

The Relations of State-Market-Society in Indonesian Society: A Sociological Approach¹

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Introduction: The Society-State-Market Relations

The relations between the State, the Market, and the Society in the context of a reflection on the challenges facing current Indonesian society using a sociological approach is the focus of this paper.

Sociologically, the State, is defined as an institution with the authority and legal legitimacy to wield various policies that collectively bind all elements of society, for the greater good of all.³ The market is a social phenomenon influenced by social relations and status competition. Thus, along with other business organisations and economic phenomena, the market is always embedded within society, and not outside the social structure.⁴ The concept of social embeddedness is a key concept in the sociological understanding of the market, business organisations and other economic phenomena.

In this paper, the many social challenges faced by the Indonesian society will be discussed, in particular, religious radicalism, poverty and environmental destruction.

Before discussing the various social challenges faced by contemporary Indonesian society using the triangular relations between the State, Society and Market as a conceptual tool of analysis, there is one aspect of note. This refers to the relations between the Nation and the State; nationalism in the push-pull context of globalisation vs. decentralisation. Discussions on nationalism and the nation-state in the context of globalisation is a discourse being faced by various countries in the global level. Similarly, a discourse on decentralisation, or in the Indonesian context, regional autonomy, is also a specific challenge for nation-states, especially those with a high level of diversity and heterogeneity.

Conceptual issues: Nationalism and the Nation-State in the Context of Society-State-Market Relations

Conceptually, nationalism and the nation-state are recent theoretical constructs, being developed several centuries earlier, in line with the growth and development of the nation-state into the modern era. In developing countries such as Indonesia, the concept of nationalism and nation-state have developed for about one century, since the early 20th century, marked by the establishment of various movements with the purpose of gaining independence from the Dutch colonial power.⁵

The scientific constructs of nationalism and nation-state are oriented on the role of the State. The State as structure, and the State as sociological actor, dominates much of the scholarly discourse

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³ Kevin Fox Gotham, "Racialization and the State: The Housing Act of 1934 and the Origins of the Federal Housing Administration (FHA)," *Sociological Perspectives* 43(2): 291-316, 2000.

⁴ M. Granovetter, "Economic Action and Social Structure: The Problem of Embeddedness," *American Journal of Sociology*, 91(3): 481-510, 1985.

⁵ Parts of this paper have been presented in a seminar for the Commencement of Bachelors of Philosophy and Masters of Theology of STFK Ledalero, Maumere, Flores, NTT on 20 April 2013.

about public life. This is not only happening in Indonesia. Conceptual and theoretical debates still assume that the State is the main anchor of community life. One of the conceptual contributions of Benedict R. O'G. Anderson is that nationalism and nation-state are viewed as imagined communities, and not imagined states. Anderson is one of the few scholars reviewing nationalism and nation-state not from the state perspective, but instead from the community perspective.

The process of globalisation and decentralisation (regional autonomy) causes conceptual problems for nationalism and nation-state, as globalisation is more oriented towards the Market, while decentralisation is directed towards the community. At the praxis level, the role of the State is no longer politically, economically and socially dominant as it was in the last two centuries. The market, at the global and community levels, begins to match the role and authority of the nation-state.

When the idea of Indonesian nationalism begins to cause anxiety as in the present, this results from its continued association with the nation-state, in which the role of the State is dominant. Nationalism is not associated with the market, nor the community, as it is assumed that nationalism is only possible in the context of the nation-state, not the other two. Strengthening of the role of the market and community in the political, economical and social aspects, which balances, or even exceeds the authority of the state, is regarded as a threat to nationalism. Countries do not become weaker; what happens is that in the triangle of the nation-state, market and community, the market and the community begin to offset the power of the state, marked by the process of globalisation and regional autonomy, respectively.

The conceptual problem is that while nationalism is always associated with the nation-state, the balance of power in the triangular relationship between the nation-state, the market and the community is perceived as a *threat* to the existence of nationalism. A conceptual question to be asked is whether nationalism should always be associated with the nation-state. If the answer is yes, the anxiety is then confirmed, as globalisation and regional autonomy have started to balance the strength of the nation-state. If the answer is no, another question to be asked is whether there is such a thing as market nationalism or community nationalism. Or, whether in their stead are *market independence* that is not bordered by national boundaries, also *local autonomous communities*, that are similarly unbridled by national borders. In other words, there is a push-pull struggle between the market on the global level, with the communities on the local level, without being moderated by the nation-state level. The relevance of the concept of nation-state becomes progressively diminished. And as long as nationalism is associated *exclusively* with the nation-state, it can be considered increasingly obsolete.

Nation-State Nationalism in the Midst of the Global Market-Local Community Struggle⁶

The process of globalisation has steadily strengthened the market at the global level, which according to Anthony Giddens is perceived to have surpassed time and space boundaries. Development of science and technology has made this type of globalisation possible. This has broad political, economic and social implications. In the context of nationalism and the nation-state, market-powered globalisation is responded with the increasing strengthening of the independence of local communities (regional autonomy). Both globalisation and regional autonomy are opposed to each other, and the nation-state and nationalism are increasingly perceived as being irrelevant at present. This anxiety is felt by many in Indonesia. It is as if the nation-state and its nationalism are being threatened by the market, with its globalisation; and the local community, with its regional autonomy.

⁶ Parts of this paper have been presented in the National Seminar on Cultural Ties and Indonesian Nationalism, held by LIPI (The Indonesian Institute of Sciences) on 5 August 2010 in Jakarta.

Observing it from the perspective of Benedict Anderson, what is occurring is imagined communities not in the context of the nation-state, but instead in the local communities and global market. An individual farmer in West Flores no longer imagines himself as a member of the Indonesian nation-state, but as a member of the local Manggarai community struggling for its existence amidst the fierce storm of globalisation. At the same time, an entrepreneur producing woven textile in the same location also no longer imagines herself as a member of the Indonesian nation-state, but as a part of the global scene in which her Manggarai weave can be traded in the global market. Both persons are located on Indonesian territory, but they imagine themselves either as a member of the local community, or the global market, and not as citizens of the nation of Indonesia. The question is what do nation-state and nationalism mean for the farmer and entrepreneur in Manggarai, West Flores now?

The most accessible face of the nation-state to the experience of the farmer and entrepreneur in West Manggarai, Flores are local government officials of the Manggarai regency. The farmer has to plant and cultivate crops in accordance with local government regulations. This appeared in land conflicts related to coffee plantations several years prior. For the entrepreneur, she has to obtain business permits and follow trade regulations set by the regency. Often for these people, the face of the nation-state at the local level, namely the government apparatus, becomes a problem. This makes them question even more the meaning and benefit of the nation-state and Indonesian nationalism for their daily lives.

The nation-state and nationalism are historical constructs created and developed during a certain historical period in the modern era. For developing countries such as Indonesia, the nation-state and nationalism are closely related to the experience of colonialism. The struggles during the National Revival and Independence Revolution have given birth and raised nationalism associated with the nation-state of Indonesia.

At present, the market, aided by the process of globalisation on the global level, and the community, assisted by regional autonomy at the local level, are locked in opposition, with no visible mediation by the nation-state, despite its residual importance. As long as nationalism is *exclusive* to the nation-state, globalisation and regional autonomy will always be felt as *threats*.

A well-known current saying is to “think global [and] act local”. A growing number of individuals, including Indonesian nationals, interprets and imagines the ‘local’ as the local community, instead of the Indonesian nation-state as a community. Changes in the interpretation and imagination are both a challenge and an opportunity for the future.

Cultural Ties, Indonesian Nationalism and “Cultural Resilience”?

Discussing cultural ties, Indonesian nationalism and “cultural resilience” will reflect the assumptions about the relationship between nationalism and the nation-state. This assumption is the necessity of “cultural resilience” to sustain Indonesian nationalism (=nationalism of the Indonesian nation-state). In the context of the opposition of globalisation and decentralisation/regional autonomy, several aspects need to be questioned.

The first question is what is meant with cultural ties. Apparently it is associated with the nation-state in the context of Indonesian nationalism. Second, what is meant with “cultural resilience”. There is a strong indication that there is an implicit understanding of *cultural containment*, meaning that the “authenticity” of Indonesian culture needs to be preserved to preserve Indonesian nationalism. Socially and sociologically, it is difficult to study “authenticity” and “cultural resilience” of a nation-state as historically and empirically all cultures have never been static and rigid. Cultures have always been hybrids and fluid in nature, especially when observed as elements of communities, not as nation-states. Third, sociologically, discussions of culture tend to be associated with societies, not with nation-states.

These questions make it sociologically difficult and irrelevant to discuss Indonesian nationalism in association with cultural ties and cultural resilience. Also, in the context of the opposition between globalisation and decentralisation, it is more relevant and significant to study and discuss the cultural aspects of society at the global level, and the local level at the same time, and how the dynamics of the process result in a new fluidity and hybridity. A dynamic culture is a positive element for social change. A question to be asked is whether cultural traditions should be abandoned. The answer lies in the choice of the society itself, both individually and collectively. There is an option to preserve cultural traditions or otherwise, and also the option to choose which cultural traditions should be preserved.

Critically, further questions could be asked regarding the extent to which the state and the market each play roles in influencing the need for preservation of cultural traditions, and the selection of the preserved traditions. Cultural traditions can be intervened either by the state or the market. The question is which actor and whose interests are represented that stimulates the state or the market to intervene. In fact, a similar question can be asked about the society. Power relations are always present in the context of triangular relations between the state, the market and the society. This continues to be a conceptual and empirical issue in the analysis of cultural ties, Indonesian nationalism and cultural resilience through a sociological perspective.

The many challenges faced by the Indonesian society, include religious radicalism, poverty and environmental destruction. The first challenge of religious radicalism in this paper is reviewed in the context of the interaction between religious groups in the post-New Order period (1998-2009).

Inter-religious Group Interaction in the Post-New Order Era (1998-2009)⁷

The post-New Order (Reformation) era, during 1998-2009 showed an overview of the complex interaction between religious groups. One sociological analysis revealed that the reformation period is marked by religious conflict and euphoria, and generally the rise of religion in the Indonesian society.⁸ During the initial phase of power transition, various horizontal social conflicts utilising (or misusing) religion occurred between different religious groups, beginning in Poso (1998) and Ambon (1999) to the whole of Maluku province to 2002. A study by UNSFIR (United Nations Support Facilities for Indonesian Recovery) shows that in most conflicts occurring in Indonesia in 1996-2001, religion and ethnicity are invoked.⁹ Most of these conflicts occurred between Christian and Islamic groups.

In the post-New Order era, democratisation and decentralisation result in increasing opportunities for various groups in society, including religious groups, in the public sphere. Either liberal, moderate, conservative or radical-fundamentalist groups have their spaces. The strengthening of civil society, expected to democratically increase public civility, instead resulted in unintended consequences, namely that non-democratic, even anti-democratic, forces benefit from the increasingly open public spaces.

Radical religious fundamentalist groups are growing at the national and local levels. These groups do not refrain from using violence not only against other religious groups, but even against groups of the same religion that are considered "deviant" or "heretical", or different from their "correct" interpretation of doctrine and teaching. A formalist interpretation of religion doctrines and tenets

⁷ Parts of this paper have been presented in the Study Day on the Future Development of the Catholic Church by the Association of Catholic Higher Learning Institutions, 29 October 2010 in Surabaya.

⁸ Kusumadewi, "Relasi Sosial antar Kelompok Agama di Indonesia: Integrasi atau Disintegrasi?," unpublished manuscript, Department of Sociology, FISIP-UI, 2007.

⁹ Tadjoeddin, 2002 in Kusumadewi, 2007.

results in a very high level of intolerance towards other groups of the same religion, different religions and non-religious groups.

The process of decentralisation of authority and power from the national capital to the regions, more familiarly known as regional autonomy, in fact resurrects customary practices and interpretation of religious teachings that are not conducive to the development of a democratic and tolerant civil society. Various religious-based regional bylaws are intolerant of diversity found in the community, including limiting the rights of women. Women, who have long experienced a process of subordination, are even more subordinated due to regional autonomy.

The interaction among religious groups in the Indonesian society in the post-New Order era should be seen in a global context, not just the Indonesian context. The process of globalization, increasing the dominance of the global capitalist economic system, faces strong resistance from many grassroots community groups acting for localisation at the local level. There is an incredible pushing and pulling between globalisation at the global level and localisation at the local level.

Similarly, at the global level, there is an opposition between the superpower United States, against a variety of radical fundamentalist religious groups who seek to resist physically or ideologically against the dominant power. It is no coincidence that many acts of violence committed by radical fundamentalist religious groups are targeted towards various symbols of power and dominance of the United States. However, this does not mean that a clash of civilisation as described by Samuel Huntington in *The Clash of Civilizations* (1993) is occurring.

This is a paradox of the present day. On one hand, the processes of democratisation and decentralisation have created an opportunity and enough space in Indonesian society for growth and development of diverse societal groups, including religious groups. In particular, various minority and marginal groups increasingly have the space and channels to voice their aspirations and interests in the public sphere.

However, at the same time these opportunities and spaces in the public sphere are utilised by non-, even anti-democratic groups. The question to be asked is why is this happening? Why do the processes of democratisation and decentralisation result not in a more civil society, but instead in anarchism and escalating violence, without any serious opposition?

In answering these questions, there are those who refer to the role of the state, which in the global and the national contexts are presumed to be declining. In the global context, the globalisation process tends to strengthen the role of market in the context of the market-state-society triangle. In the local context, the society becomes a stronger actor in facing the role of the market in the context of the global market. The role of the state is limited to facilitate, instead of arbitrating the market and the community. In fact, there is often a collusive relation between the state and the market, weakening the bargaining power of the society.

The role of the state needs to be increased, especially in the context of the interaction between groups, either those of different religions or those of the same religion. According to Kusumadewi, the state has to educate its citizens to have a high level of multicultural awareness, and it also needs to ensure that all citizens get fair treatment in accordance with citizens' rights, without dominance, discrimination and exclusion from certain groups against individuals and other groups.¹⁰

The problem in Indonesia is that the state apparatus, or the government, has not succeeded in becoming a just arbiter for all citizens regardless of their ethnicity, race, religion, socio-economic background, gender, age or ideology. The government tends to be hesitant, allowing horizontal conflicts to simmer in absence of a just or comprehensive solution. There is even a deep mistrust among the society against the government. It is assumed that state apparatus are the source of conflict between societal groups, including religious groups.

¹⁰ Kusumadewi, 2007.

A significant question to ask is the role of the community. One answer is that people need a cultural reconstruction. Kusumadewi delineates cultural reconstruction as a cultural dismantling and restructuring of the society's social culture, from exclusivism to non-exclusivism, from competition to cooperation and social solidarity, of suspicion to mutual trust; and also including deconstruction of a monoculturalist perspective into multiculturalist.¹¹ At the ideal level, Kusumadewi's proposal could be agreed upon; however, at the practical level, it would be very difficult to implement.

The main problem lies in the multiculturalist concept itself. The concept, which acknowledges the cultural diversity and respect for different cultures, does not address the fundamental problem in the inter-group relations in society, namely relations of power. Social conflicts tend to grow and thrive due to competition between various groups, including religious groups, for a variety of scarce resources, for example, access and opportunity for group members to occupy strategic positions in the government and the business, so that it can affect the life of the state and society.

In addition to religious radicalism, the second challenge faced by the Indonesian society is poverty, which remains a major social problem.

Poverty and Social Exclusion

In sociological analysis, poverty is generally conceptualised as *social deprivation*: a social condition in the community where a certain group of people are unable to live adequately in meeting the needs of food, clothing and shelter. Social deprivation is classified as absolute deprivation and relative deprivation.

Absolute deprivation is a condition in which a certain group of people is unable to obtain basic resources needed to maintain the health and proper functioning of personal physical needs. Relative deprivation is the ability to measure the gap between the living conditions of various groups in the community with the living conditions enjoyed by the majority of the society.

There are two approaches in explaining the conditions of poverty or social deprivation. Culture of poverty and culture of dependency basically assume that the poor are responsible for their own poverty. Structural poverty assumes that there are structural factors that cause poverty conditions in certain communities.

Social exclusion is a process in which individuals are unable to have equal access and opportunity to the general public to engage fully and completely in community life. Social exclusion is a condition that is more commonly found than social deprivation or poverty.¹²

Conceptually, the conditions of social deprivation and poverty almost always lead to a process of social exclusion. Social exclusion itself does not always result in social deprivation, as social exclusion is not solely caused by poverty.

In 1996/1997, the Agency for Research and Development of the Ministry of Social Welfare of the Republic of Indonesia studied Patterns of Poverty Responses in Urban Areas. This research built upon an initial research conducted in 1995, and the second stage gave more emphasis on the identification of patterns of poverty responses in urban areas conducted by 32 social organisations and NGOs of which 8 were located in Medan, 5 in Bandung, 10 in Surabaya and 9 in Ujung Pandang. The method used was qualitative, in order to gain a thorough understanding of the pattern of how the organisations addressed poverty, using the FGD technique. The study resulted in the following findings: there are two patterns of addressing urban poverty, through an education fund and increasing income of poor families. The strategies used were 1) advocacy, 2) the creation of a relationship between families living in poverty and resource owners, 3) providing guidance,

¹¹ Ibid., Kusumadewi, 2007.

¹² Anthony Giddens, Sociology. 6th Edition. Cambridge: Polity Press, 2009.

knowledge and skills, and 4) development of community self-sufficiency. It was found that NGOs and social organisations tend to put the targeted groups (families living in poverty) as objects rather than as subjects of service. The families were observed more on their economic aspect, rather than the social aspect. In its conclusion, the study suggested a pattern that was more oriented towards empowering to two categories of families, namely families living in poverty working in the services sector, and families living in poverty working as small traders, which would be tested in a third study. (Based on: elib.pdii.lipi.go.id/katalog/index.php/searchkatalog/.../11-00980.pdf)

A 1995 study by the Socio-Economic Research Center of the Department of Agriculture conducted in seventeen provinces in Indonesia concluded that there are six main factors causing poverty, namely (1) low quality of human resources, as indicated by low level of education, high level of dependence, poor health, lack of alternative employment, lack of work ethic, lack of skills and large number of family members; (2) lack of physical resources, as indicated by low quality and quantity of production assets and working capital; (3) low application of technology, characterised by low use of inputs and mechanisation of agriculture; (4) low regional potential characterised by low physical and infrastructure potentials, with physical potentials including climate, fertility and topography of regions, while infrastructure potentials including irrigation, transportation, market, health, education, processing of agricultural commodities, electricity and communication facilities; (5) flawed policies undertaken by the government in investment and poverty reduction; and (6) lack of institutional involvement, namely of marketing, education and social credit institutions.¹³

Statistical data from the Central Bureau of Statistics show that in 2008, the number of people living in poverty in Indonesia is 34.96 million, or 15.42 % of the total population. In addition, another dimension to consider is the depth and severity of poverty. In the period of March 2007-March 2008, Poverty Depth Index (P1) and Poverty Severity Index (P2) decreased from 2.99 to 2.77 for P1 and from 0.84 to 0.76 for P2. In March 2008, urban P1 was 2.07, while rural P1 was 3.42, and urban P2 was 0.56, while rural P2 was 0.95. This indicates that the level of poverty is higher in rural areas than in urban areas.¹⁴

Empirical data in the form of field research results and statistical data indicate that poverty and social exclusion is a social problem that must be considered and resolved comprehensively by the government, market and society. In addition to poverty and social exclusion, another challenge that needs to be addressed is environmental damage that can be found throughout Indonesia.

Environmental Damage

One of the effects of environmental damage in Indonesia today is the challenge posed in the form of climate change.¹⁵ Climate change refers to the general warming of the earth's surface due to increased concentrations of greenhouse gases in the atmosphere. At present, the concentration of CO₂ (the most common greenhouse gas in the atmosphere) has increased to about 380 ppm.¹⁶ This increase is mostly caused by human activity (anthropogenic), involving the use of fossil fuels.¹⁷

There are two ways to respond to climate change:¹⁸

¹³ Tim Kajian dan Penelitian Johar Baru, Departemen Sosiologi, FISIP-UI. Tawuran, Kemiskinan, Dan Eksklusi Sosial: Suatu Studi Kasus Mengenai Konflik Horizontal di Kecamatan Johar Baru, Kotamadya Jakarta Pusat, 2011.

¹⁴ Badan Pusat Statistik. Data Strategis BPS. Jakarta: BPS, 2008.

¹⁵ Parts of this paper have been presented in the Seminar on the Challenges of Climate Change, held by The University of Indonesia, 10 June 2010, in Depok.

¹⁶ Agus Sari, "Pasar Karbon dan Potensinya di Indonesia," *Prisma*, Vol 29, No 2, April 2010.

¹⁷ Daniel Murdiyarso, "Perubahan Iklim: Dari Obrolan Warung Kopi ke Meja Perundingan," *Prisma*, Vol 29, No 2, April 2010.

¹⁸ Ismid Hadad, "Perubahan Iklim dan Pembangunan Berkelanjutan," *Prisma*, Vol 29, No.2, April 2010.

1. Mitigation: preventing, stopping, decreasing or limiting the emission of exhaust gases and atmosphere polluting gases. The goal of mitigation is to stabilise the concentration of greenhouse gases in the Earth's atmosphere. Mitigation could be in the form of:

- A. Reducing the use of energy resources resulting in CO₂ emissions caused by the burning of petroleum, coal and natural gases for various development activities.
 - B. Increasing natural systems to absorb carbons (carbon sinks) such as forests or oceans
2. Adaptation: adapting to the impacts of the change, by identifying and mapping locations and community groups vulnerable to the impacts of climate change. Adaptation is the main priority agenda for developing countries such as Indonesia. In the context of adapting to climate change impacts, sustainable development needs to be integrated. There are four elements of adaptation:
- A. Estimating and mapping social and environmental vulnerabilities
 - B. Increasing society awareness and resources
 - C. Reforming public policy and building capacity of public institutions
 - D. Implementing development with a low-carbon economic system and development strategy

Sustainable development is defined as development that meets the various needs of the present generation without compromising the ability of future generations to meet theirs.¹⁹ Its implication is that there is a need for integrated decision-making so as to balance the various economic and social needs of the society with the regenerative capacity of the environment.

There are three dimensions of sustainable development:²⁰ economic, environmental and social. The three dimensions are often termed the *triple bottom line*, which needs to be applied in a balanced manner for a sustainable development program. The social dimension of sustainable development has a specific main focus to maintain the stability of the social system, and also the cultural system. There are ten social dimensions of sustainable development:²¹ poverty reduction, participatory development, deliberative process, NGOs, gender and development, involuntary resettlement, indigenous societies, social exclusion, social analysis and various indicators of social development.

However, there are a series of criticisms of the concept of sustainable development:

1. Continues to use a developmentalist paradigm of development
2. Has not paid attention to the root causes of the relations between economic growth, social injustice and environmental problems (including climate change), namely the problem of structural nequality
3. Continues to use an approach oriented towards the state and the government bureaucracy
4. Continues to use a positivist method of measurement and gives more emphasis on the output instead of the process
5. Continues to use a developmental approach that is ahistorical, linear, out of context and insensitive to the diversity of local communities

An alternative approach is more local and contextual, identifying and mapping the most vulnerable groups to the impact of climate change.²² It gives emphasis on various local geographic and socio-demographic conditions, and on agricultural and natural biodiversity. The alternative approach identifies and documents various local genii (formal and informal), and uses the system analysis approach.

¹⁹ World Commission on Environment and Development, 1987

²⁰ Rogers, Jalal, Boyd, *An Introduction to Sustainable Development*, 2008

²¹ Ibid., Rogers, Jalal, Boyd, 2008.

²² Sajise, Ticsay, Saguiguit, Jr, eds., *Moving Forward: Southeast Asian Perspectives on Climate Change and Biodiversity*, 2010.

Based on empirical data from various SEARCA (Southeast Asian Regional Center for Graduate Study and Research In Agriculture) studies in the Philippines (2007), several challenges have been identified as follows:

1. Gaps in the level of knowledge between local and international communities on the impact of climate change
2. Perspective difference on the survival of local communities in facing the impact of climate change
3. The need to integrate various basic and survival needs from various local communities and societies in facing the impact of climate change in the context of environmental protection
4. The need to identify and sustainably implement various coping mechanisms of local communities in facing climate change
5. The need of a clearer perspective and more accurate analysis of climate change, decreased biodiversity and poverty, specifically on local communities.

The following case study from Indonesia illustrates the relations between biofuels derived from palm oil, climate change and forests:²³

1. The potential role of biofuels as alternative source of energy to fossil fuels
2. Increased global demand to palm oil and the impact to increased deforestation in Indonesia
3. Palm oil as source of biofuel
4. The market demand in Europe for palm oil has increased by 1.5 million tons
5. In the supply context, more than 80% of palm oil is produced by Malaysia and Indonesia
6. In Indonesia, at the end of the 1990s, the business sector demanded to develop almost 16 million hectares of oil palm plantations
7. Malaysia and Indonesia has reserved 40% of their palm oil exports for biofuel
8. Indonesia is constructing and expanding 11 palm oil refineries
9. Indonesia expects to gain USD 1.3 billion from biofuel exports
10. Since 2006, 10% of domestic diesel fuel in Indonesia has been biogeneious
11. Is substitution of fossil fuels with biofuels, at the expense of tropical forests, is the most appropriate and effective way to respond to the impact of climate change?
12. There is a need for strong political will and appropriate development policies from the Indonesian government; national and local
13. More stringent application of standards and certification
14. More serious attempt to eradicate corruption
15. Need for empowerment of local communities as balancing and controlling mechanism

The problem of environmental degradation needs to be faced with the alternative approach. The question that needs to be answered is the extent to which the Indonesian society, can actively participate in responding and solving problems that are related directly or indirectly to the various challenges being faced by the Southeast Asian, including Indonesian, societies.

Conclusion: Synergic Relations

A significant and relevant question to pose is how these various social challenges can be partly solved by the synergic relations between state, society, and market. One possible answer is related to Pancasila, the Indonesian state ideology. A sociological problem is that Pancasila, due to its status as the state ideology, has yet to be socially embedded in the Indonesian society. One of the causal factors is the method of socialization, used by the government, which used to be indoctrinatory, even repressive, especially during the New Order era (1967-1998). However, it is doubted that such a

²³ Daniel Murdiyarso and Markku Kanninen, "Chapter 4: "An Outlook for Asian Forests in The New Climate Regime," *Climate Change Negotiations: Can Asia Change The Game?* eds., Loh, Stevenson, Tay

socialization method is the sole cause for the lack of embeddedness of Pancasila in the minds of the Indonesian society.

Another factor is that Pancasila, being included in the preamble of the 1945 Constitution, is closely related to the concept of the Unitary State of Indonesia. A number of communities in Indonesia do not accept fully the unitary state concept as the final format in the statehood. For these communities, it follows that Pancasila, the state ideology, is also questioned. As long as the mainstream idea of the Unitary State of Indonesia continues to be doubted, the legitimacy of Pancasila is also similarly questioned.

Pancasila is more of a "mantra" for decision makers, especially political elites in the country, rather than cultural and social values and norms, which are embedded in the Indonesian society. The question is how Pancasila could be turned from a state ideology into something that is truly embedded in the Indonesian society.

This challenge has to be thought about seriously. Especially because Pancasila is yet to be embedded, one needs to ponder how to respond to the issue in the context of the opposition between market globalization and decentralization of local communities, in which the role of the nation state is decreasing. As the role of the nation state diminishes, so does the importance of Pancasila. This can change when Pancasila is no longer limited to being merely the state ideology, but has become social and cultural values and norms that are embedded in the Indonesian society. In other words, a sociological question to be posed is how various communities which form society, can play a role in changing Pancasila from a state ideology into social and cultural capitals of the Indonesian society, in which trust is an instrumental element. This is both a challenge and an opportunity currently facing contemporary Indonesian society.

Jakarta, International Women Day, 2014.