PATTERNS OF CABINET FORMATION IN INDONESIA: THE CASE OF YUDHOYONO AND WIDODO'S CABINETS

POLA PEMBENTUKAN KABINET DI INDONESIA: KASUS KABINET ERA SBY DAN JOKOWI

Aryo Wasisto

(Center for Research Expertise Agency of the House of Representative of the Republic Indonesia, Nusantara II Building, 2nd floor, Jl. Jend. Gatot Subroto, Senayan, Jakarta 10270, Indonesia; email: aryo.wasisto@dpr.go.id)

Naskah diterima: 10 Juni 2021, direvisi: 24 Oktober 2021, disetujui: 30 Oktober 2021

Abstract

This article discusses cabinet formation in Indonesia, in which the character is directly influenced by the multiparty presidential system in which the presidential party is always in the minority. The coalition cabinet has several problems, primarily regulating the sectoral egos of the ministers who are representatives of political parties. This problem shows rational interests, which are popularly referred to as extractive oligarchy. It affects the performance of the country's economy, where the focus of reorganization has immensely drawn attention. This article uses a qualitative method, especially the document analysis; suggests that the portfolio allocation of cabinet ministers in Indonesia affects the performance and solidity of the coalition. There are similarities between the Yudhoyono and Widodo administrations; the cabinet is filled with politicians, business people, non-political business people, and experts. Interestingly, both governments maximized the non-political entrepreneur in the second period as a formal tie of reciprocal performance during the campaign. In the future, these coalition patterns require objective supervision from the people's representative institutions to scrutinize ministers so as not to get caught up in their sectoral egos.

Keywords: cabinet formation; coalition oligarchy; minister allocation.

Abstrak

Artikel ini membahas tentang pembentukan kabinet di Indonesia yang karakternya dipengaruhi lansung oleh sistem presidensial multipartai dimana partai presidensial selalu menjadi minoritas. Kabinet koalisi memiliki beberapa masalah, terutama kesulitan dalam pengaturan ego sektoral para menteri yang mewakili partai politik. Hal ini menunjukkan kepentingan-kepentingan rasional yang kemudian popular disebut oligarki. Problem ini mempengaruhi kinerja perekonomian negara, dimana fokus reorganisasi telah menyita banyak waktu presiden. Dengan menggunakan metode kualitatif, khususnya analisis dokumen, artikel ini menemukan bahwa alokasi portofolio menteri kabinet di Indonesia mempengaruhi kinerja dan soliditas koalisi. Ada kesamaan antara rezim Yudhoyono dan Joko Widodo; kabinet diisi oleh politisi, pebisnis, politisi, pebisnis non-politik, dan pakar. Menariknya, kedua pemerintah memaksimalkan posisi menteri dari latar belakang pengusaha non-politik pada periode ke-2 sebagai ikatan formal kinerja timbal balik selama kampanye. Jokowi periode ke-2 menghasilkan fenomena bergabungnya rival Prabowo ke dalam pemerintahan yang berbarengan dengan. Pada masa mendatang, pola-pola koaliisi ini membutuhkan konsekuensi pengawasan objektif dari lembaga perwakilan rakyat yang untuk memonitor para menteri untuk tidak terjebak dalam ego sektoral mereka.

Kata kunci: formasi kabinet; koalisi oligarki; alokasi menteri,

INTRODUCTION

Presidential coalitions have become the capital of democracy in Latin America. Models and coalition formation in the presidential system make cabinet formation the center of research. The motivation for cabinet formation in Latin America illustrates that the strategy of the cabinet coalition is closely related to the policies of the president. The formation of the cabinet is often determined before the presidential election. The study of presidential coalitions is at least different from formation in a parliamentary system. The first reason is that the government does not need parliament trust in a presidential system, which means that trust is not needed institutionally. Second, the presidential system is not conducive to political cooperation. In the context of Indonesia, this article examines presidential coalitions by looking at the motivation for the focus of the constellation of ministries that are used.

Developments in Indonesian politics show that Joko Widodo's government model is identical to his predecessors, a model governed by a coalition of political parties, a similar pattern since the last amendments to the 1945 Constitution. When Indonesia was starting the presidential stage, where citizens directly elect the president in 2004, public expectations of the president's ability to lead the cabinet are getting higher. However, the presidential coalitions from the Susilo Bambang Yudhoyono to the Joko Widodo regime have the same constraints: the presidential party is always a minority.² The pre-election coalition determines the allocation of ministers in government lack of ideological commitment to binding the coalition. Public pressure on the growing demands for democracy and expectations of the ministry's performance is a challenge for the president because he manages two burdens at once. The first

is to consolidate ministers from coalition parties and harmonization.

Widodo's second term government is complex, especially in the economic sector because of global economic pressure due to the trade war between the United States and China. In early 2019, Indonesia was under pressure from high rupiah fluctuations and depreciation. World market turmoil and uncertainty over the impact of war motivated investors to reallocate their funds.³

These tensions worsen the investment climate in Indonesia. So far, Indonesia is also constrained by overlapping policies. The government also responded to the negative situation by planning an economic restructuring policy in an omnibus law. The Omnibus law aims to solve the investment licensing problem, making it difficult for local and foreign investors. International pressure in the form of the COVID-19 pandemic has also made the Widodo government often questioned the performance capabilities of its ministers. On a national scale, the second Widodo administration has faced delegitimating civilians due to the Corruption Eradication Commission Law and the Job Creation Law which resulted in demonstrations in various places in Indonesia.4

Meanwhile, Yudhoyono contend against members of his coalition in the Dewan Perwakilan Rakyat Republik Indonesia (DPR-RI) in the Century Bank case. Both regimes have had challenges in timing and changing the order schemes and this placement of ministerial portfolios. How the background allocation of the ministers of the two regimes, whom each have ten years, does that affect the capacity building for the five years running? This article qualitatively compares Widodo and Yudhoyono's administration and predict the challenges that will be faced, especially in significant changes such as economic growth and democracy. So how is their portion of the background allocation essential to describe the government's performance, particularly economic

Scott Morgenstern, Juan Javier Negri, and Aníbal Pérez-Liñán, "Parliamentary Opposition in Non-Parliamentary Regimes: Latin America", *Journal of Legislative Studies* 14, no. 1–2, 2008, hlm. 160–89, https://doi. org/10.1080/13572330801921166; David Altman, "The Politics of Coalition Formation and Survival in Multiparty Presidential Democracies", *Party Politics* 6, no. 3, 2000, hlm. 259–89, https://doi.org/10.1080/02589340903017999.

² Sri Yanuarti, 'The Seeking of Election and Party System To Strenghthening Presidential System', *Penelitian Politik* 10, no. 2, 2013, hlm. 96.

Muhammad Iqbal et al., 'USA-China Trade War: Economic Impact on Indonesia', *Journal of Public Affairs*, no. October, 2020. hlm: 8, https://doi.org/10.1002/pa.2543.

⁴ Aryo Wasisto and Prayudi, 'Gerakan Mahasiswa Dan Upaya Mengurai Polemik Tuntutan', Info Singkat, 2019, 12, http:// berkas.dpr.go.id/puslit/files/info_singkat/InfoSingkat-XI-19-I-P3DI-Oktober-2019-2063.pdf.

development and democracy? No study analyzes the portfolio allocation of ministers in Indonesia that relates explicitly to government performance. Perhaps, this condition can describe the confusion of coalitions in Indonesia, which are inconsistent and quickly closed in general as a coalition of pragmatic political parties. More particularly, this article will take a general look at the performance of ministries related to the economy. Haris found several problems related to the complexity of government coalitions in the presidential system in Indonesia, including the coalition's thought base, which tends to be short-term and is not bound by a strong commitment, so that presidential coalitions tend to be fake. Haris's thesis opens the concept of the political behavior of coalition elites concerning the quality of democracy in Indonesia. He emphasized the importance of commitment between political elites in Indonesia and avoiding transactional relationships to create substantive democracy.

The presidential party in Indonesia has always been a minority. This condition was highly detrimental to the president because Yudhoyono has to face a balanced legislative power. The best way for a minority president is to create a government coalition scheme within the ministry's portfolio allocation strategy where each position represents the coalition parties. The minister's allocation during The Reformasi is a picture of the trade-off of grand plans among coalition political parties. Usually, the size is determined by the results of the legislative seats obtained by political parties. The more minority the president's party is, the less the president divides his ministries into coalition parties.⁶

Coalitions of many parties in the presidential system of government, including Indonesia, is a phenomenon that cannot be avoided with explanations that are also difficult to understand.⁷

Haris found several problems related to the complexity of government coalitions in the presidential system in Indonesia, including the coalition's thought base which tends to be short-term and is not bound by a strong commitment so that presidential coalitions tend to be fake. Still, at least the effect of the multiparty system has encouraged pre-electoral commitment between parties.⁸

The most important part of the effect that preelectoral commitments and multiparty coalitions have had are structural weaknesses within the state economic performance, particularly in cabinet performance. How the behavior and interests of political parties in coalitions can distort public policymaking. If it is not dangerous for the sustainability of democracy in Indonesia, this pattern has shown a government that lacks professionalism. Political scientists have shown symptoms of economic concentration among the government elite. The political actors have made elections an attraction for only office seeking.¹⁰

Government coalitions are common in presidential systems in Latin America, but their formation is not fully understood. Reflecting also from studies in parliamentary countries, the presidential system's coalition government shows almost the same problems. It even tends to be worse because of the nature of the fixed tenure. Coalition practices in presidential systems sometimes overlap to differentiate between legislative and executive interests. The understanding of the ineffectiveness of the

⁵ Syamsuddin Haris, 'Demokratisasi Partai Dan Dilema Sistem Kepartaian Di Indonesia', *Jurnal Penelitian Politik*, 2016, hlm.
68

⁶ Syamsuddin Haris, 'Koalisi Dalam Sistem Demokrasi Presidensial Indonesia: Faktor Faktor Kerapuhan Koalisi Era Presiden Yudhoyono', Jurnal Penelitian Politik 8, no. 1, 2014, hlm 1–14.

⁷ José Antonio Cheibub, Presidentialism, Parliamentarism, and Democracy, Presidentialism, Parliamentarism, and Democracy, 2006, hlm. 88, https://doi.org/10.1017/CBO9780511813344.

⁸ Haris, 'Demokratisasi Partai Dan Dilema Sistem Kepartaian Di Indonesia', hlm. 64.

⁹ Hanna Bäck, Wolfgang C. Müller, and Benjamin Nyblade, 'Multiparty Government and Economic Policy-Making: Coalition Agreements, Prime Ministerial Power and Spending in Western European Cabinets', Public Choice 170, no. 1-2, 2017, hlm. 33-62, https://doi.org/10.1007/s11127-016-0373-0.

¹⁰ Jeffrey A. Winters, 'Oligarchy and Democracy in Indonesia', *Indonesia* 2013, no. 96 Special Issue, 2013, hlm. 11–33, https://doi.org/10.5728/indonesia.96.0099.

Johannes Freudenreich, 'The Formation of Cabinet Coalitions in Presidential Systems', Latin American Politics and Society 58, no. 4, 2016, hlm. 80–102, https://doi.org/10.1111/laps.12003.

¹² Juan J. Linz, 'Presidential or Parliamentary Democracy: Does It Make a Difference?', in *The Failure of Presidential Democracy:* The Case of Latin America, ed. Linz and Arturo Valenzuela, Baltimore: Johns Hopkins University Press, 1994,hlm. 3–89.

presidential model is often linked to the tension of interests between political parties, which causes the formation of public policy to be hampered.¹³

One of the dilemmas in a coalition government is that the cabinet parties must increase their respective public spending. A coalition of many parties will also achieve inefficient bids because it is in the process of forming economic policies and creates electoral conflicts.¹⁴ Therefore, from a macroeconomic perspective, a coalition government allows for more massive budget deficit.15 The main reason for the budget deficit is that a large coalition government will generate more government spending. Each minister has his departmental priorities without considering the full marginal tax burden.¹⁶ Also, in this type of government, where officials are always faced with directions from political parties that often put onward their political parties' financial interest, it encourages performance dissatisfaction because, in some cases, officials carry out scandals that worry about security in democracy.¹⁷

Theories that linking party behavior and coalition output in Indonesia are colored by the assumption of the political oligarchy. It has been rife since the transition from the Soeharto New Order era, where democracy formed a cartel scheme of political parties that put parties in free power, encouraging influential parties to exist. in a position of opposition, it turns towards being on the side of the government. ¹⁸ This theory may differ from what theorist fear about the failure of policy

13 Cheibub, Presidentialism, Parliamentarism, and Democracy.

formation or the increasingly difficult predictions of democracy and coalitions in Indonesia. Slater saw this as a consolidation between the parties in a pragmatic ideology. As a result of this scheme, the performance of businesspeople or sponsors or party owners in the cabinet coalition is a prize that must be paid by the winning alliance of the political agreement during the campaign period.¹⁹

There are descriptions of three different points that appear in coalition contractual agreements: policy agreements, portfolio allocation, and procedural rules. This dataset has documented whether coalition parties have drawn up contracts formally or informally, contained in the number of written agreements and can be decomposed by the number of words they contain, and includes how comprehensive the policy can be negotiated. From these three descriptions, this article seeks to classify some of the levels that occurred in Indonesia during the Yudhoyono and Widodo administrations.

METHODS

This study uses qualitative method. More specific, this article is the result of an analysis of thematic documents. Document analysis is a systematic procedure for evaluating papers and printed or electronic materials (computerbased and transmitted via the internet). This method requires data to be interpreted to gain understanding and gain empirical knowledge.²¹ First of all, I noted the phenomenon developed around coalitions in Indonesia from the data available in scientific journals during the years 2004-2019. The data variations in tables 1 and 2 consists of searching for text information on the internet using my experience and knowledge. Second, this article's social fact data is the resonance of the theorists, which is summarized into a dense description.

The triangulation of data in this study is a

¹⁴ Torsten Persson and Guido Tabellini, 'Electoral Systems and Economic Policy', in *The Oxford Handbook of Political Economy* (Oxford University Press, 2008), https://doi.org/10.1093/ oxfordhb/9780199548477.003.0040.

Heike Klüver and Hanna Bäck, 'Coalition Agreements, Issue Attention, and Cabinet Governance', Comparative Political Studies 52, no. 13–14, 2019, hlm. 1995–2031, https://doi.org/10.1177/0010414019830726.

Juergen von Hagen and Ian J Harden, 'Budget Processes and Commitment to Fiscal Discipline', *European Economic Review* 39, no. 3–4, 1995, hlm. 771–79, https://econpapers.repec.org/RePEc:eee:eecrev:v:39:y:1995:i:3-4:p:771-779.

¹⁷ Robert Williams, Party Finance and Political Corruption, Party Finance and Political Corruption (Palgrave Mcmillan, 2000), https://doi.org/10.1057/9780333978061.

¹⁸ Dan Slater, 'Party Cartelization, Indonesian-Style: Presidential Power-Sharing And The Contingency Of Democratic Opposition', *Journal of East Asian Studies* 18, no. 1, 2018, hlm. 23–46, https://doi.org/10.1017/jea.2017.26.

¹⁹ Jeffrey A. Winters, Oligarchy (Cambridge University Press, 2011)

W. C Müller and K. Strøm, 'Coalition Agreements and Cabinet Governance.', in Bargaining and the Cycle of Democratic Politics Oxford: Oxford University Press., 2008, hlm. 159–99.

²¹ Glenn A. Bowen, 'Document Analysis as a Qualitative Research Method', Qualitative Research Journal, 2009, https://doi.org/10.3316/QRJ0902027.

comparison between articles published during 2005-2020. Ministerial constellation data is extracted from various electronic sources from 2004-2019. The determination of the background status of the ministers examines the news spread in multiple media. All data are parsed descriptively.

DISCUSSION

Cabinet Formation in Indonesia

The ministerial constellation in this article is defined as the distribution of ministerial positions. The ministers' backgrounds describe the chosen person profession as a modality for portfolio consideration in the cabinet. The rationality of cabinet selections which is the prerogative of a president, is frequently linked to their professionalism in ministerial fields. However, professionalism may conflict with its performance because a president in a multiparty system considers matters owed by the coalition of political parties that had been planned before the general election.

During the Suharto era, all ministers were a combination of professionals and the military. The involvement of scientists is also a development strategy. Soeharto also carried out a cabinet reshuffle to get better economic performance and security stability. Political agreements did not constrain Suharto because Golongan Karya was the only electoral force in election competitions in Indonesia. The Soeharto era financial problem is the complexity between dependence on industry and donor country.²²

There is a particular characteristic in the Widodo and Yudhoyono administrations, namely non-political businessmen considered to have their characteristics and roles. This phenomenon is discussed in various theories about the concept of businessmen in politics. For example, is the concept of "revolving doors" in which business actors in government are considered to encourage the effectiveness of private and government business. However, such schemes can also create conflicts of interest and for former officials

to misuse knowledge, influence, and inside information acquired while in government for unfair personal or commercial gain.²³

While this article does not debate the experts or representatives of a political party who influence the portfolio, in the classical viewpoint, that every citizen is always assumed to maximize the utility function in private goods and government policies. It is then consistent with political parties as organized institutions both in government and in opposition. Of course, in a more focused explanation, including individual politicians who try to maximize the utility function, which is defined as a re-election probability variable.²⁴

The cabinet's formation from the Yudhoyono to Widodo era was based on a pre-election agreement between coalition parties where winning and reciprocity were highly dependent on the power-sharing games used by the president.²⁵ The agreement of a coalition of political parties in Indonesia is the basis for contestation in the nomination of a presidential candidate. Coalition agreement conferences are shown in the mass media. Although there are no formal ties in the coalition, each party has its own role to play. Usually, the strata of political parties in a coalition are measured by the number of members of parliament. Regulations regarding the threshold in the 2009 presidential election have reduced the absolutism of Yudhoyono's figure. It can potentially build the image of a high-level majority among other candidates. However, that popularity did not naturally increase the same favor for his political party. He needs media functions to promote his political image, especially those related to the Partai Demokrat (PD).

Article 15 of the Law of the Republic of

²² Anne Booth and Peter McCawley, 'The Indonesian Economy during the Soeharto Era', East Asian Social Science Monographs. 39, no. 2 1981, 39.

²³ Elise S Brezis and Joël Cariolle, 'Measuring Conflicts of Interest: A Revolving Door Indicator', FERDI Working Paper Development Indicators, vol. 122, 2015, https://econ.biu.ac.il/files/economics/shared/staff/u46/measuring_conflicts_of_interest-a_revolving_door_indicator.pdf., accessed March, 10, 2021)

²⁴ A Breton, The Behavior of Political Parties. In: The Economic Theory of Representative Government. Case Studies in Economics. London: Palgrave MacMillan, 1974, https://doi.org/https://doi.org/10.1007/978-1-349-02387-5_7.

²⁵ Dan Slater, "Party Cartelization, Indonesian-Style: Presidential Power-Sharing and The Contingency of Democratic Opposition", *Journal of East Asian Studies*, Vol. 18, issue 1, March 2018, pp.23-46.

Leadership	Politician	Businessmen Politcian	Businessmen non politican	Expert	Parties in Government	Coalition in Parliament
Yudhoyono 1	48%	9, 3%	•	41%	8	72%
Yudhoyono 2	31%	13, 3%	13,3%	42%	6	75, 5%
Widodo 1	33,34%	10, 4%	4,1%	52,2%	6	60%
Widodo 2	25, 7%	22, 8%	11,4%	40%	8	74, 2%

Table 1. Background Constellation of the Minister of Yudhoyono and Widodo Era

Source: elaborated by author

Indonesia Number 39 of 2008 concerning State Ministries expressly limits the maximum number of state ministries that can be formed to 34 state ministries. This law is a limitation of the president's prerogative in determining the number of ministries. This rule also limits coalition allocation agreements that are tied informally to the contribution of winning elections and the amount of legislative power of coalition parties. The Cabinet of Yudhoyono and Widodo departed and learned from the previous administration's problems, especially in the era of Abdurahman Wahid, where disharmony among the elite affected the stability and performance of the government. The Yudhoyono Cabinet for the 2nd term and Widodo for the 2nd period also reflected on the Reformasi era's mistakes, namely the importance of ensuring that the government has limited capacity to implement economic agendas. Therefore, balancing the power of parliament and allocating ministerial positions to coalition parties is a gently called "democratic consolidation."

A president who is directly elected in the presidential system has three political powers, and the first is the power of the constitution, political parties, and the support of civil society. In Indonesia, the president is seen as the highest authority because hierarchically, it is free to regulate his ministers' positions. However, the coalition that was planned before the election which was largely oriented towards national winning meant that the cabinet ministers' portfolios would come from different political parties. For the period 2004-2009, the Yudhoyono administration placed 57% of the ministers with political backgrounds, with the legislative coalition reaching 72%. The

fundamental reason for this choice is that in office, the president promised not only to promote higher economic growth but also to create a more robust investment climate. Yudhoyono realized that as a minority party president, he is not strong enough to avoid conflict with the parliament.

Nevertheless, Yudhoyono has the principle of running the government and not collapse halfway by accommodating ministerial positions from among the party.²⁶ With the choice of democratic consolidation, Yudhoyono can safely rule for a decade without significant crisis and political shocks. Consequently, he was faced with a change of person in the cabinet, carried out repeatedly in various arguments. As an improvement in sectoral performance, on the other hand, it is a formality in coalitions. However, Yudhoyono is dealing with a cabinet reshuffle on the basis of improving sectoral performance or formality in the dynamics of the coalition. Tomsa²⁷ states that this formality reflects the centrality of state protection for parties wishing to participate in the cabinet to gain access to programs and funds provided by the ministry, rather than to identify opportunities to direct policies.

The Yudhoyono cabinet, which is dominated by party elites, have answered Yudhoyono's concerns about the difficulty of taming the parliament so that it runs the government smoothly. The portion of the position of the experts became second, but

also not a few were replaced. Technical capacity and efforts to reconcile with parliament appear to be steps taken by Yudhoyono. During the period of democratic consolidation, Yudhoyono has not yet given portions to non-party business people in the cabinet, given the importance of positions as a formality of the coalition that was initially agreed upon with party leaders. The joining of the Partai Golkar into his administration indicates the strong relationship between Jusuf Kalla as vice president and businessman politician and his colleague Aburizal Bakrie who is also a business politician.

The same pattern occurred in Yudhoyono's second government, where the president with a minority party still threatened the five-year political agenda. If, in Yudhoyono's first government, ministers' backgrounds were filled by bureaucrats, technocrats, military, and party representatives, Yudhoyono's 2nd government needs to pay attention to the presence of non-political party business people filling ministerial positions as much as 13%. Businessmen's presence in politics has several objectives, particularly to understand more deeply the inseparable issues of economy and democracy, especially the awareness that the second competition is a battle to influence the public where the mass media is a vital part of Yudhoyono's coalition. The establishment of the Joint Secretariat for Supporting the Government of President Susilo Bambang Yudhoyono (Setgab) was Yudhoyono's initial process to organize the sectoral egos of political parties. Managing in a coalition is a mediation between the legislature and the executive to reduce protracted conflicts in law-making. The weakness of the Setgab in the multi-party presidential system in Indonesia is the absence of formal ties that internally regulate coalition political parties.²⁸ The coalition coordinated by Setgab has significant weaknesses. Namely, the occurrence of coercion of the attitude of PD as the government's view. In contrast, other parties need profitable ties. A coalition that is too large not bound by a standard format can become a conflict of interest every time a law is discussed

in parliament.

The presence of businesspeople in the Yudhoyono administrations indicates the desire of businesspeople to get preferential treatment for the companies they own, get alternatives to success in political careers, and as representatives of the private sector supporting economic reform.²⁹ In the public choice theory approach, the results they do are for personal gain. For example, entrepreneur politicians will always increase career prospects by engaging in rent-seeking. Likewise, with entrepreneurs who seek to become representatives of economic reform, collectively, continuously have the main objective of prioritizing their companies, either directly or through monetary gain. The entrepreneur's closeness to the winner produces an obvious trade-off: incentive funds for strategic positions.30

The presence of Chairul Tanjung and Dahlan Iskan in the formation of the United Indonesia Cabinet II gave discourse on the reciprocal role of the media in political victories. The appointment of Chairul Tanjung, the conglomerate of CT Corp in Yudhoyono's 2nd cabinet may not be overt, but his friendship with Yudhoyono has made him a major media oligarchy in Indonesia's history of democracy. Yudhoyono and Tanjung are considered to have a clear relationship and can be used as a dam from the flow of news from TV One and Metro TV. The appointment of Tanjung also supports the relationship between the state and James Riady and Anthony Salim, the two richest conglomerates in Indonesia, the same is the case with the appointment of Dahlan Iskan. Yudhoyono hopes for a balanced reciprocity because he is worried that Iskan's media capacity will conflict with him. Finally, Dahlan Iskan's media became a winning tool in the strategy of spreading Yudhoyono's message about decentralization.31

After two periode of Yudhoyono, the phenomenon of volunteers supporting Widodo

²⁸ Haris, 'Koalisi Dalam Sistem Demokrasi Presidensial Indonesia Faktor Faktor Kerapuhan Koalisi Era Presiden Yudhoyono'. *Jurnal Penelitian Politik* 8, no. 1, 2014,1–14.

²⁹ Marcus Mietzner, Money, Power, and Ideology: Political Parties in Post-Authoritarian Indonesia, Singapore, NUS Press, 2013.

³⁰ Ross Tapsell, Media Power in Indonesia: Oligarchs, Citizens And The Digital Revolution, Rowman & Littlefield International, vol. 53, 2013, https://doi.org/10.1017/ CBO9781107415324.004.

³¹ Ibid.

indirectly cannot be concluded as support by the partisan public. Some of the volunteer initiators, such as Pro Jokowi (PROJO), are an integral part of PDIP sympathizers. Some of them are affiliated with people who live in areas where the majority of PDIP supporters are. Jokowi volunteers at least explain the initial design to change the image of the military leadership for ten years to a leader who is close to the people. Widodo later became a symbol of grassroots struggle with sympathy. However, the elements of Widodo's victory are so diverse. This goal is part of the hopes of business people who support Widodo.

The formation of the Widodo cabinet more or less repeats the same pattern as Yudhoyono's, especially in the portion of party representatives and business people where they both add more business professions. The formation of the Widodo coalition government at the beginning of his administration, there were far fewer businessmen than in the second period. With this decision, Widodo could not avoid media pressure in reporting on the issue of oligarchy in the government, even though the number of non-political business people was only 4% of the total ministers. The Yudhoyono and Widodo administrations also still place their trust in retired generals as a symbol of assertiveness. Then, the striking similarity between Yudhoyono and Widodo is the cabinet reshuffle pattern which further accommodates the Partai Golkar as a postelection coalition. The entry of entrepreneurs into the cabinet can be seen as a "revolving door" movement where, for precise reasons, Widodo wants a fundamental change from Indonesia's economic stagnation in the last 15 years. Business people in the ranks of his first cabinet have various functions at once:

- 1) As a reciprocation of the winning team.
- 2) As a bridge between broader national business relations.
- 3) Contribute their expertise and experience in inviting more investment.

This reason was strengthened when the KPK Bill was legalized to reduce the authority of the Corruption Eradication Commission of the Republic of Indonesia as an institution

that often investigates the relationship between business people and bureaucratic officials. The idea of economic restructuring came from one of Widodo's ministers, Luhut Binsar Panjaitan who is also the owner of the Toba Group, which was later manifested in the form of a Job Creation Law. The Job Creation Act has the aim of simplifying the bureaucracy and is often assumed by labour groups as a regulation that only favours business people. Ministers with business backgrounds such as Erick Thohir and Airlangga Hartanto who are also the General Chair of the Golkar Party are the motor of the success of the Job Creation Law. The second Widodo government, although it has frequently issued unpopular policies, is considered successful because it can control disruption between coalitions. The existence of Erick Thohir (Minister of BUMN) and Prabowo Subianto (General Chair of the Gerindra Party) seems capable of being a revolving door agent for business people as well as for Gerindra Party politicians who in Widodo's first term, was able to become a draining opposition and entrepreneurs to harmonize the turmoil of the 2019 Election competition. For Widodo, the Job Creation Law and the KPK Law are unifying products that can encourage coalition compliance even at the parliamentary level.

The first victory that Widodo won first was confident not to follow the traditions of the previous regime. Still, with the same belief as to the previous leader that the government would not run smoothly by only relying on a minority president and a small coalition, Widodo made it necessary to increase the size of the parliamentary alliance from 36.46% to 60% initially, with the consequence of placing some Golkar officials and one PPP cadre to occupy a cabinet seat. For Widodo, inviting a coalition was comfortable with Golkar and PPP as a party whose embryo came from the New Order. However, the distribution of positions must redeem this consequence due to horizontal oligarchic battles. The two parties were not burdened with the image of being the New Order party because they had shown their existence as the old pragmatic party. Widodo's reshuffle also looks vulgar, how the oligarchy can be on two stages: the business stage and the political stage.

PPP, with minimal results, only got one seat while Golkar got three seats, which simultaneously managed strategic sectors such as industry and maritime and resources. The formation of the Widodo cabinet twice in succession more or less repeats the same pattern as Yudhoyono's. First, the portion for party representatives has the same amount. The Yudhoyono and Widodo administrations also still place their trust in retired generals as a symbol of assertiveness. Third, the portion of entrepreneurs where they both add ministers with non-party business backgrounds. As a consequence of this determination, Widodo could not avoid the issue of oligarchy in his first government, even though the number of nonpolitical business people was only 4% of his total ministers. This issue arose when many strategic positions in his government were filled by figures with dubious backgrounds and were accused of being only part of the oligarchy. The military background minister is an important thing to study because Widodo is a president in an antithetical position to military symbols, especially when he is compared to Yudhoyono and Prabowo Subianto. The constellation of the second Widodo government ministers is the same, reflecting the tremendous oligarchic power.

Moreover, he invited Subianto to become part of the executive who would later become a partner in the government's success in Parliament. This phenomenon presents a compromising political image and weakens the balancing power of the government in the Indonesian parliament. The concept of oligarchy developed into a public discussion in society. Citizens question substantial democracy and freedom of expression. Prabowo's joining is the beginning of giving political activity irrelevance to the health of democracy where political parties operating in the opposition are imbalanced.

Table 2 shows the increase in the number of non-party business people and business politicians in the second Widodo cabinet. This situation indicates that the power of wealth mostly plays a crucial for democracy. Public disappointment

disappeared when they hoped that Widodo's leadership style was a down-to-earth figure. It is different when he was a mayor, especially in Solo City, gradually eroded because he had to be in business politicians' flow. The peak of citizens' disaffection to the state was when Widodo issued the Corruption Eradication Commission Law and the Job Creation Law which were considered accommodation doors for business people.

This distribution functions as patronage from the elite center of political parties that spreads to entrepreneurs' elite level. Therefore, Indonesia's cabinet formation in the second government of Widodo and Yudhoyono has the same spirit pattern. They tend to maximize economic performance after fighting with consolidation, increasing business growth profits by overhauling the economic structure. From this critical note, the 2nd Widodo administration can learn more from the cabinet's mistakes, especially in maintaining a safe, progressive, and evenly divided oligarchic machine. Meanwhile, the root of the problem that hit Yudhoyono was his corrupt cadres.

The bribery case of the Minister of Social Affairs of the Widodo era, Juliari Batubara, is one part of the use of ministerial positions. He grew up as an entrepreneur and tried to maximize his business profits through political channels, through members of the DPR, to become a social minister. His achievement as secretary-general in PDIP is a modality that shows political ability and high wealth. Batubara uses his position, colleagues, and political parties to accept bribes in the principle of rational theory. Meanwhile, the Edhy Prabowo case explains personal economic interests in political positions. He is a party cadre who built his career from a long organizational process. His position as the minister of marine and fisheries is the authority over the regulation of utilizing company colleagues. He tries to be a patron of exporting companies and the highest mediator on a national scale.

Economic Stagnation and the Role of Non-Politician Businessmen

Indonesia's economic stagnation since the Reformation can be interpreted as a middleincome trap, which means that economic growth has not moved up and even has the potential to decline due to the pressure of the global crisis and the COVID-19 pandemic. Various scientific fields have traced the roots of economic stagnation in Indonesia. The main topic of discussion for Indonesian citizens is the issue of official corruption. Although Indonesia made impressive progress in eradicating corruption in Yudhoyono era and certain forms of corruption have been effectively eradicated, there is a widespread public perception that corruption still occurs at higher levels in public administration. Another problem is the weak competitiveness and investment that has hit Indonesia since the 1997 economic crisis. Indonesia is considered far behind in technological advances from neighboring countries. The cabinet's performance is not optimal because of the DPR government relations, which are still shrouded in unilateral interests hampering development. In addition, the issue of sectoral egos is circulating in the ministries led by ministers from political parties.

Economic stagnation is also an effect of the government's transition from Yudhoyono to Widodo in 2014. The stagnation associated with the formation of the cabinet changes in the ministry nomenclature so that the government does not run effectively. Growth in the first year of Widodo's administration in 2015 was only 4.7 percent. Inequality worsened in Widodo's second administration. There was an increase of 65,000 rich people in urban areas due to policies such as tax incentives that were not well-targeted and several social protection policies that were delayed during the COVID-19 pandemic.³²

In both the Yudhoyono and Widodo era, political leadership was burdened with efforts to consolidate so that the five years of office were not fully utilized. Disharmony in the cabinet and legislature is also a determining factor for stagnating development efforts. Political parties do not have an agreed commitment to a significant

design change. The keyword is to wait for the blessing of the party leadership so that even though the government has a broad coalition size, it can run the government according to the target. The 2nd Widodo government is an example where power-sharing is evenly distributed, united by special interests so that every political party in the coalition has equal rights in terms of regulatory benefits. This phenomenon did not happen in the Yudhoyono era, when large coalitions became a burden to the government, especially in Parliament.

The businessmen who worked for the Yudhoyono's cabinet could not maximize the revolving door to restructure the economy, especially in exchanging expertise, fundamentally. Yudhoyono lost the moment when he focused on the issue of Century Bank, and gradually his party was hit by the issue of corruption. It distinguishes the nature of entrepreneurs in politics in Indonesia and other countries. In Acemoglu point of view, business people who are concurrently an elite in a democratic transition period can provide a level of protection for the economic elite, including producer property rights. Also, concentrated political power in the hands of the business elite can prevent high tax rates and reduce the distortion that may drive economic growth.³³

Widodo's first five years of focus have shown a keen interest in economic development, absorption funds, infrastructure development, opening up investment, bureaucratic reform and human resource development. The first Widodo administration produced a growth average of 5.0. This figure is lower than Yudhoyono's 10year rule. This decline in growth is the effect of the short policy response to the investment world. During Widodo's first administration, issues of economic performance became a vital concentration due to global economic pressures. Widodo as a representative of the PDIP represents the majority power to accommodate high political bargaining power. The ability to bargain politically determines the level of a coalition to strengthen decision making where the PDIP can become the

³² Siti Masitoh, "Simal Evaluasi Kinerja Menteri Bidang Ekonomi Pemerintahan Jokowi", Kontan.co.id, 2021, https://newssetup.kontan.co.id/news/simak-evaluasi-kinerja-menteri-bidang-ekonomi-selama-dua-tahun-pemerintahan-jokowi, accesed March, 10, 2021.

Daron. Acemoglu, "Oligarchic Versus Democratic Soceties.", *Journal Economic Association* 6, no. 1, 2008 hlm. 56.

coordinator of inter-party cooperation.³⁴ PDIP pragmatism in a coalition scheme to improve economic performance and welfare distribution in Eastern Indonesia.

In particular, in 2017, Widodo experienced the peak of difficult times in terms of economic competitiveness and a low investment climate. This condition indicates a lack of security for conglomerates to deposit their funds in Indonesia. A bureaucratic perspective more influences fraud. Low investor confidence and bad bureaucracy seem to be the forerunners of Widodo's leading program in 2019-2024 which he first delivered in his inauguration speech. Realizing that economic restructuring must require the support of a quality and robust coalition, this plan begins long with the formation of Widodo's campaign team for the 2019 presidential election consisting of business people and retired generals. The names of national entrepreneurs such as Erick Tohir, Surya Paloh, Osman Sapta Odang and Airlangga Hartanto were behind Widodo's victory. By inviting the Gerindra Party and placing Prabowo Subianto as defence minister, the coalition which was then bound by the omnibus law agenda was quite stable in accelerating the legalization of the Job Creation

Table 2. Gross Domestic Product of Indonesia

Periode	GDP Growth Avg	Gini Ratio Avg
2004-2009	5,532	0,437
2009-2014	5,593	0,475
2014-2019	5,024	0,475

Source: Badan Pusat Statistik (2019)

Total inequality in five years 0.475 which is not much different from the Yudhoyono administration or there is no significant change. Inequality, which stagnant over the past fifteen years, is considered not unique in Indonesia or Southeast Asian countries, as well as an indicator of the imbalance between the business middle class and the ultra-rich.

Inequality is predicted to be related to the results of Widodo's economic considerations in his thirteen policy packages that prioritize simplification of regulations or deregulation of investment and tax incentives. This package shows two things, firstly it maintains good relations with its oligarchs, secondly reforms the bureaucracy to create business efficiency. Widodo has aspired to Indonesia as an industrialist country, although he is aware that he must start with a friendly policy for investors. Closer, he began with a gathering the oligarchs.

The focus of an aggressive infrastructure economy in its first year is the answer to the concerns and complaints of business people who view Indonesia as a country that is not fully transparent in various projects, legal uncertainty that is sometimes unclear. Besides, Indonesia has not yet implemented a fully reliable judicial system to take sides objectively.

Widodo realizes that government policies and strategies are often unclear and change from time to time due to the political spectrum and interests of forces outside his administration. Therefore, this disturbance can only be done by consolidating the government by minimizing the role of the opposition and forming a more equitable oligarchic power. However, it did not stop there; the disruption of uncoordinated public organizations with conflicting objectives and policies also increased barriers. A rigid set of laws also encourages many officials to be afraid to take risks in creating investment incentives. Hence also, Widodo's seemingly insufficient five years of leadership to achieve his economic goals seek to cut the high regulatory burden on new existing businesses with the need for a large number of permits to operate or build projects.

CONCLUSION

Indonesia's multiparty presidential system has repeatedly produced presidents with minority parties. Political parties enter into pre-election coalition deals, and cabinet allocations are determined by the number of votes they get. As a result of this coalition, each party in the coalition determines its delegates be mandated as ministers and the president completely loses power in the "winning take all" government.

Ministers with a background in political party

politicians are symbols of the most fundamental political agreement. They carry the agenda of political parties that have the potential to cause party conflicts of interest. Ministers with businesspeople political backgrounds can allocate capital by holding positions related to business policy. The businessmen non-politician in the cabinet shows the functional relationship between the president and the winning process. On the other hand, they are needed because of their capabilities in terms of business experience. The non-politician experts are being utilized for their professional knowledge of national reputation, resulting from objective considerations.

Of the four patterns from each regime, the first government was always filled with a few business people. In the second period, both Widodo and Yudhoyono maximized the influential businessmen in their cabinet. The minister, with a background of entrepreneurs, describes how the oligarchic machine works. The placement of businesspeople in the cabinet can be viewed from two perspectives: businessmen and presidential candidates are in the same goal of pushing for election winning. Business people provide financial services and expect a change in policy packages that boost their company's profits. Second, the president expects the experience and ability of business people to act as a bridge to other business people. Business people are expected to become a revolving door for economic growth in Indonesia.

The Omnibus Law Job Creation is one of the products of an agreement on the issue of economic stagnation in the Widodo era. Business people complain that there is no responsive policy that supports their problems, including tax and bureaucratic problems that are difficult. By breaking the bureaucratic chain, it is hoped that business people will ease the burden. Legal certainty is hope as well as opening up more massive investment from abroad.

Suggestion

Indonesia's coalition pattern and economic performance did not produce significant

improvements during the Yudhoyono and Widodo administrations. Therefore, the coalition in creating ministers in the cabinet should consider aspects of the capability and effectiveness of human resources. Economic improvement also requires the support of legislation that is oriented towards welfare development. Parliament also has the function of carrying out objective oversight of the ministry's performance. Through civil society mechanisms, direct criticism from the community must also get a response that aims to improve welfare.

Fundamental changes for economic development in Indonesia require effective policies and collaboration between the legislature and the government. In its implementation, it also requires fair public ethics and reducing excessive pragmatism.

REFERENCES

Books

Linz, Juan J.(1994). "Presidential or Parliamentary Democracy: Does It Make a Difference?" In The Failure of Presidential Democracy: The Case of Latin America, edited by Linz and Arturo Valenzuela, 3–89. Baltimore: Johns Hopkins University Press.

Mietzner, Marcus. (2013) Money, Power, and Ideology: Political Parties in Post-Authoritarian Indonesia. Singapore: NUS Press.

Müller, W. C, and K. Strøm. (2008). "Coalition Agreements and Cabinet Governance." In Bargaining and the Cycle of Democratic Politics. Oxford: Oxford University Press.

Persson, Torsten, and Guido Tabellini. (2008). "Electoral Systems and Economic Policy." In *TheOxfordHandbookofPoliticalEconomy*. Oxford University Press. https://doi.org/10.1093/oxfordhb/9780199548477.003.0040.

Williams, Robert. (2000). Party Finance and Political Corruption. Party Finance and Political Corruption. Palgrave Mcmillan. https://doi.org/10.1057/9780333978061.

Winters, Jeffrey A. (2011). Oligarchy. Cambridge University Press.

Journals

- Acemoglu, Daron. (2008). Oligarchic Versus Democratic Soceties. *Journal Economic* Association 6, no. 1, 1-44.
- Aspinall, Edward, Marcus Mietzner, and Dirk Tomas. (2015). The Yudhoyono Presidency Decade Indonesia's of Stability and Stagnation. The Yudhoyono Presidency: Indonesia's Decade of Stability Stagnation. Singapore: ISEAS. https://doi. org/10.1355/9789814620727-018.
- Bäck, Hanna, Wolfgang C. Müller, and Benjamin Nyblade. (2017). Multiparty Government and Economic Policy-Making: Coalition Agreements, Prime Ministerial Power and Spending in Western European Cabinets. *Public Choice* 170, no. 1–2, 33–62. https://doi.org/10.1007/s11127-016-0373-0.
- Booth, Anne, and Peter McCawley. (1981). The Indonesian Economy during the Soeharto Era. East Asian Social Science Monographs. 39, no. 2: xxv, 329 p.
- Bowen, Glenn A. (2009). Document Analysis as a Qualitative Research Method. *Qualitative Research Journal*. https://doi.org/10.3316/QRJ0902027.
- Breton, A. (1974). The Behavior of Political Parties. In: The Economic Theory of Representative Government. Case Studies in Economics. London: Palgrave MacMillan. https://doi.org/https://doi.org/10.1007/978-1-349-02387-5_7.
- Brezis, Elise S, and Joël Cariolle. (2015). Measuring Conflicts of Interest: A Revolving Door Indicator. *FERDI Working Paper Development Indicators*. Vol. 122. https://econ.biu.ac.il/files/economics/shared/staff/u46/measuring_conflcts_of_interest~a_revolving_door_indicator.pdf.

- Cheibub, José Antonio. (2006). Presidentialism, Parliamentarism, and Democracy. Presidentialism, Parliamentarism, and Democracy. https://doi.org/10.1017/CBO9780511813344.
- Altman. (2000).David The **Politics** of Coalition Formation and Survival in Multiparty Presidential Democracies. Party Politics 6, no. 3, 259-89. https://doi. org/10.1080/02589340903017999.
- Freudenreich, Johannes. (2016). The Formation of Cabinet Coalitions in Presidential Systems'. Latin American Politics and Society 58, no. 4, 80–102. https://doi.org/10.1111/laps.12003.
- Hagen, Juergen von, and Ian J Harden. (1995). Budget Processes and Commitment to Fiscal Discipline. *European Economic Review* 39, no. 3-4, 771-79. https://econpapers.repec.org/RePEc:eee:eecrev:v:39:y:1995:i:3-4:p:771-779.
- Haris, Syamsuddin. (2016). Demokratisasi Partai Dan Dilema Sistem Kepartaian Di Indonesia. *Jurnal Penelitian Politik*.
- ——.(2014). Koalisi Dalam Sistem Demokrasi Presidensial Indonesia: Faktor Faktor Kerapuhan Koalisi Era Presiden Yudhoyono. Jurnal Penelitian Politik 8, no. 1, 1–14.
- Iqbal, Muhammad, Yunita Elianda, Ali Akbar, and Nurhadiyanti. (2020). USA-China Trade War: Economic Impact on Indonesia. *Journal of Public Affairs*, no. October (2020). https://doi.org/10.1002/pa.2543.
- Klüver, Heike, and Hanna Bäck. (2019). Coalition Agreements, Issue Attention, and Cabinet Governance. Comparative Political Studies 52, no. 13–14,1995–2031. https://doi.org/10.1177/0010414019830726.
- Linz, Juan J. (1994). Presidential or Parliamentary Democracy: Does It Make a Difference? In The Failure of Presidential Democracy: The Case of Latin America, edited by Linz and Arturo Valenzuela, 3–89. Baltimore: Johns Hopkins University Press.

- Masitoh, Siti (2021). 'Simal Evaluasi Kinerja Menteri Bidang Ekonomi Pemerintahan Jokowi'. Kontan.co.id, 2021. https://newssetup.kontan.co.id/news/simak-evaluasi-kinerja-menteri-bidang-ekonomi-selama-dua-tahun-pemerintahan-jokowi.
- Mietzner, Marcus. (2013). Money, Power, and Ideology: Political Parties in Post-Authoritarian Indonesia. Singapore: NUS Press.
- Morgenstern, Scott, Juan Javier Negri, and Aníbal Pérez-Liñán. (2008). Parliamentary Opposition in Non-Parliamentary Regimes: Latin America. *Journal of Legislative Studies* 14, no. 1–2, 160–89. https://doi.org/10.1080/13572330801921166.
- Müller, W. C, and K. Strøm. (2008). Coalition Agreements and Cabinet Governance. In Bargaining and the Cycle of Democratic Politics. Oxford: Oxford University Press. 159–99.
- Persson, Torsten, and Guido Tabellini. (2008). Electoral Systems and Economic Policy. In *The Oxford Handbook of Political Economy*. Oxford University Press. https://doi.org/10.1093/oxfordhb/9780199548477.003.0040.
- Sanjaya, Muhammad Ryan. (2016). The Political Economy of Coalition in Indonesia. *Journal of Developing Economies* 1, no. 1, 1–11. https://doi.org/10.20473/jde.v1i1.1773.
- Slater, Dan. (2018) 'PARTY CARTELIZATION, Indonesian-STYLE: PRESIDENTIAL POWER-SHARING and the CONTINGENCY of DEMOCRATIC OPPOSITION'. *Journal of East Asian Studies* 18, no. 1, 23–46. https://doi.org/10.1017/jea.2017.26.

- Tapsell, Ross. (2013). Media Power in Indonesia: Oligarchs, Citizens And The Digital Revolution. Rowman & Littlefield International. Vol. 53, 2013. https://doi.org/10.1017/CBO9781107415324.004.
- Tomsa, Dirk. (2014). Party System Fragmentation in Indonesia: The Subnational Dimension. *Journal of East Asian Studies* 14, no. 2 (2014): 249–78. https://doi.org/10.1017/S1598240800008924.
- Wasisto, Aryo, and Prayudi. (2019).Gerakan Mahasiswa Dan Upaya Mengurai Polemik Tuntutan. *Info Singkat*, 2019. http://berkas.dpr.go.id/puslit/files/info_singkat/Info Singkat-XI-19-I-P3DI-Oktober-2019-2063.pdf.
- Williams, Robert.(2000). Party Finance and Political Corruption. Party Finance and Political Corruption. Palgrave Mcmillan. https://doi.org/10.1057/9780333978061.
- Winters, Jeffrey A. (2011). Oligarchy. Cambridge University Press.
- —. (2013). Oligarchy and Democracy in Indonesia. *Indonesia* 2013, no. 96Special Issue 11–33. https://doi.org/10.5728/ indonesia.96.0099.
- Yanuarti, Sri. (2013). The Seeking of Election and Party System To Strenghthening Presidential System. *Penelitian Politik* 10, no. 2,95–111.