

Speaking about Indonesian economic development

An analysis of current president Joko Widodo's discursive construction of the role of the government in economic development

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ABSTRACT

This thesis sets out to analyze Indonesian president Joko Widodo's discursive construction of the role of the government in economic development, from the assumption that through such an exercise, it is possible to uncover how particular representations of reality make certain types of actions relevant and others unthinkable. Understanding the content and context of the Indonesian debate on economic development is both interesting, relevant and necessary in times of a changing international power balance and the continued relevance of questions about the state and its relation to and role in the economy. In addition, in line with the normative aims of critical social science research, investigating how discourses come about, function, and are reproduced and challenged, is a relevant task in itself. And while critical approaches are gaining important ground across the social sciences, the number of contributions applying them to non-typical, non-Western cases, including for example a new democracy like Indonesia, is still limited. This thesis contributes to existing research in multiple ways, both theoretically and empirically, and specifically aims to (1) develop a model for mapping discursive logics of economic development; (2) examine the international debate on the developmental state and the Indonesian political economic debate in order to identify the respective discursive logics present in them; and (3) analyze current president Jokowi's talks and identify whether, when and how components of existing logics occur in the material; as well as how, through the combination of these, a new discursive logic is constructed. Throughout this thesis, I thus seek to develop more insight into the historical and cultural context for the current development debate in Indonesia, as well as into how the current president works within this context to both maintain and change particular representations of reality. I argue that studying elements of the domestic debate on development can be an important tool for analyzing, understanding and evaluating Indonesian political economic past, present and future. The research undertaken in this thesis seeks to contribute to these goals, and to uncover how particular representations of political economic reality make certain types of government forms and functions relevant, and others unthinkable.

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1. Introduction

*"I invite all of us who have been granted mandate by the people, who are carrying the mandate of the people,
in order to remain steadfast to make the common prosperity and social justice as our course of work,
as the aim of our collective work, for the realisation of Indonesia Raya.
Therefore, from Sabang, from Merauke, from Miangas, from Rote, let us all cry out together:
Long Live the Republic of Indonesia! Long Live the Land of Pancasila!"*

Joko Widodo, president of Indonesia, Independence Day 2017

(Appendix, Text 15: lines 480-492)

On Thursday, the 17th of August 2017, president Joko Widodo (hereafter: Jokowi) of Indonesia delivers his yearly address to commemorate Indonesian independence and reflect on the past, current and future state of the country. The story he tells is that of a country that is progressing on its way to a better future, while many challenges remain to be solved. It easily becomes apparent from Jokowi's speech that the main goal for the Indonesian government is to achieve what successive governments have aimed for since the country's independence from colonial rule: 'development'. While there is widespread consensus that development is the ultimate objective of government policy, there is a struggle in the Indonesian political economic debate over the definition and purpose of it, as well as the goals and vision for the nation and the ways to achieve those (Chalmers & Hadiz, 1999). Opinions also differ about what the role of the government should be: should it, for example, steer the economy and use interventionist policies to push for targeted economic growth; withdraw and leave room for the private sector, foreign capital and the workings of the free market; or use its capacity to support the poor and focus on human and social development goals?

Such discussion on the appropriate role of the government in economic development is not unique to the Indonesian case: it reflects an international concern with such fundamental issues as the impact of states on development and growth (Lange & Rueschemeyer, 2005), as well as more generally the relation between the state and the economy, or governments and markets (Tanzi, 2011; Wade, 2013). Such questions have always been at the core of political and economic discussions, and they are no less relevant today. In the current context, characterized by a changing global power balance, increased globalization and political economic integration, and the growing importance of emerging economies and new democracies like Indonesia in the international arena,

exploring these countries' answers to such fundamental questions seems highly relevant. From the conviction that studying the content and context of the story that is told about economic development in Indonesia can contribute to our understanding of and perspective on the way the world works, this thesis sets out to discursively analyze current Indonesian president Jokowi's construction of the role of the government in economic development. I argue that through such analysis, it is possible to uncover how particular representations of reality make certain types of actions relevant and others unthinkable, and how such representations are historically and culturally contingent.

In this thesis, I set out to analyze several of Jokowi's talks as an attempt at understanding an element of the Indonesian discourse on development. The president is not the only actor in this discourse, nor is he independent from the wider discursive context that he is placed in. My suggestion is though, that through analyzing parts of the president's discourse, it is possible to gain some insight in both the discursive context that he is placed in, and how he attempts to do work in it by reproducing as well as challenging certain understandings. As such, my approach does not give primacy to either structure or agency, but rather seeks to explore the interplay between them.

When Jokowi represents reality in a particular way by using certain words and concepts and building up a discursive logic in one way rather than another, he is constrained by his historical and cultural context: these limit what he can meaningfully say. In this thesis, I explore elements of both the international and the domestic context that I expect to be relevant for the president's discourse today. At the international level, one of the key concepts that has dominated the discussion on development in the East-Asian region is that of the developmental state. Suggesting heavy state intervention to guide economic development, the developmental state model has been widely used and much debated throughout the past decades, and it continues to be an important point of reference. Given its prominence in international development circles, I suggest that the 'logic' of the developmental state is part of the context that the Indonesian president operates in when he speaks about his country's economic development. At the domestic level, I explore the Indonesian political economic debate in order to identify how various actors in Indonesia have constructed the role for the government in economic development in different ways. These 'logics' of Indonesian economic development are part of the context that the current president operates in, as they have attempted to fix the meaning of and relation between certain concepts and words in particular ways. While Jokowi can tell his own story, there are limits to what he can and cannot meaningfully say,

given the historical and cultural context: therefore, I take starting point in analyzing this context as the background for my analysis of the current president's logic.

In this thesis, I combine different critical perspectives on political economic development in order to identify four discursive logics which I expect to be important for the current president's discourse, to then analyze whether, when and how he uses elements of these four logics. My approach builds on the assumption that historical and contextual factors matter for what can be meaningfully said at a certain point of time: the current president represents reality in a way that is new and different from other representations, but does so through combining existing discursive logics and attempting to fix meaning for their various components in an alternative way.

Following from this, the research question that I aim to answer throughout this thesis is: **How does Indonesian president Joko Widodo construct a discursive logic on the role of the government in economic development?** Underlying this are three subquestions, the answers to which will add up to an answer to the main question:

1. Which components of this logic are traceable to the developmental state debate on the role of the government in economic development?
2. Which components of this logic are traceable to the Indonesian political economic debate on the role of the government in economic development?
3. How are the various components combined into a new discursive logic of economic development?

These particular subquestions reflect my hypothesis that the current president operates in a historical and cultural context that to some extent constrains what he can meaningfully say; and that this context is formed by the international debate on the developmental state and the Indonesian political economic debate. Therefore, I investigate these two debates as the background for my analysis, in order to identify so-called 'discursive logics of economic development'. These then form the basis for my study of the current president's talks, where I attempt to identify whether, when and how each of these logics occurs in the material, and how they together are combined into a new logic of economic development.

In answering the research question, I adopt a discourse analytical approach based in social constructionist premises. My thesis does not aim to produce 'the truth' about Indonesian economic development or the current president's version of it; rather, I seek to identify and uncover how Jokowi's representation of reality is historically and culturally contingent, and how it makes some forms of action possible or natural, and others unthinkable. More specifically, rather than all aspects

of his ‘representation of reality’, I aim to explore the president’s logic of the role of the government in economic development. In order for me to conduct such analysis in a meaningful and systematic way, I employ a combination of discourse analytical strategies and techniques from various disciplines, which form the basis for my analytical framework. Developing this framework, which builds on a model for analyzing political argumentation, is an important step in the process of answering my research question, as it allows me to conduct and structure my analysis in a coherent way. I view this as the theoretical contribution of my research project: I seek to offer a way of systematically analyzing discursive logics on economic development. Such a model is not only useful for my analysis but could be employed and developed further through other research projects. As such, the development of this model is also an explicit attempt at applying discourse analytical approaches to research problems connected to developing, non-Western countries. While critical approaches are gaining important ground in the social sciences across fields and empirical cases, there is a tendency in often Western researchers to stay ‘close to home’ and apply them to study discourse in Western, advanced countries. An obvious exception to this are postcolonial perspectives, which also argue for an exploration of domestic discourses at the ‘other’ side of imperialism (Chrisman & Williams, 2015). In any case, I argue that a complex and dynamic country like Indonesia offers extremely interesting ground for critical research, and that critical research in turn has a lot to contribute with towards increased understanding and theorizing of such cases.

Guided by the research questions developed above, I start out in the next chapter by establishing the theoretical and methodological foundations underlying my research and present a multiperspectival, interdisciplinary approach grounded in discourse analysis. Using concepts and tools from Critical Discourse Analysis, Laclau and Mouffe’s discourse theory and Cultural Political Economy, I arrive at a model for mapping discursive logics on economic development, which forms the basis for much of the work done in the rest of the thesis. Having established the theoretical framework, I proceed in chapter 3 with a review of the background and context for my research. I discuss the context for the international debate on the developmental state (3.1), the context of the Indonesian political economic debate (3.2) and review the current situation in Indonesia and the context for Jokowi’s presidency, as background for my empirical analysis (3.3). Laying the foundation for answering the first and second of my subquestions, I review in chapter 4 the discursive logics present in the international debate on the developmental state and the Indonesian political economic debate. I delineate four different discursive logics, which each construct a

particular representation of political economic reality. Using the model developed in chapter 2, I ask for each of these logics how they construct in their particular ways the goals and vision for the nation, and definition and purpose of development; the sociopolitical context; the suggested means to achieve stated development goals; the sources of legitimation for these goals (and means); and, following from these components, the appropriate role for the government in economic development. Working closer towards answering the different subquestions and the main research question, I then translate these four discursive logic models into concrete tools for analysis and conduct a study of sixteen texts by the current president in chapter 5. My analysis in chapter 5 seeks to answer when, whether and how each of the identified discursive logics function in Jokowi's discourse, and arrive at a model for the discursive logic of economic development as constructed by the current president. I identify what the various components of Jokowi's logic consist of, and how they interact and together add up to the claim for a certain role for the government in economic development. The build-up and content of this discursive logic forms the answer to my main research question. Following my analysis, I interpret the results in chapter 6, and discuss their implications, as well as reflecting over the research process, my role as the analyst, limitations, and suggestions for further research.

2. Theoretical framework

The main question posed in this thesis concerns the discursive logic that the current Indonesian president constructs¹ of the role of the government in the economy. Such a question presupposes a certain theoretical framework and a set of epistemological and ontological assumptions, which will be introduced in this chapter. My main purpose in the following is to position my thesis within existing research and to introduce the premises and assumptions underlying my project (section 2.1); as well as to propose a discourse analytical framework (2.2); and to introduce three theoretical contributions which I combine to arrive at my specific approach (2.3). Following from this, I develop a model for mapping what I call a discursive logic of economic development (2.4), which will guide the work done in the rest of the thesis.

2.1 Critical approaches to political economy

My research takes its starting point in critical approaches to political and economic investigation, and falls under the broader umbrella of social constructionism, a label used by Phillips and Jørgensen (2002) for a set of “new theories about culture and society” (p.4), ranging from those often referred to as ‘social constructivist’ to those associated with the more radical category of poststructuralism. While there thus exists a wide variety of social constructionist approaches, they usually share a set of premises, which also lay at the foundation of my work:

- a critical approach to taken-for-granted knowledge, arguing that “our knowledge and representations of the world are not reflections of the reality ‘out there’, but rather are products of our ways of categorizing the world” (p.5);
- historical and cultural specificity, building on *anti-foundationalist* and *anti-essentialist* views: our knowledge is contingent, could have been different, and can change over time; and the social world is constructed discursively and socially rather than pre-given or pre-determined;

¹ I use the term ‘construct’ to refer to the *process* of constructing a particular understanding through (unconscious) choices in the use of certain words and concepts and connections between them, i.e. how meaning comes about (is constructed) in the text itself.

- a link between knowledge and social processes, suggesting that knowledge is “created through social interaction in which we construct common truths and compete about what is true and false” (p.5);
- a link between knowledge and social action, implying that certain worldviews and representations of reality make some forms of action possible or natural, others unthinkable.

From these premises, it follows that social constructionism is necessarily a form of *critical* research, in the sense that it is aimed at “the unmasking of dominant, taken-for-granted understandings of reality” (p.176). Applying this to the study of political economy: where orthodox political economy “tends to naturalize or reify its theoretical objects (such as land, machines, the division of labor, money, commodities, the information economy) and to offer impoverished accounts of how subjects and subjectivities are formed and how different models of calculation emerge, come to be institutionalized, and get modified,” (Jessop, 2004, p.160) critical approaches such as Cultural Political Economy (CPE) instead focus on how technical and economic objects are socially constructed and historically specific, and how our representations of the (economic) world are not mere reflections of reality, but are both constituted by and constitutive of it (ibid.). A useful term introduced by CPE scholar Bob Jessop (2004; 2010) to conceptualize this contingency is ‘economic imaginaries’ or ‘imagined economies’, suggesting not so much that there is no such thing as ‘the economy’, or ‘material reality’ out there (cf. a more general critique towards social constructionism), but rather that there is a difference between “the “actually existing economy” as the chaotic sum of all economic activities (broadly defined as concerned with the social appropriation and transformation of nature for the purposes of material provisioning) [and] the economy (or, better, economies in the plural) as an imaginatively narrated, more or less coherent subset of these activities” (p.162). In short: economic imaginaries are particular representations of reality that are selectively defined, include and exclude certain elements, give a particular interpretation of such things as crises, problems and circumstances and with that, “identify, privilege, and seek to stabilize some economic activities from the totality of economic relations and transform them into objects of observation, calculation and governance” (p.163). As such, referring back to the fourth assumption listed above: economic imaginaries make some forms of action possible or natural, and others unthinkable.

For the purpose of my research here, I adopt such a critical approach to the study of economic development in Indonesia: I do not seek to for example objectively describe the Indonesian economy, or establish the effects of government policy on economic growth; rather, I

am interested in identifying how economic, political and social reality is represented² and how thereby, certain forms of action (namely, government roles and policies) are made possible or natural, while others are unthinkable. With that, my approach distinguishes itself from orthodox and positivist approaches to political economy, which build on other types of assumptions about the social world. At the same time, I explicitly commit to doing research from a political economy angle, whereas questions related to Indonesian economic development could also be studied from the perspective of for example development studies or policy analysis. The added and distinct value of critical political economy as compared to other critical approaches to social sciences is that in this case, it allows for the investigation of *economic* ideas and logics in *political* discourse, instead of examining either of them in isolation without seriously theorizing or conceptualizing the other. In addition, the analysis done in this thesis clearly shows the centrality of political economic issues in the discourse: what is debated are topics and arguments about the interplay of the economic and the political, and the relationship between the state and the economy (discussed further in chapter 6).

2.2 Discourse analysis as theory and method

The framework providing a meaningful foundation for my research in terms of philosophical, theoretical and methodological guidelines, as well as specific techniques and tools, is discourse analysis. While not the only approach to social constructionism, discourse analysis is one of the most common ways of addressing research problems founded in the premises set out in the previous section. Discourse analytical approaches have their roots in structuralist and poststructuralist linguistic philosophy, and start from the assumption that “our access to reality is always through language” (Phillips & Jørgensen, 2002, p.8). That does not mean – as sometimes suggested by critics – that there is nothing outside of language, or that material reality does not exist: rather, it assumes that physical objects “gain meaning through discourse” and that language, rather than a neutral or objective channel for communicating about the world ‘out there’, is “a ‘machine’ that generates, and as a result constitutes, the social world” (p.9). This view of language as a system, which is not pre-determined by an external reality, stems from structuralism as developed primarily by Ferdinand de Saussure. Saussure built his linguistic theory around the idea that signs consist of two sides: the *signifiant* (that which refers, the form) and *signifié* (what it refers to, the content), and

² I use the term ‘represent’ to refer to the *outcome* of constructing a particular understanding, i.e. the way reality comes to be reflected as a consequence of (unconscious) choices in the use of certain words and concepts and connections between them.

that the relation between those is not logical or predetermined but arbitrary (Saussure 1983). Signs, Saussure argued, do not derive their meaning from their relations to reality, but rather through internal relations with and difference from other signs in a network. The view of language as a system is taken up further and modified by poststructuralism, the main differences being that poststructuralists: (a) perceive of structure as changeable and unstable – rather than being fixed, the relations between signs and thus, their meaning in relation to each other can change; and (b) believe that the source of such change lies in concrete language use, in which people create, reproduce, challenge and change existing structures (Phillips & Jørgensen, 2002). Language is thus not a reflection of pre-existing reality; it is structured in patterns or discourses, which structure meaning in particular ways – rather than there being one single, fixed system of meaning as in structuralism –; these are sustained in discursive practices; and we should therefore analyze how these patterns are maintained and/or transformed through concrete instances of language in action (ibid.).

It is these assumptions from structuralist and poststructuralist linguistic theory that form the basis for most types of discourse analysis, including the approach I employ. It is further inspired by and rooted in the ideas and work of Michel Foucault, who has played a crucial role in the development of discourse analysis. Foucault conceives of ‘discourses’ as historically contingent social systems that produce knowledge and meaning, and argues that we should understand them not “as groups of signs (signifying elements referring to contents or representations) but as practices that systematically form the objects of which they speak” (Foucault, 1997, p.49). Building on this, I employ a definition of discourse that is slightly more specific to its functioning in relation to politics, namely discourse as “a social and political construction that establishes a system of relations between different objects and practices” (Howarth et al., 2000, p.3). In line with this definition, Howarth et al. (2000) suggest that political projects “will attempt to weave together different strands of discourse in an effort to dominate or organize a field of meaning so as to fix the identities of objects and practices in a particular way” (p.3). It is this type of attempt that my research aims to analyze. While discourse analytical approaches have their common roots in structuralism and poststructuralism and usually draw on the works of Foucault, as well as other key figures like Althusser, Saussure, and Derrida, there exist significant differences between approaches in terms of e.g. how they view the role of discourse in constituting the social world, and whether the analytical focus is on everyday discursive practices or more general, abstract discourses. Following Phillips and Jørgensen’s (2002) suggestion, I employ a combination of several approaches, making use of their respective strengths and analytical tools, while avoiding an incoherent and unfounded

eclecticism. My approach combines Critical Discourse Analysis (CDA), Laclau and Mouffe's discourse theory and CPE, using elements from each to arrive at a model to guide my analysis.

2.3 Combining three approaches

As introduced above, I take starting point in discourse analysis as theory and method, because I aim to study particular ways of talking about and understanding the world (Phillips & Jørgensen, 2002). In order to answer my research question, I need to develop an approach and analytical strategy that can guide and structure my analysis of the empirical material. For that, I combine three approaches and take elements from each of them to arrive at a specific analytical framework, as developed in section 2.3. Below, I briefly discuss each of these approaches and specify how they contribute to my approach and analytical strategy.

Critical Discourse Analysis is an interdisciplinary form of research concerned with the analysis of “dialectical *relations between* discourse and other objects, elements or moments, as well as analysis of the ‘internal relations’ of discourse” (Fairclough, 2013, p.4, original emphasis). While CDA is a broader movement within discourse analysis including several different approaches, the theory and method worked out by Norman Fairclough (1992; 2003; 2005; 2013) is the most developed and most known, and it is also his work that forms the basis for my approach here. CDA builds on the assumption that discourse is both constituted by and constitutive of the social world, and assumes a separation between the discursive and the non-discursive. In CDA, language-as-discourse is “*both* a form of action through which people can change the world *and* a form of action which is socially and historically situated and in a dialectical relationship with other aspects of the social” (Phillips & Jørgensen, 2002, p.62, original emphasis). Fairclough proposes a three-dimensional model for research consisting of the levels of the text itself, the discursive practice (including the production and consumption of the text) and the wider social practice it is embedded in. For each of these levels, CDA offers concrete methods and tools for analysis: its detailed and specific, systematic linguistic analysis distinguishes it from most other discourse analytical approaches. CDA is the main source of inspiration for my analytical framework, partly because it offers such concrete tools. What I further take from CDA, besides the foundation for my model and guidelines for textual analysis (as discussed in section 2.4), is its analytical focus at the level between everyday discourse and a general, abstract level: I engage in concrete, linguistic textual analysis *in context*, namely against the background of historical debates and the current political economic context. Another concept I employ that originates from CDA and particularly Fairclough,

is that of ‘orders of discourse’. While I suggested above a rather general definition of discourse as the fixation of meaning in a particular domain, the order of discourse concept represents something more specific: “a complex configuration of discourses and genres within the same field or institution. Thus the order of discourse can be taken to denote different discourses that partly cover the same terrain, a terrain which each discourse competes to fill with meaning in its own way” (Phillips & Jørgensen 2002, p.141). Building on this, the researcher can identify a particular order of discourse (for example that of ‘development’) in which there is a struggle over meaning, and delineate different discourses within it, focusing on “the aspects of the world to which the discourses ascribe meaning; the particular ways in which each of the discourses ascribe meaning; the points on which there is an open struggle between different representations; and any understandings naturalized in all of the discourses as common-sense” (p.145). Delineating such different discourses (though I call these ‘discursive logics’) is one of the main exercises I do in this thesis. As such, I take much inspiration from CDA both in terms of its tools and methods, and its conceptualization of orders of discourse. Importantly, however, I depart somewhat from CDA in my philosophical assumptions: I do not follow its strict separation between the discursive and the non-discursive and its view that discursive practices are influenced by such ‘discourse-external’ factors as institutional structures or political systems.

Instead, I conceive of discourse as fully constitutive of our world, rather than just one dimension of social practice. This conception I take from *Laclau and Mouffe’s discourse theory*, which builds on more radical poststructuralist assumptions and aims at “an understanding of the social as a discursive construction, whereby, in principle, all social phenomena can be analyzed using discourse analytical tools” (p.24). This does not mean that ‘everything is language’ and there exists no material reality (as is often suggested by critics of this approach, including Fairclough), but rather, that all objects acquire their meaning through discourse: “discourse itself is material and entities such as the economy, the infrastructure and institutions are also parts of discourse” (p.19). In other words: rather than stating that institutions and political systems exercise an independent influence on discursive practices (as Fairclough would suggest), Laclau and Mouffe argue that institutions and political systems are also discursive, and that they only gain meaning through their discursive construction. This view of discourse as constitutive is also reflected in CPE’s concept of economic imaginaries as introduced above, which suggests that while there does materially exist a totality of ‘everything economic’, we only access it and ascribe meaning to it through imagined narratives which selectively define some subset of economic activities. My commitment to this

conception of discourse has some consequences for the model developed below, the original version of which is taken from CDA and builds instead on a separation and dialectical interaction between the discursive and the non-discursive.

The final theoretical contribution that forms an inspiration for my approach in this thesis is *cultural political economy*. I have introduced CPE above as a critical approach to political economy: it highlights “the role of discursively-selective ‘imaginaries’ and structurally-selective institutions in the making of economic practices and, a fortiori, economic policies” (Jessop, 2010, p.344). CPE informs my approach in the sense that I use the concept of economic imaginaries as inspiration for my model and analytical strategy. What I term ‘discursive logic of economic development’ is quite similar to Jessop’s concept of ‘economic imaginaries’ as introduced at the beginning of this chapter as it also seeks to identify how particular representations include and exclude certain elements and function to construct economic events, subjects and their contexts (Jessop, 2004). Jessop’s definition of economic imaginaries as “semiotic system[s] that give meaning and shape to the ‘economic’ field” (2010, p.344) has formed an inspiration for my definition of the term ‘discursive logic’ and more specifically, for my model of the discursive logic of economic development.

2.4 The discursive logic of economic development: a model

In order to avoid confusion over the meaning of ‘discourse’, which until now has been employed both to refer to entire social systems that produce meaning (in the Foucauldian sense) and to separate, identifiable ways of ascribing meaning to particular concepts (as in multiple discourses competing in a wider order); and to further specify what I seek to identify through my analysis, I use the concept of ‘discursive logic’ to denote the latter of the two meanings. This term is used by several authors in the field, including Foucault himself, as well as Fairclough, but it is not clearly defined in the literature. For my use of the term, I take starting point in Phillips and Jørgensen’s (2002) description of ‘multivocality’ strategies to discourse analysis, which consist of “the delineation of different voices or discursive logics in the text” (p.151). Further inspired by the model for argumentative analysis discussed below and Jessop’s concept of economic imaginaries as introduced above, I define the term discursive logic as *a structure of meaning built up of several components that together form a particular representation of reality*. Below, I develop a model to explicate how I specifically conceptualize the discursive logic of economic development.

My model for the discursive logic of economic development is inspired by a similar model developed by Fairclough and Fairclough (2012) for argumentative analysis of political discourse rooted in CDA. The authors view political discourse primarily as a form of argumentation and suggest that “politics is most fundamentally about making choices about how to act in response to circumstances and events and in light of certain goals and values, and such choices and the actions which follow from them are based upon practical reasoning about what should be done.” (p.11) From that assumption, they develop a framework for analyzing practical political argumentation, which is depicted in Figure 1.

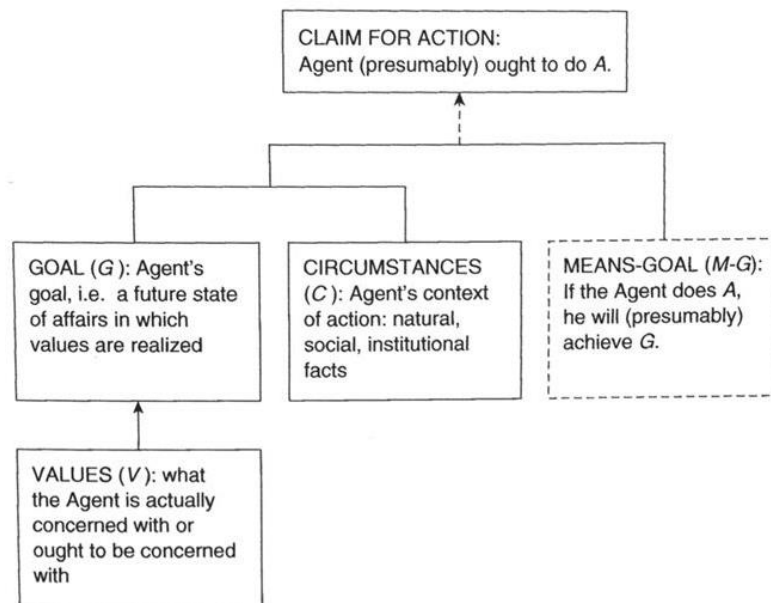


Figure 1 Model for the structure of practical arguments.
(Fairclough & Fairclough 2012, p.45)

The model consists of five components, which together form the structure of practical arguments: the suggestion “that action *A* might enable the agent to reach his goals (*G*), starting from his circumstances (*C*), and in accordance with certain values (*V*), leads to the presumptive claim that he ought to do *A*” (p.44). The model thus analyzes political discourse as argumentation for or against particular ways of acting, grounding particular decisions rather than others. While I do not engage directly in argumentative analysis, I find the model useful as inspiration for conceptualizing what I term a ‘discursive logic of economic development’. Earlier, I defined discursive logic as a structure of meaning built up of several components that together form a particular representation of reality. Building on this, I take a discursive logic of economic development to refer to such a

structure of meaning forming a particular representation of political economic reality, leading to a particular solution or claim for action.

This thesis set out to analyze the discursive logic that the current president constructs of Indonesian economic development, against the background of historical debates at both the international and domestic level. Using concepts introduced above, I thus conceive of '(Indonesian) development' as the order of discourse, in which several discursive logics compete over the fixation of meaning by filling the various components of the logic of economic development with different meanings. Building on that, I develop below a model for analyzing the discursive logic of economic development. The model developed here is both deductive and inductive, in the sense that it is the result of both theoretical and empirical inputs. It is deductive insofar as the model is inspired by Fairclough and Fairclough's (2012) model for political argumentation: it uses similar categories and a similar build-up. It also has a similar goal, in that it aims to provide a practical tool for analyzing political discourse as a particular representation of reality leading to a particular solution or claim for action. Further theoretical inspiration was taken from Laclau and Mouffe's discourse theory and CPE, as discussed above.

At the same time, the final model is also the result of an inductive process, in the sense that my initial review of the two debates in chapters 3 and 4 has contributed to the development of the different components of the model, and the questions posed for each of them. When reviewing these debates to identify the discursive logics present in them, I did not initially work with a specific analytical model or tool, but instead, I delineated different voices in the text using a set of criteria given by Phillips & Jørgensen (2012) for identifying different patterns of meaning in a text by focusing on:

- "the aspects of the world to which the discourses ascribe meaning;
- the particular ways in which each of the discourses ascribe meaning;
- the points on which there is an open struggle between different representations; and
- any understandings naturalized in all of the discourses as common-sense." (p.145)

I took these guidelines as the starting point for my review of the international debate on the developmental state and the Indonesian political economic debate, and arrived at a categorization of 'topics' or aspects of the world to which different discursive logics seemed to ascribed different meaning and which there was a struggle over. This division into topics, which was slightly different for both debates, contained such categories as 'state-society relations', 'definition of development' and 'ideational foundation and sources of legitimation'. For each of these categories, I saw that the

different discursive logics ascribed meaning in different ways: for example, Indonesian statist-nationalist logic would construct civil society and the private sector as weak and dependent on the state for guidance, whereas economic liberalist logic would construct civil society as a pool of potentially productive resources that should be used efficiently, and the private sector as a superior actor that should be facilitated by the state.

From this categorization into different topics that I saw a struggle over in the two debates, I returned to the model for political argumentation and my other theoretical inspirations, and combined them into a new model for analyzing discursive logics of economic development. The model thus contains the categories from my initial review of the two debates, slightly adapted to fit a coherent model that aims to reflect to which aspects of the world each of these logics ascribes meaning; how they ascribe meaning; and how the aspects together form a structure of meaning leading to a particular solution or claim. The model illustrating how such logic is built up of various components is given in Figure 2.

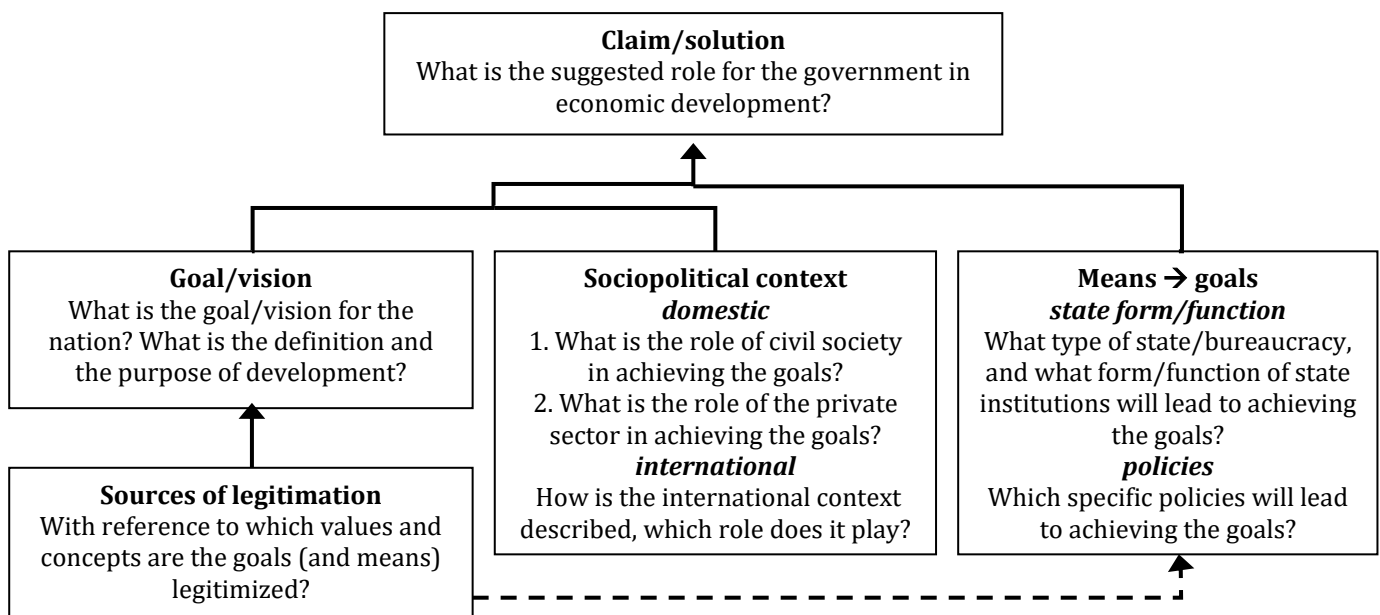


Figure 2 A model for the discursive logic of economic development

It consists of five components, each of which has its own function in the discursive logic:

- a particular construction of the goal or vision for the nation, as well as the definition and purpose of development;
- a particular construction of the domestic and international sociopolitical context that the country and government are considered placed in;

- a particular construction of the means that are considered appropriate to achieve the stated goals, namely a certain form and function of the state and a certain set of policies;
- a particular construction of legitimation through reference to certain concepts and ideas, that are considered legitimate reasons to act in a certain way; and, following from this,
- a particular claim or solution in the form of a certain role that is suggested for the government in the economy.

These five components are analytical categories, in the sense that I as the analyst project them onto the material, rather than them being present in such a structured way in the discourse. In other words: my representation of the discursive logic in isolated boxes is an analytical exercise, which serves to structure the observations I make in the empirical material.

The suggestion in my model is thus that a discursive logic builds a claim for a particular role for the government in economic development, suggesting that this role might enable it to achieve its stated vision for the nation and its particular development goals, given a particular representation of the sociopolitical context, and through reference to particular sources of legitimation. This suggested role for the government is supported by claims about the ability of a certain state form and function and particular policies to take the government, and the country, from the current situation to the goal or vision in accordance with values and concepts that are considered legitimate. These sources of legitimation function primarily to account for the goals (e.g. ‘given state ideology, our goal should be to achieve economic sovereignty’) but sometimes also to account for specific means that are expected to lead to those goals (‘given universal social justice values, we should redistribute land’): hence the dashed line between the components ‘sources of legitimation’ and ‘means → goals’ in the model.

In the model in Figure 2 I have formulated questions to ask to the empirical material, that are intended to find out how the discursive logic at work fills each of the components with meaning. At this point, I should note that the adapted version of the model is different from that developed by Fairclough and Fairclough (2012) in several ways, resulting from: (1) my philosophical assumptions slightly differing from those of CDA; and (2) my analysis focusing specifically on the discursive logic of economic development and the suggested role for the government in it, rather than political argumentation in general. The concrete differences following from that are:

- (1) that I theorize all components as discursively constructed, including what the original model calls ‘circumstances’ and ‘values’. Rather than suggesting that an argument is driven by ‘what the agent is *actually* concerned with or ought to be concerned with’ and

dependent on the agent's context of action in the form of 'natural, social, institutional facts' (which, in line with CDA's philosophical conviction, means that these factors are non-discursive elements that interact with the discursive), I argue that all these factors only gain meaning through their discursive construction by the agent. I thus seek to identify how what I term sociopolitical context and sources of legitimation are discursively constructed, rather than 'what they actually are', reflecting a more radical conception of discourse as fully constitutive;

- (2) that the components and questions in my model are adapted to fit the more specific aim of identifying a logic of economic development, leading to a certain 'claim' of what the role of the government in economic development should be. The process of getting from a more general to my specific model was, as suggested in section 2.3, partly informed by CPE's concept of economic imaginaries. In addition, the work done in chapters 3 and 4 has contributed to the development of the different components of the model, and the questions posed for each of them. As such, the model is partly inductive, and has been adapted to fit the context and content of my research.

Guided by the model developed throughout this chapter, I proceed in the next chapters by investigating the developmental state and the Indonesian debate in order to identify the respective discursive logics of economic development present in them. These chapters provide the background for my analysis of the current president's discourse in chapter 5, where I will employ what I have introduced above as a multivocality strategy to trace whether, when and how each of the discursive logics operates in the empirical material.

3. Background: East Asian and Indonesian economic development

In this thesis, I aim to analyze the current president's discursive logic of economic development against the background of the historical and cultural context that he is placed in. Following the assumptions set out in the previous chapter, I investigate the order of discourse of Indonesian development as the background for the analysis of language use. While analyzing the entire order of discourse is virtually impossible, I have selected two debates as relevant for the current president's discourse, namely the international debate on the developmental state and the Indonesian political economic debate. My assumption is that these two debates, each in their own way, form a part of the discursive context that the current president is placed in. In the current chapter, I first provide some background on East Asian development and the context and evolution of the developmental state debate (3.1); and recent Indonesian political economic history (3.2). These sections are meant to contextualize my observations about the various discursive logics in the following chapter. The final section in this chapter discusses the current political economic context and Jokowi's presidency (3.3), as background for the empirical analysis of his speeches in chapter 5. This chapter thus provides background for exploring the historical and cultural context that Jokowi is positioned in, and that constrains what he can and cannot meaningfully say.

3.1 East Asian development and the developmental state

The first of two debates that I examine as the background for my analysis later on, is that on the East Asian developmental state. The concept of the developmental state has been one of the ways to explain economic success in a number of states in East Asia, especially in the end of the twentieth century, and has been the topic of extensive debate in both academia and international diplomacy and policy circles (Stubbs, 2009). Both the usefulness of the concept, its appropriate definition, the conditions that facilitate(d) its emergence and its defining characteristics are under ongoing discussion. Much of the research on the developmental state has focused on a small group of countries, initially primarily the Northeast Asian states of Japan, South Korea and Taiwan; beyond that, the concept is also applied to Southeast Asian states and for example China and India (Woo-Cumings, 1999). Depending on the definition one employs and the characteristics that come with it, Indonesia is sometimes but not always viewed as a developmental state (e.g. Leftwich, 1995 vs. Stubbs, 2009). What is clear though, is that the concept of the developmental state has been influential in thinking and speaking about development in general, and specifically in East Asia. It

is therefore that I examine the debate on the developmental state as a potentially relevant source of ideas and thinking for current the current development debate in Indonesia. Thus, what I aim to do in the following section is not so much to present an extensive overview of this debate (for examples, see Woo-Cumings, 1999; Stubbs, 2009; Chu, 2016); nor do I aim to evaluate whether or not Indonesia should be characterized as a developmental state. The purpose of this section is rather to give a brief introduction to the concept and its place in the broader debate on (East Asian) development, so as to provide the argument and context for reviewing the discursive logic present in this debate later on in chapter 4.

3.1.1 The developmental state argument: context, content and evolution

The term ‘developmental state’ was first used by Chalmers Johnson (1982) to characterize the role that the Japanese state played in the country’s extraordinary economic success in the post-war period. In the decades to follow, this would become a major concept in the study of and talk about (East Asian) development. The implicit idea of a developmental state stems from many decades before its introduction as a separate concept: theorists of diverse persuasions such as Friedrich List, Karl Marx and Huntington each in their way touched upon similar questions about the future of ‘less advanced nations’ and the desirability of particularly bureaucratic and autonomous forms of government for achieving economic development goals (Leftwich, 1995; Wong, 2004; Jessop, 2016). When the term was formally introduced to the debate in the early 1980s, it thus played into broader discussions, both in academia and in international diplomacy and policy circles, on the state, its relations to broader society and its role in driving economic development (e.g. Migdal, 1988; Tilly, 1992).

Johnson’s contribution has often been understood as being a causal argument linking interventionism to rapid economic growth, but in fact, most central to his analysis of the Japanese case was the role of social mobilization and economic nationalism (Johnson, 1999). He described Japan as “a hardbitten [state] that chose economic development as the means to combat Western imperialism and ensure national survival: for most of the twentieth century, economic development was a recipe for “overcoming depression, war preparations, war fighting, postwar reconstruction, and independence from U.S. aid”” (Woo-Cumings, 1999, p.6). As such, while the idea of the developmental state has evolved over time and been used by many to both describe and argue for heavy government intervention in East Asian economies based on the claim that economic growth would follow, this was not so central to the initial argument: “the pull of nationalism – catching up

and getting even – is such an important motivating force behind state action that Johnson wonders if economic development might not have been a mere side effect of the pursuit of economic nationalism” (p.10).

The concept of the developmental state has been much debated in both academia as well as international diplomacy and policy circles (Stubbs, 2011). This debate concerns not only the appropriate definition of such a state and its characteristics, or the usefulness of the concept as such, but also the desirability of this particular form of governance. While many fronted Japan and other interventionist regimes as positive examples for successful economic growth, it has been argued by some that the account given by Johnson and other developmental state scholars did not correspond to reality; that the role of the state in these cases of economic success was exaggerated, and that it was in fact the private sector that played a crucial role; and/or that growth was not so spectacular in those sectors that were heavily supported by the state (e.g. Cumings, 1999). Such international actors as the IMF and World Bank sought to argue against the developmental state as an explanation for economic success in East Asia, and with that, against state-led industrialization as a policy solution for other nations, especially China and countries in Southeast Asia (Woo-Cumings, 1999; Chang & Grabel, 2004). The fact that certain actors felt the need to explicitly combat the idea of the developmental state perhaps only goes to show that it was influential: “No doubt the best epitaph for a new idea is when the objects of that idea finally have no choice but to grant its legitimacy and do their best to emulate it” (Woo-Cumings, 1999, p.29).

3.1.2 The developmental state today: status and relevance

As Stubbs (2009) describes, the concept of the developmental state was particularly influential in the 1980s and early 1990s. While the consequences of the end of the Cold War combined with increased domestic pressures for change and democratization posed a challenge to the developmental state idea, it proved relatively durable. According to Stubbs, this can be explained mostly by the ideas and structures surrounding the developmental state being deeply embedded in society, and the important role attributed to this form of governance in (early) economic development. Similarly, Wong (2004) suggests that changing conditions and different types of exogenous and endogenous pressures have challenged the developmental state, but that the concept continues to resonate within the region, albeit in a redefined form: “the state still matters in economic development – *how* it matters has changed” (p.357, original emphasis).

Besides general exogenous and endogenous pressures, the Asian financial crisis of 1997/8 and the global financial crisis of 2008 and onwards have had their influence on the debate. These crises, each in their own ways, have provided the discursive conditions in which ideas about the viability of the East Asian developmental state model have changed. Hall (2003) argues for example that the 1997 crisis was strategically used by key actors in the US government, the IMF and the South Korean government, to change the narrative about the developmental state by representing the ‘causes’ of crisis in a particular way and qualifying certain elements of the developmental state as ‘cronyism’ and ‘corruption’. At the same time, when many of the US- and IMF-driven responses to the crisis failed, reforms were introduced that reinforced the role of the state (Stubbs, 2011). Similar observations can be made about the effects of the global financial crisis of 2008 and onwards, which led amongst others to government intervention being proposed as a solution to the crisis through state-guided stimulus spending packages (Stubbs, 2011). The case for the developmental state, again, was strengthened to some extent by the perceived causes and effects of crisis, while it was also countered by strong pressures for neoliberal reforms. As Jessop (2016) suggests: the 1997 and 2008 crises prompted a search for “alternative economic and political strategies and other ways to recalibrate the DS strategy” (p.26): the developmental state is changing, rather than disappearing.

In conclusion then, the idea of the developmental state is thus so important for the historical debate on (East Asian) development, that I view it as relevant background for the current discourse on development in Indonesia: while it is difficult to establish which ideas influenced whom at what point in which way, the developmental state being the *main* point of contestation and debate in international academic and policy circles makes that it forms part of the discursive context in which the Indonesian development debate is placed.

3.2 Indonesian political economic development

The second of two debates that I examine as the background for my analysis later on, is the Indonesian political economic debate. Since its independence from colonial rule in 1949³, Indonesia has gone through several periods of severe political and economic change. Economic development

³ Independence was declared by Indonesia in August 1945; while this is what the country celebrates as its independence day, official recognition by the UN is dated December 1949. The period between 1945 and 1949 was primarily characterized by armed conflict and political and economic chaos; I take here the starting point of recent political economic history to be in 1949, when a government took office and the country gained control over its own political economic future.

has throughout the years been probably the most important objective of successive Indonesian governments; its understanding and implications, and the government structures and policies that would be needed to achieve it have been widely debated. What I aim to do in the following section is to discuss in brief the recent political economic history of Indonesia, with a focus on the debate concerning the appropriate role for the government in economic development. Specifically, I identify the main political economic developments in the past decades (3.2.1), as well as touch upon some of the key topics of discussion in the Indonesian debate (3.2.2). As will become clear from the discussion below, the political economic circumstances in the years since independence have given rise to three distinct schools of economic thought, each characterized by a particular understanding of the appropriate role for the government in economic development. The three perspectives are briefly presented at the end of this section (3.2.3).

3.2.1 Key political economic developments since 1949

The recent political economic history of Indonesia is commonly divided into three periods, the beginnings of which correspond to key moments of change. The first period starts with Indonesian independence from Dutch colonial rule in 1949 and runs until the year 1965. The second period starts there with the rising to power of president Suharto and his New Order regime. The third and final commences in 1998 in the aftermath of the Asian financial crisis, the fall of Suharto and Indonesia entering a period of democratization. I use this division into three periods here as the base for my review of some of the key contributions to the study of recent Indonesian political economy.

1949-1965: The independence promise and Guided Democracy. When Indonesia was formally acknowledged as an independent nation by the UN in 1949, this marked the end of centuries-long foreign domination. While the legacy from colonial times continues to play an important role in the political economic reality of Indonesia today and varying interpretations of and explanations for this legacy are part of the current development discourse, I take 1949 as the starting point here: it is then that the country gains control over its own political economic future, and domestic ideas and debates on the future of economic development become relevant for actual policy-making. The new leaders of the country set out to achieve economic diversification, material expansion and indigenization of ownership, in an attempt to overcome the so-called *ekonomi kolonial*: an economy that was characterized by dualistic structures, primarily foreign (Dutch) ownership of capital, and a serious neglect of the economy as a whole (Robison, 1986; Chalmers &

Hadiz, 1999). Despite the general consensus at the time that the government should have a prominent role in the economy, and ambitious plans for the financing of plan projects in food production, education, transport and so on, most of these intentions did not materialize: government revenues from nationalized industries fell out much lower than expected while military expenses increased and stood for most of the government's expenditures (Booth, 2009). The early 1950s were thus characterized by a decreased role for the government in the economy, as political leaders were still operating "within the confines of an economy dominated by foreign interests" (Chalmers & Hadiz, 1999, p.10) and the state was generally rather weak. 1959 initially seemed to mark a change in this trend, when president Sukarno announced the beginning of a 'Guided Democracy' period, shifted most power from the cabinet to the president, came with a strong commitment to state-led industrialization, and reinterpreted the Constitution as legitimizing a direct role for the state in the economy (Chalmers & Hadiz, 1999). In practice though, the state was not capable of realizing its development goals because of poor policy formulation and execution (see also Vu, 2007); and this bad planning process together with the desperate state of the economy at the time had its impact on future economic thinking in Indonesia. The Guided Democracy period thus produced a number of 'legacies': a general fear of inflation, and with that, the case for budgetary austerity; the observation that policies aimed at creating economic autarchy had failed and future efforts should be less nationalist, more open to foreign capital; a greater emphasis on the actual implementation, rather than mere formulation, of policies; and a general commitment to opening up the economy and promoting development through integration with the international economy (Chalmers & Hadiz, 1999).

1966-1998: The New Order regime. In March 1966, after a failed coup attempt and a following period of civil unrest and mass killings, Sukarno was forced to hand over effective presidential authority to Suharto, and the coalition of the so-called New Order took over. The main challenges policy-makers were faced with in the early years of the new regime were to reduce inflation, bring order to the public finances, stabilize the economy, and boost economic growth (Booth, 2009). The government started issuing five-year plans, the first in 1969, and the years that followed saw a general increase in government expenditure. The financing for these increased expenditures came mostly from foreign sources of funding, incl. foreign aid, borrowing, and revenues from the oil company tax, which led to an increase in the domestic budget deficit and inflationary pressures (Booth, 2009). Robison (1986) in his renowned book on the rise of capital in Indonesia identifies at this point pressures coming from "both international capital and the free-

market ideologues” for the government to “change from an inward-oriented industrial strategy to an outward-looking strategy which seeks to integrate Indonesia [...] and to make investment decisions on the basis of efficiency and comparative advantage” (p.385-6), i.e. for it to open up and deregulate the economy. The government found itself challenged by these pressures and responded with some deregulation but was less eager to let go of its strategy of national industrialization. By 1989, government debt had risen to such high levels that the 6th five-year plan published that year was aimed at an increase in oil revenues and decreased dependence on foreign borrowing, signaling “a decline in the role of government as a source of funds for investment expenditure and a rise in the role of the private sector” (Booth, 2009, p.207). With the Asian financial crisis in 1997, investment expenditures dropped further while routine expenditures increased because of high interest rates on government bonds. The appropriate division of tasks between the central and regional governments, and between the public and private sector remained topic of debate. All in all, during the New Order period, remarkable economic growth was achieved and several indicators showed progress: investment, per capita income, and social indicators such as health and education went up, and there was structural transformation and diversification of industries. Yet, development was not linear and unproblematic: the general perception was that with these indicators, inequality had also increased, and there was much debate about social justice as well as the meaning of ‘development’ and the economic role of the state (Chalmers & Hadiz, 1999).

1998 onwards: Democratization and reformasi. The final period in recent political economic history commences in the context of these debates, and with the fall of the New Order regime in the aftermath of the Asian financial crisis in early 1998. Suharto was forced to resign in May of that year after a wave of political protests and democratic elections were held in 1999, bringing president Abdurrahman Wahid to power. Besides the shift from a military-led authoritarian political system to a democratic multi-party system, several other changes happened in and shortly after 1998: from a highly centralized government to broad-based decentralization and, at least in some respects, from state-led economic policies to a market-based and more globalized open system (Nasution, 2016). The process of political, institutional and policy change after 1998 is often referred to as *reformasi* (‘the reformation’). Opinions differ on how much the 1997 crisis, democratization and the following *reformasi* have actually changed the configuration of interests, entrenched power relations and the landscape of policy-making. The scope of this thesis does not allow for an elaborate discussion on the process of democratization in Indonesia or the extent to which political power and policies have changed (see for example Carnegie, 2009 for a perspective

on this); yet, it is obvious that the context of public policy formulation and execution is different since 1998 and the government is more restricted in its power than it used to be. In terms of policies, the successive governments that have led Indonesia since its transition to a democratic political regime in 1998 have also worked with five-year plans, called ‘Propenas’, which have focused on economic development and presented many initiatives, but little clarity on how to achieve them. In general, the period between 1998 and 2014 was characterized by a conservative fiscal policy, with low government expenditures and even lower revenues. The size of the government budget relative to GDP has been and continues to be rather low compared to other countries in the region (Booth, 2009). Reforms have been initiated through for example laws on decentralization of government; also, efforts to combat corruption, increase transparency and reform the public sector have been increased. These issues remain huge challenges for the country, as do such concerns as extreme poverty, low literacy and education levels, and climate change, mostly connected to the use of natural resources (Booth, 2009).

3.2.2 The political economic debate: key topics

In the context of the developments described above, different schools of political and economic thought have emerged in the debate over the country’s past, present and future, and the solutions connected to those. Two elements of this debate are of particular interest and importance to understanding the differences and overlaps between these different schools of thought. These are two common objectives that are often referred to in Indonesian political discourse: that of *Pancasila*, the official state ideology, and *pembangunan*, commonly translated as ‘development’ (Chalmers & Hadiz, 1999). I briefly discuss these two concepts here to provide some context to the discussion of the three schools of thought below.

The history and use of Pancasila. *Pancasila*, the ‘Five Principles’ were proclaimed as the foundation for the Indonesian state by its first president Sukarno, and written into the Constitution of Indonesia that was established in 1945. “These principles, now official state ideology, are in themselves quite unexceptional:” (Chalmers & Hadiz, 1999, p.1) they prescribe the belief in a single God; a just and civilized humanity; a unified Indonesia; democracy; and social justice. Yet, as Chalmers and Hadiz (1999) note: “Their significance lies in the manner in which they have been canonized in official discourse, transformed into values expressing a common purpose to which all of society should adhere” (p.1). *Pancasila* has throughout the years been referred to as the objective of (all) government policy, and has functioned as a source of legitimacy for successive

governments, to justify both the power of the regime and its course of action. Under the New Order regime, for instance, “the idea of *Pancasila* democracy was advanced ever further – as an anti-liberal, anti-communist and uniquely Indonesian system suited to the nation’s culture and history” (Hadiz, 2004, p.66). The Principles can thus be connected to nationalist sentiments and the definition of the Indonesian national interest and identity, both in relation to its own history and to the outside world, against which it should be protected. Pancasila has also been a tool for both Sukarno’s Guided Democracy and Suharto’s New Order regime to contain and repress civil society: “The prohibition on discussing ideological alternatives (for example, Marxism or Islam) to the official Pancasila ideology had the effect of far-reaching depoliticisation in Indonesia” (Leftwich, 1995, p.415).

The history and definition of pembangunan. The second objective often referred to in political discourse is that of *pembangunan*. The Indonesian term has a meaning that is somewhat broader than its direct translation into English: it encompasses both (a) ‘physical’ development (e.g. *pembangunan rumah* ‘housing construction’) as well as (b) a more abstract ‘awakening’ or ‘emergence’. Chalmers and Hadiz (1999) discuss the importance of this term for the Indonesian development discourse and suggest that it has ideological content, describing “both the nation’s destination and the path by which that objective will be reached, and is the most unambiguous example of a common purpose binding together the diverse peoples of the archipelago. It is *pembangunan* which provides the discourse within which public figures in Indonesia must operate.” (p.2) *Pembangunan* became from the 1960s and onwards more associated with revolutionary, populist and anti-capitalist connotations, and it became “an ideology in the strongest sense of the term, describing the purpose of political activity, the methods used to achieve that goal, the attitudes which public figures should express, as well as serving as an effective ideological weapon against opponents of the regime or proponents of alternative visions.” (p.3) As such, the term has become rather politicized than merely descriptive, and has been tied to anti-imperialism and the process of nation-building. Despite consensus on *pembangunan* as the main objective for government policy, there are widely varying perspectives in the Indonesian political economic debate on what constitutes true *pembangunan* and how to achieve it. There has also been established a strong connection between Pancasila and *pembangunan*, in the sense that Pancasila has been redefined around the goal of economic development, “with the ‘pure and consistent’ implementation of core Pancasila values considered necessary to realize *pembangunan*” (p.4). The history and competing definitions or uses of the term *pembangunan* are of considerable relevance to the research

undertaken in this thesis, as it is exactly the goal of economic development and specifically the government's role therein that is the main focus of my analysis later on. The observation here that the Indonesian term corresponding to the English 'development' carries a broader meaning and has a long and rather politically-laden history is taken into account in the analytical framework in the sense that I do not take for granted that 'development' carries the same meaning in every discursive logic, but rather, I specify for each of the logics how it fills this concept with meaning. Referring back to the terminology introduced in chapter 2: I observe that development is naturalized and accepted as a government objective, but there is a struggle over its meaning.

In their analysis of the Indonesian development debate, Chalmers and Hadiz (1997) doubt "whether the *pembangunan* ideology will remain a politically effective rallying call uniting varied forces behind government policy in the 1990s" (p.4) and suggest that the very fact that there are such large ideological differences about its definition would cause problems for the government in the long run. Examining how the ideological function of the 'development' concept plays out in political discourse today is even more interesting with this 1997 outlook in mind.

3.2.3 Three schools of economic thought

The historical circumstances as briefly recounted above in 3.2.1 have generated distinct streams of economic thought. Following both Chalmers and Hadiz's (1999) and Rosser's (2002) classification of the domestic debate, I recognize three different perspectives as having prevailed in the Indonesian development discourse throughout these years: (1) statist-nationalism; (2) economic populism; and (3) economic liberalism. All of these "have established bases of support both within the state and in society, and each has struggled to win the state to its own vision of *pembangunan* [development]" (Chalmers & Hadiz, 1999, p.22). By way of introduction, I briefly discuss for each of the schools of thought its position in the debate, key figures, and most influential periods.

Statist-nationalism is characterized by a call for heavy government intervention, economic nationalism and a strong state. This school has historically been most strongly connected with government actors, state institutions and officials. Its key figures include economic technocrats and policy-makers as well as politicians, including for example the influential economist Mohammad Hatta and most people connected to the New Order regime. Some state institutions and state-owned enterprises are considered 'centers of statist-nationalism', in which its ideas are deeply embedded (Chalmers & Hadiz, 1999). Statist-nationalism has throughout the years been the most influential

and dominant strand of economic thinking in Indonesia, with its strongest peaks in the early years after independence (1950-1958), the mid-1970s during and after the oil boom, and the mid-1980s.

Economic populism, suggesting an important assisting role for the state on the basis of principles of social justice and equal opportunity, is much more oppositional in character and is primarily found on the fringe of the political system, lacking real (direct) influence (Chalmers & Hadiz, 1999). Its key figures are mostly NGO and student activists, and some prominent intellectuals. While its ideas have traditionally not been strong in official government circles, concepts and ideas connected to economic populism are for sure reflected in the debate and its proponents have often managed to challenge and change government positions and policies. Its influence was especially strong during the last years of colonial rule and the years preceding official independence (ca. 1940-1950), and it gained renewed significance in the 1980s and 1990s.

Economic liberalism argues for a small state facilitating a strong and important private sector, reflecting free market principles and values of individual freedom. This third and final school of thought is probably the one most obviously connected to people, institutions and ideas outside of Indonesia. Policies and reforms inspired by liberalist ideas were initially often legitimized by referring to such external actors, whereas from the mid-1980s, economic liberalism entered the legitimate political discourse and was also propagated by Indonesian policy-makers and politicians. This school of thought was especially influential in the 1960s, in the mid-1980s and after the 1980s and the fall of oil prices, which led to pressures to liberalize the economy and redefine the role of the state (Chalmers & Hadiz, 1999).

I return to these three schools of political economic thought in the next chapter, where I review their particular representations of reality and identify the discursive logics present in each of them.

3.3 Current context: political system and Jokowi's presidency

This final section discusses the current political system and the role of Jokowi in Indonesian politics. Combined with the historical background given in the previous sections, this allows me to subsequently analyze the material *in context* in line with the assumptions about historical and cultural specificity set out in chapter 2. The purpose of this section is thus to contextualize the empirical material and argue that in today's Indonesia, what the president says – and how he says it – is both relevant and subject to pressures for compromise and representation of different interests.

3.3.1 Political system and the role of the central government

In the current political system, Indonesia is a republic based on a separation of powers among executive, legislative and judicial branches. The Constitution that was established back in 1945 is still in force but was amended somewhat between 1999-2002 “to make the once powerful, party-centered presidency subject to popular election and limited to two five year terms” (Frederick & Worden, 2009, p. xxxv). The president (since 2014: Jokowi) and vice-president (since 2014: Jusuf Kalla) are chosen by direct election and usually represent a coalition of political parties – see Table 1 for the current coalition. The president is both the chief of state as well as the head of the government. Legislative power is vested in the People’s Representative Council (*Dewan Perwakilan Rakyat*, DPR) and the less-powerful upper house, the Regional Representative Council (*Dewan Perwakilan Daerah*, DPD). These two bodies together form the bi-cameral People’s Consultative Assembly (*Majelis Permusyawaratan Rakyat*, MPR), which has the power to formally swear in the president and vice-president, and to amend the Constitution, as well as having the final say in an evt. impeachment process. The DPR has 560 members affiliated to ten political parties: its composition is given in Table 1.

Parliamentary groups / parties (by coalition)	No. of seats	Percentage
<i>Koalisi Partai Pendukung Pemerintah (KP3) (Government Coalition)</i>	<i>(386)</i>	<i>(68,93)</i>
Indonesian Democratic Party of Struggle (PDI-P)	109	19,46
Golkar Party (Golkar)	91	16,25
National Mandate Party (PAN)	48	8,57
National Awakening Party (PKB)	47	8,39
United Development Party (PPP)	39	6,96
National Democratic Party (NasDem)	36	6,43
People’s Conscience Party (Hanura)	16	2,86
<i>Koalisi Merah Putih (Red & White Coalition) / opposition</i>	<i>(113)</i>	<i>(20,18)</i>
Great Indonesia Movement Party (Gerindra)	73	13,04
Prosperous Justice Party (PKS)	40	7,14
<i>Unaligned / Neutral</i>	<i>(61)</i>	<i>(10,89)</i>
Democratic Party (Demokrat)	61	10,89
<i>Total</i>	<i>560</i>	<i>100</i>

Table 1 'DPR, Factions' (2018)

As mentioned in section 3.2 earlier, one of the major changes after 1998 has been an extensive decentralization process, which started with a law that entered into force in 2001, devolving “central government powers and responsibilities to local governments in all government

administrative sectors except for security and defense, foreign policy, monetary and fiscal matters, justice, and religious affairs” (Usman, 2001). Almost all powers and responsibilities were (at least formally) handed over to the local governments, without any major conditions or limitations. Some argue that the decentralization of powers has “created a new class of regional political elites and has shifted significant power back to sub-national levels in Indonesia’s centuries’ long history of centre-local tensions” (Ostwald et al., 2016, p.139) and that it has created major fiscal inefficiencies. As a consequence, in recent years there have been efforts towards recentralizing. At the same time, the government has in practice remained substantially in control of local governments through different control mechanisms (Nasution, 2017). As such, decentralization, which has been a major part of the post-1998 *reformasi* effort, has had some consequences for the official division of responsibilities between central and local governments, but in practice, the central government should still be considered the main locus of decision-making in today’s political system.

3.3.2 Jokowi’s presidency

It is in this context that the 2014 presidential elections were held, at a time when the Indonesian political economy was characterized by both stability and stagnation. Jokowi took over as Indonesia’s president in October 2014 representing PDI-P, having won the election against Prabowo Subianto representing Gerindra (Mietzner, 2016). Both candidates in the 2014 elections could be characterized as populists, but Subianto was of the more radical kind: he proposed comprehensive regime change and portrayed himself as “an outsider heroically trying to save Indonesia from its decaying democracy” (p.18) through classic populist strategies. While Subianto was popular in the beginning of his campaign, the electorate seemed to have some doubts about his authoritarian tendencies and radical proposals. The alternative to this came in the form of Jokowi, who was able to speak to the electorate’s ‘multi-layered’ mood, reflecting a desire for both change and continuity. He won the elections with 53,15% of the vote on an agenda that was also characterized as populist, but of a more moderate, intra-systemic kind: “Apparently, most Indonesians were open to a populist alternative, but it needed to be efficiency-oriented rather than demagogic, inclusive rather than exclusive, and democratic rather than authoritarian. In other words, what the majority of Indonesians longed for was a pragmatic, or technocratic, form of populism-lite.” (p.23) Mietzner (2016) further suggests that we should see Jokowi as a particular type of populist who does not easily fit other categories: different from other ‘post-populists’ in the region – those combining classic populism with neoliberal reforms – Jokowi adds to this mix a

heavy focus on economic nationalism and protectionism. Note that this observation about Jokowi as representing both populist, neoliberalist and economic nationalist ideas is interesting for my analysis later on, where I seek to trace elements of each of these three orientations in Jokowi's talks.

After his election in October 2014, Jokowi set out to form a government, but he was challenged by many actors both in- and outside his own party. Especially in the early months of his presidency, Jokowi was very much under the influence of political pressures which constrained his and his government's influence. At the same time, the president has considerable power in the current political system, and Jokowi has also shown, especially after this initial period, that he is willing to "confront obstacles to his presidential agenda" (p.53) through for example the increased use of presidential decrees and his insistence on appointing and firing particular people against external advice.

It follows from the context described above that when analyzing Jokowi's talks, his formulations and particular representations of for example his goals and vision for the nation, or the sources of legitimation he draws on, should be seen in light of his position as democratically-elected president, subject to popular pressures and to demands from his government coalition, the parliament and other political and non-political interests. At the same time, the president has considerable power: his words and actions are important and he plays an important symbolic and representative role in Indonesian society. Based on this, I view the president, while he is only one actor in the Indonesian development discourse, and he is placed in a wider discursive context, as an interesting and relevant actor to study. My suggestion is that through analyzing parts of the president's discourse, it is possible to gain some insight in both the discursive context that he is placed in, and how he attempts to do work in it by reproducing as well as challenging certain understandings.

4. Discursive logics of economic development

In the previous chapter, I have introduced the debates on the developmental state and Indonesian political economy as the part of the historical and cultural context that limits present-day discourse, and argued that they therefore are interesting and relevant to review as part of my analysis of the current president's talks. In the current chapter then, I proceed by identifying the discursive logics of economic development present in each of these debates, and mapping them according to the model developed in chapter 2. With that, I provide the basis for answering the two first sub-questions concerning the tracing of elements in the current president's discourse to established discursive logics. The purpose of this chapter is thus to develop four models that each reflect a particular way of representing reality: these will then inform my analytical framework and the following analysis of empirical material in chapter 5.

4.1 The process of identifying discursive logics

In order to identify the various discursive logics of economic development present in these two debates, I have not done actual, first-hand discursive analysis of the debates myself. Instead, I base my classification of these debates into four distinct discursive logics and their respective content on second-hand sources and analyses done by other authors. I thus draw on existing studies in order to investigate the order of discourse as the background for my analysis of language use (Phillips & Jørgensen, 2002): while analyzing an entire order of discourse is virtually impossible, I review a few studies that have investigated the international debate on the developmental state, as well as the Indonesian political economic debate. Using these sources, I seek to represent the discursive logics present in these debates according to the model that I developed in chapter 2. I thus review the literature and for each of the discursive logics identified in it, I examine the different components of the model and the role they fulfill in that particular logic: which policies, for example, are said to be appropriate, and how would these contribute to the stated goals of economic development? And: through reference to which concepts and ideas are particular goals and policies legitimized?

In the case of the developmental state debate, I base my characterization of its discursive logic below on a series of contributions that have reviewed and analyzed this debate, including a few studies that specifically deal with the discursive construction of the concept (Johnson, 1982; Leftwich, 1995; Cumings, 1999; Woo-Cumings, 1999; Hall, 2003; Wong, 2004; Chu, 2006; Stubbs, 2009; Stubbs, 2011; Jessop, 2016). Together, these contributions have led me to identify a

discursive logic of economic development, and using the model developed in chapter 2, I arrive at a description of this logic by asking how it fills each of the components of this model with meaning.

For the Indonesian political economic debate, my identification of three discursive logics of economic development is largely based on a single contribution by Chalmers & Hadiz (1999) which was also quoted extensively in chapter 3. *The politics of economic development in Indonesia* (1999) presents and analyzes trends in economic thinking in Indonesia in the period 1945-1997, and includes translations of key speeches and articles by leading Indonesian figures. The book seeks to demonstrate that there has always been a diversity of views on Indonesia's future, and it predicts that these views – the three streams of statist-nationalism, economic populism and economic liberalism – will compete for dominance in the then-uncertain future that would follow Suharto's presidency. Today, twenty years after publication of this book and shortly after, the fall of the Suharto regime and following democratization of Indonesia, I take Chalmers and Hadiz's analysis of the Indonesian development discourse as a source for identifying the discursive logics historically present in the debate. I review the book and arrive at three distinct ways of representing reality, using the discursive logic model as a way to structure and distinguish them.

The purpose of the following section is thus to answer such questions as: How is the goal of economic development understood by each of these logics? Which policies are said to be appropriate for the Indonesian government to achieve this goal, and how are these goals and policies legitimized? I seek to establish how each of the discursive logics answers these questions, and thus fills the components of the discursive logic model with different meaning. As will become apparent in the below, there are quite a few similarities on various components between the different logics: particularly, developmental state logic and statist-nationalist logic fill some of the components with similar meaning, and use many of the same words and concepts. I discuss these similarities later on in this thesis, both in the analysis in chapter 5 as well as in my discussion of results in chapter 6. For the current purpose, I do not focus on comparing the logics, but rather, I seek to establish what is typical for each of them and how the different components within each of them work together.

4.2 Four discursive logics of economic development

Using the strategy described above, I arrive at a description for each of the logics according to the discursive logic model developed in chapter 2. Their content is also summarized in Figures 3 through 6 on the pages below.

Developmental state logic. At the core of developmental state logic is a vision of the future of the country as modern and developed, supported by a definition of ‘development’ as primarily economic, the purpose of which is for the nation to catch up with others and become an advanced country. This goal is legitimized by reference to multiple concepts, including historical values and references connected to a revolutionary past, independence and state ideology; as well as the desire for modernization and advancement. The sociopolitical context is characterized by a weak civil society governed by a strong state: whereas individual initiative is encouraged, and the private sector is valued as an important actor, it is the state that is best suited to take decisions and govern the lives of its people. The international sociopolitical context functions as a reason and justification for the regime to act as it does: other, advanced countries are brought up as the example to follow. Specifically, for the country to achieve its development goals, an important role is imagined for certain state institutions and more generally, the state bureaucracy: what is needed is a strong,

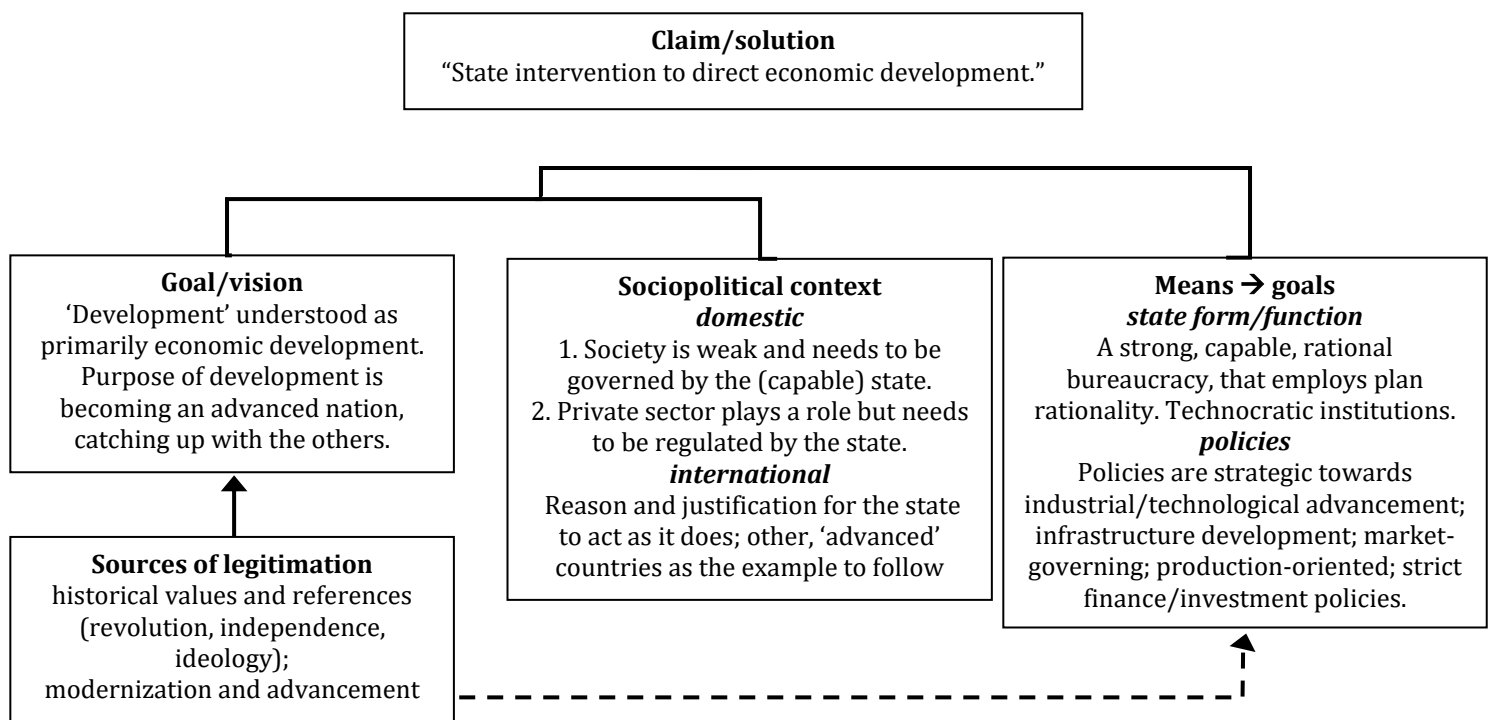


Figure 3 Developmental state logic

capable, rational bureaucracy that employs plan rationality and long-term planning. Institutions are technocratic and governed by experts. Also, towards achieving development goals the country needs policies that are production-oriented; aimed at infrastructure development; strict, especially when it comes to finance and investment; ‘market-governing’; and focused on strategically advancing certain technologies and sectors. Together, these components add up to the claim for

state intervention to direct economic development. Adding the observations made above together, I arrive at the schematic representation given in Figure 3.

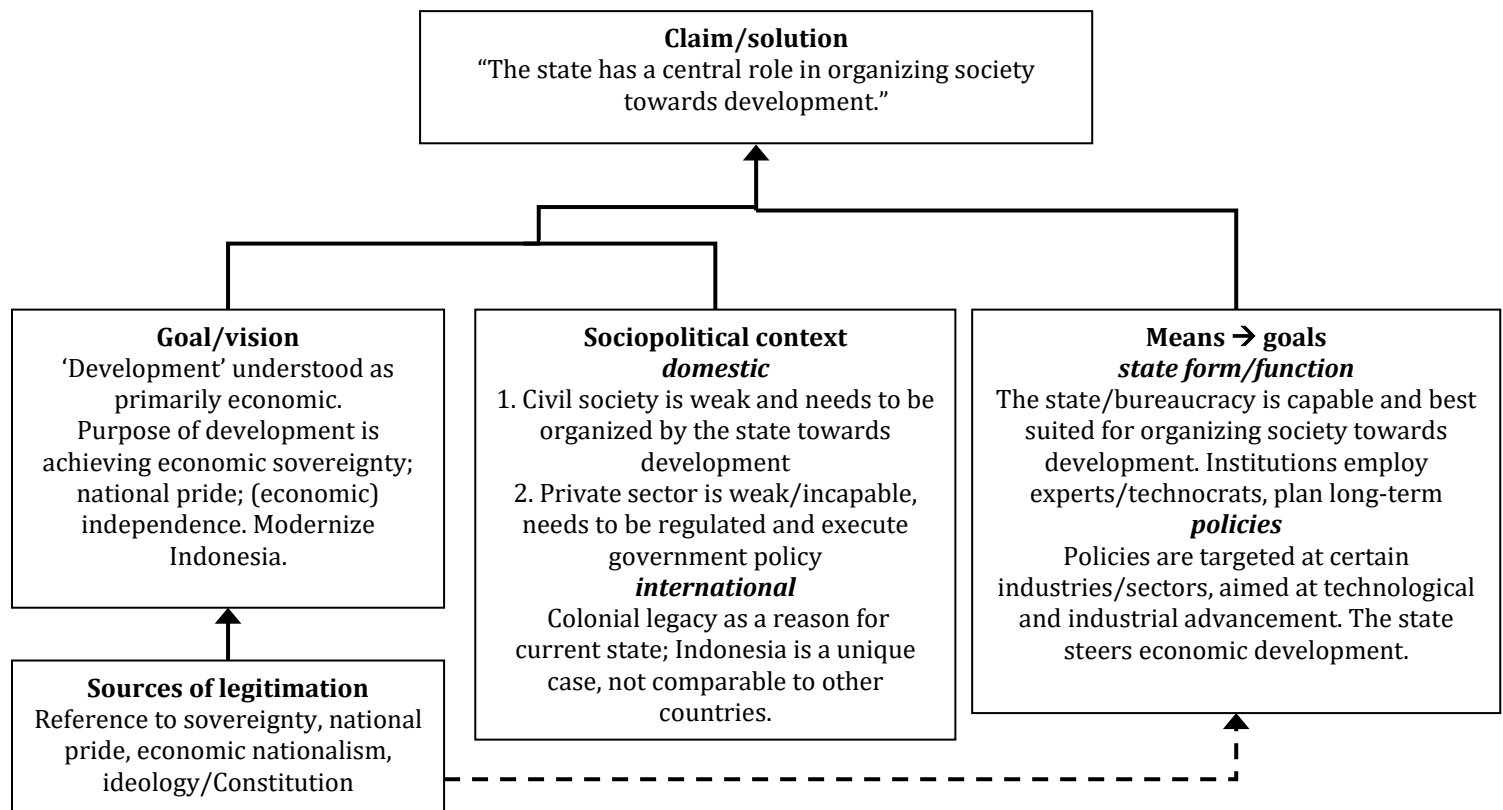


Figure 4 Statist-nationalist logic

Statist-nationalist logic. Turning to the first of three schools of economic thought in the Indonesian political economic debate, I examine *statist-nationalism* as representative of a first discursive logic of economic development. Figure 4 above represents its content schematically. Statist-nationalist logic revolves around an understanding of development as primarily economic, and of its purpose as achieving economic sovereignty. The ultimate goal of government action is a modernized Indonesian society and a strong, autonomous national economy. Legitimation for this ambition is drawn from reference to national pride and economic nationalism, as well as to the primacy of national ideology and the Constitution. The domestic sociopolitical context is constructed as rather weak, suggesting that both civil society and the private sector are in need of guidance from the state in order for them to contribute meaningfully to development goals. Indonesia is constructed as a unique case, so comparison or competition with others is not that relevant: the focus is on the domestic situation and achievement of national goals. Independence from foreign powers through the establishment of a strong national economy is a key objective, not least because of the negative

consequences connected to the country's colonial legacy. To achieve all of this, statist-nationalist logic suggests a particular set of means as appropriate: a strong and autonomous state, long-term planning guided by technocratic experts, and interventionist policies focused on technological progress and the strategic advancement of certain industries and sectors. Adding all these components together, statist-nationalist logic thus constructs the claim for the state to fulfill a central role in organizing society towards development.

Economic populist logic. The second school of economic thought identified by Chalmers and Hadiz (1998) in their review of the Indonesian political economic debate is that of *economic populism*. I take economic populist thinking as representative for a second discursive logic of economic development, which has traditionally played a rather different and more oppositional role in the debate. At the core of economic populist logic lies an understanding of development as not (only) economic, but (also) social and human. The purpose of development is achieving equality and social justice, and the vision for the Indonesian nation is for everyone to equally benefit from progress. Legitimation for these ambitions is drawn to some extent from reference to universal values of social justice and equality, but more so from constructing Indonesia's revolutionary past, its ideology and Constitution as the source of a particular set of national values. These values, in turn, as well as the people's 'historic right' to justice, legitimize both the goal of social and human development for all of society, and the particular means to achieve it. The domestic sociopolitical context constructed in economic populist logic is characterized by an understanding of society as unable to distribute wealth equally without interference of the state. People, especially the poor, have the right to be assisted by the state, which redistributes wealth and ensures equal benefits for all. This includes strict regulation of the private sector; and while private enterprise is 'tolerated', clearly the best way to organize society is through cooperatives. At the international level, structural and systemic factors are constructed as the source of problems at home: capitalism, colonialism and unfair international division of welfare are the main reasons behind the backward position of Indonesia today. In economic populist logic, socialism is constructed as better suited to achieve development goal than capitalism, and thus, the state bureaucracy takes an important role in redistributing wealth. The state is kept as small as possible though, and secondary to society and cooperatives, as economic populism sees a danger of corruption when the state grows too big. The policies constructed as relevant and necessary for the government to achieve its development goals are redistributive and strict: the government needs to control the market and trade in order to ensure

equal distribution, and it needs to actively assist the economically weak. Adding these components together, economic populist logic arrives at the claim for state intervention to redistribute wealth and assist the economically weak. The observations made above add up to the schematic representation of populist logic as given in Figure 5.

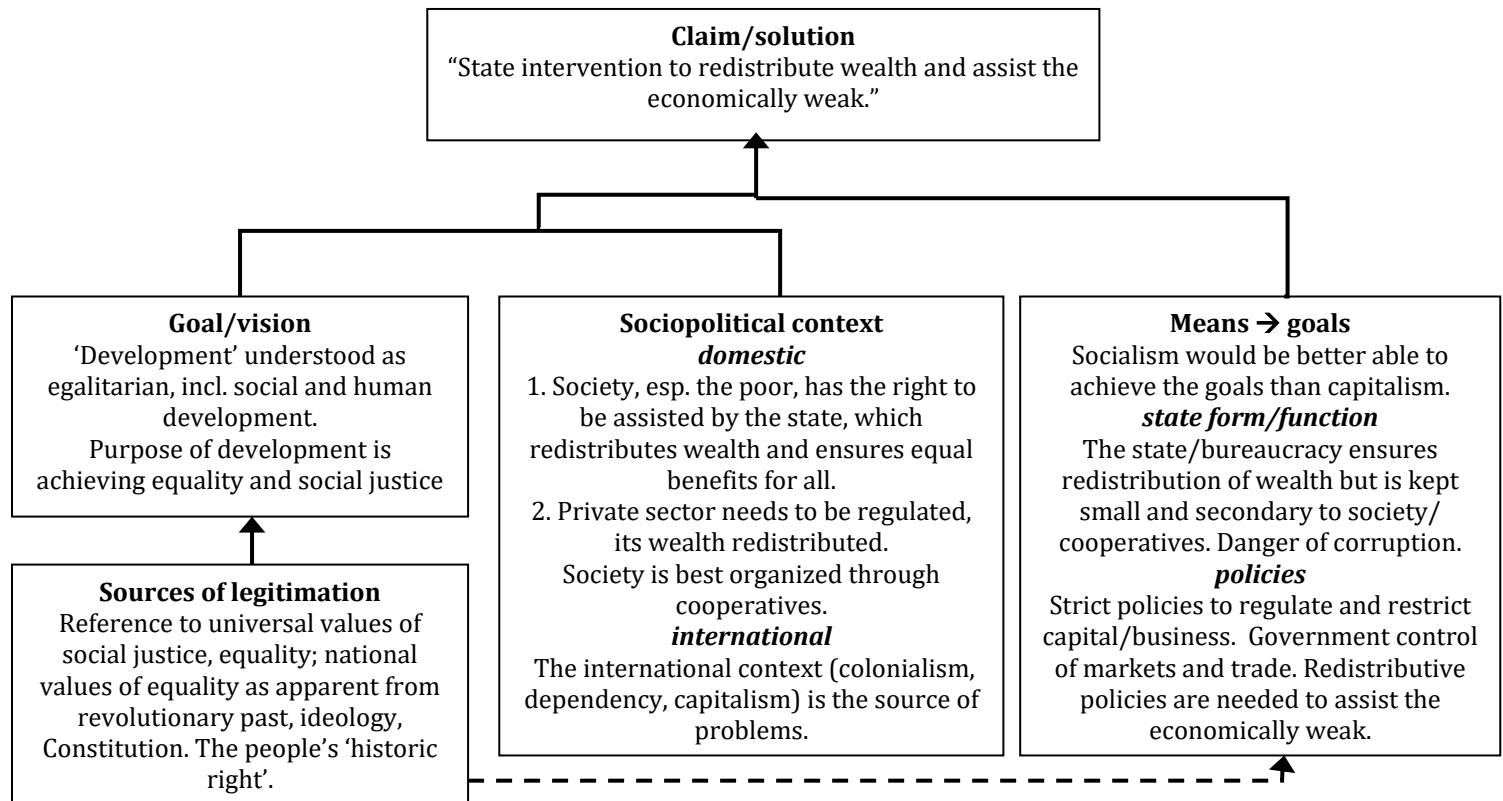


Figure 5 Economic populist logic

Economic liberalist logic. Thirdly and finally, I examine *economic liberalism* as representative of an alternative discursive logic of economic development in the Indonesian debate. Liberalism has had its proponents both in- and outside the government, and is probably the school of thought most influenced and affected by international actors. At the core of economic liberalist logic lies an understanding of development as purely economic, and of its purpose as achieving maximum efficiency in the allocation of resources, leading to comparative advantage and improved international competitiveness. Legitimation for these ambitions is drawn from universal principles and values of free market and individual freedom, which are considered guiding principles for the, or any, government. The domestic sociopolitical context is constructed in terms of productivity: civil society has productive human resources that should be put to good and efficient use, and the private sector is of vital importance to achieving economic development goals. The best way to

allocate resources efficiently is through putting trust in the private sector and the market. At the international level, the sociopolitical context is characterized by competition and comparison, Indonesia being a player in a global market that needs to fight for its position. Besides competition, the international arena also offers potentially interesting and useful resources in the form of investment and capital. In economic liberalist logic, the means to achieve the goals of economic development and efficient resource allocation are clear: a small state bureaucracy functions as a facilitator of the private sector, and policies are aimed at removing barriers and easing processes of investment, expansion and so on. The state is constructed as secondary to the primary principle of the market, and to the main important actor: the private sector. Adding these components together, economic liberalist logic arrives at the claim for the state as a facilitator of the efficiency of the market. A schematic representation of this discursive logic is given in Figure 6.

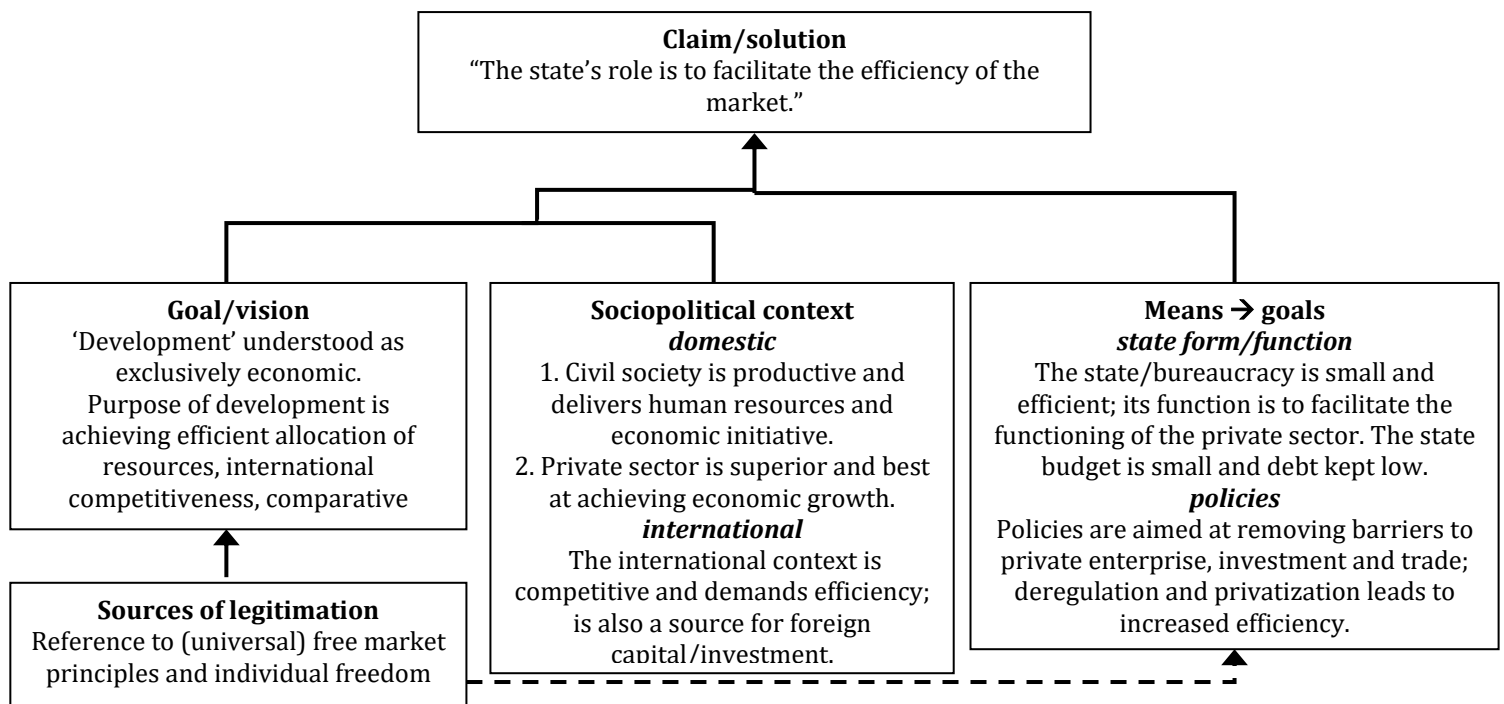


Figure 6 Economic liberalist logic

With that, I have arrived at the fourth and final model for a discursive logic of economic development. This chapter was intended to provide the basis for answering the first two sub-questions concerning the tracing of elements in the current president's discourse to established discursive logics. The purpose of it was to develop four models that each reflect a particular way of representing reality: these will then inform my analytical framework and the following analysis of empirical material in the following chapter.

5. Empirical analysis: Jokowi's logic of economic development

The main research question I pose in this thesis concerns the discursive logic that the Indonesian president constructs of the role of the government in economic development. I aim to answer this question by analyzing empirical material against the background of two ongoing debates that I consider to be relevant for the current discourse: the international debate on the developmental state; and the Indonesian political economic debate. In the previous chapter, I have reviewed both these debates in order to identify their respective discursive logics, including the way that they characterize the appropriate role for the government in economic development. Building on this, the current chapter aims to develop an analytical framework, which I will subsequently apply to a series of talks by the current Indonesian president. The aim of my analysis is to identify the logic that president Jokowi constructs of the appropriate role of the government in economic development, and to identify whether and which elements of it draw on components of the various discursive logics that I have identified in chapter 4. Before turning to developing the analytical framework and presenting the results of my analysis, I first explain and argue for my selection of empirical material (5.1). Following this, section 5.2 will introduce my analytical strategy and framework. In sections 5.3 and 5.4 I present the results of my analysis: first, I identify whether and how elements of each of the discursive logics are present in the empirical material (5.3); second, I combine these observations and analyze how Jokowi constructs a discursive logic of economic development in his talks (5.4). Section 5.5 gives a schematic representation of this logic and sums up its content.

5.1 Selection of empirical material

Following from the discussion of the political economic context in Indonesia in section 3.3, I argue that the president is a relevant actor in the Indonesian debate on the role of the government in economic development. Therefore, I am interested in his representation of goals, context, and means, and the sources of legitimation he draws on, as well as how these together lead to a particular solution – or in other words, his discursive logic. In order to identify this logic and the various components it consists of, I engage in concrete textual analysis of a series of speeches by the president on a variety of topics and from different points in time. These texts range from talks given at important political moments (e.g. the celebration of Indonesian independence) to often shorter, more concrete statements on specific topics that the government convenes about. The final set consists of sixteen speeches, which are selected from a larger collection of the approximately

100 texts from between mid-2015 and early 2018⁴ available in English translation from the government archive. The reason for taking this collection of speeches as the starting point for my selection of material is that (a) it encompasses most of Jokowi's official speeches and statements in this period; (b) these speeches have a primarily domestic audience, and would therefore reveal elements of the Indonesian discourse and the struggles over meaning within it – as opposed to those with a (partly) foreign audience, which would result in other types of insights, discussed further in chapter 6; and (c) the collection contains a mix of different types of speeches that vary in terms of their (direct and indirect) audience, topic, significance and so on, allowing for an analysis of speech *in contexts* rather than just one specific instance. In addition, two practical reasons deserve mention: these speeches (d) are available online; and (e) have been translated into English. Scanning large amounts of Indonesian sources in order to arrive at a relevant selection and their subsequent translation into English was not a realistic alternative given the limited time and financial resources I had available for this project.

From the larger collection of speeches, I selected sixteen texts for detailed analysis. The process of arriving at this selection was rather thorough: I read and classified all the texts according to their topic, type of audience, and content. From there, I then selected a number of texts for each of the following categories:

- important political moments: yearly addresses to the parliament, state budget, national holidays;
- development policy: statements from cabinet meetings concerning national or regional development;
- other policy: statements from cabinet meetings concerning specific policies on for example education, investment, sectoral reform, etc.

Taken together, the texts in these categories form an interesting mix, which allows me to analyze both concrete talk about policies and reforms, as well as more abstract talk on the future of the Indonesian nation. As mentioned before, the texts also have different audiences, both directly – some are addressed at the parliament; at the cabinet; or at a broad audience including former presidents, religious leaders and other non-political figures – and indirectly – some will be listened to by people across the country; some are primarily received by the press and processed into

⁴ The period covers almost the entire period of Jokowi's presidency so far, except for the first few months (October 2014 – July 2015). Speeches translated into English are available only from mid-2015 onwards. Therefore, this is where my analysis starts.

relatively insignificant news items. I do not explicitly address differences between the texts according to their audience in my analysis, but in any case, incorporating different types of texts with varying function and significance has been an important criterion in the selection process. I further aimed to have an equal distribution of texts over time, selecting approximately four to six speeches per ‘year’ (Aug-Aug), starting from the independence day and budget presentation in August 2015. This process led me to the selection of sixteen texts, an overview of which is provided in Table 2.

Text no.	Month/year	Topic
T1	November 2017	cabinet meeting on vocational education and its implementation
T2	August 2017	presentation of 2018 budget
T3	August 2017	independence day 2017
T4	June 2017	cabinet meeting on the evaluation of national strategic project implementation and priority programs in Gorontalo Province
T5	June 2017	commemoration of the birthday of Pancasila [new national holiday]
T6	May 2017	cabinet meeting on evaluation of the national strategic projects
T7	March 2017	cabinet meeting on agrarian reform and social forestry
T8	February 2017	cabinet meeting on economic equalization policy
T9	August 2016	presentation of 2017 budget
T10	August 2016	independence day 2016
T11	May 2016	cabinet meeting on the evaluation of the Economic Policy Packages (1st to 12th package)
T12	May 2016	cabinet meeting on the ease of doing business
T13	March 2016	cabinet meeting on poverty and economic gap programs
T14	February 2016	cabinet meeting on holding company
T15	August 2015	independence day 2015
T16	August 2015	presentation of 2016 budget

Table 2 Selection of texts

5.2 Analytical strategy and tools

As discussed in chapter 2, my approach to analyzing the empirical material is grounded in discourse analysis, and builds on poststructuralist assumptions about the world. What I have done so far in this thesis is to take one order of discourse, namely that of ‘development’, and investigate different, competing discourses within this domain, to then ask “where a particular discourse is dominant, where there is a struggle between different discourses, and which common-sense assumptions are shared by all the prevailing discourses” (Philips & Jørgensen, 2009, p.142). In chapter 4, I drew on different sources to investigate the different discourses competing in the terrain of Indonesian development, and identified four distinct ‘discursive logics’, which each construct reality in their

own way by filling certain concepts with different meanings: developmental state logic; statist-nationalist; economic populist; and economic liberalist logic. Building on the results from this mapping of the order of discourse of Indonesian development, I now turn to the analysis of a set of texts by current president Jokowi, using what Philips and Jørgensen (2009) term a ‘multivocality’ strategy. Such strategy consists of “the delineation of different voices or discursive logics in the text” and asks such questions as: “What characterizes the different voices of the text? When does each voice speak? What meanings do the different voices contribute to producing?” (p.151) The purpose of my analysis of the empirical material is to identify on which elements of the four identified discursive logics Jokowi draws in his talks; when and how he does so; and how he constructs a new story out of the combination of these different logics. Answering these questions corresponds to answering the research question as posed in the introduction to this thesis: *How does Indonesian president Joko Widodo construct a discursive logic of the role of the government in economic development?* In order to be able to answer this question, and the subquestions underlying it, I develop below an analytical framework that will guide my analysis of the texts. The framework builds on different discourse analytical strategies and methods, combining CDA, Laclau and Mouffe’s discourse theory and CPE, as introduced in chapter 2. The framework further combines these strategies with the observations done in chapter 4 on the four different discursive logics and translates these into concrete elements that I will trace the empirical material for, in order to find out *whether*, *when* and *how* each of the logics appears in Jokowi’s talks. Table 3 on page 46 presents the analytical framework that I use to conduct my analysis. In the second column, questions are listed for each of the components, which were introduced earlier and are intended to help identify how the components are filled with meaning in each of the logics. The models developed in chapter 4 (Figures 3-6) described how these questions are answered by each of the logics identified. In the framework in Table 3, I translate these descriptions into key words and concepts. It is these words and concepts that I look for in the empirical material as an indication of the application of a particular discursive logic. Key words and concepts are listed for each of the components except the first, namely the suggested role for the government in economic development. I view this final component as made up of elements of all the others, and as the ‘solution’ to the situation or ‘problem’ constructed by the other components. It does not appear explicitly in the material, and is rather constructed by me as the analyst out of the content of the other components together. In chapter 4, I arrived at descriptions for the suggested role of the government for each of the discursive logics; at the end of my analysis here, in section 5.4, I

Component		Questions to ask	How each of the discursive logics in chapter 4 answers this: key words and concepts to look for			
			Developmental state	Statist-nationalism	Economic populism	Economic liberalism
Role for the government in economic development		What is the suggested role for the government in economic development?	“State intervention to direct economic development”	“The state has a central role in organizing society towards development”	“State intervention to redistribute wealth and assist the economically weak”	“The state’s role is to facilitate the efficiency of the market”
Goal/vision for the nation. Definition and purpose of development		How is ‘development’ understood? What is the purpose of development? (What is the vision for the nation?)	‘economic development’, ‘economic growth’, ‘advanced nation’, ‘developed’, ‘catch up’	‘sovereign’, ‘independent’, ‘national pride’, ‘economic development’, ‘economic sovereignty’, ‘modernize’	‘equality’, ‘egalitarian’, ‘Indonesian values’, ‘social development’, ‘human development’, ‘egalitarian development’, ‘reduce gap’, ‘economic equality’, ‘alleviate poverty’, ‘beneficial to all’	‘economic development’, ‘economic growth’, ‘efficiency’, ‘competitiveness’, ‘comparative advantage’, ‘ranking’, ‘winning’, ‘productivity’
Socio-political context	Domestic	1. What is the role of civil society (in achieving development goals)? 2. What is the role of the private sector (in achieving development goals)?	1. ‘govern society’, ‘patience’, ‘optimism’, ‘give the government room’ 2. ‘regulate business’, ‘state-owned enterprises’, ‘cooperation’, ‘support’, ‘government-business’	1. ‘govern society’, ‘direct social forces’, ‘patience’, ‘optimism’, ‘give the government room’ 2. ‘regulate business’, ‘state-owned enterprises’, ‘cooperation’, ‘support’, ‘government-business’	1. ‘assist the poor’, ‘help the poor’, ‘redivide’, ‘helpless’, ‘social assistance’ 2. ‘regulate’, ‘restrict’, ‘redistribute’, ‘dominated’ ‘cooperatives’	1. ‘productive’, ‘human resources’, ‘individual initiative’, ‘entrepreneur’ 2. ‘efficient’, ‘competition’, ‘private sector financing development’
	Inter-national	How is the international context described/which role does it play?	‘keep up’, ‘catch up’, ‘advanced’, ‘developed’	‘colonial’, ‘unique’, ‘recognize Indonesia’, ‘showcase’	‘dependency’, ‘colonialism’, ‘colonial legacy’, ‘historical unright’, ‘chains of poverty’	‘competitive’, ‘ranking’, ‘comparative’, ‘foreign capital’, ‘attract investment’, ‘changing world’, ‘global changes’
Means to achieve development goals	Form and function of the state	What type of state bureaucracy is needed, and which form/function do state institutions take?	‘long-term planning’, ‘plan’, ‘expert’, ‘state capacity’, ‘capable’, ‘rational’, ‘economic discipline’	‘long-term planning’, ‘plan’, ‘expert’, ‘state capacity’, ‘capable’, ‘rational’, ‘economic discipline’	‘redistribute’, ‘assist the poor’, ‘society > state’, ‘assistance’, ‘developed underdeveloped areas’	‘small state’, ‘efficient’, ‘facilitate’, ‘reduce debt’, ‘fiscal sustainability’
	Policies	Which specific policies are deemed appropriate or necessary for achieving development goals?	‘infrastructure’, ‘target industries’, ‘industrial development’, ‘pricing policy’, ‘technological advancement’, ‘production-oriented’, ‘strict investment policy’, ‘restricted finance’	‘technological advancement’, ‘target’, ‘subsidize’, ‘target industries’, ‘support national sectors’, ‘energy/food security’, ‘restricted finance’, ‘monetary policy’	‘redistribute’, ‘restrict capital’, ‘control markets’, ‘assist the poor’, ‘just’, ‘equal’, ‘provide with land’, ‘redistribute assets’, ‘assistance’, ‘help’, ‘indigenous people’	‘deregulation’, ‘reduce regulation’, ‘privatize’, ‘remove barriers’, ‘reduce government debt’, ‘foreign investment/capital’, ‘private investment/capital’, ‘cut red tape’, ‘simplify procedures’
Sources of legitimation		With reference to which values and concepts are the goals (and means) legitimized?	‘revolution’, ‘Pancasila’, ‘independence’, ‘independence promise’, ‘(economic) independence’, ‘catch up’, ‘advance’	‘sovereignty’, ‘national pride’, ‘Pancasila’, ‘Constitution’, ‘(economic) independence’	‘social justice’, ‘egalitarian’, ‘equality’, ‘revolution’, ‘Pancasila’, ‘Constitution’, ‘historic right’, ‘independence promise’	‘market’, ‘international competitiveness’, ‘comparative advantage’, ‘freedom’

Table 3 Analytical framework

do the same for Jokowi's logic based on my observations about each of the other four components.

Guided by the framework presented in Table 3, I analyze the selection of sixteen texts presented in section 5.1. In my reading of the speeches, I look for the (and similar) words listed in Table 3, as well as slightly broader for formulations and sentences that correspond to the descriptions of the logics I have given in chapter 4. I present my main findings below, and provide examples of the occurrence of key words and concepts. In the first phase of the analysis, I present the results in accordance with the four discursive logics identified, rather than by component. The purpose of this is not only to show how each of the logics is present in the material, but also to start exploring how they have different functions in Jokowi's logic, by identifying for which of the components each of the logics is mostly used. I will also comment on the occurrence of the logics in different texts and sections of texts, arguing that some topics and contexts are dominated by the voice of for example economic liberalism, whereas in other types of settings, the voice of statist-nationalism is stronger. Section 5.3 below thus seeks to answer the first two subquestions: on which elements and components of the logics from the developmental state and the Indonesian debate does Jokowi's logic draw? This corresponds to asking *whether* the different discursive logics appear. In this first step of the analysis, I also discuss *when* and *how* these logics appear: when is which discursive logic 'activated' or drawn on, and why?

These first observations are then further elaborated on in the second step of the analysis (section 5.4), where I identify Jokowi's discursive logic of economic development by combining my observations and examining a few examples of the different logics interacting and functioning together. Through that, I aim to answer the third subquestion, namely: how is, through the combination of these – often apparently contradictory – discursive logics, a new logic constructed? Following from these two steps of analysis, I thus arrive at a description of Jokowi's discursive logic of economic development in 5.5, answering the main research question posed in this thesis.

5.3 Step 1: Tracing four discursive logics

In the first step of my analysis, I investigate the empirical material for traces of four different discursive logics, as they have been introduced in chapter 4. I discuss below for each of the logics whether, when and how they are present in the material, and by referring to concrete examples from the empirical material, I show how they function in Jokowi's talks.

Developmental state logic: an international influence on the Indonesian case? The first discursive logic that I have tried to identify in the material is that of the developmental state. This logic stands somewhat apart from the other three that I examine below, in the sense that it is more external to the Indonesian context. Throughout my review in chapter 4, and later in the actual analysis of my empirical material, it became clear that in fact, the logic constructed in the developmental state debate and one of the logics in the Indonesian debate, namely statist-nationalism, operate in very similar ways. This is also reflected in the models that I have presented in Figures 3 and 4, where for some of the components, these two logics give very similar answers. Following from that, my analytical framework in Table 3 contains many of the same words for the developmental state and statist-nationalist logic, and therefore, many of the examples that I have found in the texts, can be ascribed to either of these. This is in itself an interesting observation, and it suggests that nationalist thinkers in Indonesia may have drawn inspiration from the developmental state debate, or at least use many of the same arguments and claims to arrive at a similar conclusion: for the state to intervene in the economy to achieve economic development goals. Some of the components though, are filled with meaning differently by each of these logics: first, in terms of the international sociopolitical context, developmental state logic draws on concepts of ‘catching up’ and becoming ‘more like the advanced world’, whereas statist-nationalism argues that Indonesia is a unique case and is not so much comparable to other countries. Second, when it comes to policies, the two logics again suggest similar courses of action, but the focus on infrastructure development is more particular for the developmental state. Third and last, developmental state logic draws on multiple types of legitimation strategies and contains elements of those used by the other Indonesian logics, such as the reference to revolution (also used by populism) and to catching up with or comparing oneself with other countries (similar to liberalism’s reference to ‘comparative advantage’). For the presentation of my results here, I focus on these components where developmental-statism follows a logic that is distinct from that of statist-nationalism, while many of the observations in this section and the next apply to some extent to both of them.

My reading of the texts for occurrence of developmental state logic suggests that it is very present in the material. References to elements connected to this logic are made in the majority of the texts (except 1, 7, 8, 11 and 12) and are especially frequent in the longer yearly speeches (2, 3, 9, 10, 15 and 16) and the texts dealing with development policy (4 and 6). Many of the examples that contain developmental state concepts and words are those related to the means to achieve

development goals, i.e. the form/function of the state and specific policies. The former is discussed further in the next section as it is very similar to statist-nationalism; in terms of policies, though, many references are made to words and concepts specifically connected to developmental state logic. The most striking observation is the prominence of infrastructure development as a suggested policy: it recurs in all yearly speeches and several of the other texts. It is often used directly in combination with other components of the logic, for example in the 2015 budget presentation:

Moreover, it [increased fiscal space] will also be achieved through an increase of productive expenditures that are focused on infrastructure development and food as well as energy security in order to enhance the competitiveness and capacity of the national economy.

(Text 16: lines 125-8)

The reasoning followed here is a classic example of developmental state logic at work: infrastructure development (and policies for food and energy security) is presented as the means to reach the goal of a strong national economy. At many other instances, infrastructure development is suggested as a, or even ‘the’ way to arrive at increased development (e.g. 2:177-9; 9:121-4) without further justification or explanation for why this would be the case: it seems that the connection between the two is generally accepted and not seriously challenged.

In terms of the other components, the legitimization strategies connected to developmental state logic are found at various points in the texts, especially those drawing on historical values and references (revolution, independence and ideology) and those associated with economic nationalism. As suggested above, the legitimization strategies are a combination of those drawn upon in the three Indonesian logics, and I will thus here refrain from analyzing them here.

Summing up then, elements of developmental state logic are very present in Jokowi’s talks, especially those related to the means to achieve development goals and the various sources of legitimization. The texts that contain most elements of this logic are those dealing with the ‘bigger picture’ of the nation’s development efforts (i.e. the yearly speeches), as well as those concerning programs specifically aimed at (regional) development. Especially the frequent and uncontested use of infrastructure development as a policy suggestion is interesting, and may point at the way internationally debated and ‘proven’ policies have become accepted in the Indonesian context without being seriously problematized.

Statist-nationalist logic: legitimizing the government's policy direction. As suggested above, there are many similarities between the developmental state and statist-nationalist logics, and therefore, some of what has been observed above is also applicable to statist-nationalism. I focus here on some of the elements that are more specific to *this* logic, in an attempt to further distinguish between the ways these two logics operate. As compared to developmental state logic, statist-nationalism has a more explicit and exclusive focus on achieving economic independence, and associated with that, a more narrow set of legitimation strategies. This is also reflected in that it perceives Indonesia as a unique case that is not immediately comparable to other countries.

Statist-nationalist logic is used very frequently in the speeches, especially in the yearly speeches and texts explicitly dealing with development projects. This suggests that nationalist policies and legitimation strategies function particularly well in contexts where the future of the nation is discussed, and where concrete suggestions need to be given for policies that will achieve the nation's development goals. An important element of statist-nationalist logic is its perception of the state as particularly capable and best suited to coordinate society, which in turn is perceived as weak. Civil society needs to be organized by the state towards development, and the private sector similarly needs guidance from the state in the right direction, as it has proven not to be capable of achieving development goals independently. This combination of a strong state and a weak civil society is very well illustrated by the following passage from the 2016 independence day speech:

As part of the de-regulation measure, the Government has also synchronized a number of regional regulations on trade and investment. (...) In response to a number of *misconceptions* on the annulment of a number of regional laws, let me reiterate two things. First, synchronization of regional regulations *is done for the national interest*, which also include[s] the interests of the regions (...)

(10:300-6, my italics)

What is particularly interesting about this example, is that Jokowi frames political opposition to certain government regulations as 'misconceptions', and explains that in fact, they are in the interest of the nation. He provides no further argumentation for why these regulations are needed or desirable, but simply suggests that the government is best able to judge what is good for its people – and in this case, the regional governments. There are several other examples of such reference to the superior capabilities of the government, such as in the 2015 independence day speech where Jokowi explains that sometimes, he needs to make unpopular decisions for the benefit of his people:

I understand, the policies that I embraced in the commencement of administration were unpopular, *making it sound as if the Government were not siding with the people*. Nevertheless, *my political morale* said that I had to act and put an end to incorrect practices (...) subsidy was going down the drain (...) that astronomical amount of money could have been used to build schools, hospitals, improve people's prosperity through productive economic programs and social protection, as well as build more infrastructures. (...) The Government realizes that the policy of converting fuel subsidy will temporarily cause us a considerable discomfort. However, in the long run, *this policy, which is like a bitter pill to swallow, will in turn pay off*.
(15:193-218, my italics)

Here, a similar dynamic is at work, when Jokowi suggests that his 'political morale' and the government's ability to judge what is best for the nation, are superior to the ability of the people to understand what they need – hence, it sounded 'as if the Government were not siding with the people', but in fact, it was.

Staying at the level of the domestic context, nationalist logic is also associated with a particular conception of the role of the private sector and, importantly, state-owned enterprises (SOEs) in achieving development goals. One interesting example of this is the frequent mention of the development of so-called 'Special Economic Zones', through which the government takes an active role in achieving economic development goals. Similarly, he suggests that SOEs should, guided by the government, play an important part:

I would like to *encourage* state-owned enterprises *to take a bigger role as a locomotive of the national economy*. (...) We also hope that our state-owned enterprises to be great not at home only but also dare to expand to other countries *in order to develop our national economic strength*. Therefore, six months ago, *I requested a clear road map* to make our state-owned enterprises strong, agile, and dare to *compete in this era of competition*.
(14:5-16, my italics)

Several things are interesting about this passage: first, the direct suggestion is made for SOEs to 'take a bigger role' and contribute towards the national economy, in line with the nationalist understanding of development as the achievement of economic sovereignty. Second, it is suggested that the government, and the president more specifically, has influence on what these SOEs do (he 'encourages' them to take a certain role) and how they do it (he 'requested a clear road map'). Third, as becomes apparent from the last phrase ('dare to compete in this era of competition') as well as from the suggestion later in the same text that the SOEs "will have strong competitiveness in the global competition, particularly in the ASEAN economic community" (14: 27-8), the strong

role for SOEs is integrated into a more liberalist type of reference to international competition. These observations together suggest that both the large role played by SOEs and the government's involvement in their strategy are accepted without further justification, and they can easily fit into the story about an increasingly competitive international environment (see liberalism below).

A last instance that shows a connection between a policy suggestion and its legitimation through nationalist logic is worth looking at:

In order to encourage the strengthening of national economy through fundamental transformation, the Government makes it mandatory to use rupiah as the only means of transaction at home country. This measure is also intended to show that we are a sovereign state.

(15:292-5, my italics)

It hardly becomes more explicit than this: Jokowi suggests here that the goal of 'strengthening the national economy' requires action in the form of strict finance policies. In fact, this legitimation strategy of referring to the (economic) sovereignty and independence of the Indonesian state is widely used in almost all texts, especially the yearly addresses, and even more so in later years. In the example given here, though, the reasoning goes one step further: not only is policy aimed at achieving economic sovereignty, but it also has an important signaling effect to the outside world: it is 'intended to show that we are a sovereign state'. This instance further supports my claim that the economic nationalist argument is widely used and accepted: being a sovereign state is so important that it can be used directly as a stated goal for a particular finance policy.

In summary, elements of statist-nationalist logic are very prominent in Jokowi's speeches, especially in the yearly addresses and those speeches reflecting on the future path of development and the future of the Indonesian nation. Almost all components of this logic are found in the material: its definition of development and its vision for the nation; the way it perceives the domestic context; the form/function of the state and specific policies suggested to reach the development goals; and several of its legitimation strategies. Perhaps the only component not so visible is the way that this logic views the international context; in turn, that can be explained by its nationalistic focus and its conviction of Indonesian uniqueness: that makes reference to the outside world perhaps less relevant. The most salient observation concerning nationalist logic is the high frequency with which economic nationalist arguments are used to legitimize the broader direction of the government's policies.

Economic populist logic: the poor's right to be assisted by the state. I have earlier summarized economic populist logic's claim about the role for the government in economic development as 'state intervention to redistribute wealth and assist the economically weak'. The role of this logic in Jokowi's talks is especially interesting considering his reputation in some circles as a (pragmatic) populist combined with the traditionally more oppositional position of populist logic in the Indonesian debate (as discussed in chapter 3). What my reading of the sixteen texts shows is that in fact, a lot of elements from populist logic are traceable in Jokowi's talks today, and they are surprisingly easily integrated with for example elements of nationalist logic. There is an abundance of populist examples to be found in almost all of the texts, but two observations are specifically interesting: (1) their frequency increases over time, with the 2017 yearly addresses containing a lot of instances; (2) texts 7 on agrarian reform and 8 on economic equalization policy contain almost exclusively populist arguments and references. In terms of the various components then, similarly to nationalism above, populist logic is relatively most activated when discussing the goal of development and the domestic context, as well as it being used often as a source of legitimation. In terms of the means to achieve development goals, populist logic is a bit more absent: though some examples are found of policy suggestions – especially in those texts 7 and 8 –, there is hardly any reference to the form and function of the state, or the more concrete ways in which the government should intervene to achieve the stated goals of social justice and poverty reduction.

As suggested, populist logic is widely used in describing the goal of development as the achievement of social justice and equal distribution of wealth. These goals are often stated explicitly, and they seem naturalized and accepted: there is no doubt that 'social justice' and 'economic equality' are desirable future conditions. Closely connected to these stated goals is the also taken-for-granted assumption that 'the poor', or 'the disadvantaged' are rather helpless and have the right to be assisted by the state:

Those programs are social safety nets that have been specially designed to help our disadvantage[d] brothers and sisters remain resilient and tall when there is economic turbulence.

(15:233-5)

The use of such words as 'disadvantaged' and 'help' clearly illustrate that the assumption is that these people have no particular control over their own fate: they were unlucky and need to be assisted by the state. The material contains many other examples of this combination of the goal of

social justice and the role for the state in achieving it. A particularly explicit example of such logic is found in the earlier mentioned text on economic equalization policy:

Land is a very important asset for the underprivileged people. Therefore, we should provide the underprivileged people, small farmers or farm workers who do not own land with access to land ownership, so that the economic scale to develop their income can be realized. We need to do so *because I have the data which shows that land ownership is dominated by certain groups or corporations.*

(8:19-25, my italics)

What is particularly interesting about this argument, which draws on the populist idea of redistribution of assets to benefit the poor, is that such policy is not further justified or defended in the context of this speech: it is established in the lines above that economic equality needs to be realized, and from that follows that the poor need to have access to land. No words are devoted to the rights or demands of those groups or corporations who previously owned this land; in fact, they are further criticized in the same passage, for not paying their fair amount of taxes (8:25-8).

When it comes to agrarian reform, and economic equalization policy, Jokowi employs an almost exclusively populist logic, and appeals to the people's sense of justice and the ideal of an egalitarian Indonesia. A final comment at this point: while in populist logic, inequality and poverty are constructed as the consequences of a failing system (international capitalism) and the past and continued oppression of Indonesia by colonial and Western countries, I do not find reference to such arguments in the empirical material.

Summing up, then, elements of populist logic are prominent in Jokowi's speeches, especially in the later material from 2017, and in those texts that directly concern policies for the poor and rural areas. Almost all components of this logic are found in the material, but especially frequent are reference to its definition of the purpose of development as social justice and equality; its perception of (parts of) society as poor and helpless; and its use of Pancasila and Indonesian values as legitimation strategies (further discussed in 5.4). Not so visible, a single example aside, is a populist view on the form and function of the state. Also not present in the material is the perception of the international context as particularly repressing, or as the real source of Indonesia's problems: actually, there are multiple examples of Jokowi stating the opposite and rejecting colonial past and structural geopolitical conditions as acceptable explanations for continued underdevelopment at home.

Economic liberalist logic: investing in Indonesian human resources. Based on the discussion of the Indonesian debate and the background on Jokowi's presidency provided in 3.3, economic liberalist logic would perhaps be expected to be least dominant in his talks. My reading of the texts for traces of liberalist logic shows that in fact, it is almost equally much drawn upon, yet in very different ways and at different times than the logics discussed so far. Economic liberalist logic is present to some extent in most texts, with the exception of 4 on regional development, 5 on Pancasila holiday and 7 on agrarian reform. There are, however, also three texts in the collection that exclusively contain examples of liberalist logic: 1 on vocational education, 11 on economic policy packages, and 12 on ease of doing business. This is no coincidence: my reading of all texts and categorization of examples based on topic shows that liberalist logic is mostly used in relation to investment policy, state budget, and – interestingly – education. In terms of components, liberalist logic is most activated when it comes to the domestic context, the international context, the form/function of the state and specific policies. Much less frequent are examples of this logic in relation to the purpose of development and the legitimation of government action. This is a major difference between the position and function of liberalist versus other logics in the material.

As mentioned, elements of liberalist logic are relatively often referred to in relation to the domestic sociopolitical context. Its perception of civil society as a pool of resources and the source of economic initiative and productivity frequently occurs in Jokowi's talks, especially when he speaks about education:

Still in the effort to increase the quality of human resources, the Government consistently intervenes to reduce the impact of chronic malnutrition (...) We must be mindful that the first thousand days of life will greatly affect a child's growth, in relation to the child's emotional, social and physical abilities, and *readiness to learn, innovate and compete*. This programme will be highly crucial to *improving the quality of Indonesian children* in the future, as our *investment in the Indonesian human resources*.

(2:349-55, my italics)

The commitment to liberalist logic in this fragment is unambiguous and convincing: Jokowi suggests that education policy (mentioned in the paragraph just before the one cited here) and nutrition policy are aimed at 'improving the quality' of children and considered an investment in human resources. While 'emotional, social and physical abilities' are also mentioned as benefiting from these policies, it is clear that the children's wellbeing or health is rather secondary to the real

reason for doing this: to produce high-quality employable human resources. Another instance where this logic applies is found in the 2016 independence day speech:

With sufficient supply of power, *small enterprises and home industries are expected to run smoothly* and *children are hoped to be able to study in the night without a hitch*.

(10:158-60, my italics)

Again, the underlying motivation for reaching the electrification targets (the topic of this paragraph) is not for people to enjoy luxury, store food in their fridges, read novels at night or the like: it is for them to work and study. As Jokowi formulates it later in that speech, the goal of development policy is to “develop qualified, productive and competitive Indonesian people” (10, 246-53). It was suggested above that many of these examples occur in the context of discussing education policy; in fact, in text 1 on vocational education, liberalism is the only logic at work. Besides investment policy, which is more obviously receptive to liberalist-type of arguments, education policy thus also seems to have been ‘claimed’ by liberalist logic.

Reference to the international context, rather absent in my observations so far, occurs a few times using elements from economic liberalist logic: its competitive nature and the need to score high on international rankings is used as a way to explain the context for the government’s actions:

The relatively small deficit figure *compared* to that of other G20 and emerging countries; and the *relatively* higher Indonesian economic growth (...)

(2:234-5)

This example contains several elements of liberalist logic, making the comparison between Indonesia and other countries, and containing the underlying assumption that debt should be low and economic growth high. It clearly testifies of liberalist assumptions about how the government should run its budget (small) and with what aims (growth).

Summing up, elements of liberalist logic are present in Jokowi’s speeches, especially in those texts and sections where he speaks about investment policy, budget management and education policy. Different components of this logic are found in the material, but especially frequent are economic liberalist construction of civil society as productive human resources; its notion of a competitive international environment that demands certain types of action from the government; and its specific implications in terms of investment policy.

5.4 Step 2: A new discursive logic?

I established above that in the sixteen texts subject to analysis, elements of each of the four discursive logics are traceable, and argued that each of them functions in different ways and related to different components. In this second step, I proceed by analyzing a few instances where several or all logics are activated at the same time, and combined into a ‘new’ logic. The purpose of this second step in the analysis is to build further on observations done in 5.3 regarding when and how each of the logics is ‘activated’ or drawn on, and seek to establish how they interact and function together to form a new logic. As such, the results of this second step should lead me to being able to answer my research question regarding the construction of a discursive logic by the current president. While I am not able to construct a full and final account of his logic based on the limited material that I have examined, analyzing some examples systematically will help identify some of its key characteristics. In the process, I have looked at and examined more examples than those presented in the results here in order to validate and check my findings: due to limited space, I present below only a few of them as illustrative for the larger set of texts. I use these examples to illustrate how Jokowi makes connections between elements of apparently contradictory or conflicting logics, and how he combines elements of the various logics into a new discursive logic. The results are presented below in accordance with the components of the model that I have used to map each of the discursive logics, in order to arrive at a similar model that maps Jokowi’s logic, as summarized in section 5.5 below. I thus discuss each of the components of the model here: together, they add up to the formulation of Jokowi’s suggested solution – or his claim for a particular role for the government in economic development.

Goal/vision for the nation, definition and purpose of development. The vision of the Indonesian nation as constructed by Jokowi in the material is characterized primarily by elements from statist-nationalist and economic populist logic. The combination of these is very well illustrated by the following passage from the final lines of the 2018 budget presentation, where Jokowi suggests that the government aims:

(...) to realize the Unitary State of the Republic of Indonesia that is *self-sufficient, sovereign and distinct in personality*; as well as *just and prosperous for the entire people of Indonesia*.

(2:470-2, my italics)

The mention of this vision for Indonesia, centered on economic sovereignty, national identity and social justice, is no coincidence, nor is it a unique occurrence: similar formulations are found in the beginning of the same text (38-9), as well as in the beginning and end of the 2016 budget presentation (9:35-7 and 286-8). The frequent reference to the desired future state of the Indonesian nation as well as the consistency in it – he continuously refers to the strengthening of the national economy and identity and social justice as his vision for Indonesia and the goal of government action – show that this is a core and relatively stable element of Jokowi's logic of economic development. In particular, the achievement of economic sovereignty appears to be the main objective. At the same time, I observe that 'development' is mostly understood as economic development, and there is a clear commitment to economic growth. In the president's logic, economic growth will lead to development; and egalitarian economic growth will lead to egalitarian development. As discussed further below, it follows from this that the government first and foremost should ensure equitable economic growth and contribution from all regions, sectors, and segments of society, rather than redistributing wealth.

Sociopolitical context: domestic and international. Jokowi's account of the sociopolitical context is much in accordance with developmental state and statist-nationalist logic, while also containing many elements of economic liberalist logic. In terms of the domestic context, both civil society and the private sector are constructed as rather weak and dependent on the state for direction and guidance. People are or are turned into productive human resources that contribute to the goals of economic growth and development. Government action aimed at improving the livelihood of the people is formulated first and foremost as investment in Indonesian human resources. This perception of people as productive resources is further illustrated by Jokowi's vision on education policy as discussed below. The private sector as well as SOEs are important actors for achieving development goals, but they should be assisted by the state in order for them to contribute in a productive way. The private sector is thus clearly directed (cf. nationalist/developmental state logic), while at the same time it should also be facilitated and given easy access (cf. liberalist logic). In some rare cases, it is suggested that its wealth needs to be redistributed (cf. populist logic), but this seems to be mostly restricted to the distribution of land ownership in rural areas. The balance between giving room to and 'empowering' the private sector while at the same time steering its direction to some extent is illustrated in the following passage from the 2017 budget presentation:

In general, the 2017 budget financing policy will be directed towards developing and optimizing creative and innovative financing as well as increasing financing access to Micro, Small and Medium Enterprises, opening a wider access to financing the development and to investment (...) In addition, the involvement of the private sector in financing the development will be enhanced through a scheme of cooperation between the government and business entities.

(9:263-71)

It becomes clear from this and other passages (e.g. 11:27-8 and 16:273-6) that the private sector is considered an important source of capital that can help achieve development goals by investing in government-initiated projects, primarily those directed at infrastructure development. For this reason, investment from both domestic and foreign sources is encouraged and should be facilitated, but also selected carefully (16:281-2) and supported by the government (10:191-3).

In terms of the international context, Jokowi refers to it mostly as a competitive arena in which the Indonesian national economy needs to compete, guided by the state. This construction of the international sociopolitical context is built up of a combination of different logics, in that it contains the competitive and comparative aspects of liberalist logic as well as the nationalist/developmental state perspective on the importance of strengthening the national economy through state intervention:

In the era of global competition, physical infrastructure development alone is not enough to overcome the issues of poverty, unemployment, social disparity, and inequality. This is coupled with the advent of the ASEAN Economic Community (AEC) signaling that the competition in Southeast Asia is becoming increasingly fierce. To be able to compete in the global competition, Indonesia has to accelerate social infrastructural development namely productive capacity and human resources. Therefore, Indonesia not only becomes a spectator in the global economy race, but also takes an active part in the race and eventually comes out winner.

(10:206-14)

The connection is made here between the need for Indonesia to be a competitive player in the 'global economy race' and the state's role in making winning that race possible: 'Indonesia has to accelerate infrastructural development'. Furthermore, competing in this international arena is not so much a matter of national pride, but rather, it is necessary in order for the country to be able to overcome such issues as poverty and inequality. By combining these elements together in one chain of arguments, Jokowi establishes here a connection between a liberalist perspective on global competition and a nationalist/developmental state perspective on state intervention and economic

nationalism, and in fact, a populist perspective on the resolving of poverty and social inequality as the goal of government action.

Means to achieve the stated development goals: form/function of the state and suggested policies.

In order to achieve the states goals of economic sovereignty and social justice, what is needed according to Jokowi is a state that is both strong and efficient, and intervenes quite heavily in the economy, while at the same time leaving some room for private capital. The form and function of the state is thus constructed through reference to a combination of elements from nationalist/developmental state and liberalist logic. As was briefly suggested above, the state's responsibility is, in Jokowi's logic, to ensure equitable economic growth throughout the country, as this will lead to equitable development; its task is not so much to redistribute wealth, but rather to ensure equal participation and contribution from everyone and everywhere. While this view on the state's form and function is rather consistent, there is much more divergence in terms of the suggested policy direction. Jokowi seems to draw on different logics to justify different types of policies depending on the sector: for agrarian reform and regional or rural policy, he argues for redistribution (cf. populist logic). For development policy, the main logic at work is that of nationalism/developmental state: considerable state intervention in order to achieve economic growth. For investment and education policy, liberalist logic comes into the picture: the suggested direction is deregulation, increased competition, and policies are aimed at increasing the productive capacity and competitiveness of the Indonesian people. Rather than writing this off as a random combination of policies lacking a coherent overall strategy, I would argue that the variety of policy suggestions shows the specificity and applicability of different logics to various sectors and types of policies. Agrarian and rural and regional policy are for example obviously connected to poorer and underdeveloped segments of society; therefore, reference to policies in line with economic populist logic is easily made. Policies directly and explicitly aimed at development fit well with statist-nationalist logic and its focus on economic growth. And similarly, investment and education policy are guided by a more liberalist logic, which allows for the state to take less responsibility for investing own funds, and to place the focus of education policy on productivity and performance, rather than personal or societal development. As such, each of these policies function in their own way to support the claim for a strong and efficient government, that invests in those segments of the society and the economy that it expects to contribute to achieving development goals, while only

redistributing wealth in those cases where not doing so would hinder economic growth and productive development.

A further finding in terms of policies is the heavy focus on infrastructure development as a means to achieve development goals, as discussed in 5.3 above. What is interesting in addition to the observations made there, is that for example education and social policy are also included in this argument:

The development of human resources and social infrastructures should be in line with the accelerated development of infrastructure. To make our children able to study well, the development of educational facilities will continuously be improved.

(3:312-4)

As becomes clear from this example, investment in education and social infrastructures is part of the ‘accelerated development of infrastructure’ as a whole, and thus contributes further to increased economic development. This is another example of the coupling of different logics into one argument: people are referred to in terms of their productive capacity and competitiveness (cf. liberalist logic) and should be turned to productive use for the state to achieve its development goals (cf. nationalist/developmental state logic).

The overall picture is that of a strong and efficient state that intervenes rather heavily in the economy in order to achieve development goals, while leaving some room to the private sector to invest capital.

Sources of legitimization. The final and perhaps most interesting component of Jokowi’s discursive logic that I have considered as part of my analysis concerns the construction of legitimacy for his vision for the nation and definition of development, as well as for certain policies. In the empirical material, I found reference to multiple concepts and key words connected to several of the discursive logics, but specifically, much and increasing legitimization is drawn from the state ideology Pancasila, as well as elements connected to economic nationalism. The yearly speeches of 2017, as compared to those of 2016 and 2015, are a striking example of the growing reference to state ideology, as illustrated by the following passage from the 2017 independence day speech:

There will be no obstacles for us to draw a strict line because we hold on to Pancasila, the 1945 Constitution, the Unitary State of the Republic of Indonesia, and Bhinneka Tunggal Ika [‘Unity in Diversity’, national

motto]. We dare to take firm actions because we have Pancasila as our national principle, as the ideology for the nation and our souls. Pancasila is a unifying force for all of us that we must internalize, that we must practice, and must become our working ideology in the life of our nation and our country. Therefore, the Government has taken an initiative to set up a Presidential Working Unit for the Fostering of the State Ideology of Pancasila (UKP-PIP) that is mandated to inculcate Pancasila ideology into all elements of the people, including the young generations, the successor[s] of this nation.

(3:141-51)

This explicit and unconditional commitment to the state ideology as the guiding principle for government (and people's) action follows a passage where Jokowi discusses some of the most pressing challenges the country is facing today, including threats to Indonesian sovereignty, unproductive use of subsidy money, and threats from infiltration of "ideologies such as extremism, radicalism, and terrorism that harm the pillars of our countr[y]" (3:138-9). To all of this, there is one simple solution: adherence and commitment to Pancasila. At later points in the same speech, this argument is further strengthened by referring to Indonesia as 'the land of Pancasila' (3:232-3 and 492). The 2018 budget presentation (Text 2) also contains multiple references to Pancasila, while in the 2016 yearly speeches (Text 9 and 10) it is only mentioned once in each text, and in 2015 there is only one reference in the independence day speech (Text 15) and none in the budget presentation (Text 16). The observation that Pancasila plays an important role, especially in the later speeches, is further strengthened by Jokowi's decision by presidential decree to designate a special national holiday to the commemoration of the state ideology (Keputusan Presiden Republik Indonesia, 2016; see also Text 5). State ideology as a source of legitimation for government action occurs in both developmental state, nationalist and populist logic, and therefore, it should perhaps be no surprise that in Jokowi's logic, which combines many elements of these, it plays a prominent role. What is interesting though, is how reference to Pancasila is largely absent in the material from the early months and years of Jokowi's presidency, and then gains much prominence in the final year. This development might be explained in several ways, relating it to for example growing religious tensions, which call for a unifying set of values for the people to rally around across religious beliefs; or the need for Jokowi to showcase his commitment to historical and nationalist values as he attempts to reform some policy areas in both more liberal and more populist directions (discussed further chapter in 6).

As briefly mentioned earlier, besides state ideology, other elements connected to economic nationalism and social justice also play an important role as sources of legitimation for the vision

for the nation as well as government action. More specifically, I find much reference to the achievement of economic independence, autonomous industries and for example food sovereignty as a way to legitimize interventionist policies (e.g. 3:130, 3:415-20, and 15:292-4); and to the achievement of social justice as a way to legitimize redistributive policies (e.g. 8:12-5 and 10:50-1).

5.5 Jokowi's logic of economic development

Summing up the results of my analysis, **Figure 7** below describes the discursive logic of economic development that Jokowi constructs in the texts analyzed. Adding up each of the components as discussed above, I conclude that the role Jokowi suggests for the government is for it to be strong and efficient, and to selectively intervene in the economy to ensure economic sovereignty. Government policy is clearly and explicitly aimed at achieving economic independence and strengthening the national economy, and for that to be achieved, the government should play a rather dominant and steering role in the economy. The government ensures equal, productive participation in economic development from all sectors, regions and segments of society: people are seen as productive resources, and the success of regions is evaluated on the basis of their economic performance. While it intervenes quite heavily in the domestic economy, the government also seeks to uphold an attractive investment climate for the (international) private sector.

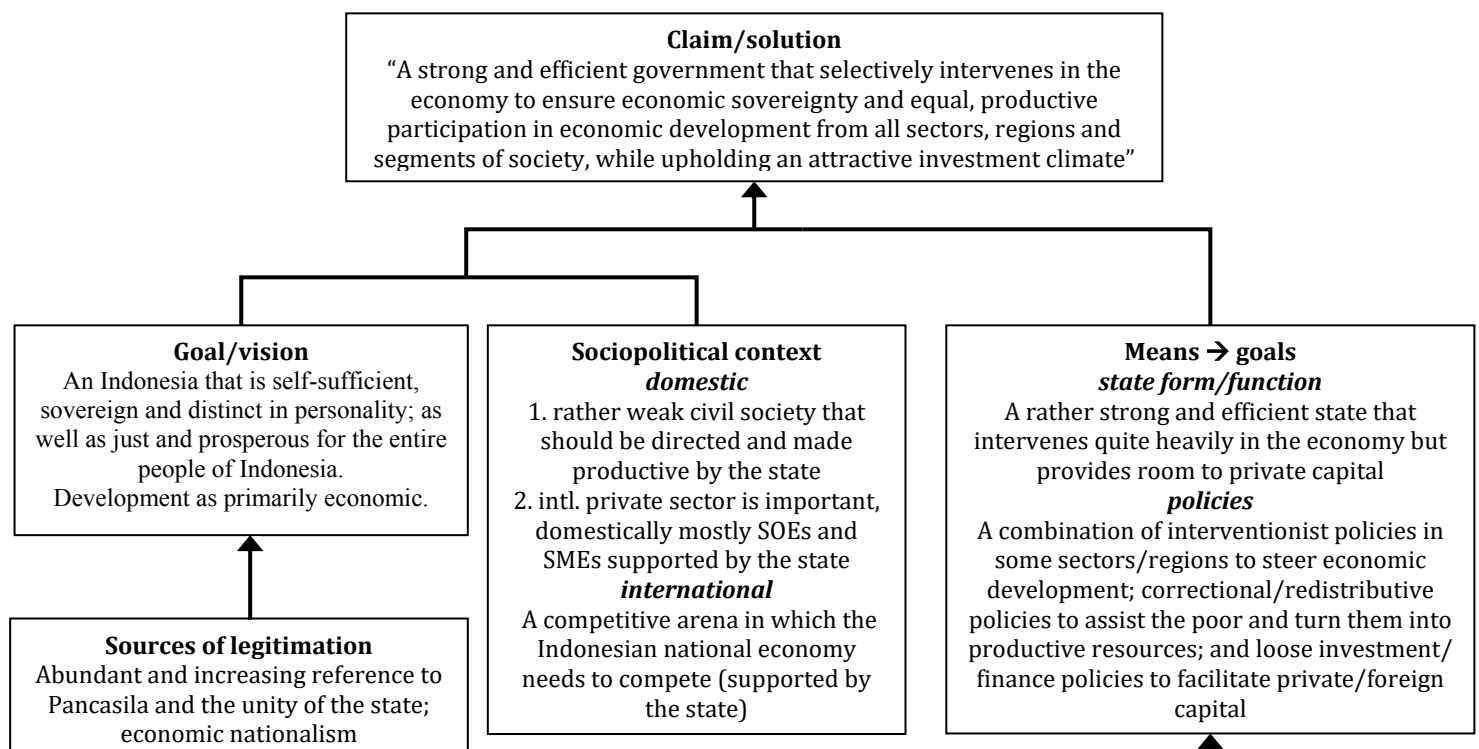


Figure 7 Jokowi's logic of economic development

The discursive logic as described here is based on my interpretation of the empirical material that I have analyzed. It should be noted here that my analysis was built around the assumption that I would find traces of four already existing logics, and that it is in that sense biased and predisposed, and not the only possible representation of Jokowi's discursive logic of economic development. I might have missed elements that are important to his story, or exaggerated others because of the way I approached the empirical material: with an analytical strategy that sought to trace elements of a fixed selection of discursive logics that I delineated in advance. The aim of my analysis was to analyze Jokowi's logic in light of these other discursive logics: it is from this perspective that my conclusions should be understood. I further discuss the implications and limitations of my research in the following chapter.

6. Discussion and conclusions

“A critique is not a matter of saying that things are not right as they are. It is a matter of pointing out on what kinds of assumptions, what kinds of familiar, unchallenged, unconsidered modes of thought the practices that we accept rest.”

Michel Foucault as quoted in Kriztman (1988), p. 155

This thesis set out to analyze current Indonesian president Jokowi’s discursive logic of the role of the government in economic development, from the assumption that through such an exercise, it is possible to uncover how particular representations of reality make certain types of actions relevant and others unthinkable. In this final chapter, I seek to summarize the work done in this thesis and present my conclusions and their implications (6.1), discuss reflections and limitations (6.2) and provide some perspectives on the case of Indonesian economic development (6.3).

6.1 Conclusions

First, let me return to the research questions introduced at the beginning of this work, namely:

How does Indonesian president Joko Widodo construct a discursive logic of the role of the government in economic development?

- 1. Which components of this logic are traceable to the developmental state debate on the role of the government in economic development?*
- 2. Which components of this logic are traceable to the Indonesian political economic debate on the role of the government in economic development?*
- 3. How are the various components combined into a new discursive logic of economic development?*

Guided by these questions, I started out by establishing the theoretical and methodological foundations underlying my research and presented a multiperspectival, interdisciplinary approach combining different discourse analytical and non-discourse analytical perspectives. Using concepts and tools from CDA, Laclau and Mouffe’s discourse theory and CPE, I arrived at a model for mapping discursive logics of economic development, which formed the basis for much of the work done in the rest of the thesis. Providing the basis for answering the first two sub-questions, I reviewed in chapters 3 and 4 the international debate on the developmental state and the Indonesian

political economic debate, in order to identify the discursive logics present in each of them. This exercise resulted in the delineation of four different discursive logics, which each construct in their particular ways the goals and vision for the nation, and definition and purpose of development; the sociopolitical context; the suggested means to achieve the stated development goals; the sources of legitimation for these goals (and means); and, following from these components, the appropriate role for the government in economic development. I then translated the four discursive logic models into concrete tools for analysis and conducted a study of sixteen texts by the current president. It became apparent that each of the four previously identified logics is present in the empirical material, but at different times, for different topics, and referring to different components of the model. Through analyzing a range of examples of the application of either of the logics, as well as some striking examples of the interaction between several or all of them, I gained insight into how elements and components of developmental-statist, statist-nationalist, economic populist and economic liberalist logic are combined into a new logic of economic development as constructed by the current president.

The content of this discursive logic, also represented in the model at the end of chapter 5, forms the answer to my main research question. At the core of it is a vision of the nation as ‘self-sufficient, sovereign and distinct in personality; as well as just and prosperous for the entire people of Indonesia’. This goal, characterized by an understanding of ‘development’ as primarily economic, is legitimized by reference to multiple concepts, but specifically, much and increasing legitimation is drawn from the state ideology Pancasila as well as other elements connected to economic nationalism: the importance of a strong domestic economy for achieving economic sovereignty. Both civil society and the private sector are constructed as rather weak and dependent on the state for direction and guidance: the state turns its people into productive human resources that will help achieve development goals, and both SMEs and SOEs are supported and assisted by the state in terms of what to aim for and how to get there. International businesses on the other hand, are given more freedom and mostly considered an important source of capital. The international context is considered a competitive arena in which the Indonesian economy needs to compete, supported by the state: SOEs for example should expand abroad to strengthen the national economy, and it is the role of the government to support such international activity while also protecting the domestic economy against too much internationalization. More specifically, in order to achieve the stated goals of economic sovereignty and social justice, what is needed is a strong and efficient state that intervenes quite heavily in the economy while at the same time leaving room

for private capital to invest and do its part of the job. The government's policies are a combination of interventionist policies in some sectors and regions to steer economic development, especially policies aimed at infrastructure development; correctional and redistributive policies to assist the poor and turn them into productive resources for society; and relatively loose investment and finance policies to facilitate private and foreign capital and uphold an attract investment climate. Together, these components add up to the claim for a strong and efficient government that selectively intervenes in the economy to ensure economic sovereignty and equal, productive participation in economic development from all sectors, regions and segments of society, while upholding an attractive investment climate.

As suggested above, Jokowi's story contains elements of each of the discursive logics present in the international debate on the developmental state and the Indonesian political economic debate. Elements of these logics occur at different times, for different topics, and referring to different components of the model: they do not fulfill the same function in the president's discourse. The occurrence and different workings of each of the logics leads me to a few observations. First, the occurrence of concepts and key words associated with *developmental-statism* suggests that the context that Jokowi is placed in is to some extent shaped by, or at least reflects, a similar logic of economic development in other East-Asian countries. There are clear traces of this international debate especially in terms of policy suggestions and the sources of legitimation for government policy. While my analysis here does not allow for any strong claims regarding the influence of the international debate on the current Indonesian debate, nor does it claim to have established any particular causality, what is clear is that the idea propagated by developmental state-proponents that heavy state intervention leads to economic development, has strong presence in the discourse of the current Indonesian president. Second, the frequency with which *statist-nationalist* arguments are used by Jokowi today is perhaps explained by their long history in the Indonesian debate: words and concepts connected to this logic are so common and naturalized in the Indonesian discourse that reference to them is often not problematized and needs little further explanation. In addition, it has been suggested by many researchers of present-day East Asian development that economic nationalism, while it has always been strong in the region, is again 'on the rise' (see e.g. D'Costa, 2012; Chandra, 2016). The use of interventionist policies to control the domestic economy is not restricted to Indonesia, and the use of nationalist (and developmental state) logic in Indonesian discourse should thus also be seen in a regional perspective (see also e.g. Jones 2015). Third, given Jokowi's reputation as a (pragmatic) populist as

introduced in chapter 3.3, the occurrence of elements of *economic populism* in his discourse is particularly interesting. I observed in the analysis that (1) the frequency of populist logic in Jokowi's talks increases over time; and (2) it is mostly used in connection with agrarian and rural policy. This may be a sign that (1) Jokowi is indeed, as suggested in section 3.3, more independent from political pressures now than in the early phase of his presidency and returning somewhat to his own agenda, which was initially characterized as populist; and (2) the populist logic is more easily activated when it comes to those topics obviously connected to the management of 'the poor' and rural areas, and less so for other types of policies. The latter suggests that the management of the poor is considered a separate policy objective/field and not so much an integral part of the government's strategy for national development. Fourth and last, my observations about the frequent yet selective occurrence of an *economic liberalist* logic in the president's discourse were somewhat less predictable or expected based on my review of the political economic context and debate in Indonesia. Many accounts of the current Indonesian situation point at developments in the direction of economic nationalism and populism, and based on those, the occurrence of the other logics in Jokowi's talks is understandable. His use though of concepts and key words associated with a liberalist logic is less easy to fit into the picture, and perhaps suggests that some policy areas, including state budget management, investment policy and education policy, have been more heavily influenced by international actors. What is particularly telling about the occurrence of liberalist logic in Jokowi's story, is that it seems to be restricted to only these few policy areas, and to those components of the discursive logic model that refer to concrete policies and contextual circumstances. Liberalist logic works for Jokowi in these cases, but it is of no use for visionary talk or broader legitimization of government action: so while liberalist capitalist logic actually appears to guide much of the policy direction of the current Indonesian government, Jokowi seems to attempt to fit this into a broader story about the future of his country that is inspired much more by nationalist and populist ideas.

These findings have several implications. First, the observation that each of the discursive logics identified in the developmental state and Indonesian debate continues to be relevant and actual in today's discourse, suggests that historical and contextual factors matter for what can meaningfully be said at a certain point in time. Jokowi's representation of reality and his construction of goals, circumstances and relevant means is new and different from other representations, but it combines elements of existing logics, concepts and words, and through that, he both draws on and reproduces existing structures, but also challenges them and introduces an

alternative way of fixing meaning. As such, this observation provides some empirical support for the theoretical claim of poststructuralist discourse analysis that systems of meaning are both relatively stable and open to change. Second, the observation that all logics occur in the president's discourse is an indication that he compromises and seeks to find common ground between different strands of economic thinking that previously were seen as largely irreconcilable. This could be simply because Jokowi's personal political conviction builds on a combination of different logics, but more likely, it testifies of the political context he is placed in: he is subject to both democratic pressures from society; internal pressures from his own and other political parties and political supporters; and pressures from the business sector, the military and other segments of society that continue to exert considerable influence over political decision-making in Indonesia. While my analysis does not provide any basis for identifying how each of these pressures function, which is stronger, where and how the government compromises, and so on, it does suggest that there are multiple forces and interests at play and invites for further exploration (see below). Third, the combination of multiple logics into a new story that integrates such concepts as economic nationalism, populism and liberalism suggests that rather than seeking to find evidence of the country going in either extreme direction, studies of the Indonesian case would benefit from adopting an approach taking its starting point for example in the domestic debate on the future of the country. While such analyses as the one conducted here do not establish 'what is actually happening' or where Indonesia is headed, they can help us understand which directions are politically possible or accepted, and how certain types of government roles and policies (are made to) fit with certain worldviews or representations of reality. As such, the analysis has given some insight into the political economic landscape of Indonesia.

6.2 Reflections and limitations

Having discussed the answers to my research questions as well as their implications, I proceed with a few comments about the research process and my role as the analyst; and following from that, some limitations of this study. In the process of conducting this research, I have adapted the focus of my analysis quite substantially, in response to an increased understanding of both the theoretical and empirical context. Whereas I started out with an interest in the legitimization of post-1998 institutional and policy changes through reference to democratic principles, based on the assumption that these reforms represented a very substantial change in the Indonesian political economy, much of the literature I read suggested that that assumption was perhaps an exaggeration.

Some see 1998 as the start of a linear process towards a more liberal, more democratic Indonesia, but many others suggest that in fact, the political and economic legacy from earlier years continues to shape and limit the political economic context today. It is this realization that made me shift the focus of my analysis to the narrative on economic development today against the background of the broader and historical development discourse. Connected to this is the decision to incorporate the international developmental state debate into my analysis, which was encouraged by an interest in the extent to which the Indonesian debate could be linked to the broader conversation on development and the appropriate role of the state therein. The decision to formulate my research question in the way that I did of course has had consequences for what I have chosen to and have been able to incorporate into this thesis. It means, for example, that I have devoted relatively little attention to the aspect of democratization and the suggested implications of democratic governance for the role of the government in economic development. I will elaborate further below on suggestions for further research arising from this observation.

Another consideration that I should briefly touch upon here is my role as the analyst in this project. In discourse analysis, the purpose of research “is not to get ‘behind’ the discourse, to find out what people *really* mean when they say this or that, or to discover the reality behind the discourse” (Philips & Jørgensen 2009, p.21). My aim in this project was thus not to find out whether economic development in Indonesia is a success or not, whether the government does what it says, or what Jokowi really wants to achieve with his policies; rather, I worked with what has actually been said, and explored patterns in and across these statements to try and identify a discursive logic in them. This analysis did not lead me to establish ‘the truth’ or a conclusive account of Jokowi’s logic; rather, it is my interpretation of the material, which is influenced by my position in relation to the Indonesian development discourse and other discourses, my previous experience and my normative convictions. Specifically, I approach the case from my academic background in international political economy: this has consequences for what I can observe and find in the material. Also, my being an outsider to the Indonesian context has both advantages – in the sense that I am relatively distanced from the material and more likely to problematize taken-for-granted or common understandings – and disadvantages – in the sense that I am unable to understand and evaluate the presence and role of historical or cultural nuances and specific references. Given all this, I do not claim that I have produced the truth about Jokowi’s discursive logic (also considering the limited scope of my research), but I have given a perspective. Throughout, I have clarified my analytical strategy and explained the steps that I took to arrive at

my conclusions. To allow the reader to ‘test’ the claims I have made, I gave access to the empirical material through examples in the analysis as well as the full texts in the appendix.

Besides these comments about the research process and my role of the analyst, a couple of limitations should be mentioned: firstly, and most importantly, there is the issue of translation. I have worked with texts in a translated version and have not analyzed the material in its original form: this means both that the translation may not accurately reflect the meaning conveyed in the original text, and may contain mistakes, omissions and so on; and that I may have over- or underinterpreted, or even misunderstood words and formulations that carry different meaning in the Indonesian language. While, as discussed above, distance from the material has allowed me to have an outsider perspective, I inevitably also missed important background and linguistic knowledge to be able to catch all the texts’ nuances. The choice to analyze material without access to original-language versions is grounded in the belief that, despite the obvious limitations, doing this type of research, and doing so from an outsider-perspective, is relevant and necessary, and can produce important insights for an audience both in- and outside the Indonesian context. Secondly, in terms of the selection of empirical material, I have suggested in chapter 5 that this has been partially based on practical considerations and limited availability of resources: thus, that selection was not optimal and in that sense biased. Also, I have repeatedly addressed the fact that analyzing solely speeches by the president gives *a* perspective, but does not provide enough basis to make claims about the broader present-day discourse on Indonesian development. In order to do that, a larger study is needed that includes at least oppositional voices and for example also media discourse or forms of everyday discourse. Thirdly and finally, an interesting but somewhat underdeveloped aspect in my analysis has been the integration and dynamic between developmental state logic on the one side, and the three ‘Indonesian logics’ on the other. While I have made some attempts at interpreting the parallels and overlaps between the developmental state and primarily statist-nationalist logic, the correspondence between these logics and the interactions between the international and domestic debate could probably have been a topic of exploration in itself. The way I have conducted the analysis, the Indonesian logics have had prominence and the developmental state concept has functioned as a form of extra, international input, but with somewhat limited integration into the rest of the analysis.

6.3 Perspectives

Throughout this thesis, I sought to develop more insight into the historical and cultural context for the current development debate in Indonesia, as well as into how the current president works within this context to both maintain and change particular representations of reality. I argued that studying elements of the domestic debate on development can be an important tool for analyzing, understanding and evaluating Indonesian political economic past, present and future. The results of my study give rise to several interesting observations and follow-up questions about the Indonesian case and its future perspectives.

Firstly, what is demonstrated by my analysis is the centrality of the economic to the Indonesian development discourse. While admittedly, my analysis was framed from a political economy perspective, and therefore focused on particular topics rather than others, my reading of the texts was not limited to solely economic matters. Yet already in the review of the Indonesian political economic debate early in the process, it became apparent that much of the struggle between different discursive logics is fought over the perception and construction of the economic. This raises the question why the political development discourse in Indonesia is so dominated by the economic. Other topics such as security, immigration, domestic stability, terrorism, or, interestingly, democracy, are largely absent from the president's discourse. An initial explanation for the primacy of the economic over other topics in the president's discourse may be found in the historical context: the project of economic progress and overcoming the colonial legacy by increasing welfare and economic indicators has dominated most of the Indonesian political landscape in the decades since independence. Most striking is perhaps the relative absence of democracy as an element in the president's discourse. The transition to a democratic political regime in 1998 is a major event in recent history, and one would perhaps expect it to form a much larger part of the political development discourse today: after all, such a transition could be framed as a major example of political (though not economic) development. While my reading of some foreign policy discourse (e.g. Wirajuda, 2001; Widodo, 2016) suggests that reference to Indonesia's democratic regime and the democratization process play an important role in the story that politicians tell internationally about the country's development path, this is not the case in the domestic context. Again, the primacy of the economic over other types of (political) considerations is telling, a possible explanation being that the domestic audience is much more interested and involved in economic progress and welfare indicators, than abstract notions of democratic rights and political freedom. Indonesia being a democracy, then, has an important signaling function to the

outside world, and obviously grants increased legitimacy to the government domestically, but it is not central to the political development project at this point – at least, this is what my analysis of *one* actor in the development discourse suggests. Again, analyzing the broader development discourse, oppositional forces and so on could result in a different perspective on the centrality of democracy to the debate.

Secondly, my analysis revealed a prominent role for state ideology as a source of legitimacy in the Indonesian development discourse. My review of the developmental state debate showed that the importance of such ideology to the development project is not unique to the Indonesian case. What is interesting though, is that the role of Pancasila as a source of legitimacy and reference point seems to be growing, and that its status seems so uncontested in the president's discourse. One way to explain this is to connect it to the observations above about the continued relevance and acuteness of the development project, in which Pancasila traditionally has been a central concept. The Five Principles have in a way become synonym for the larger development effort of the Indonesian nation, and continue to give it meaning and sense. It is also a way to depoliticize that project and avoid political contestation over both the vision for the nation and means to achieve it. Another way to approach the ideology-question is to connect it to religious contestation and the role of islam in Indonesia. The role of political islam in Indonesian politics as well as the important status of islam more generally in Indonesian society, while not part of my study here, are central to many analyses of the Indonesian case. In recent years, contestation over religion and the status of islam versus other (official) religions has increased. I would argue that the use of state ideology as a central point of reference could be seen as a way to address the religious in a unifying way, focusing on what is common rather than what is contested. Combining the two observations above, the use of state ideology can be explained as a way to reduce (political and religious) complexity in an increasingly complex context.

Based on my observations and the limitations discussed above, I would argue that there are many interesting and fruitful avenues for further research into the various elements of the topic at hand. These include the already mentioned wider discursive analysis to include also oppositional forces, media discourse and so on. Similarly, a discursive analysis including instances of foreign policy could lead to observations about how the discursive logic of economic development works at the international level and how it interacts with other ideas and logics operating there. Also, it was suggested earlier that further exploration of the different forces and pressures influencing the president's rather compromising discursive logic could be an interesting direction to take. Similar

projects analyzing the discursive logic of economic development in other, comparable countries in the region or elsewhere could provide more context and lead to cross-country comparisons. This would also contribute from a more theoretical perspective, allowing for the use and further optimization of the model that I have developed. And: perhaps a similar model could serve as the guideline for other types of analysis seeking to map out discursive logics other than those of economic development.

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1. November 2017 – vocational education

Source: <http://setkab.go.id/en/remarks-of-president-joko-widodo-at-the-limited-meeting-on-vocational-education-and-its-implementation-16-november-2017-at-14-30-pm-at-bogor-presidential-palace/>

Remarks of President Joko Widodo at the Limited Meeting on Vocational Education and Its Implementation, 16 November 2017, at 14.30 PM at Bogor Presidential Palace

Unofficial English Translation

Assalamualaikum warahmatullahi wabarakatuh,

Good Afternoon,

5 May prosperity be upon us all.

In this afternoon's limited meeting we will continue to discuss firstly, vocational education, and secondly, laws on education that needs to be revised in my opinion. Therefore, foreign universities, academies, and polytechnics are able to establish their
10 campuses in Indonesia.

In 2030, we will need 58 million skilled workers who are considered adequate to help us reach seventh place in world economic ranking. Moreover, we are currently focusing on infrastructure development, but in the second important phase, we need to improve our
15 human resources. We see nowadays that global changes have taken place so rapidly and we need to anticipate it. So, I hope that we can make changes to our education that probably have not showed fundamental changes for the past 30 years. Thus, the improvement of human resources can adapt to global changes, by focusing on vocational training and polytechnic, and it is very important in dealing with the challenges in the
20 future.

In this afternoon, we we invite Mas Nadiem Makarim and Mas Adamas Belva Syah to present their views on how to face these rapid challenges through providing adequate education. I have discussed this with them about the language of coding, language that
25 relates to data, and languages that are needed in the future.

I have addressed the issue several times, in our universities and vocational high schools, the Faculty of Economics, for example, offers same majors for more than 30 years. The majors are always the same from time to time. Accounting, corporate economics, or
30 economic development. Which major do Bu Menkeu (Minister of Finance) pursue? It must have been one of the three. Whereas the world is changing, the majors are still the same. Why there is no university that is encouraged to establish a faculty of digital economy with the major of online shop, the major of retail management, or logistic management. I see none. It has been the same in the past 30 years, whereas the world is
35 completely changing. I believe we need this breakthrough.

As for the competition between universities, there should be strong competitors. I am hoping that there will be foreign universities or polytechnics that would like to establish their campuses in Indonesia, so that we will have comparison in terms of management,
40 curriculum, and so on. Otherwise, we cannot make a comparison, whether we are on the right track or not.

That is all I have to say. To begin with, Nadiem and Belva please share your views on this in two minutes' time.

45

2. August 2017 – presentation of 2018 budget

Source: <http://setkab.go.id/en/address-of-the-president-of-the-republic-of-indonesia-on-the-presentation-of-the-government-statement-on-the-bill-on-the-state-budget-for-the-2018-fiscal-year-and-its-financial-note-before-the-plena/>

ADDRESS OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA ON THE PRESENTATION OF THE GOVERNMENT STATEMENT ON THE BILL ON THE STATE BUDGET FOR THE 2018 FISCAL YEAR AND ITS FINANCIAL NOTE BEFORE THE PLENARY SESSION OF THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA

Bismillahirrahmanirrahim,

Assalamu'alaikum Warahmatullahi Wabarakatuh,

5 May we be bestowed with peace and prosperity,

Om Swastiastu,

10 Namoh Buddhaya.

May we be bestowed with Virtue,

15 Honourable Speaker, Vice-Speakers, and Members of the
House of Representatives of the Republic of Indonesia;

20 Honourable Speaker, Vice-Speakers, and Members of the Regional Representatives
Council of the Republic of Indonesia;

Distinguished Heads, Vice-Heads, and Members of State Institutions;

My fellow countrymen,

25 Distinguished Ladies and Gentlemen,

30 It is imbued with our profound gratitude to God the Almighty that, this afternoon, we are
able to attend the Plenary Session of the House of Representatives of the Republic of
Indonesia, on the occasion of the presentation of the Government Statement on the Bill
on the State Budget for the 2018 Fiscal Year and its Financial Note.

35 The presentation of the Government Statement on the 2018 Bill on the State Budget is
made at a particularly auspicious moment for all of us, as we approach the
commemoration of the seconds leading up to the 72nd Anniversary of the Proclamation
of Independence of the Unitary State of the Republic of Indonesia. This moment reminds
us all of the promises of freedom that we must fulfill, that we must accomplish, that we
must deliver. This is a moment that reminds us all that the Proclamation of
Independence is the gateway towards realizing an Indonesia that is independent, united,
sovereign, just and prosperous. This is a moment that reminds us all that the promises

40 of independence can only be achieved if we work collectively, work collectively, work collectively.

The drawing up of the 2018 Bill on the State Budget is a concrete manifestation of the collective work between the Government, the House of Representatives, and the
45 Regional Representatives Council. In the process of preliminary deliberations with the House and the Council held recently, the Government has received constructive inputs from the Honourable Members of the House. With these inputs, the Government is able to draw up the 2018 Bill on the State Budget, and is able to present it to the Plenary Session of the House on this day.

50 God Willing, this collective work between the Government and the House would be beneficial to the entire Indonesian people and may transform the Indonesian nation into a nation that is self-sufficient, sovereign, and distinctive in personality, which are in conformity with the noble ideals of our forebears.

55 Honourable Speaker, Vice-Speakers, and Members of the House,

The 2018 Bill on the State Budget constitutes the fourth year of the implementation of the Working Cabinet development programmes in a bid to achieve the development
60 goals and is aimed at realizing prosperity and social justice for the entire Indonesian people. Within the last two years, we have laid a solid foundation by reforming the direction of the national development to become more productive, equitably distributed, and just.

65 Consequently, the 2018 Bill on the State Budget must become a fiscal instrument to boost national economic growth and a just and equitably distributed economy, particularly in the efforts to alleviate poverty, address inequality, and create employment opportunities. In the midst of a global economic situation that is yet to be fully normal, the drawing up of the 2018 Bill on the State Budget must be made
70 realistically, credibly, resiliently, and sustainably, in order to maintain economic stability and business confidence.

In 2015, we have laid a robust foundation for the national development through a fundamental transformation of the national economy. The development paradigm,
75 which was once consumptive in nature, has been changed into a productive one. The energy subsidy expenditures, which were not well-targeted, have been reallocated to various priority programmes for the community, including in the infrastructure sector. We have also begun to allocate the Village Fund to generate a more equitably distributed and just development to the farthest reaches of the homeland, which have so far been
80 mostly left untouched by the development.

In entering the year 2016, the Government moved with higher speed by declaring 2016 as the Year of Accelerated Development, both in physical infrastructure and in social infrastructure. In addition, the acceleration of economic deregulation was also carried
85 out by issuing several Economic Policy Packages.

In 2017, the Government is determined to make a Just and Equitably Distributed Economy as the central focus of the development. This policy primarily covers:

90 First, the redistribution of assets, through the granting of management rights on
unattended plots of land to the community, to allow them to be managed and cultivated
more productively, and through land legalization by accelerating the certification of
lands owned by the people.

95 Second, the strengthening of the people's access to capital, through the People's
Business Credit that reaches a wider number of the society, is larger in amount, and is
easier to acquire.

100 Third, the improvement of the society's skills, through vocational education
programmes, and vocational education and training on a massive scale.

105 Honourable Members of the House,

Praise be to God, owing to our unyielding collective work and by the grace of Allah SWT,
the national economic development has shown quite promising achievements. In the
midst of a global economic slowdown, weakening global commodity prices, and a
geopolitical condition that is yet to be fully conducive, the Indonesian economy is able to
110 grow at an average rate of 5.0 percent annually in the period of 2014-2016, and rose to
5.01 percent in the first semester of 2017, driven by an improved export performance
and increased investment.

An economic growth that is sustained on an upswing, coupled with various
115 improvements in budget management, continues to encourage investor confidence in us.
The World Bank ranks Indonesia as one of the highest ranked countries in the Top
Improvers for ease of doing business and lifted Indonesia's ranking from 106th to 91st
in the Ease of Doing Business index for 2017.

120 In May 2017, the Standard & Poor's rating agency upgraded Indonesia's sovereign credit
rating to investment grade. Previously, Fitch and Moody's also raised the outlook for the
investment grade rating of Indonesia's sovereign credit, from stable to positive,
concurrently with macroeconomic stability and improved national economic resilience.
With these international recognitions, for the first time, Indonesia acquires the rank of
125 investment grade from all the major rating agencies since the post-1997 Asian financial
crisis.

With the support of infrastructure improvements and the logistics of the people's goods
supply, as well as the close cooperation between the Government and the Bank of
130 Indonesia, the inflation rate has been kept in check at 3.35 percent in 2015 and 3.02
percent in 2016. Consequently, the people's purchasing power could be maintained.
Inflation control continues to be maintained in 2017, so that until the month of July and
through the period preceeding the Eid Al-Fitr, the realized inflation rate could be
sustained at a level of 2.60 percent.

135 In terms of the people's welfare, the number of poor people continues to decline. In
March 2015, the number of poor people totalled 28.59 million people and in March

2017, it decreased to 27.77 million people. Faced with this challenge, the Government will continue to exert its maximum efforts to accelerate the reduction of the number of poor people through a number of innovative programmes on poverty alleviation and social protection.

The inequality between the rich and poor people also displays a decrease. This is evident from the Gini Ratio index that dropped from 0.408 in March 2015 to 0.393 in March 2017. Moreover, the unemployment rate also fell from 5.81 percent in February 2015 to 5.33 percent in February 2017.

The measures to improve the budgeting process are also carried out more comprehensively and take into account various perspectives. In the State Revenues sector, from July 2016 to March 2017, the Government implemented a tax amnesty programme to increase the state revenues, expand taxation databases, and also prepare Indonesia to enter an era of global information disclosure with the application of the Automatic Exchange of Information (AEOI).

On this occasion, I would like to express my gratitude to the House of Representatives for its support in passing Government Regulation in Lieu of Law Number 1 of 2017 on the Access to Financial Information for Taxation Purposes, in the context of the Automatic Exchange of Information. With the approval of the Government Regulation on AEOI, Indonesia has thus acquired a legislative framework comparable to that of more than 100 countries committed to the AEOI. Indonesia will reap the benefits from inter-state taxation information exchange, which will be very useful to enhancing the efforts to extensify our tax revenues.

The Government would also like to express its gratitude for the awareness of the people in joining the tax amnesty programme, which reflects the sense of justice for all the people. Until the conclusion of the programme, the tax amnesty managed to be joined by 973.4 thousand taxpayers with a total repatriated funds amounting to Rp115.9 trillion. Based on the wealth data disclosure, the tax amnesty programme in Indonesia became one of the highest in the world with a total achievement of Rp4,884.2 trillion, consisting of domestic wealth declaration totaling Rp3,700.8 trillion, overseas wealth declaration totaling Rp1,036.7 trillion, and assets repatriation totaling Rp146.7 trillion. Subsequently, this Tax Awareness must be followed by the obligation to pay taxes compliantly in the future. The awareness of the citizens to pay taxes will make the Unitary State of the Republic of Indonesia strong and prosperous.

In the Central Government Expenditures sector, improvements are made by increasing the quality of the expenditures as well as the budget. The increase in expenditures is aimed at financing priority programmes, in particular infrastructure development, in order to increase inter-regional connectivity and support economic growth, in order to absorb labour force and reduce poverty as well as inequality.

A number of output targets in the infrastructure sector have been achieved in the period of 2015-2016. The road construction and national roads capacity expansion totaling a length of 7 thousand kilometres, the construction completion of 4 new airports, as well as the construction of new railways for a distance of 199.6 spoor kilometres are expected to open a wider access to the economy. In addition, the Government also

focuses on the provision of housing for low income people through the construction and quality improvement of Low-Cost Apartments (Rumah Susun), Special Housing (Rumah Khusus), and Self-Help Housing (Rumah Swadaya) totaling 210.5 thousand units.

Furthermore, since 2015, the Government has reformed the subsidy policy to make it better targeted and has strengthened the social protection programmes through the scope expansion of the conditional cash assistance for the Family Hope Programme (PKH) that jumped from previously covering 3.5 million families in 2015 to 6 million families by 2017. The Government also gradually builds a synergy between social assistance programmes, by gradually diverting the Rice for Prosperity Food Subsidy (Rastra) to Non-Cash Food Subsidy for 1.4 million beneficiary families in 44 cities.

In order to accelerate the development in the regions, through the Transfers to Regions and the Village Fund, a number of development targets have been successfully augmented. With the Physical Special Allocation Fund (DAK), the Government has increased the people's accessibility to basic infrastructures, such as access to drinking water increased as many as 386.7 thousand house connections until the end of 2016. In addition, the Government also supports the development of the people's economy in the regions by raising the quality percentage of provincial roads up to 71.8 percent, regencial/municipal roads up to 61.2 percent, and agricultural irrigation for 895 thousand hectares.

The commitment of the Government to develop the regions starting from the smallest unit of the government can be attested from the achievement of the Village Fund allocation. Since its allocation in 2015, the Village Fund has funded 89.8 thousand kilometres of village roads, 746.4 thousand metres of bridges, access to clean water for 22.1 thousand households, 1.7 thousand units of mooring boat, 14.9 thousand schools for Early Childhood Education Programme (PAUD), 4.1 thousand Village Maternity Clinics (Polindes), 19.5 thousand wells, 3,000 village markets, 108 thousand drainage and irrigation networks, 9.9 thousand Integrated Service Posts (Posyandu), and 941 water retention basins.

Meanwhile, with regard to Budget Financing, over the last few years, the Government has implemented an expansive fiscal policy as it intends to promote a sustainable and just economy for the entire Indonesian people. However, the Government continues to implement this policy in a prudent manner while maintaining fiscal sustainability into the future. The rise in debt financing is directed towards future productive sectors, such as infrastructure development, improvement of the education and health of the people, as well as regional development.

The Government will continue to maintain a prudent and wise debt management policy in order to generate a maximum positive impact of the development, which benefits could be enjoyed by the society at large. Despite the widening expansive development carried out in the period of 2015-2017, the debt ratio and deficit to the GDP have been kept under control; the debt ratio to the GDP has remained under 30 percent and the State Budget deficit has stayed under 3 percent. The Government will also continue to reduce the primary deficit, so that fiscal health and sustainability could always be sustained. The relatively small deficit figure compared to that of other G20 and emerging countries; and the relatively higher Indonesian economic growth,

demonstrates that the additional Indonesian debt has resulted in increased scale and productivity of the national economy.

240

My Fellow Countrymen,

The 2018 Bill on the State Budget is drawn up while still guided by 3 (three) major policies.

245

First, to promote the optimization of state revenues through an increase of the tax ratio and the optimization of natural resources and state assets management.

250

Second, to enhance the quality of state expenditures through an increase of the quality of productive capital expenditures, efficiency of non priority expenditures such as goods expenditures and subsidies that must be well-targeted, synergy between social protection programmes; maintenance and refocusing of priority budgets such as for infrastructures, education, health; and strengthen the quality of fiscal decentralization to reduce inequality and improve public services.

255

Third, a sustainable and efficient financing policy, which is implemented through a deficit and debt ratio control, declining primary balance deficit, and creative financing development, such as through Government-to-Business Cooperation (KPBU) schemes.

260

In conformity with the medium-term fiscal policy, the theme for the 2018 fiscal policy is “Consolidating Fiscal Management in order to Accelerate a Just Economic Growth”.

265

Ladies and Gentlemen,

By taking into account the entire prevailing dynamics and challenges to be addressed, the Government projects the following macroeconomic indicators for 2018 to serve as the basis for drawing up the 2018 Bill on the State Budget.

270

First, economic growth is targeted to reach 5.4 percent. This optimistic economic growth will be achieved through the support of sustained people’s consumption, increased investment, and improved export and import performance. In 2018, the economic development will be geared towards cultivating the regional economies of Maluku, Papua, Kalimantan, Sulawesi, Bali, and Nusa Tenggara through their increased connectivity with the Islands of Java and Sumatra, which have, for a long time, been the largest contributors to the national economy. Infrastructure improvement and development, both connectivity and energy availability, play a key role in the efforts to achieve an equitable distribution of the economy. Furthermore, the development of the border areas has also been set as a priority of the Government, so they can become gateways to international trade transactions, and so they will not only lift the economy of the border areas but also the national economy altogether.

280

285 Second, the inflation rate is projected to be sustained at a level of 3.5 percent, supported
by the improvement of the national production capacity, price stability, and a relatively
low global commodity prices. Nevertheless, the impact of climate on food commodity
prices has become a risk that needs to be considered, since climate is one of the factors
that could cause an increase in the inflation rate. Strengthening the policy coordination
on the monetary, fiscal, and real sectors will naturally be pursued and improved upon to
290 provide stronger support to ensure domestic price stability.

Third, the rupiah exchange rate is estimated to reach a level of Rp13,500 to the United
States dollar. The Government, in collaboration with the Bank of Indonesia and the
Financial Services Authority, undertake strengthening endeavours in the financial sector
295 so as to maintain exchange rate stability. The framework for financial market deepening
is expected to influence capital inflows to the Indonesian financial market and could
reduce pressures on the rupiah exchange rate.

Fourth, the average interest rate of the 3-month Government Treasury Bill in 2018 is
300 assumed to reach 5.3 percent. The market anticipation to cope with the policy of the
United States Central Bank and the manageable domestic inflation rate contribute to the
efforts in controlling the interest rate of the 3-month Government Treasury Bill.

Fifth, the assumption of the average price of Indonesian crude oil is estimated to reach
305 USD48 per barrel. The increase in energy needs in the context of the global economic
recovery constitutes a factor that could influence the increase in oil prices in 2018.

Sixth, the volume of oil and gas that would be ready for sale during 2018 is estimated to
reach 2 million barrels equivalent to oil per day, consisting of crude oil production to the
310 tune of 800 thousand barrels per day and natural gas of approximately 1.2 million
barrels equivalent to oil per day.

These basic macroeconomic assumptions have been made based on the latest economic
condition and take into account future economic projections, so they are expected to
315 better reflect the condition in 2018.

Honourable Members of the House,

320 The 2018 Bill on the State Budget is drawn up in line with a fiscal policy strategy that is
aimed at strengthening fiscal stimulus, reinforce fiscal resilience, and maintain fiscal
sustainability with a focus on social justice.

The strategic policies elaborated in the 2018 Bill on the State Budget are as follow:

325 The 2018 State Expenditures, which are projected to amount to Rp 2,204.4 trillion, will
be primarily earmarked to reduce poverty and inequality in order to create justice and
social protection for the people; this will be accomplished through increased
effectiveness of social protection programmes and more selective spending in education,
health, and infrastructure.

330 The efforts to increase the effectiveness and strengthen social protection programmes
will be carried out by widening the targeted scope of beneficiaries of the Family Hope

Programme to 10 million families and the scope of assistance beneficiaries of the Healthcare Social Security Agency to 92.4 million people.

In addition, in order to channel better targeted subsidies, the Government diverts the channeling of the Rice for Prosperity (Beras Sejahtera/Rastra) food assistance into non cash food assistance and will also widen its beneficiaries. In order to control inflation and maintain the purchasing power of the people, the government also continues to allocate subsidies for fuel, electricity, fertilizer, Micro Credit Programme (Kredit Usaha Rakyat) and housing interests, and for public services.

With a view to increasing access to education, the Government will continue the policy of granting the Indonesia Smart Card that reaches 19.7 million students, and the granting of Bidikmisi scholarship to 401.5 thousand students, and allocating the school operational assistance that reaches 262.1 thousand public schools and Islamic schools throughout the Homeland.

Still in the effort to increase the quality of human resources, the Government consistently intervenes to reduce the impact of chronic malnutrition that results in the failure to achieve normal height of infants or stunting. We must be mindful that the first thousand days of life will greatly affect a child's growth, in relation to the child's emotional, social and physical abilities, and readiness to learn, innovate and compete. This programme will be highly crucial to improving the quality of Indonesian children in the future, as our investment in the Indonesian human resources.

Distinguished Ladies and Gentlemen,

In order to support the growth of economic centres and the development of inter-regional connectivity, the Government carries out the building of new roads totaling a length of 856 kilometres and the building of irrigation networks totaling 781 kilometres. In addition, several programmes of activity of the Government in the framework of increasing the access to education, health, and other basic facilities, are undertaken, among others, through the building and rehabilitation of 61.2 thousand classrooms, the building of waste water sanitation for 853 thousand household heads, and the construction of 7,062 low-cost apartment units for low-income people.

In carrying out the development, the Government also invites all parties to work collectively – be it State-Owned Enterprises, Regional-Owned Enterprises, Regional Governments, or the private sector – in the development of creative financing, such as through Government-to-Business Cooperation (Kerjasama Pemerintah dan Badan Usaha KPBU) or Non Government-to-Business Cooperation schemes in order to collectively fund infrastructure development.

With a budget allocation for the Transfers to the Regions and the Village Fund amounting to Rp761.1 trillion, the synchronization of planning and budgeting process continues to be undertaken to encourage the effectiveness of development funding. In addition to supporting governmental activities in the Regions, those budgets will be used more selectively for financing development programmes that have become national priorities, primarily through the Special Allocation Fund (Dana Alokasi Khusus/DAK) and the Village Fund (Dana Desa).

The budget for the Transfers to the Regions and the Village Fund are primarily aimed at improving the quality of public services in the regions, creating job opportunities, alleviating poverty, and reducing inter-regional inequality. The Special Allocation Fund for physical use will be directed to catch up on the lag in infrastructures for public services, affirmation to the less developed, border, islands, and transmigration areas. The use of the Village Fund will be strengthened to widen development in the villages, both in terms of facilities and infrastructures, which are performance-based.

Strengthening the management of the Central and Regional Financial relations is also further enhanced by providing technical guidance on Regional Financial Management in around 200 regencies/municipalities throughout the year 2018. In this manner, the equitable understanding and skills of the regional financial managers will create a harmonisation of the Central and Regional Finance.

The financial management, which falls under the responsibility of the Ministries/Institutions and Regional Governments, requires the full support of all parties, so that every rupiah of the people's money is truly utilized efficiently and for the greatest prosperity of the people. Corruption and squandering of the people's money should not be tolerated.

Honourable Members of the House,

In order to achieve the aforementioned targets of development, it is necessary to increase the State Revenues in 2018 to the tune of Rp1,878.4 trillion. The Government will take some corrective measures in the taxation sector, including by making tax reforms, improving tax data and information system, widening the tax basis, and preventing tax avoidance practices through the tax information disclosure (Automatic Exchange of Information). Nevertheless, the Government will continue to support the business sector development by providing tax incentives.

Increased revenues from customs and excise will also continue to be optimized through better supervision, and the imposition of goods subject to excise duty, which is followed by an improved service quality at customs offices.

The Non-Tax State Revenues (PNBP) will also be advanced by striking a balance in the utilization of natural resources, profits from state-owned enterprises, and other economic sources from the Non-Tax State Revenues.

Honourable Leaders and Members of the House,

Being guided by the theme of the 2018 fiscal policy and its supporting strategy, the State Revenues in the 2018 Bill on the State Budget are projected to reach Rp1,878.4 trillion. Out of this total amount, the Tax Revenues are projected to reach Rp1,609.4 trillion and the Non-Tax State Revenues are projected to reach Rp267.9 trillion. The Government will do its utmost to achieve the afore-mentioned revenues target by making various corrective measures and utilize all national economic potentials, yet while still maintaining the investment climate and business sector stability.

In the meantime, the State Expenditures in the 2018 Bill on the State Budget are projected to reach Rp2,204.4 trillion, comprising of the Central Government Expenditures amounting to Rp1,443.3 trillion, and the allocation for the Transfer to Regions and Village Fund amounting to Rp761.1 trillion. The Government will continue to take measures in efficiency, more heightened quality of expenditures, and in the achievement of development targets to increase the welfare of the people, alleviate inequality, and realize a just and equitably distributed development.

With the aforementioned planned State Revenues and State Expenditures for 2018, the budget deficit in the 2018 Bill on the State Budget is projected to reach Rp325.9 trillion or equivalent to 2.19 percent of the GDP. The said target of the 2018 budget deficit is lower than its outlook in 2017, which amounted to Rp362.9 trillion or 2.67 percent of the GDP.

The Primary Balance Level in 2018 is also planned to decrease, from an estimated level of minus Rp144.3 trillion in 2017 to minus Rp78.4 trillion.

In order to finance the 2018 budget deficit, the Government will utilize domestic and international sources of financing, in the form of loans/debts, which will be managed prudently and responsibly in accordance with international management standards. The loans will be utilized for productive activities that support the national development programmes, in the sectors of education, health, social protection, infrastructure, as well as defense and security. Moreover, the debt-to-GDP ratio will be sustained below the level regulated in the state finances, managed in a transparent and accountable manner, and with minimized risks posed to economic stability in the present and in the future.

Honourable Speaker, Vice-Speakers, and Members of the House of Representatives and the Regional Representatives Council of the Republic of Indonesia,

My Fellow Countrymen,

I have thus concluded my statement on the major points of the 2018 Bill on the State Budget, which will become materials for the deliberations on the Bill on the State Budget for the 2018 Fiscal Year with the House of Representatives and the Regional Representatives Council. I hope to count on the support of the entire Speakers and Members of the House and the Council to conclude the deliberations on the Bill in a timely manner, in order to be implemented by the Government in carrying out the development in 2018.

May God the Almighty always bestow His blessing upon our steps, to realize the Unitary State of the Republic of Indonesia that is self-sufficient, sovereign, and distinct in personality; as well as just and prosperous for the entire people of Indonesia.

Long Live the Republic of Indonesia!

Long Live the Land of Pancasila!

I thank you.

480 Wassalamu'alaikum Warahmatullahi Wabarakatuh,

Om Shanti Shanti Shanti Om,

Namo Buddhaya.

485

Jakarta, 16 August 2017

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

490 Sgd.

JOKO WIDODO

3. August 2017 – independence day 2017

Source: <http://setkab.go.id/en/state-addressof-the-president-of-the-republic-of-indonesia-on-the-occasion-of-the-72nd-anniversary-of-the-proclamation-of-independence-of-the-republic-of-indonesia-before-the-joint-session-of-the-ho/>

STATE ADDRESS OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA ON THE OCCASION OF THE 72nd ANNIVERSARY OF THE PROCLAMATION OF INDEPENDENCE OF THE REPUBLIC OF INDONESIA BEFORE THE JOINT SESSION OF THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA AND THE REGIONAL REPRESENTATIVES COUNCIL OF THE REPUBLIC OF INDONESIA

Bismillahirrahmanirrahim,
Assalamu'alaikumWarahmatullahiWabarakatuh,

Om Swastiastu,

NamoBuddhaya,

May Peace Be Upon Us All

Honourable Speaker, Vice Speakers, and Members of the House of Representatives of the Republic of Indonesia,

Honourable Speaker, Vice Speakers, and Members of the Regional Representatives Council of the Republic of Indonesia;

Distinguished Chairpersons, Vice Chairpersons, and Members of State Institutions;

Distinguished Bapak BJ Habibie, the Third President of the Republic of Indonesia,

Distinguished Ibu Megawati Soekarnoputri, the Fifth President of the Republic of Indonesia,

Distinguished Bapak Susilo Bambang Yudhoyono, the Sixth President of the Republic of Indonesia and Ibu AniYudhoyono,

Distinguished Bapak Try SutrisnoandBapakHamzahHaz,

Distinguished Bapak Boediono and Ibu HerawatiBoediono,

Ibu Sinta Nuriyah Abdurrahman Wahid,

Ibu Karlina Umar Wirahadikusumah,

Excellencies Ambassadors of Friendly Countries and Heads of International Agencies and Organizations;

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My Fellow Countrymen,

Let us together express our gratitude to God the Almighty, for his blessings and
compassion we are able to attend the Joint Session of the Regional Representatives
45 Council of the Republic of Indonesia and the House of Representatives of the Republic of
Indonesia in the Commemoration of the 72nd Anniversary of the Independence of the
Republic of Indonesia.

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My Fellow Countrymen,

On many occasions, I have always reiterated that we are a big nation. Once again,
Indonesia is a big nation. Indonesia is big not only because of its population of more than
55 250 million people. Indonesia is big not because it has around 17,000 islands. Indonesia
is big not only because of its abundant resources.

However, we achieved our grandeur because our nation has stood the test of time and
because we are able to remain united until we reach our 72nd anniversary of
60 independence. Meanwhile, when some other countries are still plagued with violent
conflicts among ethnicities, with divisions among religions, disputes among groups, we
are grateful that we remain united within the framework of the Unitary State of the
Republic of Indonesia with its Bhinneka Tunggal Ika motto. We have even become a role
model for many countries in terms of managing diversity and building unity.

65

We are a fighting nation who possesses the courage to fight with our own power to win
our independence. We fought for our independence thanks to the struggles of our
heroes, clerics, Islamic students, religious leaders, and fighters from all across the
nation.

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This all gives us a sense of pride of Indonesia, our beloved country. This all too gives us
confidence to face the future. We have to abandon the legacy of colonialism that
bequeathed our nation a slave mentality, a character of inferiority, a character of
cowardice, and persistent pessimism to look to the future.

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We have to abandon those negative mentalities of scorning one another, mocking one
another, and slandering one another because we are all brothers and sisters of the
nation.

80

We have to lay a strong cultural foundation. We have to remain united and stand tall to
surmount global challenges that are increasingly complex, that are more extreme, and
changing rapidly. Only a virtuous nation is capable of winning the global competition.

We have to bear in mind that we once became a destination for other countries to study
85 about Islam, art and cultures, science and technology and many others. It is this pride
that we will have to re-claim. It is the pride in our own creation and works and our own
products.

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My Fellow Countrymen,

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As a big nation with the world's largest Muslim population, with hundreds of ethnicities and thousands of islands, Indonesian people must have self-confidence to make progress, to keep up with other countries, and to bring all the glory.

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We have to believe in the strength of our own people. Evidence proved that we have been able to make great achievements. In the past, we were worried about the presence of foreign banks in our country. Now we are witnessing our national banks are able to compete with those banks and have become major and modern banks. We have huge potentials, namely our young generations. Many of our young generations have become math, physics and biology olympic champions. Our young generations have showcased their accomplishments, such as becoming champions of the Qur'an memorisation competition, emerging triumphant in robotic works, making innovation in start-ups businesses, and being creative in arts in world stages. Many creative industries and national movie productions are driven by our young generation. These young people are getting more popular and their products are enjoyed by many.

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However, we must not develop dangerously complacent attitude nor be carried away by all these achievements. We still have much to accomplish. We still have promises to deliver. As a reflection, we have to admit honestly that it would be impossible for Indonesia to become an advanced nation if the homes of our people all over the country do not enjoy electricity. It would be impossible for us to become a competitive nation if our logistics costs are high. It would be impossible for us to become a Global Maritime Fulcrum if we do not have seaports where big ships that transport our products are berthed. It would be impossible for us to become a sovereign state in food commodities if the number of dams and irrigation channels that irrigate our agricultural fields all over the country are limited.

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We are also facing challenges to be free from the trap shackles natural resources. After the era of oil and natural gas booming in 1970s was over and after the collapse of wood booming in 1900s, the era of mineral booming also came to an end. Even prices of several other commodities sharply fell. Therefore, we have to make a change.

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My Fellow Countrymen from Sabang to Merauke, from Miangas to Rote,

130

We have to address all the problems quickly. It means we also have to draw a strict line. We may not doubt to safeguard our sovereignty, to safeguard our seas, to safeguard our borders, to safeguard our natural resources. We have to be brave to fight against the plundering of our marine resources. We have to be brave to sink illegal vessels to protect our fishermen. We have to be brave to safeguard every square inch of our land to bring prosperity for our own people. We have to be brave to dismiss Petral (a subsidiary of state-owned oil and gas company PT Pertamina). We have to be brave to shift subsidies for productive things. We have to be firm in the fight against drug dealers who

135

destroy the future of our young generations. We have to be firm in facing infiltration of ideologies such as extremism, radicalism, and terrorism that harm the pillars of our countries.

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There will be no obstacles for us to draw a strict line because we hold on to Pancasila, the 1945 Constitution, the Unitary State of the Republic of Indonesia, and Bhinneka Tunggal Ika. We dare to take firm actions because we have Pancasila as our national principle, as the ideology for the nation and our souls.

145

Pancasila is a unifying force for all of us that we must internalise, that we must practice, and must become our working ideology in the life of our nation and our country.

Therefore, the Government has taken an initiative to set up a Presidential Working Unit for the Fostering of the State Ideology of Pancasila (UKP-PIP) that is mandated to inculcate Pancasila ideology into all elements of the people, including the young generations, the successor of this nation.

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155 My Fellow Countrymen in Sabang,

Assalamu'alaikum, Krue Semangat!

160

To fulfil the promise of our independence, we have to be more focused in our work. In the first year of the Working Cabinet, the Government laid a strong national development foundation through the transformation of economic fundamentals and by re-adopting the Indonesia-centrist paradigm. In the second year, the Government pushed for the acceleration of national development, both in physical infrastructure development, in the acceleration development of human resources and in the improvement of our competitiveness to catch up with other countries. We also accelerated economic de-regulation by issuing several Economic Policy Packages.

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In the third year, the Government moved ahead by focusing on the policy of equitable and just economic policies. The year 2017 is the year of collective work to realize equitable and just economy for all Indonesians.

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We want all Indonesians all over the country to be able to feel the benefits of development. People in Aceh, Miangas Island, and Rote Island can enjoy the fruits of development evenly. We want farmers, fishermen, labours, clerics, traditional market traders, religious figures, civil servants, members of the Indonesian National Defence Forces (TNI), members of the Indonesian National Police (POLRI), journalists, cultural activists, university students, and many others to join hands to move forward, make progress and bring prosperity.

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We do not want that prosperity to be only enjoyed by someone or a selected few. This is the independence promises that we must immediately fulfil, namely protecting the whole Indonesian people and the nation, improving public welfare, educating the life of the people, and in the establishment of a world order based on freedom, eternal peace, and social justice.

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190 It is toward that destination we are moving into. In the past three years, the Government has been focused on alleviating poverty, reducing gaps, and lowering unemployment rate. As a result, poverty level in Indonesia dropped from 28.59 million people in March 2015 into 27.77 million people in March 2017. As for Gini Ratio, which measures the level of economic gap, ours continues to improve and reached 0.393 in March this year, as opposed to 0.414 in September 2014.

195 Our inflation had also been kept in check at 2.60 percent from January until July 2017. Even in May this year before the fasting month of Ramadan, our inflation was only 0.39 percent.

200 We also continue to maintain just and equitable economic growth. We have to ensure that our economic growth, which is 5 percent every year on average in the period of 2014-2016, is not only enjoyed by certain people but also by the whole Indonesian people.

Therefore, development that we are undertaking is not only for those in big cities but for all Indonesians in villages, marginal areas, outermost islands, and border areas.

205 We want people living in border areas to become parts of the Unitary State of the Republic of Indonesia. We want people living in border areas to feel the presence of the State through the development of border posts (PLBN) in Motaain and Motamasin in East Nusa Tenggara, Skouw in Papua, Entikong in West Kalimantan, Aruk in West Kalimantan, and Nanga Badau in West Kalimantan. Border posts are Indonesia's
210 forefront porches that we expect to be able to create new pockets of economic growth so our development can be more equal all across the country.

To accelerate equality of development in the regions and in the villages, the Government has increased budgets for transfers to the regions and village funds. Through the
215 Physical Special Allocation Fund (DAK), the Government has improved access for the people to get basic infrastructure services such as drinking water channelled to the people's houses. The Government has also pushed for the development of economies in the regions by increasing the percentage of the numbers of provincial roads, regency/municipality roads, and by improving irrigation system for agricultural sector.
220 The commitment of the economic equality has also been made through the increase in the Village Funds, which have this year amounted to 60 trillion rupiah. With these Village Funds, the Government urges the acceleration of economic growth and equality in the villages. To support equality, the Government has also encouraged the rise in the national electrification ratio that reached 92 percent in March 2017. Before this
225 respected assembly, I would also like to congratulate the people of Wogalirit Village of Doreng District, Sikka Regency, East Nusa Tenggara, who have after 72 years of the independence eventually enjoyed electricity. I would also like to congratulate other villages across the nation that were finally able to enjoy electricity.

230 The desire to make a just equality is not merely a slogan. We have really made it happen. For years, our brothers and sisters in Papua had to buy fuels at high price, ten times as high of that in Java or Sumatra Islands. This must no longer happen in the Land of Pancasila. Therefore, the Government has implemented the one-fuel price policy so that

235 our brothers and sisters in Papua can enjoy the same price as that in Java and other regions in Indonesia.

240 My Fellow Countrymen in Merauke, Namek-Namuk, Izakod Bekai Izakod Kai, One Heart with One Dream

245 Seventy-two years after our independence, when other countries have explored the outer space, the affairs of land certification for the people have not been resolved. As a result, there have been land disputes either among citizens, between citizens and corporates, or even between citizens and the Government. Therefore, through the policy of Just Economic Equality, the Government has accelerated the process of land certification that has so far reached 250 thousand fields.

250 The Government is currently redistributing lands for the people and it has handed over 707 thousand hectares of forest to indigenous communities to be managed productively. Besides, the Social Forestry Program is also being implemented to make the people comprising 40 percent of those in the lowest layer gain the access to make use of the forest to improve their welfare.

255 The Government is also continuing pro-people programs that have been run since the first year of the Working Cabinet, mainly the Aspiring Family Program (PKH), the Fishermen Protection Program, the Program to Accelerate the Construction of Apartment for Low-Income People, and the program to improve the quality of improper housing (RLTH).

260 To reach the 40 percent of those in the lowest layer, the Government has reformed policies so that subsidies can be targeted accurately. The Government has gradually made a synergy between social aid programs and has turned rice social assistance (Rastra) into a non-cash aid. Besides, the efforts in favouring the 40 percent of the people from the lowest layer have also been made through the strengthening of social aid programs and the increasing of the number of beneficiaries.

270 To support micro, small, and medium enterprises, the Government has also made every effort to lower the interest rate for the People's Business Credit (KUR). Now, the interest rate of KUR is 9 percent. We hope that 94.4 trillion rupiah of KUR disbursed in 2016 could elevate prosperity for micro, small, and medium enterprises. With easier access of capital, we wish that this could drive the economy of the people, particularly that of small merchants. Besides providing easier access of capital, we have also revitalized traditional markets so that merchants could run their trading activities more comfortably and the markets could compete with modern markets.

280 My Fellow Countrymen in Miangas,
Tabea, Sansiote Sang Patepate,

Greetings of Peace in Unity,

285 We have to bear in mind that building Indonesia is building its people. Alhamdulillah,
thanks to God, our collective work in improving the quality of human development in
Indonesia has so far yielded in an impressive result. Indonesia has improved from a
country categorized with medium high development to a country with high human
290 development, with its Human Development Index (IPM) climbing up from 68.90 in 2014
to 70.18 in 2016.

The rise in IPM cannot be set aside from our collective work in increasing the coverage
of the Healthy Indonesia Card (KIS) program, the Smart Indonesia Card (KIP) Program,
the National Health Insurance (JKN) Program, and the Supplementary Feeding (PMT)
295 Program for infants and pregnant women.

The human resource development will surely carry on. The Government is underscoring
not only the efforts to minimize the impact of chronic nutritional deficiency, to decrease
the number of stunting cases, but also the efforts to prepare the young generation that is
300 qualified, skilled, and competitive. For that reason, the Government has initiated the
improvement of the labours' competence, among others, through vocational education
and trainings. We constantly increase and strengthen the education in vocational high
schools (SMK) and polytechnics to make them meet the need in the industrial world. All
of these are made to produce strong and reliable human resources.

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My Fellow Countrymen in Rote,

310 Ita Isa, We are United as One,

The development of human resources and social infrastructures should be in line with
the accelerated development of infrastructure. To make our children able to study well,
the development of educational facilities will continuously be improved.

315

In line with the preparation of the Indonesian human resources, the Government has
also developed centres of new economic growth, new industrial areas outside Java such
as Sei Mangkei Industrial Zone in North Sumatra and Morowali Industrial Zone in
Central Sulawesi.

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The development of the industrial zones is supported with the infrastructure
development in transportation to improve connectivity in each part of the country. We
also want that all regions in Indonesia are well-connected either by air, sea, or land.
Therefore, we are building pioneer airports, seaports, parallel roads in border areas in
325 East Kalimantan, cross-border roads in Papua, and border-belt roads in East Nusa
Tenggara Province.

Regional economy, mainly in border areas, will not develop rapidly unless electricity
and telecommunication facilities exist. For that reason, the Government have
persistently urged electricity development in 31 priority locations and continued the
330 construction of base transceiver stations (BTS) to make the districts in border areas able
to access telephone services and information.

335 My Fellow Countrymen from Sabang to Merauke, from Miangas to Rote,
We will become an advanced country considered by other countries in the world if we
have competitive edges. One of the factors causing our competitiveness to remain weak
is corruption, the nation's common enemy. For that reason, before this respected
Plenary Session, I would like to invite every Indonesian citizen to work together to fight
340 against corruption. The Government supports any effort, by any party, to prevent and
fight against corruption as well as to make the Corruption Eradication Commission
(KPK) stronger.

Other than fighting against corruption that could eat away the State Budget, eat away to
345 people's money, we are also improving the national taxation system and database.
Therefore, the Government saluted to the respected Members of the House of
Representatives that have in their session agreed on the Government Regulation in Lieu
of Law (Perppu) No. 1 of 2017 on the Access of Financial Information for the Purpose of
Taxation. We feel optimistic that with the regulation, the Indonesia's State Budget will
350 remain robust as the source of its strength stems from the people, and every rupiah in it
is spent for the sake of the people. Besides, Indonesia is apparently getting more than
ready to welcome the world taxation era that will implement the Automatic Exchange of
Information (AEOI).

355 Afterwards, considering Indonesia's competitiveness in the future, we have to anticipate
changes which are now mostly in digital forms. We must keep developing national
competitiveness by making use of digital breakthrough as an inseparable part of
bureaucracy, public services, the development of micro, small, and medium enterprises,
the national economic system, and the disbursement of cash and non-cash subsidies.

360 The Government has also removed many regulations and eliminated cumbersome and
unnecessary bureaucracy that have hampered Indonesia's economy, mainly by
implementing 14 Economic Policy Packages since 2015.

365 The result of the various Economic Policy Packages can be seen in the increasing
international confidence in Indonesia's economic resilience. In the Ease of Doing
Business (EoDB) rank, Indonesia's rank increased from 106th in 2016 to 91st in 2017.
Moreover, Indonesia was rated investment grade or worthy of investment by three
credible international rating agencies, the Standard and Poor's Global Ratings, Fitch
370 Ratings, and Moody's. Even in a business survey conducted by the United Nations
Conference on Trade and Development (UNCTAD), Indonesia's position rose to the 4th
place as a prospective investment destination country.

375 Distinguished Members of Parliament,

Ladies and Gentlemen,

380 One of the promises made as an independence country as stated in the preamble to the constitution is that we participate in the maintenance of world order based on independence, eternal peace, and social justice. It requires all of us to implement an independent and active foreign policy.

385 In international diplomacy, one of Indonesia's active roles and leadership are shown by encouraging Myanmar to resolve the conflict in Rakhine state through more inclusive development, respect for the human rights, and protection for all communities. Indonesia has also accommodated 1,806 migrants dislocated from the conflict, sent humanitarian aid, and built schools in Myanmar.

390 We also give full support to the independence of Palestine and we have opened an Honorary Consulate in Ramallah, Palestine. We also continue to encourage ASEAN and the United Nations to support the independence of Palestine.

395 Indonesia also strongly condemned the restrictions on worship at Al-Aqsa Mosque in July 2017. Indonesian diplomacy took the necessary moves to defend the Palestinian people by, among others, proposing international protection in Al-Aqsa Complex.

400 While in economic diplomacy, our diplomatic machine also continues to work on non-traditional markets in Africa, the Middle East and Asia. Over the past year, PT INKA successfully exported 150 railway carriages to Bangladesh and PT Dirgantara Indonesia exported CN 235 aircraft to Senegal and Thailand.

405 The protection of our citizens overseas also becomes our common commitment. In addition to taking steps to protect and assist migrant workers, we have also managed to free most of the Indonesian citizens abducted by terrorist groups in Mindanao and evacuated Indonesians trapped in the ISIS conflict in Marawi.

410 My Fellow Countrymen,

415 In the midst of a wave of globalisation that is changing very fast and extreme, Indonesia's independence is a very important pillar in realising people's prosperity and upholding social justice. The Government continues to work hard to realise food sovereignty, by increasing the production of strategic foodstuffs, mainly rice, corn, beef, chilies, and shallots.

420 The Government also continues to strengthen the nation's independence by increasing technological innovation and constructing new renewable energy power plants and encouraging the increment of Local Content Level (TKDN) in constructing new renewable energy power plants.

425 My beloved people,
Distinguished Session,

430 On this occasion, before all Indonesian people, I want to emphasise the importance of
democracy and stability in order to realise social justice for all Indonesian people.
Through democracy, we safeguard people's sovereignty and harmony in diversity.

435 We should be grateful that the implementation of the 2017 Simultaneous Regional Head
Elections in 101 regions ran safely and smoothly. The Government wishes to thank for
the mutual cooperation of all parties, from the central and regional election organizer,
the TNI and POLRI apparatus, all political parties, including to all candidates for the
regional heads and their vices. Most importantly, the Government expressed gratitude to
440 the people of Indonesia who have given their votes, as a representation of political joy
and democracy in Indonesia.

I invite all of us to continue working collectively to maintain the joy of Indonesian
democracy, especially in the Simultaneous Regional Head Elections in 2018.

445 As an important part in maintaining the joyous momentum of the people's democracy,
the Government continues to pay attention to the security stability, and encourages the
improvement of the capabilities, professionalism, and prosperity of TNI and POLRI.

450 The Government and all Indonesian people are grateful to the TNI for always being
faithful to the Unitary State of the Republic of Indonesia and staying alert to protect the
sovereignty of the nation and state, including from the infiltration of global terrorist
movement.

455 The Government and all Indonesians are also grateful to POLRI for always protecting
people's security. This includes the success of POLRI, BNN, and Directorate General of
Customs and Excise in dismantling smuggling of 1 ton of sabu (crystal
methamphetamine).

460 In the future, TNI and POLRI must be strengthened because the future challenges are
very complex and changing rapidly. The challenges of defence and security that we face
are no longer in the Java Centrist-paradigm, but Indonesian-Centrist. Therefore, our TNI
soldiers and defence strategy should be able to safeguard every square inch of land,
every ocean wave, and every horizon of Indonesia.

465 Meanwhile, the types of threats we face today are not only invasions from other
countries. There are new threats in the forms of extremism, radicalism, terrorism,
human trafficking, drugs-related crime, weapons smuggling, and cyber-crime.

470 Therefore, I appeal to all Indonesian people, to carry out our national duties and
responsibilities to participate in defending the nation. Wherever we are, whatever our
education is, whatever our profession is, whatever we do, we all have rights, duties, and
equal opportunity to defend the country.

475 Ladies and Gentlemen,

My Fellow Countrymen,

480 To conclude the State Address before this Honourable Session, I invite all of us who have been granted mandate by the people, who are carrying the mandate of the people, in order to remain steadfast to make the common prosperity and social justice as our course of work, as the aim of our collective work, for the realisation of Indonesia Raya.

485 Therefore, from Sabang, from Merauke, from Miangas, from Rote, let us all cry out together:

490 Long Live the Republic of Indonesia!

Long Live the Land of Pancasila!

495 Thank you.

Wassalamu'alaikum Warahmatullahi Wabarakatuh,

500 Om Shanti Shanti Shanti Om,

Namo Buddhaya.

4. June 2017 – regional development

Source: <http://setkab.go.id/en/introductory-remarks-of-president-of-the-republic-of-indonesia-h-e-joko-widodo-at-the-limited-meeting-on-the-evaluation-of-national-strategic-project-implementation-and-priority-programs-in-gorontalo/>

Introductory Remarks of President of the Republic of Indonesia H.E. Joko Widodo at the Limited Meeting on the Evaluation of National Strategic Project Implementation and Priority Programs in Gorontalo Province, on Tuesday, 6 June 2017, at the Presidential Office, Jakarta

Unofficial English Translation

Bismillahirrahmanirrahim,

Assalamu'alaikum warrahmatullahi wabarakatuh,

- 5 This afternoon, we will evaluate the national strategic project implementation and priority programs in Gorontalo Province. Good afternoon, Mr. Governor.

I note Gorontalo Province can grow rapidly, which in 2016, the economic growth reached 6.52 percent, which was higher than the rate of national economy development. However, I also want to remind all that high economy development is not enough, because based on the data that I have, it shows that the poverty percentage in Gorontalo Province is still high at 17.63 percent, which is still higher than national poverty percentage.

15 And in order to reduce the poverty rate, we can focus on the development of agriculture, fishery and forestry sectors. These sectors are not only playing a big role on today's economic growth in Gorontalo, but also giving such huge contribution for labor absorption. I also note that Gorontalo has a diverse and excellent commodity production centers in agriculture sector such as rice plant, corn, coconut, copra, cacao, and also sugar cane.

25 Second, I want to pay special attention to the efforts of making additional value by developing agriculture and fishery-based industry. To that end, I ask the development of supporting infrastructure for the downstream industry be established as soon as possible, such as transportation infrastructure, logistic storages that include with cold storage, and also energy source, and clean water supply that need to be accelerated.

30 That is all my introductory remarks. Next, Mr. Governor will deliver his speech. The floor is yours.

5. June 2017 – Pancasila holiday

Source: <http://setkab.go.id/en/statement-of-president-of-the-republic-of-indonesia-h-e-joko-widodo-at-the-commemoration-of-the-birthday-of-pancasila-on-1june-2017-at-the-courtyard-of-pancasila-building-the-ministry-of-foreign-affairs/>

Statement of President of the Republic of Indonesia H.E. Joko Widodo at the Commemoration of the Birthday of Pancasila on 1 June 2017, at the Courtyard of Pancasila Building, the Ministry of Foreign Affairs, Jakarta

Unofficial English Translation

Bismillahirrahmanirrahim,
Assalamu'alaikum warahmatullahi wabarakatuh,
Good Morning,
Peace and Prosperity be upon us all,
5 Om Swastiastu,
Namo Buddhaya.

His Excellency Vice President of the Republic of Indonesia, Chairmen and Deputy
10 Chairmen of State Institutions,

Bapak Try Sutrisno and Bapak Boediono,

Honorable Relatives of the Formulators of Pancasila: Sukarno Family, Mohammad Hatta
15 Family, Radjiman Wedyodoningrat Family, Mohammad Yamin Family, and Soepomo
Family,

Honorable religious leaders and prominent public figures, heads of high level
educational institutions, and editors-in-chief,

20 Representatives of youth, student, and college student organizations as well as all
participants of today's ceremony,

Praise be to the Almighty God, this morning we can gather to perform a ceremony to
25 commemorate the Birthday of Pancasila State Ideology for the very first time. This
ceremony reinforces our commitment, so that we deepen, appreciate, and practice more
the noble values of Pancasila as the basis of our life in the society, nation and state.

Pancasila is the result of a series of processes, namely the formulation of Pancasila on 1
June 1945, which was delivered by Ir. Sukarno, the Jakarta Charter on 22 June 1945, and
30 the final formulation of Pancasila on 18 August 1945.

It is the great soul of our founding fathers, religious scholars, religious leaders, and
freedom fighters from across the archipelago so that we can build an agreement that
unites us.

35 We must bear in mind that diversity is the nature of the Indonesian nation. God's destiny
for us is diversity. From Sabang to Merauke is diversity. From Miangas to Rote is
diversity. Various ethnics, local languages, customs, religions, beliefs, and factions united
and formed Indonesia. That is Indonesia, Bhinneka Tunggal Ika Unity in Diversity.

40

However, our nation and state life always face challenges. Our diversity is always tested. There are views and actions that always threaten it. There is an intolerance that carries an ideology other than Pancasila. And all that is exacerbated by the abuse of social media, by false news, by hate speeches that are inconsistent with the culture of our nation.

45

Fellow countrymen,

50

We must learn from the bad experiences of other countries that are haunted by radicalism and social conflict, terrorism and civil war. With Pancasila and the 1945 Constitution, within the framework of the Unitary State of the Republic of Indonesia (NKRI) and Bhinneka Tunggal Ika, we can avoid these problems. We can live together and work together to advance this country. With Pancasila, Indonesia is a reference of the international community to build a peaceful, just, and prosperous life amidst the plurality of the world.

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Therefore, I invite the active roles of ulama (Islamic clerics), ustaz (Islamic scholars), priests, pastors, Buddhist monks, Hindu monks, educators, culture-bearers and artists, media enthusiasts, and government apparatus, the Indonesian National Defence Forces (TNI), and the Indonesian National Police (Polri), as well as all components of community to jointly safeguard Pancasila. The understanding and practice of Pancasila must be continuously improved. Religious lectures and educational materials, the focus of news and debates on social media should be part of the deepening and practice of Pancasila.

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The Government's commitment is unquestionable. Many efforts have been and continue to be made. Development of ethical and moral education as well as various other programs become an integral part of the practice of Pancasila values. In the series of the commemoration of the Birthday of Pancasila, I have enacted Presidential Regulation Number 54 of 2017 on the Presidential Work Unit for the Guidance of Pancasila Ideology. This new institution is an extension of my hand and together with all components of the nation strengthens the practice of Pancasila which is an integral part of economic, social, political, and cultural development.

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Fellow countrymen,

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There is no other choice except that we should work together to realize the aspirations of the nation in accordance with Pancasila. There is no other choice except that all the children of the nation should unite their hearts and minds, devote time and energy to our unity and brotherhood. There is no other choice except that we have to return to our identity as a courteous, tolerant nation, and a nation that promotes mutual cooperation. There is no alternative except that we must make Indonesia a just, prosperous, and dignified nation in the global perspectives.

85

We must be wary of all forms of understanding and movements that are inconsistent with Pancasila. The Government must take firm action against the anti-Pancasila, anti-1945 Constitution, anti-NKRI, and anti-Unity in Diversity organizations and movements.

The Government must take firm action against the ideology and movement of communism that is clearly forbidden in Indonesia.

90

Let me reiterate, let us keep the peace, unity, and brotherhood. Let us be polite and respectful, let us be tolerant and let us work together for the betterment of Indonesia.

Happy Pancasila Day.

95

We are Indonesia, we are Pancasila.

You are all Indonesia, you are all Pancasila.

I am Indonesia, I am Pancasila.

Thank you,

100

Wassalamu'alaikum warahmatullahi wabarakatuh,

Om shanti shanti shanti om, Namo buddhaya.

6. May 2017 – national strategic projects

Source: <http://setkab.go.id/en/introductory-remarks-of-president-of-the-republic-of-indonesia-h-e-joko-widodo-at-the-limited-meeting-on-evaluation-of-the-national-strategic-projects-on-3-may-2017-at-the-presidents-offi/>

Introductory Remarks of President of the Republic of Indonesia H.E. Joko Widodo at the Limited Meeting on Evaluation of the National Strategic Projects, on 3 May 2017, at the President's Office, Jakarta

Unofficial English Translation

Assalamu'alaikum warahmatullahi wabarakatuh,

Good afternoon,

5 Peace and prosperity be upon us all.

Mr. Vice President, Ladies and Gentlemen,

10 We have evaluated the implementation of national strategic projects in 22 provinces and I always emphasize that all national strategic projects that have been planned must be properly monitored, and also ascertained the extent to which the progress has been made on the ground, whether it has started, whether there are obstacles. We must continue to monitor it.

15 Of 225 projects and one program in 14 infrastructure sectors spread across various provinces in Indonesia, according to the report I receive, 20 projects or 9 percent have been completed, 94 projects or 42 percent are in the construction stage, 13 projects or 5 percent are in the transaction stage, and 83 projects or 37 percent are in the planning stage. Moreover, 7 percent are proposed to be excluded from the national strategic
20 projects and 55 new national strategic projects are proposed, as well as one program.

With regard to the addition of new national strategic projects, I want to point out some issues.

25 First, I ask that the newly proposed projects be not merely a long list of wishes from every ministry or institution, but they really need to be strictly selected. Given we have a very short time, I think the new ones should not be raised again.

30 It is important that I remind you once again that the current or new projects will have an impact on our shared efforts to promote a more qualified economic growth, which can alleviate poverty, reduce inequality between regions, and income inequality.

To that end, we should be able to predict the impact of new national strategic projects for the absorption of labor and added value created for the regional economy.

35 Second, I ask that the new projects should also be able to sustain, support the leading national sectors being developed by the regions.

40 Hence, the projects must be really integrated with the development of the leading sectors run by the regions. And I always stress that the national strategic projects can have a significant, tangible impact on the regional economy.

Finally, we must continue to encourage the involvement of the private sector or business entities to finance infrastructure projects.

45 For that purpose, I ask that non-government infrastructure financing schemes be clearly regulated so as to attract private investment in the infrastructure projects we are planning.

50 That is all the introductory remarks. I invite Mr. Coordinating Minister or Minister. The floor is yours.

7. March 2017 – agrarian reform and social forestry

Source: <http://setkab.go.id/en/introductory-remarks-of-president-joko-widodo-at-the-limited-meeting-on-agrarian-reform-and-social-forestry-at-the-presidential-office-jakarta-on-22-march-2017/>

Introductory Remarks of President Joko Widodo at the Limited Meeting on Agrarian Reform and Social Forestry at the Presidential Office, Jakarta, on 22 March 2017

Unofficial English Translation

Good afternoon,

Assalamu'alaikum warahmatullahi wabarakatuh,

5 May prosperity be upon us all,

In this limited meeting, we will further discuss agrarian reform and social forestry.

10 I would like to remind you about my statement at the previous limited meeting discussing the same topic that the spirit of agrarian reform is the realisation of equality in the concession, ownership, usage, and utilization of lands, areas, and natural resources.

15 Agrarian reform should also be a new way not only to resolve agrarian disputes between the people and companies or the people and the government, but also to alleviate poverty and socio-economic gap, particularly in villages. So, the people, particularly those in the lowest 40 percent of economic status, can have legal access to the land that provides livelihood and prosperity.

20 I have been reported that there are at least 9 (nine) million hectares of land that will be managed in terms of ownership through Agrarian Reform Program. Therefore, I ask Minister of Agrarian and Spatial Planning/National Land Agency to focus not only on completing land certification program, particularly for underprivileged people, but also on implementing data collection and management of approximately 4.9 million hectares
25 of state land whose ownership can be passed to the people. It is including land and non-prolonged right of exploitation (HGU) as well as abandoned lands.

I demand that agrarian reform also includes the management of about 4.85 million hectares of state forest under the management of Ministry of Environment and Forestry.

30 Moreover, I emphasise that the management and redistribution process of this asset to be monitored in detail so that it will be well targeted and can be benefited for the people in the lowest 40 percent of economic status.

35 Regarding social forestry, I remind you that at this moment, there are at least 12.7 million hectares of land set as the target of social forestry program, comprising village forest and customary forest.

40 This morning, I met figures of Indigenous Peoples Alliance of the Archipelago (AMAN), and as we might be aware, the Government has officially acknowledged customary forest since last December. We will continue to carry it out, and the number of areas that

have been verified keeps increasing significantly. We really want to focus on this program so the asset redistribution and agrarian reform can soon be accomplished.

45 I think that is all I can say in this fine opportunity.

8. February 2017 – economic equalization policy

Source: <http://setkab.go.id/en/introductory-remarks-of-president-joko-widodo-at-the-limited-cabinet-meeting-on-economic-equalisation-policy-7-february-2017-at-the-presidential-office-jakarta/>

Introductory Remarks of President Joko Widodo at a Limited Cabinet Meeting on Economic Equalisation Policy, 7 February 2017, at the Presidential Office, Jakarta

Unofficial English Translation

Assalamu'alaikum warrahmatullahi wabarakaatuh,

This afternoon, we will continue discussing economic equalisation policy that we have already discussed at a limited cabinet meeting two or three weeks ago in Bogor.

5 At this moment, we should be more focused on addressing interregional inequality by accelerating infrastructure development and interregional connectivity, as well as increasing transfer funds to the regions and villages. We want national economic movement to be centered not only in Java, but also throughout the country, including Indonesia's peripheral areas, in a just and equal manner.

10 In 2017, we want to work more focused to realise economic equality, particularly to decrease economic inequality between the rich and the poor. I demand that this economic equalisation policy must affect the most underprivileged people. Therefore, we need to take breakthrough measures, be it redistributing assets, imposing
15 affirmative measures to create equal opportunities, as well as improving access to education and skills for about 40 percent of the people who are most underprivileged. In order to realise economic equality, inequality of land ownership will be our fundamental challenge which should be solved immediately. Land is a very important
20 asset for 40 percent of the most underprivileged people. Therefore, we should provide the underprivileged people, small farmers or farm workers who do not own land with access to land ownership, so that the economic scale to develop their income can be realised.

We need to do so because I have the data which shows that land ownership is
25 dominated by certain groups or corporations. Moreover, I also have information that the major landowners only paid approximately a quarter of transaction taxes that must be paid to state treasury. We need to improve and manage this immediately by implementing agrarian reform and fair tax system.

30 Lastly, regarding broader access to funds as well as education and skills development, particularly for the underprivileged people, I want the Smallholder Business Credit (KUR) system to be improved. Therefore, it will grant broader access to fund Micro, Small and Medium Enterprises. We also need to offer KUR with schemes instead of the current KUR with general scheme. We have to be able to turn the pyramid of workforce
35 qualifications which is currently filled with primary and secondary graduates to be filled with educated and skilled workforce. It means that we need to make major breakthroughs in our education system, particularly in the vocational training system, so that we will be more focused on preparing human resources in key sectors, such as maritime, agricultural, tourism and creative industries.

40 That is all my introductory remarks.

9. August 2016 – presentation of 2017 budget

Source: <http://setkab.go.id/en/address-of-the-president-of-the-republic-of-indonesia-on-the-presentation-of-the-government-statement-on-the-bill-on-the-state-budget-for-the-2017-fiscal-year-and-its-financial-note/>

ADDRESS OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA ON THE PRESENTATION OF THE GOVERNMENT STATEMENT ON THE BILL ON THE STATE BUDGET FOR THE 2017 FISCAL YEAR AND ITS FINANCIAL NOTE

Bismillahirrahmanirrahim,

Assalamu'alaikum Warahmatullahi Wabarakatuh,

5 May peace and prosperity be bestowed upon us all,

Om Swastiastu,

Namo Buddhaya

10

Honourable Speaker, Vice-Speakers, and Members of the House of Representatives of the Republic of Indonesia;

15 Honourable Speaker, Vice-Speakers, and Members of the Regional Representatives Council of the Republic of Indonesia;

Distinguished Chairpersons, Vice-Chairpersons, and Members of State Institutions.

20 Fellow countrymen,

Ladies and Gentlemen.

25 It is imbued with our profound gratitude to God the Almighty that, this afternoon, we are able to attend the Plenary Session of the House of Representatives of the Republic of Indonesia, on the occasion of the presentation of the Government Statement on the Bill on the State Budget and its Financial Note for the 2017 Fiscal Year.

30 On behalf of the Government, I wish to thank all the factions of the House for the numerous feedbacks they have presented during the Preliminary Discussion held recently. Infused with these insights, the Government was able to draw up the 2017 Bill on the State Budget with an increasingly superior quality.

35 God Willing, these endeavours that we undertake collectively shall be beneficial to the entire people and be able to transform the Indonesian nation into a victorious nation in the global competition, and shall better enable the nation to become politically sovereign, economically self-sufficient, and culturally distinctive in personality.

Honourable Speaker, Vice-Speakers, and Members of the House,

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The 2017 Bill on the State Budget is drawn up on the basis of the achievements we have made in 2015 and the factual developments transpiring in 2016. In 2015, we have laid down a foundation by carrying out a fundamental transformation of the national economy. The development paradigm that was consumptive in nature has been transformed into a productive one. Additionally, we have also begun to instil an Indonesia-centric paradigm, whereby the development is not solely conducted on the Island of Java but more equitably dispersed throughout the Homeland. In the absence of the courage to make such a paradigm leap, we shall never be able to lay a solid and robust foundation for the national development.

Furthermore, in ushering the year 2016, the Government wishes to move more swiftly by launching the year 2016 as the year of accelerated development. These acceleration measures are implemented through, among others, the acceleration of the procurement of goods and services that has been initiated within the fourth trimester prior to the current fiscal year. In addition, an acceleration is also carried out through the establishment of the Public Services Board for State Assets Management Agency as an effort to accelerate the provision of land intended for infrastructure development.

The amelioration measures for the budgeting processes are also carried out more comprehensively in order to accelerate the absorption of the budget and ensure that the State Budget and Regional Budgets are well-targeted. The Government also safeguards the State Budget so that it remains healthy, qualified and credible. The Government continues to carry out effective government expenditures, maintain the trust of the market and improve the business climate.

In the second semester of 2016, the Government implemented a fiscal consolidation measure in order to safeguard the implementation of the Revised State Budget, maintain the trust of the market and the business community, and become the basis for a more realistic fiscal planning and development in 2017. The budget allocation is further prioritized to the efforts in poverty alleviation, inequality reduction, and job creation. In the same breadth, steps are undertaken to cut back on operational and goods expenditures. The derived savings are subsequently allocated to finance priority activities, notably to sustain the people's welfare and provide stimulus to economic activities.

The various measures implemented by the Government to sustain fiscal stimulus, in the midst of pressures from the global economic growth slowdown, have begun to bear fruit. In this Second Trimester of 2016, economic growth has reached 5.18 percent, which is an increase when compared to the economic growth posted in the First Trimester of 2016 that only expanded by 4.91 percent. In the Second Trimester of 2016, the largest sectors – such as agriculture, forestry and fisheries, manufacturing industry, and trade – have grown faster when compared to the growth they posted in the First Trimester of 2016. On the other hand, the inflation rate, which affects the people's level of welfare, has been relatively kept in check. The inflation rate in July 2016, as compared to the same month in 2015, stood at 3.21 percent. Consequently, the cumulative inflation rate from January up to July 2016 reached 1.76 percent. The actual inflation in July of this year constitutes the lowest figure posted in the last 5 years.

90 The Indonesian social welfare indicators in the last two years have also showed
continuous improvements. The data in March 2016 shows that the poverty level has
been successfully reduced to a level of 10.86 percent. The inequality level measured by
the Gini ratio has also been brought down to a level of 0.40. In addition, the
unemployment rate has been successfully reduced to a level of 5.5 percent. Meanwhile,
95 the Human Development Index, which indicates the people's accessibility to economic,
education, and health resources, has experienced continued gains to reach a figure of
69.55 in 2015.

Nevertheless, we should be cognizant of the fact that we would still face daunting
challenges ahead. The still unrealized recovery of the global economy, and that of a
100 number of our main trading partners, coupled with the lingering low commodities
prices, remains a potential risk that could disrupt the national economic performance. In
addition, the developed countries are still struggling to surmount the challenges of
economic recovery. Therefore, uncertainty persists in the financial policy, including the
fact that a number of countries apply the policy of flooding the market with liquidity.

105 Honourable Speaker, Vice-Speakers, and Members of the House,

In the midst of the global economic condition that has yet to be fully normal, the State
Budget must be able to become a fiscal instrument to support endeavours in poverty
110 alleviation, inequality reduction, and employment creation. In order to support those
efforts, the forthcoming State Budget also needs to be realistic, able to shore up priority
activities, credible, resilient, and sustainable both in the short- and medium-terms.

Therefore, the 2017 Bill on the State Budget is drawn up while still guided by 3 (three)
115 major policies.

First, a tax policy that is able to provide a room for manoeuvre to the economy. Apart
from serving as a source of revenues, taxation is also expected to provide incentives for
economic stimulus.

120 Second, the expenditure policy would give emphasis on improving the quality of
productive and priority expenditures, which, among others, are focused on bolstering
the acceleration of infrastructure development, social protection, better-targeted
subsidies, and the reinforcement of fiscal decentralization.

125 Third, a financing policy intended to strengthen the resilience to, and management of,
risks by keeping the deficit and debt ratio under control.

In line with the medium-term fiscal policy, the Government has designated a theme for
130 the 2017 fiscal policy, namely "Consolidating Fiscal Management in order to Improve
Competitiveness and Accelerate a Sustainable and Just Economic Growth".

Distinguished Ladies and Gentlemen,

135 By taking into account the entire prevailing dynamics and the challenges to be
addressed, the Government presents the following macroeconomic assumptions for
2017:

140 First, economic growth in 2017 is estimated to reach 5.3 percent. Global economic prospects are predicted to get brighter. However, we must exert our utmost efforts to address the uncertainties originating from the economic slowdown in various developing countries, and the prospects of economic recovery in developed countries that have yet to meet expectations. Nonetheless, the positive impacts of the implementation of the Government Policies, as formulated in the Economic Policy Packages I to XII, are expected to serve as stimuli for an economic growth that is more just and equitably distributed all across Indonesia, especially through the sustainability of infrastructure development.

150 Second, the inflation rate in 2017 is estimated to hover at a range of 4.0 percent. The strengthening national connectivity is projected to enable the creation of an efficient national logistics system that could support the achievement of a commodity price stability. As its commitment to controlling the inflation, the Government also provides for reserve funds to maintain food security and prices stabilization. The allocation of these funds will, among others, be allotted to the food subsidy policy, the food security programmes such as the market operations, and to the provision of rice for the poor.

160 Third, the rupiah exchange rate is estimated to reach a level of Rp 13,300 per US dollar. The efforts to strengthen the financial sector are undertaken by the Government jointly with the Bank of Indonesia and the Financial Services Authority. The framework for financial market deepening is expected to influence capital inflows to the Indonesian financial market and could reduce pressures on the rupiah exchange rate.

165 Fourth, the average interest rate of the 3-month Government Treasury Bill, in 2017, is assumed to be at a level of 5.3 percent. The response of the market in coping with the policy of the United States Central Bank and the manageable domestic inflation condition contribute to the efforts in lowering the interest rate of the 3-month Government Treasury Bill.

170 Fifth, the assumption of the average price of Indonesian crude oil is estimated to be at US\$45 per barrel. The increase in energy needs in the context of the global economic recovery constitutes a factor that could influence oil prices in 2017.

175 Sixth, the volume for oil and gas that would be available for sale during 2017 is estimated to reach 1.93 million barrels equivalent to oil per day, consisting of crude oil production to the tune of 780 thousand barrels per day, and natural gas of approximately 1.15 million barrels equivalent to oil per day.

180 These basic macroeconomic assumptions that have been set reflect the latest economic condition and take into account future economic projections, so they are expected to be more realistic and credible.

Distinguished Ladies and Gentlemen,

185 The 2017 Bill on the State Budget is drawn up with a fiscal policy strategy that is intended to strengthen fiscal stimulus, reinforce fiscal resilience, and maintain fiscal

sustainability in the medium-term. With respect to the strategic policies elaborated in the 2017 Bill on the State Budget, they are as follow:

190 Higher state revenues provide certainty and generate momentum for greater flexibility
to the economy. From the sector of tax revenues, increases are achieved through various
policy breakthroughs, among others by commencing the implementation of the tax
amnesty policy in 2016. This policy is expected to solidify the foundation for broadening
the tax basis and at the same time improve the compliance of taxpayers in the future.
195 Subsequently, the Government will also implement the law enforcement programme in
the field of taxation. The taxation policy is also geared towards stimulating the people's
purchasing power, improving the investment climate and competitiveness of national
industries through the provision of fiscal incentives for strategic economic activities, as
well as managing the consumption of certain goods that have negative externalities. In
200 addition, Non-Tax State Revenues are aimed at enhancing the quality of public services
while being heedful of environmental conservation efforts.

Meanwhile, in the sector of state expenditures, the strategic policies that we have
formulated include, among others:

205 First, increasing productive expenditures for infrastructure development and
interregional connectivity. The infrastructure development is necessary to improve the
quality of the development and realize food sovereignty. The Government will increase
its spending for the development of the sea toll and the people's traditional shipping, the
development of facilities and infrastructures for the sectors of electric power, housing,
210 sanitation and clean water; the construction of new roads and toll roads, as well as the
development and expansion of the railway transport, and the opening up of new paddy
fields;

215 Second, improving the efficiency and prioritization of goods expenditures in order to
enhance fiscal space;

220 Third, increasing the quality and effectiveness of social protection programmes, among
others, by expanding the target for the aspiring family programme, improving the
quality of health services, and sustaining the National Health Insurance programme, and
improving the Rice for Family Welfare programme. Additionally, improvement to the
education tuition assistance is carried out by improving the distribution system and the
data accuracy of the programme recipients.

225 Fourth, strengthening the implementation of priority programmes in the fields of
education, health, food and energy sovereignty, maritime and marine, as well as tourism
and industry.

230 Fifth, distributing better-targeted subsidies and non-cash social assistance programmes.
The effectiveness of subsidy distribution is achieved by improving the database to
become more transparent and revamping the subsidy distribution system to become
more accountable. The Government will continue to verify the identity of recipients, add
up information to complete their data, and revise their addresses. These efforts are
undertaken to ensure that the distributed subsidies and non-cash social assistance are
genuinely received by the rightful people in need.

235 Sixth, supporting law enforcement and efforts to maintain the stability of defence and security. In law enforcement, we shall focus on the eradication of drug trafficking, corruption, and on the efforts to combat terrorism. We shall also continue to build a
240 defence power in line with the Minimum Essential Force posture through the modernization of the primary weaponry defence system, which is conducted in line with the reinforcement of the national defence industry.

Honourable Speaker, Vice-Speakers, and Members of the House,

245 Being guided by the theme of the 2017 fiscal policy and its supporting strategy, the state revenues in the 2017 Bill on the State Budget are targeted to reach Rp 1,737.6 trillion. From this total volume, the tax revenues are projected to amount to Rp 1,495.9 trillion.

250 Moreover, the 2017 Non-Tax State Revenues – despite facing quite considerable challenges with the persistently low prices of several mining commodities, such as crude oil and coal – are targeted to amount to Rp 240.4 trillion.

255 In the meantime, the budget allocation for state expenditures in the 2017 Bill on the State Budget amounts to Rp 2,070.5 trillion, which consists of the Central Government expenditures amounting to Rp 1,310.4 trillion, and the allocation for the Transfers to the Regions and Village Funds amounting to Rp 760.0 trillion.

260 On account of the various agenda and development targets that I have just outlined, the fiscal policies in 2017 remain expansive in nature and are directed towards boosting the production capacity, with a budget deficit in the 2017 Bill on the State Budget targeted to amount to Rp 332.8 trillion or 2.41 percent of the GDP.

265 In general, the 2017 budget financing policy will be directed towards developing and optimizing creative and innovative financing as well as increasing financing access to Micro, Small, and Medium Enterprises, opening a wider access to financing the development and to investment, supporting the programme for the enhancement of access to education and to the provision of housing for low-income people, and improving the quality of government investment planning, and managing the debt ratio to the GDP within safe and controllable limits. In addition, the involvement of the private
270 sector in financing the development will be enhanced through a scheme of cooperation between the government and business entities.

Honourable Speaker, Vice-Speakers, and Members of the House of Representatives,

275 Distinguished Chairpersons, Vice-Chairpersons, and Members of State Institutions,

Fellow Countrymen,

280 I have thus concluded my statement on the major points of the 2017 Bill on the State Budget. I am of the hope that the deliberations on the Bill on the State Budget and its Financial Note for 2017 would proceed smoothly and timely. I firmly believe that with the trust and support of the people, the Government would be able to perform better, and work more effectively in achieving our common progress.

285 May God the Almighty always be present with us all, as we strive to realize the aspiration for turning Indonesia into a developed country, into a victorious nation that is politically sovereign, economically self-sufficient, and culturally distinctive in personality.

290 Long Live the Republic of Indonesia!

Long Live the State of Pancasila!

I thank you.

295 Wassalamu'alaikum Warahmatullahi Wabarakatuh,

Om Shanti Shanti Shanti Om, Namo Buddhaya.

300 Jakarta, 16 August 2016

PRESIDENT OF THE REPUBLIC OF INDONESIA,

JOKO WIDODO

10. August 2016 – independence day 2016

Source: <http://setkab.go.id/en/state-address-of-the-president-of-the-republic-of-indonesia-on-the-occasion-of-the-71st-anniversary-of-the-proclamation-of-independence-of-the-republic-of-indonesia/>

STATE ADDRESS OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA ON THE OCCASION OF THE 71ST ANNIVERSARY OF THE PROCLAMATION OF INDEPENDENCE OF THE REPUBLIC OF INDONESIA

Bismillahirrahmanirrahim,
Assalamu'alaikum Warahmatullahi Wabarakatuh,

May peace be upon us all,

Om Swastiastu,

Namo Buddhaya

Honourable Speaker, Vice Speakers, and Members of the House of Representatives of the Republic of Indonesia;

Honourable Speaker, Vice Speakers, and Members of the Regional Representatives Council of the Republic of Indonesia;

Distinguished Chairperson, Vice Chairpersons, and Members of State Insitutions;

Distinguished Bapak B.J. Habibie, the Third President of the Republic of Indonesia;

Distinguished Ibu Megawati Soekarnoputri, the Fifth President of the Republic of Indonesia;

Distinguished Bapak Susilo Bambang Yudhoyono, the Sixth President of the Republic of Indonesia and Ibu Ani Yudhoyono;

Distinguished Bapak Try Sutrisno and Bapak Hamzah Haz;

Distinguished Bapak Boediono and Ibu Herawati Boediono;

Distinguished Ibu Shinta Nuriyah Abdurrahman Wahid;

Distinguished Ibu Karlina Umar Wirahadikusumah;

Exellencies Ambassadors of Friendly Countries and Heads of International Agencies and Organizations;

Fellow Countrymen,

Distinguished Ladies and Gentlemen,

Let us together express our gratitude to God the Almighty, for His blessings and compassion we are able to attend the Joint Session of the House of Representatives of the Republic of Indonesia and the Regional Representatives Council of the Republic of Indonesia in the Commemoration of the 71st Anniversary of the Proclamation of Independence of the Republic of Indonesia.

Distinguished Ladies and Gentlemen,

The independence that we gained is a bridge to bring prosperity to the people, to uphold justice, to achieve progress for the whole Indonesian people. To achieve those goals, we have to build the nation. Let us awaken our souls and let us awaken our bodies. We have to develop from Sabang to Merauke, from Miangas to Rote. We have to become an advanced nation, a nation that is on a par with other nations in the world.

In the State Address delivered last year, I mentioned that the Working Cabinet had intended to lay a solid national development foundation in the first year of administration. Our national development paradigm is now shifting from being consumptive to being productive, and from being 'Java-centric' to being 'Indonesia-centric'. Regulations have been improved and cumbersome bureaucracy has been massively cut out as we implement information and telecommunications technologies. We have also set to encourage infrastructural development in remote areas across the country, particularly in rural and marginal areas, as well as border towns in order to strengthen national connectivity.

Emboldened by the achievement of fundamental economic transformation, in this second year of my tenure, the Government resolves to accelerate the development. The year of 2016 shall be termed as the National Development Acceleration Year. We have to move forward to an advanced Indonesia.

Fellow Countrymen,

Development acceleration is sorely needed. Since we gained our independence 71 years ago, we have not been able to break the chains of poverty, sever the chains of unemployment, nor narrow down social gap.

Each and every President of the Republic of Indonesia had struggled and toiled to address those three challenges during their respective tenures, starting from President Soekarno, President Soeharto, President B.J. Habibie, President Abdurrahman Wahid, President Megawati Soekarnoputri, to President Susilo Bambang Yudhoyono. Now We are also addressing the very challenges now.

The difference is that we are facing these challenges in the new world order, in the era of global competition, when competition takes place not only between areas but also between countries and regions. It is taking place in an era when all countries are interconnected to one another, one problem could turn into another problem for other countries in the world.

Now the global economy is still experiencing a slowdown. Consequently, our national economic growth is also being affected. Despite the brunts, we should be grateful that

Indonesia's economy in the first quarter of 2016 grew by 4.91 percent. Even in the second quarter this year, the national economic growth increased to 5.18 percent. The growth is much greater than the above-average economic growth of the world and of the developing countries. Indonesia's economic growth is one of the highest in Asia.

In the meantime, the global political and security challenges also get more enormous and diverse. The phenomena of political upheavals in the Middle East, for example, create an impact on regional instability and trigger the spreading of terrorism in the world, including in the capital city of our country.

We all still have a vivid recollection of the 14 January 2016 terrorist attack on Jalan MH Thamrin, Jakarta, when terrorists tried to spread panic. Yet, they failed. Indonesian people are not afraid of being terrorised as unity is our asset as a strong nation.

The global community also praised our speedy response to act and crack down on terrorism. Therefore, I call on the whole community to keep reaffirming our commitment to prevent and fight against terrorist acts. Let us reassert that there is no place for terrorism in our homeland which has the motto Bhinneka Tunggal Ika 'Unity in Diversity'.

Ladies and Gentlemen,

In the year of development acceleration, the Government is focusing on three breakthrough measures to alleviate poverty, unemployment, inequality, and social disparities. The three steps are namely: First, the acceleration of infrastructural development. Second, the preparation for productive capacity and human resources. Third, deregulation and de-bureaucratization.

Through the acceleration of infrastructural development, we are building infrastructure more equitably throughout the country in order to strengthen inter-regional connectivity and reduce inequality and social disparities. The development acceleration of logistics infrastructure includes roads, ports, airports, and railroads. While the development acceleration of strategic infrastructures encompasses power generation, telecommunications, irrigation, and public housing.

In the last two years, the Government has accelerated the construction of 2,225-km national roads, 132-km toll roads and 16,246-m bridges, or as many as 160 bridges. In 2016 we have the targets to construct 703 km national roads and more than 8,452-m bridges.

The construction of the railway is not only being carried out in Java, but also on the islands of Sumatra, Kalimantan, and Sulawesi. Up to this moment, the railway roads that have been in commission have reached 5,200 spoor-kilometers. In 2015, a 179.33 Km railroad was constructed and another 271.5 Km'sp railroad was in the construction process. Besides, we have also been developing trains for urban transportation such as the Mass Rapid Transportation (MRT), Light Rail Train (LRT), as well as the commuter line.

140 For the Sea Toll program, the Government has designated 24 ports as the Hubs for the
Sea Toll Line. As supporting facilities, 47 non-commercial ports have been constructed
and 41 ports are in the process of construction. The Government targets to build 100
ports until 2019. We will be providing vessels: we provided three (3) vessels in 2015
and we expect to provide 30 vessels in 2016. This is intended to realize our dreams to
make Indonesia as the World Maritime Fulcrum. The ocean is the future of the nation, or
145 known as Jalesveva Jayamahe.

We also accelerate the construction and development of airports as a form of “Air
Bridge”. In 2016, nine airports have been upgraded to have a better standard and
another airports have been officially opened. With respect to flight path, the
150 Government has found ways of overcoming the density of the flight path in the north of
Java Island. I dare say that we now have embarked on a plan to open a flight path in the
South of Java.

In regard to electricity supply, the 35,000-MW electricity program continues to be
155 accelerated and closely monitored. We want to ensure a well-implemented programme
and expect to achieve the target of 100 percent electrification ratio in 2019. When the
target is reached, then Indonesia will no longer have blackouts or suffer from power
outage. With sufficient supply of power, small enterprises and home industries are
expected to run smoothly and children are hoped to be able to study in the night without
160 a hitch.

The acceleration of infrastructural development, both logistics and strategic
infrastructures will surely take the issues of nature preservation into account. The
fulfillment of the target of electrification ratio also prioritises the use of new and
165 renewable energy. Moreover, we are also accelerating the construction of dams and
reservoirs to enhance the Water Resilience programme. In 2016, we intend to speed up
the completion of the construction projects of 22 dams under construction, construct 8
new dams, 387 new ponds/lakes, and rehabilitate 71 ponds/lakes.

170 Along with the infrastructural development prioritising the preservation of nature, the
Government has taken steps to conserve peatland and prevent it from being set on fire.
The Government will not tolerate arsonists of peatlands and forests for their acts
because their acts are considered crimes against humanity.

175 Then, to speed up the birth of innovations in information technology and to make
Indonesia the largest digital economy country in Southeast Asia, the Government
continues to improve the quality and coverage of telecommunications infrastructures.
To keep up with the times, the Government has put the 4G technology in place. As for its
coverage range, the Government continues to construct the Palapa Ring to connect 400
180 regencies/municipalities using fiber-optic networks in 2015. Up to April 2016, to cover
broader areas across the country, a preparatory phase has been set up to enable the
construction of the West Package and Central Package of the Palapa Ring.

Meanwhile, to meet the housing needs of the people, in 2016 the Government has
185 targeted to build of one million houses, some 700 thousand houses will be provided for
Low Income People and 300,000 others for non-Low Income People.

Fellow Countrymen,

190 In the acceleration of infrastructural development, the Government has the obligation to develop marginal, underdeveloped areas by utilizing the State Budget finance. And in the meantime, in areas with thriving and growing economy, the Government enhances private enterprises to promote closer cooperation with State -Owned Companies . In 2016, the investment of the State-Owned Enterprises is expected to reach Rp410.2 trillion consisting of 62 strategic projects with the project value of Rp347 trillion. The investment value of the State-Owned Enterprises will continue to grow to reach Rp764 trillion in 2019.

200 Moreover, with full support from the House of Representatives, the Government has made a breakthrough by issuing a law on Tax Amnesty. It is expected to widen the base of tax revenues in order to accelerate the development and improve national competitiveness.

Distinguished Ladies and Gentlemen,

205 In the era of global competition, physical infrastructural development alone is not enough to overcome the issues of poverty, unemployment, social disparity, and inequality. This is coupled with the advent of the ASEAN Economic Community (AEC) signalling that the competition in Southeast Asia is becoming increasingly fierce.

210 To be able to compete in the global competition, Indonesia has to accelerate social infrastructural development namely productive capacity and human resources. Therefore, Indonesia not only becomes a spectator in the global economy race, but also takes an active part in the race and eventually comes out winner.

215 In relation to that matter, the Government views the importance of broadening people's access to productive economy activities by beefing up the progress and productivity of Micro, Small, and Medium Enterprises (MSMEs) sector. This sector has been the backbone of Indonesian economy. As a result, in the last two years, the Government has slashed the interest rate per annum of Small-scale Business Credit from 22 percent to 12 percent in 2015, and down to 9 percent in 2016. The Government continues to provide the people with easy access to get such facilities.

225 A part from that, in a bid to prepare human resources to face global competition, the Government strengthens vocational education system. Through vocational education, we will be able to create our workforce equipped with capabilities and skills relevant to industrial needs. At the same time, we ensure that people of productive age can get jobs more easily.

230 The Government also continues to boost the creation of downstreaming research by strengthening synergy among government, universities, and industrial world to build a number of Centres of Technology and Innovation to support national industrialisation. In the meantime, to promote the State-Owned Enterprises to be more productive and to

strengthen competitiveness, the Government explores the possibility of forming 'holding company structure'.

240 In particular, the Central Government appreciates breakthroughs made by Regional Governments to prepare Indonesia's productive capacities, including the readiness of the regions in enhancing the implementation of the One-Stop Integrated Service and Subdistrict Integrated Administration Service policy.

Distinguished Session,

245 The Government intends to develop social infrastructures, especially in human resource development to enable every single being in Indonesia to have the capability of reaching his/her maximum potentials. This step begins by giving nutritionally balanced menu during the first 1,000 days of one's life.

250 Then, we promote the development quality in the sectors of health, education, and social security to develop qualified, productive, and competitive Indonesian people.

255 In the sector of health, the Programme of Healthy Indonesia has three pillars. Firstly, the implementation of the paradigm of healthy. Secondly, strengthening health services. Thirdly, the implementation of the National Health Security (JKN). According to the Social Security Providers Body (BPJS) for the Health, data per July 2016, the number of JKN members has reached almost 170 million people.

260 The number of service facilities in cooperation with BPJS for the Health is now on the increase. Until July 2016, the Health Facilities of the First Level (FKTP) working together with BPJS for the Health have reached 20,239 facilities, while the Referral Health Facilities of Advanced Level (FKRTL) has 1,910 facilities related with drugstores 1,953 facilities, and optical stores 938 facilities.

265

270 In the sector of education, the Government is accelerating the distribution of Smart Indonesia Cards (KIP) all over Indonesia. The Government pays a special attention to school children of 6-21 years coming from disadvantaged families. By this card (KIP) the children are ensured to get the service of the Primary and Secondary Education, both formal and non formal education, including skills from courses/training institutions/Vocational Training Centres (BLK), as well as information on the main values on character education. The Government also attempts to increase the welfare of the teachers who are dedicating themselves in remote areas, outermost islands, and border areas.

275

Distinguished Ladies and Gentlemen,

280 As the catalyst of physical and social infrastructural development, the Government is committed to undertaking regulatory reform: de-regulation and de-bureaucratization. Many of our regulations are outdated and need to be renewed to go forward to meet the changes of time.

285 Thus, complex regulations need to be simplified, and cumbersome procedures
eliminated. The de-regulation and de-bureaucratization that we are carrying out is
meant to render speedy services, provide regulatory certainty, synchronization, ease in
investment and to increase productivity.

290

This is irrefutably evidenced by 12 Economic Policy Packages issued by the Government
until early June 2016. Out of those 12 Economic Policy Packages, I must say that 96
percent of the regulatory instruments are already in place. In order to capitalise on the
295 benefits of those packages, the Government set up a Task Force for the Acceleration and
Effectiveness of the Implementation of Economic Policies on 28 June 2016. In the future,
in a bid to beef up the national economy, the Government will launch other Economic
Policy Packages.

300 As part of the de-regulation measure, the Government has also synchronized a number
of regional regulations on trade and investment. More than 3,000 regional regulations
have been revoked as they are considered no longer conducive for the progress of trade
and ease of doing business. In response to a number of misconceptions on the
annulment of a number of regional laws, let me reiterate two things. First,
305 synchronization of regional regulations is done for the national interest, which also
include the interests of the regions. Synchronization that has been performed is
expected to bring benefits for the regions in attracting investment and providing job
opportunities. Second, the annulled regional regulations are only those on trade and
investment.

310

Synchronization is performed to create harmony and sustainability of the regulations
from the 1945 Constitution with a litany of regulations, both at the central government
and regional governments. No government regulation – either at the Central Level or at
regional level is above the 1945 Constitution. All regulations have to comply with the
315 Constitution, have to be under the will of the people.

320 Distinguished Session,

320

To enable the breakthroughs made in the Year of Development Acceleration to alleviate
poverty, to reduce unemployment, and to narrow down social gaps, the Government
focuses its attention to four strategic aspects.

325 The first aspect is to accelerate legal reforms in order to provide legal certainty and
satisfy the sense of justice of the people, and encourage bureaucratic reforms to provide
more excellent public service. A crucial part of which is reforms within the Indonesian
National Police and the Attorney General Office, through fundamental top- down
reforms, not patchy reforms. Therefore, the professionalism of the Indonesian National
330 Police and the Attorney General Office continues to be improved. We continue to
improve the quality of the national civil servants to make our country become more
competitive.

We also have to continue accelerating the use of Information Technology in the Government's working system as an important part of the efforts to improve quality of public services, to promote efficiency, and to prevent corruption.

In addition, in an effort to strengthen the sense of justice, the Government has made breakthroughs in protecting the marginal groups. The Government has set a target of more than 55,000 severely disabled people to receive the Social Assistance in 2016. Furthermore, to protect children against crimes, the Government has issued Government Regulation in Lieu of Law Number 1 of 2016 on the Second Amendment of Law Number 23 of 2002 on Child Protection. This regulation states that crimes against children is categorized as an extraordinary crime and requires extraordinary handling.

The second strategic aspect is the reforms on the management of development budget. I have repeatedly pointed out on many occasions that we have to abandon the old paradigm which equitably distributes the budget. We have to work with a new paradigm, in which the budget is focused on priority programmes. The essence is that the people's money must be used for the interests of the people through concrete programmes and real actions so as to make the benefits felt by the people.

Development budget, the people's money can no longer be used up for bureaucratic operational activities such as official travels and budget for meetings that can actually be made more efficient. We also have to abandon the old tradition of using vague terms on the nomenclature of budget formulation because it will result in the inefficient use of development funds.

The third strategic aspect is foreign affairs. With a strong diplomacy, the Government accelerates efforts to embark on a number of international trade cooperations and considers Indonesia's participation in the Trans-Pacific Partnership Agreement (TPPA), RCEP, and many others.

We also continue to encourage the pacific settlement of international conflicts. As the spirit that we bring when we call for tolerance and peace in a number of meetings with Arabian countries as well as with the United States, be it through dialogues or socialmedia. Indonesia also continues to be actively involved in encouraging the settlement of South China Sea disputes through negotiation and peace efforts following the International Permanent Court of Arbitration's ruling in The Hague.

We are also calling for a peaceful end to the civil war in Syria as well as for the fulfilment of the independence rights of the Palestinian people.

In line with that, we improve the quality of Indonesian nationals abroad. Through Multi-track diplomacy, we succeeded in releasing 14 Indonesian citizens held hostage by an armed group in South Philippines. It was also through diplomacy that two Indonesian citizens held hostage in Papua New Guinea were successfully released. Until the end of July 2016, 7,555 cases of Indonesian citizens abroad were successfully resolved, most of whom are Indonesian Migrant Workers (TKI). For the same period, an estimated 23,651 Indonesian Migrant Workers were facilitated to be sent home through various means.

Meanwhile, in the framework of sovereignty stabilisation, the Government will take priority over the development of outermost regions, as the veranda of Indonesia. We develop the regions such as Entikong, Natuna, and Atambua for the world to see and recognise Indonesia as a great country whose every square inch of her land is constantly treasured, defended and well taken care of.

The fourth strategic aspect is democracy, political stability, and security. This nation would not be productive, would not be developed, nor be a winning nation if it did not respect human rights and constantly got mired in political turmoils. Our energy as a nation would be exhausted and only used to still political clamours rather than making leaps of progress.

We are grateful that nowadays our political cooperation is becoming more conducive and political consolidation is getting increasingly stronger. As a result, we have been able to democratically carry out a number of political decision making processes and enact a number of legal products.

We are also grateful that simultaneous regional elections on 9 December 2015 were held in a generally peaceful and orderly manner. All have been done in the tradition of democracy that is direct, general, free, confidential, honest and fair. Then, the Government together with the House of Representatives of the Republic of Indonesia and the Regional Representatives Council of the Republic of Indonesia continually strive to improve the regional election regulation, creating a better 2017 simultaneous regional elections and next regional elections.

With the Indonesian National Defence Forces (TNI) and the Indonesian National Police (Polri) constantly remaining alert and dedicated, the sovereignty and security of the people is always safeguarded. The Government continually seeks to improve the welfare and the professionalism of the TNI and the Polri through modernisation of weaponry, and continue to support the autonomy of our country's industry to supply Primary Weaponry Defense Systems (alutsista) of the TNI and the operation of the Polri.

Last but not least, I would like to express my genuine appreciation to the TNI and the Polri for their success in clamping down on Santoso, one of the leaders of the terrorist groups in Indonesia. We stress the need for constant vigilance and continue to put pressure on any potentials and threats of terrorism across the Indonesian Archipelago.

My Fellow Countrymen,

We can only make breakthroughs for the advancement of our nation and state if we adopt a progressive, optimistic, and innovative mindset. As a result, the Government strives to stimulate the process of Mental Character Revolution, i.e. the change of mindset and the change of system that start from a number of government institutions.

All this time we have been kept shackled by pessimism oblivious that fragments of the obstacles to the advancement of Indonesia indeed stem from ourselves. Indonesia is, in point of fact, a great nation, a nation that once had inspired other countries to free themselves from the shackles of colonisation. A nation that offers the world the true

430 values of mutual cooperation contained in Pancasila and Trisakti. Bearing that in mind,
we have to have high confidence and be resolved that we can be a winner nation.

Ladies and Gentlemen,

435 At the end of my State Address before the Honourable Session, I invite all elements of
the nation to work in synergy together to alleviate poverty, unemployment, disparity
and social gap. Without close cooperation, without mutual cooperation, we would be
lagging behind, swept away by the swift waves of change. It would be virtually
unthinkable.

440 Therefore, whatever field of work you are engaged in, be the best that you can be, for
actions speak louder than words, with “concrete” works, the Indonesian nation could be
onto a winner. With concrete works, Indonesia will become a developed, sovereign, self-
sufficient and civilised nation. We are now setting sail toward the course as charted by
445 our founding fathers. Toward the prosperous and great Indonesia.

Long live the Republic of Indonesia!

I thank you.

450 Wassalamu’alaikum Warahmatullahi Wabarakatuh,

455 Om Shanti Shanti Shanti Om,

Namo Buddhaya.

460 Jakarta, 16 August 2016

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

465 JOKO WIDODO

11. May 2016 – economic policy packages

Source: <http://setkab.go.id/en/introductory-remarks-of-president-jokowidodo-at-the-limited-cabinet-meeting-on-the-evaluation-of-the-economic-policy-packages-1st-to-12th-package-tuesday-24-may-2016-at-4-pm-at-the-presidential-of/>

Introductory Remarks of President Joko Widodo at the Limited Cabinet Meeting on the Evaluation of the Economic Policy Packages (1st to 12th Package), Tuesday, 24 May 2016 at 4 pm at the Presidential Office, Jakarta

Unofficial English Translation

Assalamu'alaikum warrahmatullahi wabarakaatuh,

Ladies and gentleman,

- 5 This afternoon, I would like to evaluate the Economic Policy Packages – from the First Package to the 12th Package – that we have implemented.

- 10 Let me reiterate that we must continue monitoring and evaluating all the Government's priority programs, including those economic policy packages, be it by checking them directly on the ground or by reviewing the whole process.

- 15 And I will always check, check, and check to ensure whether those packages have been effectively implemented or not. I also want to ensure that all economic policies that we have launched have been implemented or not.

- 20 I have received information that from the total 203 regulations (for the execution of the economic policy packages), 193 of them have been issued (as the basis for the new policies) and it equals to 95 percent. Only 10 regulations or 5 percent that are still at the final stage of discussion.

- I want the de-regulation measures can really bring positive psychological impacts in that it can strengthen trust from business players. And we must really maintain the trust with continued consistency and concrete changes on the ground.

- 25 I also want to stress that measures in all those economic policy packages are well implemented on the ground, can really bring concrete changes, so that it will eventually bring about an increase in investment, strengthen micro, small and medium enterprises, rejuvenate industries, and increases our exports.

- 30 And last but not least, in order to ensure correct implementation of those economic policy packages, I am going to instruct Coordinating Minister for the Economy to establish a task force in charge of guarding the implementation of those packages and monitoring it in the region. The task force will be under direct supervision of the President. I hope that once all the regulations are finished, the task force will monitor
35 the implementation, including in the regions, including on the ground, so as to avoid barriers on the ground.

That is what I can say and now I would like to invite Coordinating Minister for the Economy to have the floor.

12. May 2016 – ease of doing business

Source: <http://setkab.go.id/en/introductory-remarks-of-president-joko-widodo-at-the-limited-cabinet-meeting-on-the-ease-of-doing-business-on-9-may-2016-at-15-00-p-m-at-the-presidential-office-jakarta/>

Introductory Remarks of President Joko Widodo at the Limited Cabinet Meeting on the Ease of Doing Business, on 9 May 2016 at 15.00 p.m., at the Presidential Office, Jakarta

Unofficial English Translation

Assalamu'alaikum warrahmatullahi wabarakaatuh,

On 28 April, the Government has announced the 12th Economic Policy Package that focuses on cutting red tape, simplifying procedures, as well as reducing time and cost in order to improve the ease of doing business, particularly for start-up entrepreneurs. Measures for improvement are needed because I want Indonesia to improve its position on the ease of doing business from currently 109th to 40th.

Additionally, the 12th Economic Policy Package is a huge and important policy package that consists of 10 indicators for the ease of doing business. The 10 indicators show a reduction in procedures, from initially 94 procedures to 49 procedures. We see that nearly half of the procedures are reduced. However, in practice, we need to really comply with these procedures and ensure the implementation in the field.

Furthermore, the required permits are also reduced, from initially 9 permits to 6 permits. As formulated in this policy package, the time required to start a business has been cut from 1,566 days to 132 days. On resolving insolvency indicator, the calculation does not yet include the days and cost allocated to settle a case because there has not been any practice on such case since the new regulation was published.

I want the improvement measures in the 12th Economic Policy Package to be practically ensured and show real changes; not only in written form but also in performance. For instance, I see that the days and cost to start a limited liability company (PT) have not yet comply with the policy package. It is similar to the days and cost needed to earn a land certificate. Therefore, we need to ensure the implementation in the field. Moreover, the improvement should also be ensured in the regional level. On last Saturday, I instructed the regents to follow up the points in the 12th Economic Policy Package. We hope all regional leaders ensure that. I see that the Governor of Jakarta and the Mayor of Surabaya are among us today. I think we can follow up the points by ensuring the implementation in the field.

Although the survey will be carried out only in Jakarta and Surabaya, the Government, however, wants the policy package to be implemented nationally. Indeed, only two cities that will be checked and surveyed. However, the policy should be enforced nationally. The improvement measures not only concern about the ease of doing business ranking, but we should also be able to achieve investment grade rating in order to expand Indonesia's access to international financial market with certainly lower cost of fund and lower cost of international corporate bond market. It will also improve positive perception towards Indonesia that will lead to the increasing inflow of capital, money, and investment to Indonesia.

Therefore, I want improvement measures to be imposed from the institutional aspect, external economic aspect, as well as fiscal and monetary aspects, so we can really achieve investment grade rating.

45

That is my introductory remarks. Now I would like to invite Coordinating Minister (for the Economy) to take the floor.

13. March 2016 – poverty and economic gap programs

Source: <http://setkab.go.id/en/introductory-remarks-of-president-joko-widodo-in-the-limited-cabinet-meeting-on-the-programs-to-address-poverty-and-economic-gap-wednesday-16-march-2016-at-4-pm-at-the-presidential-office-jakarta/>

Introductory Remarks of President Joko Widodo in the Limited Cabinet Meeting on the Programs to Address Poverty and Economic Gap, Wednesday, 16 March 2016 at 4 PM at the Presidential Office, Jakarta

Unofficial English Translation

Assalamu'alaikum warrahmatullahi wabarakaatuh,

At the limited cabinet meeting this afternoon, we are going to discuss programs to alleviate poverty and to address economic gap.

5

I would also like to assert the Government's commitment to continue addressing the issues of poverty and economic gap, be it gap among people and among regions.

10 I also hope that all policies and programs are implemented in an integrated way among ministries, Bank Indonesia (BI), the Financial Service Authority (OJK) and the State Logistics Agency (Bulog).

15 We are aware that the current poverty rate is caused by the slow economic growth. Matters related to economic slowdown and the price of food commodity, especially rice, have to become our concern.

Prices of food commodity that are not stable will reduce positive impacts of programs that we have implemented to alleviate poverty.

20 We also have to ensure that social protection programs programs such as the Healthy Indonesia Card (KIS), the Smart Indonesia Card (KIP) and the Prosperous Family Card (KKS) are distributed to the right target. I hope that I can receive a report that the distribution of the cards must be finished in April this year.

25 As for the village fund program, it must bring benefits to the people in the village and it must be implemented in a labor-intensive way so it can increase purchasing power of the people.

30 As for the Smallholder Business Credit (KUR), I have read about it and I am glad because program of the Smallholder Business Credit program, whose interest is now only 9 percent, has been disseminated well so the public now knows that the interest is only 9 percent. And I hope I can receive a report on how many percent the credit has been distributed. However, I have followed the development and I know that a big portion of the funds have been absorbed.

35

Once again, I would like to assert that the programs must be implemented in an integrated way so that the data can be well verified and validated, and the aids can also be well-targeted. We also have to know well how it is implemented on the ground and how to monitor and supervise it.

I suppose that's what I can say.

Now I would like to invite Coordinating Minister for the Economy to take the floor.
(Humas) (EP/YM/Naster)

14. February 2016 – holding company

Source: <http://setkab.go.id/en/introductory-remarks-of-the-president-of-the-republic-of-indonesia-during-the-limited-cabinet-meeting-on-holding-company-at-the-presidential-office-jakarta-29-february-2016/>

Introductory Remarks of the President of the Republic of Indonesia during the Limited Cabinet Meeting on Holding Company at the Presidential Office, Jakarta, 29 February 2016

Unofficial English Translation

Bismillahirrahmanirrahim,

Assalamu'alaikum warrahmatullahi wabarakaatuh,

- 5 I would like to encourage state-owned enterprises to take a bigger role as a locomotive of the national economy.

10 It is also our hope that state-owned enterprises not only think about the profits and losses but also have a multiplier effect which are important for the prosperity of the people.

We also hope that our state-owned enterprises to be great not at home only but also dare to expand to other countries in order to develop our national economic strength.

- 15 Therefore, six months ago, I requested a clear road map to make our state-owned enterprises strong, agile, and dare to compete in this era of competition.

20 I have requested a road map design for routes in the form of super holding or holding or first begin with virtual holding and these must be decided immediately so the strength and agility of state-owned enterprises could soon be realized especially in facing the ASEAN Economic Community (MEA) with measures for restructuring and business objectives.

25 Then, if necessary, we do organization rightsizing and make total changes in the work culture of state-owned enterprises.

With these steps, I believe our state-owned enterprises will have strong competitiveness in the global competition, particularly in the ASEAN economic community (MEA).

- 30 This is all my introductory remarks. Now I would like to invite Minister of State-owned Enterprises to take the floor. (Humas) (EP/YM/Naster)

15. August 2015 – independence day 2015

Source: <http://setkab.go.id/en/state-address-of-the-president-of-the-republic-of-indonesia-on-the-occasion-of-the-70th-anniversary-of-the-proclamation-of-independence-of-the-republic-of-indonesia/>

STATE ADDRESS OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA ON THE OCCASION OF THE 70TH ANNIVERSARY OF THE PROCLAMATION OF INDEPENDENCE OF THE REPUBLIC OF INDONESIA

BEFORE THE JOINT SESSION OF THE REGIONAL REPRESENTATIVES COUNCIL OF THE
REPUBLIC OF INDONESIA AND THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC
OF INDONESIA

Jakarta, 14 August 2015

Bismillahirrahmanirrahim,

Assalamu'alaikum Warahmatullahi Wabarakatuh,

5 May peace be upon us all,

Om Swastiastu,

Namo Buddhaya.

10

Honorable Speaker, Vice Speakers, and Members of the Regional Representatives
Council of the Republic of Indonesia;

15 Honorable Speaker, Vice Speakers, and Members of the House of Representatives of the
Republic of Indonesia;

Distinguished Chairperson, Vice Chairpersons, and Members of State Institutions;

20 Bapak B.J. Habibie, the Third President of the Republic of Indonesia;

Ibu Megawati Soekarnoputri, the Fifth President of the Republic of Indonesia;

Bapak Try Sutrisno and Bapak Hamzah Haz;

25

Excellencies Ambassadors of Friendly Countries and Heads of International Agencies
and Organizations,

30 Fellow countrymen,

Distinguished Ladies and Gentlemen,

35 Let us together express our gratitude to God the Almighty, Allah SWT, for His blessings
and compassion we are able to attend the Joint Session of the Regional Representatives
Council of the Republic of Indonesia and the House of Representatives of the Republic of

Indonesia in the Commemoration of the 70th Anniversary of the Proclamation of Independence of the Republic of Indonesia.

40 Today, before this honorable joint session, I am going to deliver my first State Address as the President of the Republic of Indonesia.

Distinguished Ladies and Gentlemen,

45 We would like to express our gratitude to our predecessors, our national leaders, from President Soekarno, President Soeharto, President B.J. Habibie, President Abdurrahman Wahid, President Megawati Soekarnoputri, to President Susilo Bambang Yudhoyono.

50 Imbued by the struggle and hard work of the national leaders, coupled with the full support of all the Indonesian people, today, when we commemorate the 70th anniversary of the independence of Indonesia, we feel that we have been equipped with more than enough asset to leap forward.

55 The unity of Indonesia has been strong, the education of the people is becoming increasingly progressive, and the opportunity for students to have greater access to social mobility is wide open. At present, we have almost 300 thousand schools, more than two million teachers, and almost 40 million students, excluding kindergartens spread across the country.

60 Above all, Indonesia that spans from Sabang to Merauke, from Miangas to Rote Island, is the world's most predominantly Moslem country, the third biggest democratic country in the world. In terms of democracy, we have become one of most spectacular examples in the world. Compared to 2013, our democracy index has risen from 63.72 to 73.04 in
65 2015. We also have critical young voters who have strong motivation to safeguard the running of democracy and governance.

In addition, currently Indonesia also has a significant number of middle class people that will continue to increase along with demographic bonuses that we are enjoying and will
70 continue to savour with obvious relish. In the past 15 years, Indonesia has also seen a rise in the Gross Domestic Product from around 1,000 trillion rupiah to around 10 thousands trillion rupiah and has emerged as the world's 16th biggest economy. Indonesia is now also on a par with developed countries at the G-20 Forum.

75 Distinguished Ladies and Gentlemen,

All of this indicates that Indonesia is a truly big nation. As a big nation, we have to have self-confidence and optimism that we can solve all problems confronting us.

80 So far, we have mistakenly believed that a major problem that has impacted negatively on our national economy has arisen from the slowdown of the global economic growth. However, if we study it closely, there is something that is eluding us: it is the very values to respect others and ethics that are wearing thin, once again the very values to respect

85 others and ethics that are wearing thin, a factor is also detrimental to the sustainability of the life of the nation.

The depletion of the sense of mutual respect, the waning of the sense of considerateness, be it in the community or formal institutions such as legal enforcement, mass
90 organizations, the media, and political parties, have dragged this country in the whirls of their own ego. This would certainly be a hindrance to the program of development actions, working culture, the spirit of mutual cooperation, and the growth of our nation's character building.

95 Moreover, there is now a tendency that everyone has complete freedom to do anything they wish to do, to behave or to voice interests. This condition could get worse when the media also is making use of the situation only for the sake of rating, rather than educating the public to extol virtues and maintain productive working culture. The
100 people are easily trapped in 'public hysteria' in responding to an issue, especially one with sensational dimension.

Without political ethics, legal etiquette and administration, or economic discipline, we would lose optimism and be slow in addressing other challenges, including economic challenges faced by the Indonesian nation. We will be starved of the order of nation and
105 state.

Distinguished Ladies and Gentlemen,

110 Today, both global and national economy is less favorable. It is not the first time we experienced such economic turbulences. We have withstood them so many times. We are optimistic that we will be able to surmount them.

115 In addition, many fundamental issues require solutions. In the food sector, we have not achieved food sovereignty; we are still vulnerable to harvest failure; and we are still prone to instable food prices. In the infrastructure sector, there remains a lack of mode of mass transportation in every region and many are less integrated.

120 In the maritime sector, illegal fishing and the plundering of marine resources have brought big financial loses to the state. In the energy sector, we are still facing the issue of electricity supply to support the lives of the people and economic development. In addition, there is still a deficit of around 600 thousand barrels per day.

125 In the meantime, in the health sector, malnutrition and maternal mortality rate remains high and still poses a huge problem. In the education sector, the average school period is still 8 years from 12-year compulsory education program. We are also still not free from poverty and social gap, be it among groups and between regions. Gini ratio of this year is still above 0.4. What is alarming is that the phenomenon of violence against children
130 seems to be on the rise too.

Indonesia is also facing a number of tests, such as the eruption of Mount Sinabung, the eruption of Mount Raung, snowstorm in Papua, and the impacts of El-Nino as well as

climate change. A couple of months ago, a Hercules airplane of the Indonesian Air Force crashed in Medan, claiming the lives of our best soldiers and civilians.

135

Of course, the Government cannot stand idle. With the capacity that we have, we immediately responded, sending aids and relief assistance to the affected residents. We also pay tribute and credit to the fallen soldiers whose lives were lost in the Hercules crash.

140

My Fellow Countrymen,

145

History has taught us that the key to addressing those problems is unity. Once again, unity!

In the early years of independence, the Indonesian people continued to face major problems, namely fighting against colonialists who wished to re-colonize our country.

150

In such difficult times, relation among leaders, between leaders and the people, and among the people, was genuinely intertwined. The spirit of their unity was like cement that bonds grains of sand into a strong pillar. Thanks to the unity, we remain an independent and dignified nation.

155

Therefore, to address all the nation's problems these days, we have to stay united, work hand in hand, and must not be disintegrated by political bickering and short term interests so that our political sovereignty, economic independence and personality in the culture can be manifested.

160

As you may be aware, I just reshuffled the Working Cabinet. I made this decision to strengthen the Government performance to accelerate the implementation of development action program. The nation's best people must buckle down and work hard to build this nation and country. I consider this reshuffle one of the best bridges to fulfill my pledge to the people, a goal to improve their welfare in their lives.

165

Ladies and Gentlemen,

170

We have achieved democratic consolidation. Now, for the sake of national interests, we conduct fundamental transformation of the national economy. The paradigm of consumptive development must be shifted into productive one. Development must begin from the regions and rural areas, from villages by increasing productivity of human resources, capitalizing on science and technology, and a drive by creative, innovative and persistent mental attitude. By so doing, we will be able to make the most of our national resources to bring the biggest welfare to the people.

175

Without courage to make that leap, we will never be able to lay the foundation of a strong national development, which is economically independent, nor will we be able to prioritize national interests.

180

So far, the Government has continued to maintain State Budget in healthy, qualified, and sustainable condition. The fiscal policy is directed to boost fiscal autonomy by way of augmenting revenues without compromising investment climate. We will reduce dependence on income from natural resources. We keep budget deficit in check within
185 the range of safe limit and we, too, maintain debt ratio in a prudent manner. In addition, we also restructure the subsidy system to enable it to get to the right target. We also encourage the construction of infrastructures and the advancement of food security and social security.

190 My Fellow Countrymen,

I understand, the policies that I embraced in the commencement of administration were unpopular, making it sound as if the Government were not siding with the people.

195 Nevertheless, my political morale said that I had to act and put an end to incorrect practices.

200 My first step is converting fuel subsidy to productive sectors and the Social Safety Net. I also reorganize the procurement and distribution of the fuel. We should leave consumptive behavior behind and begin to adopt the productive one.

205 As an illustration, in 2014, some 240 trillion rupiah's worth of subsidy was going down the drain, burnt away on the streets, only enjoyed by millions of private cars; instead of by the people who live in the mountains, in coastal areas, on remote islands, or those living below the poverty line.

210 That is what I call improper practice. In fact, that astronomical amount of money could have been used to build schools, hospitals, improve people's prosperity through productive economic programs and social protection, as well as build more infrastructures.

215 Distinguished Ladies and Gentlemen,

The Government realizes that the policy of converting fuel subsidy will temporarily cause us a considerable discomfort. However, in the long run, this policy, which is like a bitter pill to swallow, will in turn pay off.

220 Many infrastructures and public facilities could be built by the Government for the benefit of the people. Many social assistance programs for the underprivileged could be freed up to help them escape from the shackles of poverty. Many social protection programs could be run sustainably for the entire community and workers. And many other Micro, Small and Medium Enterprises (UMKM) could be launched. All of this can
225 be done through by converting fuel and other subsidies which are not right on target.

To the less-fortunate, those prone to changes, the Government is freeing up Healthy Indonesia Card, Smart Indonesia Card, Welfare Family Card, and Social Assistance Card for Severely Disabled People. The Government will also continue to support the

230 effectiveness and sustainability of the National Social Security System program, both
National Health Insurance and Social Security for Manpower.

Those programs are social safety nets that have been specially designed to help our
disadvantaged brothers and sisters remain resilient and stand tall when there is
235 economic turbulence. They need to be part of productive national development.

Distinguished Ladies and Gentlemen,

240 In line with the spirit of Nawacita (Nine Priorities), the Government continues to
accelerate development of infrastructure. We are now building toll roads that will soon
interlink cities and towns on the Island of Java, even in the next few years, interconnect
those on the Island of Sumatra. We will construct railroad tracks in Sulawesi and
immediately in Kalimantan and Papua; we will build more reservoirs, shipyards and
245 ports to support the sea toll.

As for the energy sector, in the last 10 months, the Government has begun to build more
power plants across the country. We hope in 5-years' time we are able to provide
sufficient supply of electricity to prop up industrial advancement and to reach a high
250 electricity ratio to ensure economic growth for the leap of national progress.

We are also building more traditional markets as a buffer for economic growth and
boost in the welfare of the people as well as provision of fiscal incentives for productive
economic activities. In line with this, the Government also accelerates the construction
255 of Special Economic Zone and the Industrial Zone outside Java, especially for agricultural
and mining industries.

The Government is making every effort to ensure that the various development action
programs can be managed by prioritizing the capacity and innovation of our own
260 people. The development action programs, especially for creative economy, should give
access to obtain more qualified employment opportunities, the improvement of welfare
and the mastery of science and technology for the nation.

265 Distinguished Ladies and Gentlemen,

I would like to prove that you must never turn your back on the ocean or the sea. Our
vast seas have economic, defense, and unity potentials. Our marine environment now
being threatened by the climate change needs to be salvaged. We also have to protect
270 our seas from the security threats, such as illegal fishing and plundering of marine
resources. Any vessels that are caught stealing our fish must deal with our stern actions,
including by being sunk. International laws are also against illegal fishing and
plundering of marine resources.

275 One of my most important agendas is to realize the sea toll road. The sea toll road which
is part of the maritime infrastructure will be equipped with productive shipyards. Insya
Allah, this policy will encourage sustainable growth of the maritime economy, sea
preservation, and good marine's spatial management.

280 Along with that, we also have to further explore maritime culture and maritime identity of the Indonesian nation. We have to be able to demonstrate to the world that Indonesia is a maritime nation. A nation that sincerely preserves and empowers her seas.

285 That is the early part of our efforts of becoming World's Maritime Fulcrum. A Maritime Fulcrum which is not only initiated to create national defense, but also regional and global defense. This strategy is being hammered out and will be incorporated into the Indonesian National Marine Policy.

290 Distinguished Ladies and Gentlemen,

In order to encourage the strengthening of national economy through fundamental transformation, the Government makes it mandatory to use rupiah as the only means of transaction at home country. This measure is also intended to show that we are a
295 sovereign State. Economic transformation also requires a strong support from other areas, such as foreign policy, defense and security, law enforcement, and respect for human rights. Without synergy from those fields, the order of the nation and state life would be frail.

300 As outlined in the 1945 Constitution, the basic principles of our foreign policy are free and active. This principle obliges Indonesia to set our foreign policy freely, independently and without any alliance burden. Indonesia has actively participated in maintaining the world order based on independence, lasting peace and social justice.

305 To that end, Indonesia will continue sending peacekeeping mission to many parts of the world, becoming mediator of conflict, providing leadership in formulating regional and global norms.

Indonesia will continue to contribute and play a role in creating security in South East
310 Asia, as well as assume leadership in the Indian Ocean, where Indonesia will chair the Indian Ocean Rim Association in 2015-2017. Indonesia also continues to support the independence of Palestine from colonization and injustice and to call for Muslim brothers and sisters in the Middle East to lay down their weapons and to commit to peace for the sake of ukhuwah Islamiyah (Islamic brotherhood).

315 We will also build a strong national defense by empowering the primary weaponry defense system (alutsista) of domestic products. We must have national defense forces that are not merely serving as a minimum essential force, but ones also capable of securing and maintaining the sovereignty of the Unitary State of the Republic of
320 Indonesia as well as protecting her approximately 250 million people. The strength of the defense that we build should constantly uphold the character of the country and nation of Indonesia as a peace-loving nation.

In line with that, in the context of law enforcement and corruption eradication, the
325 Government promotes synergies between the Corruption Eradication Commission (KPK)-Indonesian National Police (POLRI)-Attorney General to work hand in hand and become a catalyst of development. Synchronization and harmonization between law

enforcement agencies continue to be improved to pave the way for the establishment of a modern legal system centering on preventive and facilitative aspects.

330

The Government has also formed a Selection Committee of KPK Management to be made up of public figures with credibility, independence, and integrity. We hope to have the reliable KPK leaders capable of making the anti-corruption institution work effectively, of cooperating with other law enforcers, cleansing the Republic from corruption.

335

Distinguished Ladies and Gentlemen,

340

I would like to pay attention especially to the Land of Papua. The Government commits to develop Papua and to make Papua the Land of Peace. Riots such as in Tolikara case must never happen again in the future. The Government has given foreign journalists access to enter and cover news in Papua.

345

The Government also commits to helping the tribal community across the country plagued by land conflict, reducing carbon emission by putting an end to forest fires, managing the forests in a sustainable way, protecting fishermen from the illegal fishing by foreign fishermen, protecting the future generation from the threat of drugs, as well as establishing the Reconciliation Commission for gross human rights violations.

350

Today the Government is seeking the wisest and noblest solutions to resolve human rights violation cases in our country. We want a national reconciliation so that the future generation would not have to shoulder the historical burden of the past. The children of the nation should feel free to look to the future. All of this is only initial steps of the Government to uphold humanity in our homeland.

355

Fellow Countrymen,

360

Distinguished Ladies and Gentlemen,

At the end of this noble state address, I would like to thank all Indonesian people for their integrity, patience and optimism that have given the Government a room to conduct fundamental transformation of the national economy.

365

We would also like to thank some representatives of our brothers and sisters from the remote areas, the outermost islands, the inland areas, the winners of science and technology olympics, sports competition, and others, for their incredible achievements and dedication. These great people are also here with us in this noble room.

370

We need more development fighters like you, who uphold the values of Integrity, Work Ethics, and the spirit of Gotong Royong (mutual cooperation). Therefore, today, I reiterate the need of the National Movement of Mental Revolution. This movement will nurture the values of fighting spirit, optimism, hardwork, and manners and strengthen the character of the nation and the order of the nation and state on the basis of Pancasila (the Five Principles) and the 1945 Constitution.

375

With the sincere support, patience, and optimism of the people of Indonesia, Insya Allah, the fundamental transformation of the national economy that is being carried out by the Government will have a fruitful result when the time is ripe.

380

To conclude this state address, I want to recall the message of Bung Karno at the Commemoration of the First Windu (an eight-year period) Anniversary of the Proclamation of Independence of the Republic of Indonesia on 17 August 1953: "...we do not aim to build a nation lasting just for one windu, we aim to have a nation lasting for a thousand windus, an eternal nation."

385

There is no sustainable prosperity without hardwork, no progress without sacrifice. LET'S WORK for the nation! LET'S WORK for the country! LET'S WORK for the people!

390 Long Live the Republic of Indonesia!

Thank you.

Wassalamu'alaikum Warahmatullahi Wabarakatuh.

395

Om Shanti Shanti Shanti Om,

Namo Buddhaya

400 Jakarta, 14 August 2015

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

405

Sgd.

JOKO WIDODO

16. August 2015 – presentation of 2016 budget

Source: <http://setkab.go.id/en/address-of-the-president-of-the-republic-of-indonesia-on-the-presentation-of-the-government-statement-on-the-bill-on-the-state-budget-for-the-2016-fiscal-year-and-its-financial-note/>

ADDRESS OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA ON THE PRESENTATION OF THE GOVERNMENT STATEMENT ON THE BILL ON THE STATE BUDGET FOR THE 2016 FISCAL YEAR AND ITS FINANCIAL NOTE

BEFORE THE PLENARY SESSION OF THE HOUSE OF REPRESENTATIVES OF THE
REPUBLIC OF INDONESIA
Jakarta, 14 August 2015

Bismillahirrahmanirrahim,

Assalamu'alaikum warahmatullahi wabarakatuh,

5 May peace and prosperity be bestowed upon us all,

Om Swastiastu,

Namo Buddhaya,

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Honourable Speaker, Vice-Speakers, and Members of the House of Representatives of
the Republic of Indonesia,

15 Honourable Speaker, Vice-Speakers, and Members of the Regional Representatives
Council of the Republic of Indonesia,

Distinguished Chairperson, Vice-Chairpersons, and Members of State Institutions,

Fellow countrymen,

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Ladies and Gentlemen,

It is imbued with all our gratitude to Allah SWT, that, this afternoon, we are able to
attend the Plenary Session of the House of Representatives of the Republic of Indonesia.

25

In observance of the mandate of the law, I will deliver the Government Statement on the
Bill on the State Budget and its Financial Note for the 2016 Fiscal Year.

On behalf of the Government, I wish to thank all the factions of the House for the various
inputs they have delivered in the Preliminary Discussion held recently that enabled the
formulation of the 2016 State Budget that is of quality.

30

God willing, what we are endeavouring together will be beneficial to the entire people
and make the lives of the Indonesian nation more prosperous and dignified.

35

Honourable Leaders and Members of the House,

40 By taking into account the entire global and national economic dynamics, as well as the national economic prospects, the macroeconomic assumptions for 2016 are as follow.

First, economic growth in 2016 is targeted to reach 5.5 percent. The global economic condition is projected to recover so that the performance of exports and imports and the
 45 global demand for Indonesian products are also increasing. The infrastructure development is also expected to bolster the performance of the Gross Fixed Capital Formation and the national consumption.

Meanwhile, the national connectivity improvement and expenditures reallocation to
 50 productive sectors are expected to be able to stimulate the national economy, maintain the purchasing power of the people, and control inflation rate.

55 Second, the inflation rate in 2016 is estimated to reach 4.7 percent. This inflation rate is subject to the influence of a number of factors, among others, the price fluctuation of world food commodities and energy, the shifting rupiah exchange rate, and climate change.

60 For these reasons, the Government will persevere in coordinating with the Bank of Indonesia and motivate regional governments to participate in the drive for national inflation control. The Team for Regional Inflation Monitoring and Control continues to be activated. The Government will also keep the prices of foodstuffs and energy in check in the domestic market by providing a budget allocation and reserve fund in the
 65 framework of national food security.

Third, the rupiah exchange rate is projected to reach Rp 13,400 to the U.S. dollar. The improvement in the global economic performance that is driven by United States, and the economic slowdown of China, the yuan depreciation, as well as the economic
 70 recoveries of the European Union and Japan, are also predicted to exert influence on the rupiah exchange rate in the forthcoming year.

Fourth, the average rate of the 3-month Government Treasury Bills in 2016 is assumed to be at a level of 5.5 percent. The Government Treasury Bills should remain attractive
 75 to investors.

Fifth, the assumption of the average price of Indonesian crude oil in 2016 is projected to stand at US\$60 per barrel. This assumption takes into consideration several impacting factors, such as supply and geopolitical factor.
 80

Sixth, the oil and natural gas lifting throughout 2016 is projected to reach 1.985 million barrels of oil equivalent per day, consisting of oil lifting amounting to 830 thousand barrels per day and natural gas totalling 1.155 million barrels of oil equivalent per day.

85 The basic macroeconomic assumptions that have been set are expected to reflect a more realistic economic condition so as to generate a higher level of market confidence.

90 Honourable Leaders and Members of the House,

95 The 2016 Bill on the State Budget is drawn up based on the main fiscal policies that are correlated to the theme of “strengthening fiscal management in the context of solidifying the development fundamentals and qualified economic growth”. The strengthening of fiscal management is directed through the revenue, expenditure, and funding aspects.

100 From the aspect of state revenues, the provision of fiscal incentive is intended for strategic economic activities to support the investment climate and business world. The tax policy that will be implemented by the Government is optimizing tax revenues without disrupting the investment climate of the business world.

105 In addition, the tax policy is also aimed at increasing the stability of the national economy in order to maintain the purchasing power of the people, and increase the competitiveness as well as added value of the national industry.

110 Within the 2016 Bill on the State Budget, the state revenues are targeted to reach Rp 1,848.1 trillion. Out of this amount, the tax revenues are projected to amount to Rp 1,565.8 trillion, an increase of 5.1 percent from the target of the 2015 Revised State Budget. With such an amount of tax revenues, then the ratio of tax revenues to the Gross Domestic Product reaches 13.25 percent.

115 On the other hand, the Government also continues to optimize Non-Tax State Revenues. The Natural Resources Revenues, especially oil and gas, are expected to account for a large share of the Non-Tax State Revenues, although their realization still encounters numerous challenges such as the constantly volatile world oil price.

120 Ladies and Gentlemen,

125 From the expenditure aspect, the increase in fiscal space will be achieved through subsidy efficiency, operational expenditure efficiency, and the mandatory allocation for expenditure control. Moreover, it will also be achieved through an increase of productive expenditures that are focused on infrastructure development and food as well as energy security in order to enhance the competitiveness and capacity of the national economy.

130 With due regard to the national development strategies, the need for the funding and running of the Government, the Central Government expenditures in the 2016 Bill on the State Budget will be directed towards the following policies:

135 First, continue with the policy of subsidy efficiency that is well-targeted and infrastructure development in order to support the development.

Second, enhance the effectiveness of the service and continuity of the National Social Insurance System (SJSN) programme in the health field.

140 Third, support the efforts to allocate a health budget amounting to 5 percent and an education budget amounting to 20 percent of the State Budget.

Fourth, improve the people's welfare through well-targeted social assistance programmes.

145 Fifth, maintain the welfare level of the government apparatus by taking into account the inflation rate to spur productivity and improve public services.

150 Sixth, support fiscal decentralization by transferring the allocation of the Deconcentration and Assistance Duty Fund to the Special Allocation Fund.

Seventh, continue with the policy of efficiency in operational expenditures and more focused non-operational expenditures.

155 Eighth, provide support for the implementation of the One Million-House Programme for the Low-Income People.

160

Distinguished Ladies and Gentlemen,

165

In the effort to support the implementation of the state expenditures policy, the Government allocates a budget for infrastructure amounting Rp 313.5 trillion or 8.0 percent. This budget is higher compared to the budget allocation for infrastructure in the 2015 Revised State Budget. This allocation will be utilized for, among others, the construction of roads, bridges, ports, and airports, including pioneer airports so that interregional connectivity and equitable distribution become much better.

170

Meanwhile, the budget allocation for subsidy in the 2016 Bill on the State Budget amounts to Rp 201.4 trillion. This subsidy is allocated for energy subsidy amounting to Rp 121.0 trillion and non-energy subsidy amounting to Rp 80.4 trillion. In this connection, the Government restructures the subsidy policy by devising a selection system to determine the well-targeted recipients.

175

In order to support that policy, the Government will utilize a transparent database, and will restructure the system for subsidy distribution that is more accountable. In this manner, it is hoped that the subsidy budget could be converted to more productive expenditures so that the efficiency and quality of the state expenditures can be improved in order to accelerate the realization of the Nawacita (Nine Priorities).

180

185 Another domain that shall also receive the attention of the Government is related to food
sovereignty, particularly in relation to the production of rice, corn, soya, sugar, meat,
and fish. With a view to achieving the target of food sovereignty, the Government
provides support through, among others, the expansion of agricultural fields and their
supporting infrastructures, including the construction of irrigation networks.

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Honourable Leaders and Members of the House,

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The Government also continues to allocate a budget for social security, especially for the
underprivileged people. This is carried out by enlarging the scope of assistance for very
poor families through the expansion of the conditional cash assistance to cover 6 million
200 families, increasing the participation of recipients of premium assistance for the
National Health Insurance to 92.4 million participants and adjusting the premium
amount for the Premium Assistance Recipients, and implementing the One-Million
House Programme for low-income people.

205 Other social security programmes, such as the Smart Indonesia Card and Healthy
Indonesia Card naturally remain the focus of the Government.

In the upcoming 2016, the Government also seeks to increase budget quality by
implementing several measures.

210

First, direct all Ministries/Institutions to formulate development programme planning
and budget that are better and more effective on the basis of performance.

215 Second, ask all Ministries/Institutions to initiate at an early stage the project pre-
auctions and activities in 2016, so that development activities can effectively start
running in January 2016.

Third, maintain control over the budget for consumptive and less productive activities,
particularly operational expenditures.

220

Fourth, improve monitoring and evaluation measures on the implementation of
government expenditures, both at the center and in the regions.

225 Through these measures, it is expected that development programmes in 2016 can truly
achieve the development goals in spurring economic growth, reduce poverty and
unemployment, as well as equitably distribute national development.

230 Honourable Speaker, Vice-Speakers, and Members of the House,

As elaboration of the Nawacita namely to develop Indonesia from the peripheries, from the regions and villages, a number of changes would be made:

First, increasing the budget allocation for the Transfers to the Regions and the Village Funds so as to be larger than the budget for Ministries/Institutions. This measure accelerates the strengthening of the region's role in providing public services and improving public welfare.

Second, making changes in the structure and scope of the Transfers to the Regions and Village Funds so as to be more in tune with the division of authority between the central and regional governments, as well as with the financing needs for regional development.

Third, reformulating and strengthening the allocation policy for the Transfers to the Regions, particularly the policy of the Special Allocation Fund and the Regional Incentive Fund.

Fourth, increasing the allocation of the Village Funds in order to gradually meet the mandate of Law Number 6 of 2014 on Village.

In the year 2016, the Government will make a policy change for the Special Allocation Fund with the mechanism of submitting activity proposals and funding needs from the Regional Governments to the Central Government. Those proposals are utilized as bases for determining the allocation for Special Allocation Fund in accordance with the needs of the respective region. In addition, the Village Funds will be focused on reducing the village-city gap and promote village independence.

On the basis of the policy directions and targets that I have just expounded, the state budget in the 2016 Bill on the State Budget is allocated in the amount of Rp 2,121.3 trillion, which consists of the Central Government expenditures amounting to Rp 1,339.1 trillion that comprise expenditures for Ministries/Institutions of Rp 780.4 trillion; and expenditures for Non-Ministries/Institutions of Rp 558.7 trillion; and allocation for the Transfers to the Regions and Village Funds amounting to Rp 782.2 trillion.

Distinguished Ladies and Gentlemen,

From the financing side, the adopted policies are, among others, directed at utilizing debt for productive activities, empowering the roles of the private sector, State-Owned Enterprises (BUMN) and Regional Governments in the acceleration of infrastructure development, as well as applying creative innovations on financing instruments.

In consequence of the acceleration on infrastructure development, the government is in need of an expansive fiscal policy, resulting in a budget deficit. In order to support the implementation of fiscal policy, the budget deficit will be reduced from domestic and foreign financing sources. The sources of foreign financing are chosen selectively so that they are not binding and have lower costs.

285

Distinguished Ladies and Gentlemen,

290 On account of the elaboration of the 2016 Bill on the State Budget that I have just expounded, the broad outlines of the posture of the 2016 Bill on the State Budget could be presented as follows.

295 The total state revenues is projected to amount to Rp 1,848.1 trillion that consists of tax revenues amounting to Rp 1,565.8 trillion, Non-Tax State Revenues amounting to Rp 280.3 trillion and grants amounting to Rp 2.0 trillion. Meanwhile, the total state expenditures amounts to Rp 2,121.3 trillion, consisting of the Central Government expenditures amounting to Rp 1,339.1 trillion and the Transfers to the Regions and the Village Funds amounting to Rp 782.2 trillion. Consequently, the budget deficit in the
300 2016 Bill on the State Budget amounts to Rp 273.2 trillion or 2.1 percent of the Gross Domestic Product. The 2016 State Budget deficit will be financed from domestic sources amounting to Rp 272.0 trillion and from foreign net sources amounting to Rp 1.2 trillion.

305

Honourable Speaker, Vice-Speakers, and Members of the House of Representatives,

Distinguished Chairperson, Vice-Chairpersons, and Members of State Institutions,

310 Fellow countrymen,

315 I wish to conclude my statement on the overarching principles of the 2016 Bill on the State Budget. I express the hope that deliberations on the Bill on the State Budget and its Financial Note for 2016 would proceed smoothly and timely.

320 May Allah SWT always bestow His mercy and grace upon all of us, in our endeavours towards a nation and state that is politically sovereign, economically independent, and culturally distinct in character.

325 Long live the Republic of Indonesia!

I thank you.

Wassalamu'alaikum Warahmatullahi Wabarakatuh.

330 Om Shanti Shanti Shanti Om,

Namo Buddhaya.

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Jakarta, 14 August 2015

345 THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Sgd.

JOKO WIDODO