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## Continuity and Change Societal Power and Accountability in Democratic Indonesia

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**Continuity and Change  
Societal Power and Accountability in Democratic Indonesia**

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**Abstract**

Although Indonesia has been hailed for its competitive elections and far-reaching decentralization reforms, the country's democratic project has yet to realize the promise of good government. Checks and balances exerted by civil society, and in particular by societal and private-sector associations, continue to be marred by patronage politics and collective action problems. To better understand the limits and prospects of societal accountability, it is important to examine the different sources of power that enhance or obstruct the ability of non-state actors of keeping government misconduct in check. By gauging four different dimensions of policy power (institutional, agential, distributional, and ideational) it becomes obvious that the cards, in Indonesia's policy arenas, are stacked – at least during the early years of democratic decentralization – against societal actors. Promising impulses for societal accountability, strong enough to challenge well-positioned state elites, are most likely to arise from ongoing ideational power shifts. Accelerated by the phenomenal growth of social connectivity – through social media, trade, and travel – new, more society-centered ideas and identities are shaping public discourses. Reduced costs and risks of mobilization have given rise to novel forms collective action that can elevate societal actors as ad-hoc veto players in public policy arenas. 'Grounding' these ideational dynamics in traditional forms of political deliberation constitutes a major challenge. To substantiate these propositions this paper applies a mixed-methods approach, which blends subnational cross-sections and comparative case studies, to shed new light on Indonesia's recent experience with democratic governance.

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## 1. Introduction

Images of people-power movements continue to engender the hope of democratic change and good government in many parts of the world. The Turkish Taksim protests in 2013, Iran's Green Revolution in 2009 (paving the ground for the reformist transformations this year – including Rohani's election), Thailand's Red-Shirt demonstrations in 2008/09, Burma's Saffron Revolution in 2007 (laying the foundation for Burma's cautious steps towards political inclusion and opening), Indonesia's *Reformasi* movement in 1998, and the Yellow Revolution in the Philippines in 1986 bear witness to the fact that societal groups can exert considerable pressure on incumbent governments. Although not all of these movements were met with instant change, they nonetheless set off public discussions and transformation processes by highlighting shortcomings in political freedom, popular participation, public probity, and government reform. In many cases, civil society actors have played catalytic roles in accelerating the momentum for transformational dynamics.

The self-immolation of Mohamed Bouazizi, a symbol and catalyst of the Arab Spring revolutions, is a case in point. His ultimate sacrifice has brought notions of 'people power', 'civil resistance' and 'societal accountability' squarely back to the forefront of contemporary democracy and governance debates. The contagious outburst of mass demonstrations against state repression and economic inequality sent shock waves across the authoritarian world that traveled from Tahrir to Tiananmen Square. Yet while China doubled its efforts to stifle societal resistance, popular protests in Tunisia and Egypt culminated in the ouster of Ben Ali and Mubarak.

Yet, recent developments in these regions also remind us that it is one thing to "mobilize against an objectionable state of affairs"<sup>1</sup> and quite another to deliberate, negotiate, and create the institutions and architectures that shape the modes of governance. While the former offers an interesting and visually striking record, which can be easily captured and communicated in media reports and blog spheres, the latter often receives far less attention in public debates. Egypt's painful struggle to loosen the grip of the military supreme council (evinced by the recent military ousting of President Mursi), as well as Indonesian and Philippine regressions into patronage politics, indicate that old-regime elites often manage to consolidate their power bases in the early transition period and, over time, succeed in reclaiming former privileges and prerogatives.

The reasons why societal groups become sidelined in post-transitional policy arenas, and often fail to sustain their momentum into the phase of policy-making and implementation, is rarely addressed in contemporary civil society debates. To explain oscillations between 'people power' and 'people power paralyses', I argue in this paper, requires a detailed look at the concept of power and the relative balance of societal vis-à-vis elite influence.

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<sup>1</sup> Hirschman (1970:30).

This paper seeks to contribute to this discussion by examining the governance experience of one of the world's largest and most decentralized democracies: the Republic of Indonesia. After the Asian crisis and popular uprisings put an end to Suharto's thirty-year authoritarian rule, Indonesia entered a stage of democratization and decentralization that (at least in formal terms) provided civil society with enhanced means to hold national and local governments to account.

Decentralization reforms – and in particular the devolution of tax and service powers to hundreds of third-tier governments – resulted in a pronounced spread of public practices and outcomes across the archipelago.<sup>2</sup> While some district governments have improved the quality and transparency of public goods provision, others seem to have used newly gained authorities to raise regulatory burdens, seek illegitimate rents, and distort regional trade flows. These marked governance variations provide a unique window for studying policy dynamics and, in particular, the extent to which societal actors have affected local policy outcomes.

To discern the influence of Indonesia's civil society in public policymaking, this study draws on different conceptual and methodological vantage points. In this essay, I distinguish four different dimensions of policy power: institutional, agential, distributional and ideational. Owing to this multidimensionality, the discussion cuts across different political science theories and echoes neighboring disciplinary debates in economics and sociology. To substantiate the analysis in each sphere of policy influence, I present a select set of qualitative and quantitative observations, including a set of comparative case studies and correlation analyses.

The argument is developed in four sections. Following this introduction, the second section develops a conceptual framework for the analysis of societal influence in public policy. It traces reasons why the notion of power is underconceptualized in mainstream governance debates and develops a four-way power typology for the analysis of societal accountability in Indonesia. The third section, examines the Indonesian democratic experience across the four different types of power. In doing so, it offers new insights into the relative position of societal actors in relation to state elites. The final section summarizes the argument and draws implications for policy and research.

## **2. Conceptualizing Societal Accountability and Power**

Why do societal actors who generated momentum for democratic reforms wield comparatively small or indirect policy influence in post-transitional periods? What alternative sources of power can civil society draw on when common means of mass mobilization cease to be feasible? These questions, which will lie at the center of this study, remain largely unanswered. Existing democracy and governance literatures have been strangely silent when it comes to a detailed analysis of policy power. This relative silence is partly explained by an adherence to prescriptive scenarios of

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<sup>2</sup> For a detailed discussion of these district-level policy differences, see von Luebke (2009; 2014).

societal accountability. Drawing on a diverse set of theories on democratic learning (Almond and Verba 1963; Dahl 1971), civil association (Tocqueville 1946; Coleman 1988; Putnam 1993), and citizen mobility (Paul 1992; Tiebout 1956) it has become commonplace in governance discourses to emphasize what civil society 'should accomplish', rather than what it actually does.

Contemporary good governance and civil society debates often lack a critical assessment of actual power relations. The reasons for omitting an empirical analysis of policy influence and its underlying resources are at least twofold. One possible explanation lies in the uncontextualized, depoliticized understanding of societal accountability that guides the work of leading development agencies. International organizations and bilateral donors are required to tread a fine line: to ensure long-term cooperation and the support of national taxpayers, their advocacy and programs focus primarily on technical issues that do not interfere in emerging democracies' internal affairs. Against this background, *societal accountability*<sup>3</sup> equates to an institutional automatism which, 'deus ex machina', arises in the course of democratization and decentralization. The actual distribution of economic, political, and social resources, however, which co-determines the ability of societal groups to stand up against state transgressions and entrenched interests, remains underexplored.

The second and related reason that comes to mind is that the concept of policy-relevant powers remains rather ambiguous or narrowly-defined in many global governance and democracy debates. In the field of international politics, for example, there has been a notable trend to move away from 'realist' theories and, ipso facto, from theories of power politics. "This feature has been especially visible in recent years", Barnett and Duvall (2005:40) note, "as neoliberal institutionalists, liberals, and constructivists have attempted to demonstrate their theoretical salience by demonstrating how power variables are not causally consequential in their explanation of empirical outcomes." This trend arguably extends to literature on democratic and socioeconomic change. Many studies focus on rule-based explanations (Greif 2006; MacIntyre 2003; North 1990); others lay great emphasis on agency-based transformations (Burton et al. 1992; O'Donnell and Schmitter 1986); and others again focus primarily on identity-based (Acharya 2009; Barnett 1998) or class-based underpinnings (Lukes 1975; Wallerstein 1979). But rarely has there been a concerted effort to combine institutional, agential, ideational, and material perspectives to delineate the power balance between societal and elite policy actors.<sup>4</sup>

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<sup>3</sup> This paper defines societal accountability along the lines of Peruzzotti and Smulovitz (2005:9): it is understood as a system of non-state counterbalances that rest "on actions of a multiple array of citizen's associations and movements and on the media". In general, societal accountability aims at scrutinizing government officials, exposing public misconduct, and advancing broad-based interests by drawing on institutional (legal petitions) and non-institutional means (social and media-based mobilization).

<sup>4</sup> Barnett and Duvall's (2005) overview article on the multidimensionality of political power is a notable exception. Their typology that distinguishes between different types and specificities (constitutive and interactive) of social relations (diffuse, direct) serves as a valuable starting point for the discussion.

TABLE 1: Typology of Policy Powers

	Source	<b>Structural</b> ( <i>sedimented legal/economic structures</i> )	<b>Relational</b> ( <i>fluid social interactions</i> )
Scope			
<b>Exclusive</b> ( <i>restricted access, excludable assets</i> )		<b>Distributional Power</b> (Section 3.3)	<b>Agential Power</b> (Section 3.2)
<b>Inclusive</b> ( <i>universal access, dispersed assets</i> )		<b>Institutional Power</b> (Section 3.1)	<b>Ideational Power</b> (Section 3.4)

Source: Author's graph

This study seeks to extend existing debates by proposing a more nuanced typology of policy power. As outlined in Table 1, the following discussion will distinguish different types of policy-relevant powers. The first dimension pertains to the source of policy-relevant powers: it differentiates power domains between 'structural' and 'relational' forms of influence. It describes whether power emanates from legal or socioeconomic structures that change rather slowly or incrementally over time; or whether it emanates from social relationships that tend to be more dynamic and fluid over time. The second dimension pertains to the scope of actual power-holders: it distinguishes between exclusive and inclusive forms of influence. Here, the question is whether power is location- or actor-specific – and thus more likely to concentrate in the hands of particular individuals or groups (exclusive); or whether it pertains to relatively diffuse assets that are widely accessible by broad range of actors (inclusive).

Based on these distinctions, I propose a typology of policy-relevant powers that consists of four distinct types. The first type, institutional power, corresponds to a set of diffuse, structural rules that serve to rationalize political action. Consistent with Max Weber's (1925) notion of 'legal-rational authority', the emphasis lies on impersonal norms and political architectures that apply to and are acknowledged by society as a whole. Institutional powers spring from legally-established codes and practices, such as constitutional provisions, electoral laws, democratic rules, and decentralization decrees. The second type, ideational power, describes a source of influence that is similarly diffuse but less confined to codified structures or norms. At the center lies the formation of ideas and identities that shape public discourses and cognitive expectations as to how a polity is or could be governed. Both of these power types permeate the political landscape and cannot be easily excluded from (or attached to) any one particular actor. Yet, despite these inclusive and diffuse properties, institutional and ideational powers should not be uncritically equated with more democratic and participatory policy making. Even though institutional rules apply, *ex post*, equally to all actors (that is, equally to civil society and state elites), the choices and configurations of these rules may nonetheless be determined by a small group of *ancien-regime* elites. And even though ideas are fluid and contestable, their

making and shaping can nonetheless be dominated by a limited subset of established interests. Thus, to further assess the evenness or skew of the playing field, it is important to also consider how other, more excludable resources are distributed across key actors.

The remaining two power categories pay particular attention to these excludable resources. The third type, agential power, springs from resources that can be clearly attributed to individual actors or groups. Here, the means of power consist of actor-specific assets, including the access to financial (money, capital), informational (education, technology), and coercive resources (network of followers, means of violence). The fourth type, distributional power, also focuses on relative asset distributions – but from a more aggregated perspective of resource accumulation. The main concern is how socioeconomic resources (income, wealth, knowledge) are distributed across different social classes (i.e. low/middle/high income segments) rather than individual actors. Especially in young democracies – which look back at extensive periods of authoritarian rule – resource accessibilities often fall short of pluralist ideals (Dahl 1971; 1997; Fraenkel 1991).

Many post-authoritarian settings are indicative of uncontestable markets, state dominance, and social dependencies. Non-cumulative power balances<sup>5</sup> remain untenable as long as clientelistic networks concentrate assets in the hands of established elites; and as long as structural disparities continue to skew playing fields in favor of particular classes and segments of society.

### **3. Societal Power and Accountability in Indonesia**

The outlined power typology offers a useful frame to shed empirical light on the political economy of public policy-making in democratic Indonesia. Based on the four-way distinctions of structural/relational and inclusive/exclusive forms of power, it is possible to give a more systematic account as to where and why societal actors exert, or fail to exert, checks on government officials. In order to discern the multidimensionality of societal accountability, the following sections will discuss, in consecutive order, the spheres or institutional, agential, distributional and ideational power.

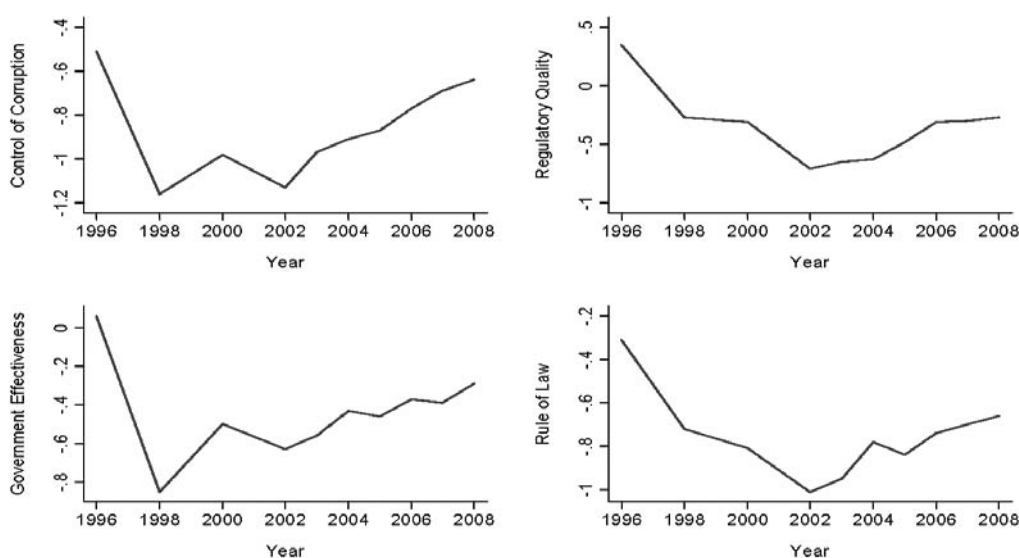
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<sup>5</sup> Dahl holds that resource inequities in developed democracies have become much less cumulative over the past two centuries. “In 1800, [citizens] were not only very unequal in access to political resources of all kinds but their inequalities were cumulative. That is, the same tiny elite possessed the highest social standing, wealth, dominance in economic affairs, superior education, control over educational and religious institutions, a monopoly of public offices, evidently a large measure of legitimacy and perhaps (though this is more doubtful) even popularity. Today, however, inequalities that exist with respect to all these resources tend to be noncumulative or dispersed. I can find no single elite at the top of the heap; instead, there are many different varieties of political resources, with somewhat different elite at the top of each. I am inclined to think that this pattern is not peculiar to [one city] but is common throughout the United States” (Dahl 1997:904).

### 3.1 Institutional Power

Shortly before the turn of the century, in 1999, Indonesia experienced one of the most pronounced patterns of institutional change in modern history. The collapse of the New Order regime, and the introduction of popular democracy and far-reaching decentralization within a brief period of eighteen months, seemed to have left its mark on state-society relations. Constitutional reforms and the holding of genuinely free and fair elections seemed to have recalibrated the balance of power in favor of civil society. Between 1999 and 2009, Indonesian citizens elected roughly 1.600 national representatives, 30.000 local council members and 800 governors, mayors and district heads. Moreover, with the introduction of decentralization, substantive administrative powers and service responsibilities and have been devolved to roughly 500 district governments. Since 2001, local taxes and local service provision have been placed under the control of third-tier administrations, moving government affairs and the policy-making process closer to societal groups throughout the country.

FIGURE 1: Indonesian Governance Indicators over Time



Source: Kaufman et al. (2008); data available at <http://info.worldbank.org/governance>

For a short period of time, Indonesia's democratic project was at risk to stall, or even reverse. Repeated outbursts of ethnic violence and regional secessionism, fueled by the rising disparities of the late Suharto regime, threatened to lead into national disintegration. The political leadership at the time contained the risk of balkanization by striking elite-level compromises and implementing an ambitious program of administrative decentralization. Indonesia's early transition to democracy characterized by elite settlement, not elite replacement (Hadiz 2003; Slater 2004). Spheres of administrative power remained largely unchanged.

The architects of Indonesia's political opening were convinced that a peaceful democratic transition was untenable without the broad support of national elites.



After Suharto resigned in 1998, a national political consensus was forged, which accommodated and preserved much of the former political, economic, and social order; and which devolved (in order to contain regional secessionism and provincial contenders) the lion's share of administrative powers, beyond provincial levels, to third-tier district governments. District-level officials and politicians posed negligible threats to national elite interests. As many of Jakarta's top officials, army generals, party bosses, and business tycoons weathered the institutional shift in democratic guises, so did their clientelistic practices. Problems of state clientelism persevered in many parts of the state apparatus and, with rising decentralization, prompted an uncontrolled proliferation of corrupt and inefficient modes of governance across Indonesian regions. The outgrowth of these problems are evinced in the distinct initial decline of various governance measures in categories like government effectiveness, rule of law, regulatory quality, and control of corruption (see Figure 1).

Surely, the introduction of democratic decentralization has also raised the odds for more societal participation and accountability. The new 'rules of the game' have formally endowed Indonesian civil society with enhanced procedural means to engage in national/local government affairs. They have empowered citizens to select legislative and executive representatives in truly democratic elections, partake in communal decision-making, and join professional and societal organizations of their choice. These institutional entitlements and rules, however, need to be endorsed and enforced in the political arena if they are to remain effective. If they cease to be supported by a 'critical mass' in society or by independent law enforcement agencies, they can be subverted by powerful revisionist interests.

### **3.2 Agential Power**

Indeed, recent political developments show that mediated de-jure powers, such as anti-corruption and public reform legislations, can succumb to more direct agential powers. Political scandals surrounding the Bank Century bailout or the controversial imprisonment of two senior KPK anti-corruption inspectors are cases in point. They point to the continued resistance of established state elites, which occupy leading positions in Suharto's former state party (*Golkar*), the national police (*Polri*), the attorney general's office (*Kejaksaan Agung*), and the supreme audit agency (*BPK*). They also demonstrate the ability of state elites to mobilize coercive means to stall anti-corruption efforts<sup>6</sup> that relegate key reformers and the societal groups they represent to the sidelines. The political attacks and gradual isolation of former Finance Minister Sri Mulyani and Vice-President Boediono are cases in point.

To be sure, the analysis of agential power provides first insights as to why societal actors in Indonesia (and emerging democracies elsewhere) find themselves in an inferior position vis-à-vis leading state actors. The explanation is straightforward. In policy spheres characterized by routine interactions – including deliberative forums,

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<sup>6</sup> A detailed discussion of the Bank Century and KPK scandals, which pitted key reform figures against powerful interests in *Golkar* and *Polri* is presented in von Luebke (2010).

parliamentary hearings, bureaucratic procedures, and communal development projects – non-state actors are often pushed to the sidelines for two reasons. First, societal groups are clearly disadvantaged in their access to material resources. While Indonesia's low elite rotation has allowed state elites to accumulate large financial assets, which can be used for mobilizing means of intimidation or persuasion; civil society actors often remain financially dependent on domestic or foreign sponsorship. This is particularly true in Indonesia's subnational polities. Many Indonesian provinces and districts are characterized by weakly developed and diversified economies. Against this background, government contracts and assignments continue to constitute a lion's share of local income, rendering citizens financially disadvantaged and more susceptible to patronage networks.

Secondly, as in many other emerging democracies, Indonesia's civil society face marked collective action problems. Consistent with Mancur Olson's (1965) argument, the large and dispersed structure of societal groups and associations make it difficult to organize (high coordination costs) and enforce (high detection costs) joint activities of resistance. As a result, individual citizens free-ride on others' efforts rendering joint initiatives less effective. As one local trader in West Nusa Tenggara summarized it: 'Originally, I quite liked the idea of associating for [better government outcomes]. But, I do not see the benefits any longer. I rather concentrate on my own life. Engaging for a joint cause often raises problems with local government officials. Many conflicts arise here and there. And, in the end, there are no results – nothing changes.'

The plight of societal mobilization is readily observable once we take a closer look at local policy arenas. Across Indonesia's newly empowered district polities, we find that the presence of societal associations – a key feature of non-state agency in the framework of decentralized policy making – has not functioned as a corrective to government transgression and inefficiency. This proposition is supported by a set of original field surveys that I conducted in 2006 and 2011. As detailed elsewhere (von Luebke 2011), a comparative snapshot across two district-pairs in Bali and West Nusa Tenggara (NTB) highlights that higher levels of societal association do not correspond with higher levels of public service and probity.

To gain more empirical insights, paired district cases satisfied two criteria. First, they controlled for various aspects of socio-economic development (local population size, national transfers, per-capita incomes, poverty rates, ethnic/religious affiliations, and political constellations). Second, one district in each pair stood out for higher combined values in associational membership (prevalence of civil and private-sector organizations), communal solidarity (evinced in the prevalence of *arisan* credit agreements), and educational attainment. Against this controlled setting, we then, in a consecutive effort, administered two waves of governance questionnaires (one in 2005/2006 and one in 2010/11 – each involving roughly 400 randomly-selected, small/medium businesses) that offered insights into local government performance. As outlined in Table 2, the surveys entailed five performance categories, pertaining to the quality of local tax regulations, one-stop services, administrative efficiency, the level of recruitment fraud, and the extent of corruption during licensing procedures.

TABLE 2: Societal Association and Government Performance in 2006 and 2011

	Bali 2006		NTB 2006		Bali 2011		NTB 2011	
	Gianyar	Karang	Bima	Lotim	Gianyar	Karang	Bima	Lotim
<i>Level of Societal Association</i>	High	Low	High	Low	High	Low	High	Low
<i>Performance Indicator</i>								
<i>Pub. Service I (Tax Bills)</i>	Good	Good	V-Poor	<b>Poor</b>	Good	Good	V-Poor	<b>Poor</b>
<i>Pub. Service II (OSS Facilities)</i>	3.7	1.8	None	2.8	2.6	<b>3.1</b>	none	<b>2.4</b>
<i>Pub. Service III (Adm. Efficiency)</i>	27	14	8	9	42	<b>13</b>	11	18
<i>Pub. Corruption I (Recruitment)</i>	18	20	36	36	<b>96.5</b>	109.5	74.3	<b>50.9</b>
<i>Pub Corruption II (Lic. Bribes)</i>	12.3	2.8	2.6	4.1	19.2	<b>13.2</b>	11.1	<b>6.1</b>
<i>Pairwise Performance Comparison</i>	2	2	2	2	1	3	1	4
<i>SP-Good-Governance Link</i>	No		No		No		No	

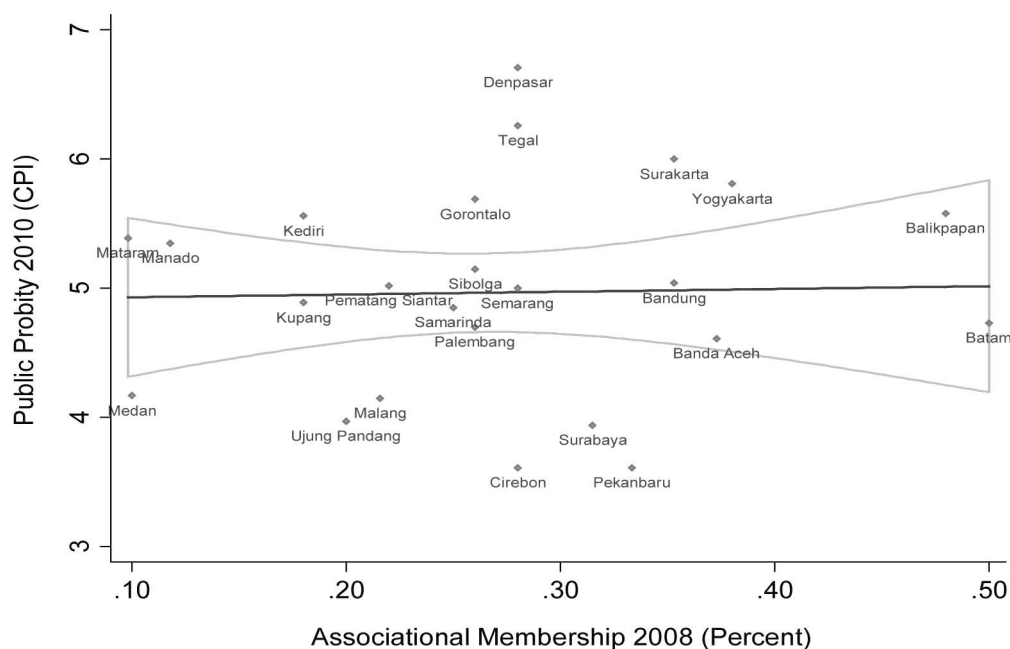
Source: Author's 2006 and 2011 business surveys with 800 randomly-selected, small/medium firms in four districts; as well as 80 interviews with national and district-level experts and stakeholders. For details see von Luebke (2011).

The results of both survey waves indicate that higher societal association does not coincide with a favorable provision of public goods. In 2006, Gianyar and Bima yielded very similar outcomes as their low-societal-association counterparts in Karangasem and Lotim: each case scored favorably in two out of five governance categories, indicating a tie. The weak relationship between societal agency and public outcomes is also confirmed in the 2011 survey wave, where Gianyar and Bima recorded lower performance levels in three or four governance categories.

Overall, the findings from these four districts resonate well with nation-wide trends. Considering Indonesia's recent history of authoritarian rule – during which Suharto's inner circle, leading bureaucrats, and party functionaries controlled ample material assets and singlehandedly shaped institutional norms and regulations – it comes as no surprise that societal collective action in post-Suharto Indonesia

continues to face formidable challenges. As long as societal and private-sector associations depend on the goodwill of local and national bureaucracies (not least, because the underdevelopment of industrial structures and markets encourages a reliance on government funding) their ability to use agential or institutional means to advance good governance is severely compromised.

FIGURE 2: Societal Association and Good Government



Source: KPPOD (2008) and Transparency International (2010).

Note: Transparency International's corruption perception index ranges from 1 (very high corruption) to 10 (very high probity).

The finding that mechanisms of collective action remain insignificant explanations for local policy variation in Indonesia's young decentralize democracy is also confirmed in bivariate regression plots across 30 Indonesian cities. Figure 2 depicts the results of regressing a city's level of societal associativeness (approximated by small/medium-firm membership in professional organizations) against its perceived level of government probity (measured in the form of Transparency International's 'corruption perception index'). Consistent with the case comparisons above, bivariate regression estimates suggest that societal association has little to no explanatory power with respect to public corruption. The virtually flat slope and poor linear fit of the fitted regression line indicates an ambiguous and insignificant relationship.

Overall, these qualitative and quantitative observations serve as an indication that societal actors are severely constrained in traditional spheres of agential power. Collective efforts to associate and collectively articulate demands often fall short: not only because social actors encounter free-riding problems and retaliation risks, but also because they succumb to the financial and organizational dominance of local elite

networks. Formal institutional entitlements, in and by themselves, do not offer a remedy to the agential power imbalance. Indeed, the introduction of democratic decentralization has yet to yield significant improvements in the quality of public governance, compared to the standards of the late Suharto period (Figure 1). Moreover, the large spread of municipal corruption highlights that institutional reforms introducing local elections and decentralized decision-making have not generated a convergence (probity values on TI's probity scale ranging between 3.5 and 6.5; see Figure 2) towards higher governance standards.

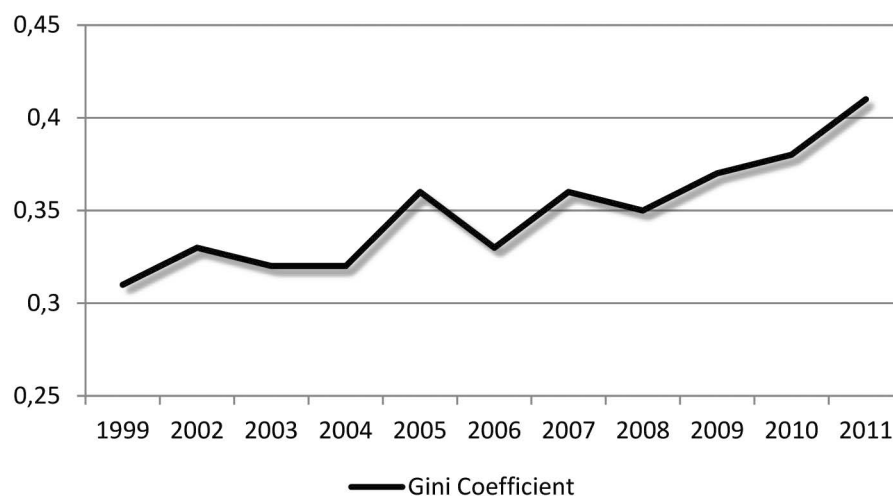
### **3.3 Distributional Power**

Turning to the domain of distributional power, it becomes obvious that aggregate structural imbalances can add to the relatively disadvantageous position of societal actors. While these imbalances can arise in multiple ways, and rest on a diverse set of factors, I will focus here primarily on structures of economic income and production. In the case of Indonesia, economic structures seem to disempower non-state actors in two ways: first, by trapping them in low-income brackets that, with rising inequality, become increasingly marginalized vis-à-vis high-income segments (that comprise many of Indonesia's state elites); and second, by paving the ground for concentrated, uncontested markets which, ceteris paribus, tend to stifle economic and political pluralism. I will address both of these aspects consecutively in the following discussion.

#### ***Distribution of Income (Economic Inequalities)***

Although Indonesia has embraced democratic and decentralised government, and although the country is often touted as the next Asian miracle economy in waiting (with annual growth rates between six and seven percent), disparities between economic income groups remain substantial and have further increased in recent years. The inequitable distribution of recent prosperity gains becomes evident only minutes after stepping out of Sukarno-Hatta International Airport. On the way to Central Jakarta, one can readily observe both ends of the social spectrum: shanty towns flanking the airport highway give way to urban settlements and then high-end shopping malls and five-star hotels. Social gaps appear to be widening – not only in Jakarta, but in many of Indonesia's towns and districts. The number of Indonesian street children is large and probably growing; one report suggests as many as 230,000 in 2010. Meanwhile, luxury car sales have more than doubled over the last five years; and Indonesia's top 40 entrepreneurs have built up assets equivalent to nearly one tenth of annual GDP.

FIGURE 3: Economic Inequality in Indonesia



Source: Indonesian National Bureau of Statistics (BPS).

Note: Gini coefficients in the years 2009, 2010, and 2011 are based on estimated values.

Indeed, the standard measurement of income inequality, the Gini coefficient, which measures how far actual resource distributions are away from perfect income equality, displays a notable increase over the last years. Since the introduction of democratic decentralization, Gini measures have increased from values of 0.31 (1999) to an estimated value of 0.41, marking a highpoint in income disparities.

Another salient structural challenge is given by the persistence of economic imbalances across regional divides. The national motto of 'unity in diversity' is a reminder of the vast diversity of socio-economic conditions that coexist under a unified political system. Historically, differences in natural resources and geography have always been accompanied with differences in economic development. The introduction of fiscal decentralization successfully contained separatist pressures, largely because it favored resource-rich provinces. But the elite settlements, which prompted the fiscal formulas that appeased well-endowed regions, also accentuated regional imbalances.

A review of regional income patterns (summarized in Table 3) serves to highlight the economic gap between and within major island groups. Average per-capita incomes in resource-rich regions such as Kalimantan, Sumatra, and Papua are three to four times higher than in resource-poor island groups such as Nusa Tenggara and Maluku. While residents in Kalimantan earn on average seven US dollars per day, their counterparts in Maluku have less than two dollars at their disposal. Economic imbalances are even more pronounced once we compare incomes across third-tier, district boundaries. The average income in Papua's best-performing district of Mimika, for example, is a staggering 320 times higher than in Papua's worst-performing district, Tumbraw. Similarly striking disparities prevail across top- and bottom-income districts in Kalimantan, Nusa Tenggara, Sumatra and Java.

TABLE 3: Regional Income Disparities in 2009

Region	Regional Income	Top-Income Districts		Bottom-Income Districts	
	PCI (US\$/year)	Name	PCI (US\$/year)	Name	PCI (US\$/year)
<i>Sumatra</i>	2,067	<i>Siak</i>	17,378	<i>Subulussalam</i>	256
<i>Java</i>	1,539	<i>C. Jakarta</i>	24,933	<i>Grobang</i>	478
<i>Bali</i>	1,802	<i>Badung</i>	3,378	<i>Karangasem</i>	1,056
<i>Nusa Tenggara</i>	814	<i>W. Sumbawa</i>	14,256	<i>West Sumba</i>	333
<i>Kalimantan</i>	2,558	<i>Bontang</i>	40,900	<i>Melawai</i>	556
<i>Sulawesi</i>	1,245	<i>East Luwu</i>	3,011	<i>N. Gorontalo</i>	544
<i>Papua</i>	2,528	<i>Mimika</i>	32,789	<i>Tumbraw</i>	100
<i>Maluku</i>	558	<i>Ambon</i>	1,222	<i>East Seram</i>	334

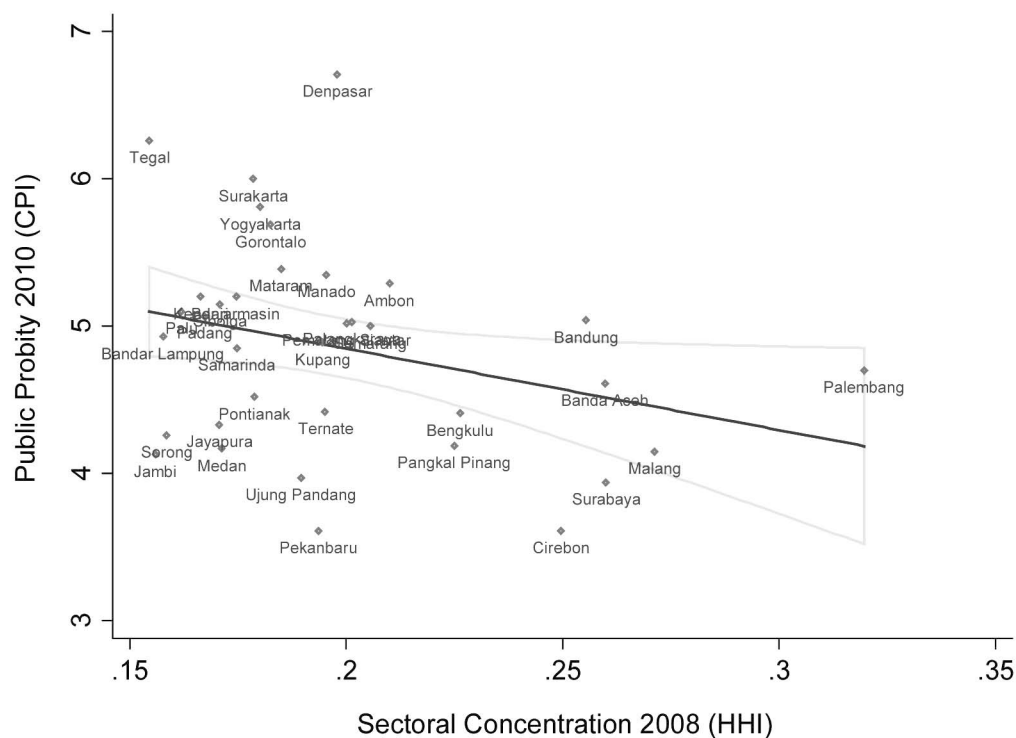
Source: Central Bureau of Statistics (BPS), 2010; Figures based on current prices and an exchange rate of 1 US\$ = 9000 Rp.

These pronounced disparities – across income groups and regional boundaries – are indicative of the socioeconomic vulnerability of large segments of rural society. Less well-to-do communities will often be preoccupied with basic livelihood strategies and, arguably, less inclined or able to actively participate in collective advocacy or pressure groups. In fact, it is more likely – in view of sustained strong economic inequalities and grievances – that less affluent segments remain trapped in clientelistic relations that provides for little space for societal voice and activism. In sum, the tenacity of national and regional imbalances that tip the scales in disfavor of low-income groups and resource-poor regions/districts expose a large number of Indonesians to marked economic uncertainty and, as a result, exacerbate the agential imbalances described above.

### ***Distribution of Economic Assets and Interests***

The second facet of distributional power pertains to the concentration of resources across economic production sectors and regional markets. There is widespread concern among political economists that excessive power concentrations in the market not only endanger the provision of public goods, but may also transcend to the political realm and unduly skew policy arenas. Indeed, sectoral imbalances, reflected in the emergence of powerful special interest groups, tend to give rise to preferential policies and welfare distortions (Eucken 1950). ‘Often a relatively small group of industry will win a tariff, or a tax loophole’, Mancur Olson notes, ‘at the expense of millions of consumers or taxpayer in spite of the ostensible rule of the majority’ (1965:144).

FIGURE 4: Sectoral Concentration and Good Government



Source: BPS-Susenas (2008) and Transparency International (2010).

Note: Transparency International’s corruption perception index ranges from 1 (very high corruption) to 10 (very high probity).

There is considerable evidence that excessive market concentration can be detrimental to public welfare and societal voice. Existing literatures in the fields of public choice (Bardhan and Mookherjee 2000; Grossman and Helpman 1994), rent-seeking (Hellman 1998; Krueger 1974) and iron-triangle politics (Huntington 1952; Lowi 1979; McConnell 1966) point to the phenomenon that unrestrained and concentrated business interests can undermine the reform process – by absorbing resources and crowding-out societal interests.

These concerns find some empirical support in cross-sectional estimates. Given that Indonesia’s society has identified public corruption as the major detriment to social welfare (and given that societal watchdogs and NGOs have placed the fight against government transgression and fraud high on the political agenda), improvements in public probity indicate the degree to which government action is in sync with key societal interests. Consistent with the literatures outlined above, societal interests in curbing corruption are, statistically, met most closely in districts with lower economic concentration. A bivariate correlation that plots levels of sectoral



income concentration (approximated by a Herfindahl-Hirschman Index<sup>7</sup>) against levels of public probity (given by TI's local corruption assessments) shows that Indonesian municipalities with less diversified markets tend to be prone to higher levels of public corruption (indicated by the negative slope of the regression estimate in Figure 4).

By diverting public funds to state elite coffers, higher levels of public corruption imply societal welfare cuts. Ex post, the observed concentration-corruption nexus thus suggests that structural market power works to the disadvantage of societal actors when it is excessively concentrated; and to their advantage if it is diversified across economic sectors. This is plausible, given that balanced market powers and economic diversification are considered preconditions to political pluralism (Lipset 1994); and political pluralism, in turn, is widely seen a foundation for societal contestation and accountability (Dahl 1989). Thus, in sum, while many distributional features – such as persistent income inequalities and undiversified market structures – tend to skew political playing fields in favor of established elites, there is a silver lining in polities with more diversified economic markets. Here, the more balanced, multipolar distribution of incomes and resources offers a more fertile ground for the formation of pluralist (elite and societal) interests which, everything else being equal, bode well for the efficacy of societal accountability.

### 3.4 Ideational Power

Additional possibilities of societal groups to meaningfully affect public policy arise in the ideational sphere. The relatively disadvantaged position in agential and distributional power constitutes only one part of the story. To be sure, the trajectory of Indonesia's governance trends (Figure 1) indicates not only a decline, but also gradual improvements in the way governments operate and perform since 2004. One possible explanation for these improvements is that since the turn of the century civil society has benefited increasingly (and since the mid 2000s, exponentially) from changes in the domain of ideational power. The following discussion will trace some of the most pertinent developments that underpin these changes.

For many decades, during the presidencies of Sukarno and Suharto, ideational spheres were dominated by state elites. During Indonesia's authoritarian rule, regime-stabilizing images and identities governed state-society relations. Borrowing heavily on Javanese symbolism, Indonesia's government leaders constructed a cognitive landscape that envisioned a natural hierarchical order (*mandala*); centering around an all-powerful and benevolent ruler (*bapak pembangunan*); embedded in a highly diverse and potentially volatile society (*bhinneka tunggal ika*); whose inner

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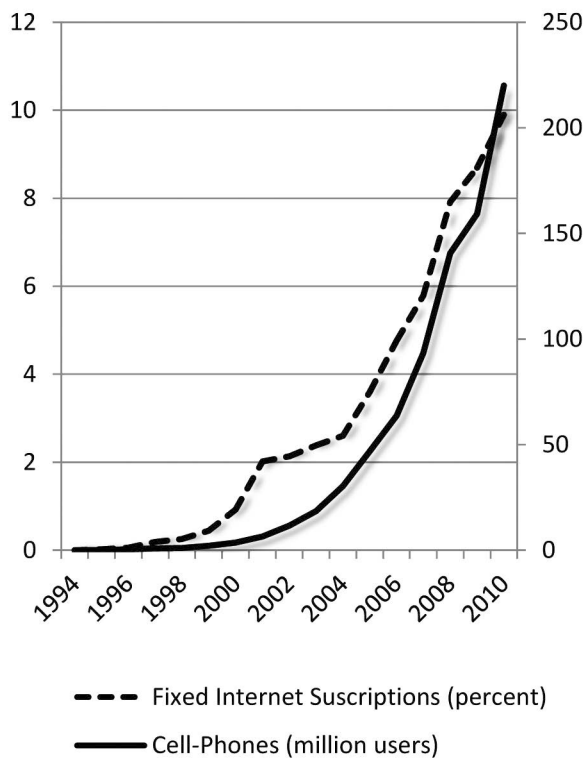
<sup>7</sup> The Herfindahl-Hirschman Index (HHI) measures the concentration of industry sectors in a given economy as the sum of their squared shares (Herfindahl 1950; Hirschman 1945). Low values of the HHI indicate a diversified economy with a fairly balanced sectoral powers, high values a concentrated economy with one or two dominant sectors. In Indonesia, municipal incomes (*PDRB*) are distinguished by the Central Bureau of Statistics (BPS) across nine economic sectors (agriculture, mining, manufacturing, electricity and natural resources, construction, trade and tourism, transportation, financial services, and other services). Based on these sectoral data, it was possible to calculate sectoral concentration values for each Indonesian municipality.

stability hinged on the adherence to consensual decision-making (*musyawarah mufakat*), mutual solidarity (*gotong royong*) and respect towards state executives (*demokrasi terpimpin*). This depoliticized, elite-centered vision of public governance, which constitutes a 'cognitive prior' (Acharya 2009) to contemporary ideational developments, remained largely unchanged until the end of the Cold War. Then, with the arrival of the third wave of democracy, more participatory and society-centered ideas of governance permeated the public mind.

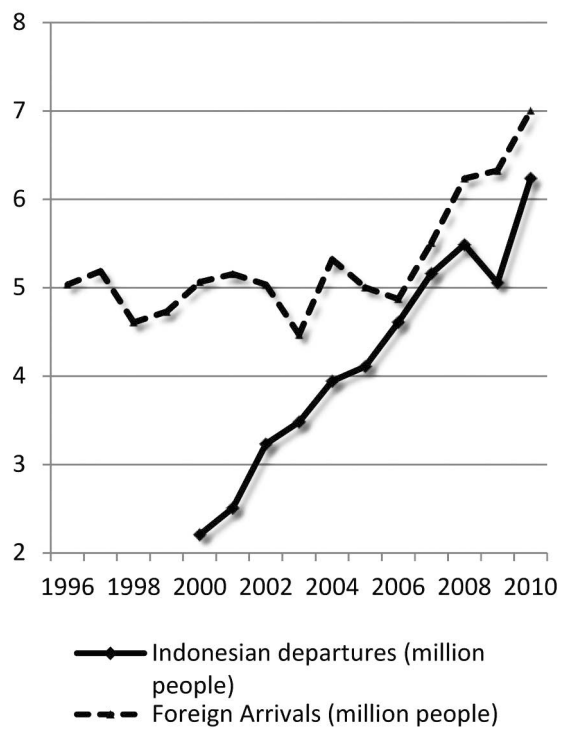
Already in the 1980s and early 1990s, Indonesian students and activist groups promoted notions of political liberties, human rights, social equity, and accountable government. But it was not until the 1998 *Reformasi* movement, and the subsequent fall of Suharto, that these ideas went 'viral'. The advance of modern technology, such as the rising access to mobile phones and internet cafes, accelerated the directional shift, working to the advantage of younger and more regime-critical segments in society. With the rising access to mobile phones and internet cafes, the momentum with which society-centered ideas were produced, communicated, adapted, and disseminated reached unprecedented levels. Over time, the 'cognitive prior' has been extended, modified and revised: growing segments within the young urban middle class have become more critical towards principles of government seniority, bureaucratic guidance, and elite entitlements; and more confident to insert notions of 'clean government' and 'anti-corruption' and into everyday vocabulary.

The 21<sup>st</sup>-century shift in the balance of ideational power has arguably been accelerated by two phenomena: (1) the rise of commercial trade and tourism and (2) the diffusion of modern communication technologies and social media platforms. A rapidly growing number of Indonesians make use of modern means of technology and transportation. Between 2005 and 2010, the number of Indonesian internet and mobile phone users has more than quadrupled (Figure 5, left graph). Conjointly, these two trends bear witness to the rapid spread of modern means of communication. While many citizens remained 'disconnected' from the digital revolution in the late 1990s, the increasing affordability and diffusion of mobile devices and internet cafes since the mid 2000s has provided millions of Indonesians with access to text messaging, email, and the internet. Pronounced changes are also observable in international tourism flows. While foreign tourist numbers have grown by roughly sixty percent over the past fifteen years (with temporary slowdowns after the Bali/Jakarta bombings; Figure 5, right graph), the volume of Indonesian travelers has tripled since the turn of the century.

FIGURE 5: Rise of Communication Technologies and Tourism  
Diffusion of Internet and Cell-Phones



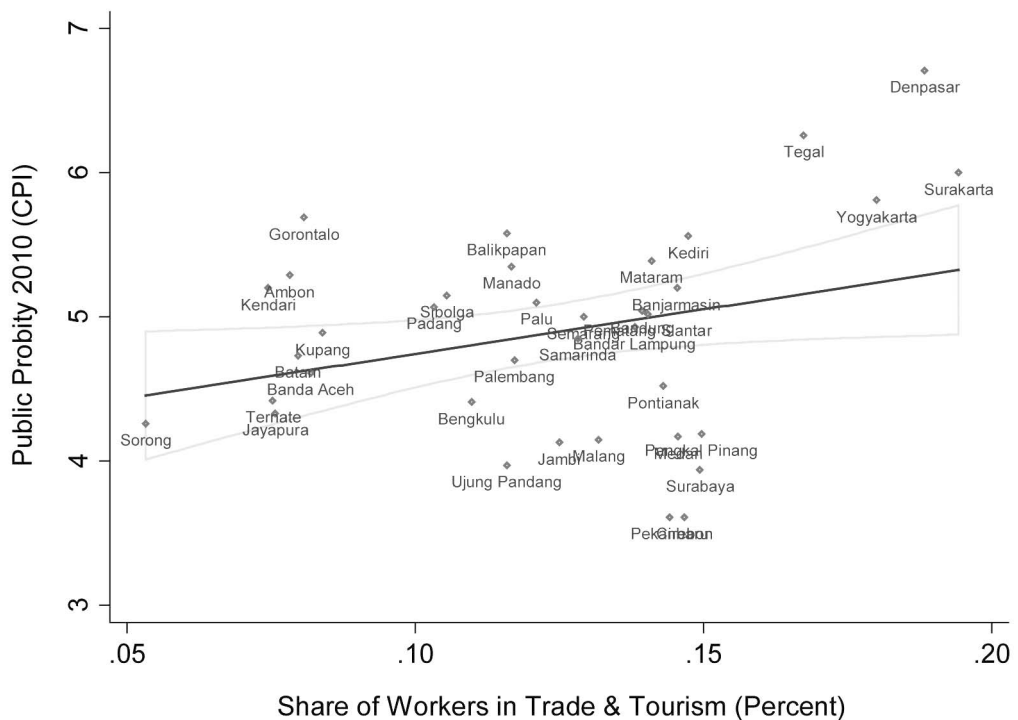
International Tourism (In- and Out-Bound)



Source: World Bank (data.worldbank.org)

Shifting boundaries in technology and tourism have resulted in an increased connectivity to national and international networks. Global trade and communication networks have become more inclusive and connect a greater share of small-scale actors to the outside world. Rising tourist flows and internet accessibilities enable local traders, craftsmen, tourism businesses, hoteliers, and hospitality firms to expand their operations. But they also provide a vehicle for exchanging information, ideas, and experiences with non-Indonesian actors and, in doing so, form new cognitive yardsticks for evaluating domestic status-quo conditions. The proposition that trade and information linkages contribute to a gradual erosion of authoritarian and clientelistic modes of governance (Levitsky and Way 2010) has gained considerable currency in recent comparative politics debates. In Indonesia, too, it seems that commercial linkages can affect the way governments operate. A closer inspection of subnational datasets shows that Indonesian municipalities with higher exposure to trade and tourism are characterized by less corrupt government practices. Plotting levels of trade/tourism employment against levels of government probity (Figure 6) reveals a positive correlation.

FIGURE 6: Commercial Linkages and Good Government



Source: BPS-Susenas (2008) and Transparency International (2010).

Today Indonesia ranks as the fourth largest ‘facebook nation’ in the world. Over 42 million Indonesians are connected to the social networking site – 90 percent of them are younger than 35 years. Blog postings, tweets and internet-based videos have

become common tools to share information and ideas. They have also increasingly become a means of societal actors to protest against transgressions of state officials. Among activists it has become a common strategy to “use Facebook to schedule the protests, Twitter to coordinate, and YouTube to tell the world” (Chebib and Sohail 2011:139). These ‘liberation technologies’, as some scholars have coined them (Diamond 2010), provide instant, quasi-anonymous, and interactive communication platforms that can be used to mobilize collective action and, in addition, to expose entrenched elites for acts of corruption. The fact that ideational power can work through social media channels and initiate societal activism is readily observable in two of Indonesia’s recent facebook protests.

The first one corresponds to the aforementioned imprisonment of senior anti-corruption inspectors in October 2009. After releasing a wiretapping that implicated top-ranking officers of the national police and attorney general’s office, Chandra Hamzah and Bibit Rianto, the leading investigators of Indonesia’s independent corruption eradication commission (*KPK*), were arrested by the police on vaguely defined charges. The arrest of the two *KPK* leaders, who had become icons of the anti-corruption drive in the eyes of many Indonesians, prompted large demonstrations across the country. Indonesian youth effectively coordinated and rallied over the internet, issuing calls for protest, posting video clips, and circulating the image of a ‘David-Goliath’ confrontation, in which a small gecko (*KPK* investigators) was challenging the seemingly undefeatable, corrupt crocodile (traditional enforcement elites).

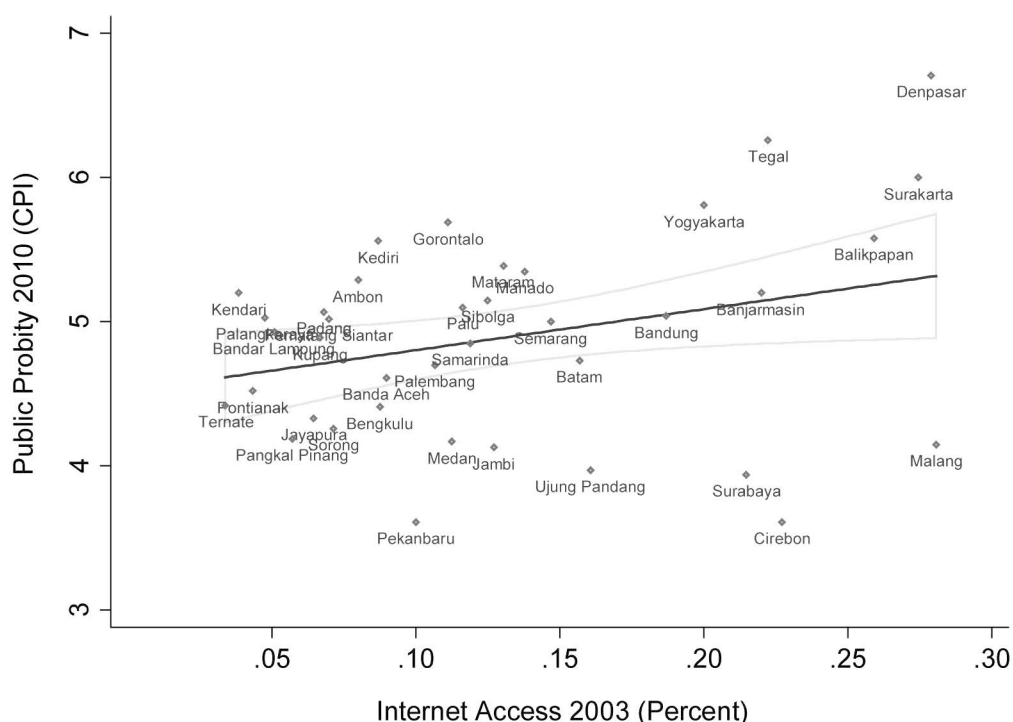
Mass protests surfaced not only on the streets of Indonesia’s urban centers but also in virtual domains. The online networking site Facebook reported more than one million appeals for the release of the two *KPK* investigators. In addition to this wave of online petitions, a number of prominent state representatives, including the late President Abdurrahman Wahid and former Constitutional Court Chief Justice Jimly Ashiddiqie, put their name down in support of the anti-corruption commission. In November 2009, in light of mounting public support, Bibit and Chandra were released from police custody and, later that year, reinstated as *KPK* deputy directors by the President.

The second example of cyber-powered activism relates to the Omni Scandal. After circulating complaints on the internet concerning a series of unprofessional medical treatments, Prita Mayasari, a middle-class housewife from Banten, was sued by the Omni International Hospital Group for defamation and sentenced to pay a fine of 20.000 USD. Her resistance to comply resulted in a three-week jail sentence in early 2009. Similar to the *KPK* controversy, Prita’s powerlessness vis-à-vis corrupt prosecutors and entrenched interests sparked a wave of public outrage.

Social media platforms, once again, projected a powerful image of injustice and corruption. Prita’s case increasingly stirred public interest and became a popular topic in the run-up to the 2009 parliamentary elections. Riding on the crest of public concern, political leaders, including former President Megawati Sukarnoputri, visited Prita in jail and pledged support to her cause. Eventually, Prita was released from

prison, but not from her liability to pay the defamation fine. In response, social networking sites appealed for donation efforts across the country. Under the slogan ‘a dime for Prita’ (*Koin peduli Prita*), facebookers were able to generate sufficient public awareness and solidarity to raise over four times the amount (roughly 80.000 USD) necessary to cover the libel fine. And although legal battles rage on, Prita’s case undoubtedly serves as an illustration of how digital connectivity can tip the balance of ideational power in favor of societal interests.

FIGURE 7: Internet Access and Good Government



Source: BPS-Susenas (2008) and Transparency International (2010).

Note: ‘Internet access’ refers to the share of municipal citizens with access to internet cafes.

Not only in Jakarta, but also in many other Indonesian cities societal protests have shifted increasingly to digital arenas. By making use of second-hand smart phones and social media applications, local non-state actors have improved the odds of collective action. Communication and retaliation costs have dropped markedly, evinced by numerous ‘flash demonstrations’ across the archipelago – ranging from small-scale palm oil producers objecting to dubious land sales (McCarthy et al. 2012) to street vendor associations protesting against undue resettlements (von Luebke et al. 2009). The instantaneity and transparency of digital forums appeal to the new generation of Indonesians, who use the internet not only as a means to build personal networks, but also as a means to follow political events and criticize poorly performing state

officials. In some Indonesian municipalities, higher levels of cyber-scrutiny seem to have translated into better governance. An assessment of city-level governance data reveals (Figure 7) that there is a positive correlation between internet accessibility and perceived levels of corruption control.

#### **4. Concluding Remarks and Policy Implications**

This paper has pursued three interlinked objectives. First, I have provided a framework to explore the multidimensionality the policy-relevant powers that offers nuanced and systematic insights into how inclusive/exclusive accessibilities to structural/relational resources affect public policy making. Second, by applying this typology to Indonesia's emerging democracy, I have examined the different possibilities of societal influence in respect to institutional, agential, distributional, and ideational power. Third, by juxtaposing the different types of power and indicating junctures of change, I have offered an explanation as to why Indonesia's civil society has been characterized by relative powerlessness (*vis-à-vis* state elites) in early years of democratization and by increasing influence since the mid 2000s.

In the course of Indonesia's shift to democracy and decentralization, the reconfiguration of *institutional powers* have provided an important set of formal rules and procedural norms that allow for more societal participation and accountability. But the discussion in this paper also revealed that many rule-based entitlements can, and often do, lose their efficacy in light of more exclusive *agential and distributional powers* that subvert the universal practice of these institutional norms. Indeed, despite the introduction of competitive elections and decentralization, Indonesia's institutional change has yet to realize the promise of good government. Many shortcomings prevail: party politics remain messy and non-programmatic; elections, although regular and free, continue to be colored by vote buying and elite manipulation. As a result, institutional reconfigurations, which endowed societal actors with greater *de-jure* powers to constrain public misconduct and corruption, continue to be undermined by clientelism and, thereby, fail to form a counterweight to the agential supremacy of status-quo interests.

A closer look into the domain of *agential power* showed that common societal and private sector actors are constrained, time and again, by collective action problems and risks of personal retaliation. This renders inclinations to mobilize against objectionable states of affairs unlikely and deprives societal actors from their main means of agential influence: professional association and mass mobilization. Given Indonesia's state-corporatist history, traditional forms of mobilization, such as local business chambers and professional organizations, have by and large not been effective vehicles to promote societal interest. Case comparisons and cross-section data show that there is no significant relationship between societal association and societally-desirable governance outcomes (i.e. higher levels of government services and probity).

The picture is similarly bleak when it comes to *distributional power*. Rising in income inequality and regional economic disparities, which indicate that low/middle-income groups – and hence large segments of civil society – are falling behind, suggest that the balance tips even further towards non-societal interests. In combination, the skew of agential and distributional power offers an explanation as to why societal actors in Post-Suharto Indonesia found themselves in a state of ‘people power paralysis’ in the years following the Big Bang transition; and why democratic decentralization was initially met with declining government performance (Figure 1). To a large extent, highly uneven agential and distributional power distributions are rooted in Indonesia’s past. Excludable, tangible means of power (money, capital, and technology), which constitute this imbalance, have been accumulated by elite actors or within high-income groups and, due to their exclusive and lasting character, induce path-dependency problems. This is not to say that these exclusive means of powers do not shift over time, but to stress that changes in these domains are often more gradual than those in inclusive realms of institutional and ideational power.

Against this background, the most promising impulses for societal accountability, strong enough to reinvigorate formal institutional entitlements, are most likely to arise from ongoing ideational power shifts. Accelerated by the dynamic rise of social connectivity – through social media, trade, and tourism – new and more society-centered ideas are shaping popular discourses. Reduced costs and risks of mobilization have given rise to novel forms of collective action that can elevate societal actors as ad-hoc veto players in public policy arenas. Recent victories in virtual spaces bear witness to the fact that ideational powers have been shifting in favor of Indonesia’s young generation of social networkers, facebookers, and bloggers. They also show that shared ideas of just governance – such as the fight against corruption (KPK controversy) and the resistance against blatant bureaucratic exploitation (Omni controversy) – are potent enough to temporarily offset disadvantages in other power domains. Policy ideas and icons that resonate with large segments of society can unleash a shockwave that travels from ideational domains, analogous to falling dominos, into the domain of agential power. Popular uprisings against elite transgressions in Indonesia have shown that internet protests are often a prelude to street marches and mass demonstrations (a feature vividly illustrated by the Arab-Spring rebellions in Egypt and Tunisia).

In most cases, however, ideational movements are unable to sustain their policy-shaping momentum for extended periods of time. Ideas float. Given their non-excludable character, ideational assets cannot be easily acquired by, or attributed to, a specific group of policy actors. This, in turn, foreshadows a lack of ownership and responsibility and, hence, an inbuilt slowdown of initial dynamics. As such, ideational power can initiate resistance, but it often has not created lasting structures, rules, or architectures. It has provided a fertile ground for societal mobilization and opposition, but it has rarely succeeded – thus far – in translating temporal initiatives into durable mechanisms of societal ownership and accountability.



In the context of Indonesia's emerging democracy, a key challenge is thus to 'ground' the momentum of ideational power in more stable forms of institutional and agential power. One possible step in this direction would be the development of more systematic forms of social media. Fishkin's (1991) concept of deliberative opinion polls may serve as a helpful guideline. Social media platforms could be used to host 'virtual' policy deliberations, in which a randomly selected group of network members consider key policy issues, debate constraints and solutions, and, in a final step, conduct a poll that informs the political debate. The introduction of representative social network polls – administered by independent research institutes, universities, or NGOs – could offer a promising tool to channel ideational powers into regular political debates and decision-making processes.

In summary, the assessment of societal accountability in Democratic Indonesia points to a rather mixed picture. On the one hand there is reason for cautious optimism. The upswing of new technologically-aided modes of societal exchange and collective action (facebook petitions, virtual mobilization on the blogosphere, etc.) is certainly indicative of a gradual strengthening of societal counterbalances. Yet, while communicative constraints are diminishing rapidly, deep-seated structural constraints prevail. Undoubtedly, the post-Suharto era is characterized by greater access to information and higher levels of digital connectivity. But, at the same time, societal forces continue to be diluted by fragmented interest constellations, irregular forms of mobilization, and high degrees of state-dependence. All in all, societal accountability in Indonesia is on its way – moving ahead on a steep and rocky road.

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