organisations, broad alliances and favourable governments. How did that happen? In short, two decisive processes were involved: one about and welfare policies and the role of state and popular organisaions; another about defragmentation, representation and interest organisation.

# Type of welfare programmes and the role of state and popular organisations

The first critical process is rooted in the relatively early development in Scandinavia of universal welfare programmes through state

and local authorities. This is in contrast to targeted and means tested measures with supplementary self-help and education through civil organisations, which constituted and remain the predominant pattern in other contexts, including the Global South. The universal schemes evolved through authorities accountable to elected politicians and the representatives of issue and interestbased organisations. There were certainly elements of universalism ahead of the social democratic hegemony, but social democrats adjusted to this idea and further developed it – in spite of the fact that the short term cost for the labour movement was less strong popular organisations and parties than if these had been able to provide special benefits to their followers. The main reason was the calculated longer term benefit for the social democrats and its allies. One was that the popular movements themselves were able to contain the kind of 'special interests' that are so common in post-colonial pressure politics. Even in a local Scandinavian 'labour community' party meeting, the rule of the thumb was that you could not suggest any social welfare measures that were not possible to defend as a reform that would be to the benefit of the society at large and foster equal social and economic development. Another was that it was possible to focus on the 'common good', which opened up for support from popular majorities. This enabled the social democrats and more radical socialist allies to include not just permanently employed workers but also most of the casual workers, the unemployed, small farmers and business actors, and especially, later on, civil servants and private employees within an ideology of turning countries like Sweden and Norway into democratic and inclusionary 'people's homes' based on solidarity and generalised welfare schemes. (Crucial elements of this have deteriorated since the 1980s, especially in Sweden, but the focus here is on how they became politically possible.)

This may be of some interest in post-colonial countries with both substantial informal employment and an agricultural population that is threatened by exclusion and original accumulation by dispossession. It may also add an important dimension to the discussion about when and how different welfare programmes

may foster transformative politics. This was anyway how the social democrats succeeded in winning elections and in providing a viable alternative to the 'national-socialist' welfare programmes that gained popularity in many other countries during the 1930s and early 1940s.

Universal state support to the individual (rather than the family – as in the less generous conservative welfare state model, or through the market and civil society – as in the liberal model adopting a system of means tested basic subsidies (c.f. Esping Andersen 1990) was certainly also a matter of providing each and every citizen with as much substantive political equality and freedom as possible. In fact, a democratically controlled state was in this regard deemed to be a better ally of ordinary people (and later on middle classes too) than the family and church or the market and self-help civil society organisations. Freedom-seeking youth and women fighting for equal rights and independence were among the prime beneficiaries. This is of course a sensitive issue in multi-cultural contexts, especially when the heritage from the anti-colonial struggle of socio-religious reforms, enlightenment and secular public governance has been rolled back. But priorities may change.

#### 6.3 Defragmentation, representation and interest organisation

The second process relates more specifically to the challenges encountered in most countries in the Global South of poor popular organisation and representation from below of interests and ideas. Remarkably, the initially quite fragmented and localised labour groups in Scandinavia – and almost as importantly the leading employers too – coordinated their respective organisations at an early stage. It is particularly interesting to read and explain the current fragmentation and polycentrism of various left oriented groups in much of the Global South against this comparatively puzzling historical process towards unification.

One example of transformative Scandinavian politics is especially exciting: the corporate interest representation. Just as in the case of universal welfare schemes, there were examples of corporatist interest representation ahead of the social democratic

regimes (Rothstein 1999). But social democrats adjusted and transformed corporatism too. The demands from below of various groups for the representation of interest and issue-based organisations in public governance turned into fairly democratic social or plural corporatism. This did not just lead to immediately favourable welfare and production oriented policies. It also generated rules and regulations for collective representation that fostered broad, national and democratic organisations. Over the years, this kind of interest-based representation in Scandinavia with various associated institutions (as well as the participation of individual stakeholders in so many areas including local planning) has been negatively affected by deteriorating standards of democratic representation and is now undermined by neoliberal new-public management and policies. But the social-corporatist additional forms of democratic representation did over a period of decades succeed in supplementing both the liberal democratic general elections where the winner takes all, and the autonomous civil society organisations that are often dominated by influential citizens and generate a myriad of lobby and pressure groups.

A final and perhaps especially important factor in the Global South, where corruption is at the top of the agenda and many actors deem politics and democracy to be a major problem, is the Scandinavian development of and confidence in high state capacity, including in matters that are crucial to democracy. It is true that the major battle against corruption, particularly in Sweden, took place in the late 19th century and related to the need for an efficient state to support rapid late economic development. But the process of democratisation added to this, especially in the form of the extensive system of representation of the key interest organisations in most sectors of society as well as in public commissions. The combination of collective popular action for supplementary popular representation and a general right to information about all steps in the handling of public matters (with certain exceptions that had to be well justified) fostered public spheres for cooperation, control and influence. This representation and freedom of information contributed to the containment of corruption and favouritism.

#### **Implications**

If one reads the Indonesian challenges (of developing democratic decentralisation in favour of inclusive economic and social development) against the Scandinavian experiences one major observation stand out: the importance of favourable supplementary representation (inadditiontoliberal democracy). This representation is preferential, not for everyone and not really for status quo oriented groups but definitely for dynamic actors of change who can build social growth pacts, broaden the social basis for favourable government policies and foster trust in public governance.

It may be argued that this can be done by enlightened autocratic leaders, parties and technocrats as in Singapore and the East Asian developmental states. But even if Singaporean-like leaders were present (which is most unlikely given that did grew out of an unfortunately non-democratic yet social and political revolution) this would hardly foster the interests of the weaker sections of the population in equal rights and chances and control of public affairs. So if we opt for human rights based democratisation as a point of departure, the blunt message from the historical showcases in Scandinavia is that there is a need to promote demands from below and policies from above for democratic representation through which the actors of change can make an impact, gain strength, foster inclusive (and production friendly) welfare measures via the state and develop and keep public governance accountable. This was achieved by combining liberal democratic rights, constitutionalism and elections, on the one hand, and channels for issue and interest representation on the other, developed in cooperation with the major democratic organisations themselves.

#### **Drawbacks**

One could expect that public Scandinavian representatives and executives would keep their countries' historical experiences from democratic combination of welfare and growth in mind when trying to support democratic decentralisation for inclusive development elsewhere. Yet, this is rarely the case. In Sweden it was a major achievement that the issues of human rights and

democracy were added some two decades ago to basic support for national independence, social and economic development and poverty alleviation. But in the forefront of this process were liberal rather than social democratic politicians and a new generation of scholars and experts focussing on institutions as opposed to the political economy of development. And the support for human rights and democratisation has been fully in line with the mainstream emphasis on elitist crafting of institutions to foster liberal democracy. I am not opposing liberal democracy, but in this context the institutions associated with liberal democracy are taken for granted simply because they are deemed to be the best. And the possible importance of the supplementary channels for issue and interest based representation (that were developed under social democratic era but in the neo-liberal 1980s and 1990s in particular were deemed to have produced 'special interests' ) were ruled out by definition. This was somewhat moderated by the other new theoretical mainstream position that institutions matter and the slogans about the importance of 'good governance'. But given the assumption that all actors will adjust to the rules of the game, there was no theory and analytical framework for studying the very development of the institutions. So what processes and actors should be supported (if the institutions were not just to be parachuted or enforced from outside)? And little if any attention was paid to the fact that in politics as in sports the strongest players win and dominate even if all adjust to the rules of the game. So very little attention have been paid to the fact that all efforts at fostering democratisation presuppose knowledge of the dynamics involved and what options may be there for democratic transformation of the balance of power to build substantial and broad democracy as well to thus pave democratic roads to inclusive development.

#### 6.4 Conclusion

These defaults call for improvements. First, the normative assumption that liberal institutions are always best, and that all actors will adjust to them and thus become good democrats, must be replaced with empirical analyses of the actual development,

challenges and options in various contexts in broader theoretical perspective. This calls for cooperation with the most knowledgeable and committed local scholars, students and practitioners. The results can then be read against experiences from other contexts, including Scandinavia, to sharpen our capacity to identify problems and possible actors of change. This is as crucial for Indonesians as for supportive international partners. Because how can the latter do any good if they do not understand the local conditions and possibilities? And if they shall not intervene and try to do the job on their own, as in so many faulted development projects, how shall they otherwise know whom to work with and support?

This was the simple background for engaging in the Aceh Selatan project that is reported in this book. Sweden's International Development Cooperation Agency (SIDA) and Association of Local Authorities and Regions had initiated an International Centre for Local Democracy (ICLD) and wanted to develop knowledge in this regard as well as to facilitate and benefit from international municipality cooperation in favour of democracy for inclusive development. ICLD was assisted in identifying likeminded partners among researchers and practitioners in Aceh; and there was a unique chance to contribute to further democratic development after the peace accord. In addition there was a possibility to develop a pilot case for how to build knowledge based partnership towards local democracy; and there was a chance of scaling up the model and experiences in cooperation with the best scholars on local democratisation in the country (at the University of Gadjah Mada) who conduct case studies as well as democracy surveys in participation with local expert-practitioners, incidentally in long term Scandinavian university cooperation, originally but no longer supported by Sweden.

From the Swedish and Swedish municipalities' point of view there was also the chance to learn about challenges on the ground, to rediscover (through the eyes of their partners) their own history and current possibilities, and to study the problems and options in combining democracy and multiculturalism and increasingly fragmented governance and labour markets, which are growing challenges in Sweden too. Indeed, other mutual benefits might develop too, including in the process of economic development. But that would be one of several possible outcomes, not a point of departure.

In short, we aimed at cooperation on democratisation for inclusive development by developing close knowledge of the challenges and options as well as the actors that could foster change. And our major conclusion boils down to the need to support development forums with such actors – from within government, from dynamic sectors of business and other producers, as well as from among labourers and concerned experts and, if needed, with special representation of women. Others would not be there as the priority was to shape the conditions for democratic social growth pacts towards inclusive development projects by providing channels of influence for potential actors of change that might thus also find it rational to build broader organisations and cooperation.

This would be supported by way of international municipality cooperation and continued research based evaluation. But although the foundation for the partnership was developed successfully in Aceh, where this was most difficult, nothing happened in Sweden. For a Sweden this is remarkable, deplorable and humiliating. Sweden has lost face and needs to get its house in order to foster good democracy building with likeminded partners.

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