# A Critical Discourse Analysis of Indonesian Government's Macroeconomic Policies toward Economic Development Aspects in National Budget Plan and Financial Memorandum (2012) Speech

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#### **ABSTRACT**

This Paper entitled "A Critical Discourse Analysis of Indonesian Government's Macroeconomics Policies toward Economic Development Aspects in National Budget Plan and Financial Memorandum (2012) Speech". It is aimed to investigate whether the Indonesian government's economic development policies adhere to the 1945 Constitution. The study is qualitative in nature which utilizes van Dijk and Kintsch's (1983) Semantic Representation Model. The data are the economic development policies which are elaborated in the National Budget Plan and Financial Memorandum presented before the Plenary Session of the House of Representatives by the Indonesian president Susilo Bambang Yudhoyono on August 16, 2011. The study revealed that the substance of each government's policies and measures on economic development in the text are in accordance with the notion of the 1945 Constitution Chapter XIV Article 33 as a basic regulation of the national economy and social welfare. Moreover, those findings clarify that the government orients each economic development policies and measures toward the idea of the fifth point of Pancasila as the fundamental principle of democratic economy.

**Keywords**: Macroeconomics, Economic Development, Critical Discourse Analysis, Democratic Economy, Semantic Representation Model.

#### INTRODUCTION

When Susilo Bambang Yudhoyono elected (SBY) was as the Indonesian president for the first period in 2004, economic development has become one of his major concerns. To some extent, through determining economic development policies, the Indonesian government attempts to make the Indonesian economy grow significantly.

Munir (2012) claims that there are some factors which affect economic development and growth: inflation, interest rates, tax levels, currency strength, government intervention, environmental impact, overall economic health. business cycles. From the previous statement it can be seen that the government has power to intervene determination of economic development policy in a country.

Economic development is a process whereby an economy's real nation income as well as per capita income increases over a long period of time (Meier and Baldwin in Nafziger, 2006). Economic development contains a process consisting of a long chain of interrelated changes in fundamental factors of supply and the structure of demand, leading to a rise in the net national product of a country in a long run (ibid.).

The definition of economic development above extracts three ingredients of economic development: process, real nation income, and long period. According to Natziger (2006) the elaboration of these three factors would help to understand the concept of economic development.

#### 1. Process

The term process here refers to the operation of certain forces which bring about changes in certain variables. Various types of economic changes take place during the development process. The most important of these changes can be broadly divided into two categories;

- a. Changes in the supply of fundamental factors, and
- b. Changes in the structure of demand for the product.

### 2. Real Nation Income

There is a positive correlation between the real nation income and economic development. Higher real nation income of a country is considered and index of higher economic development and vice versa. In brief, it means that the real nation income is the measuring rod of economic development.

## 3. Long Period

Economic development refers to an upward trend in real nation output over a long period. Although the upward trend means that each successive cyclical peak and trough is generally at a higher level of real national output than the preceding peak and trough respectively, it is the increase within the cycle that denotes development.

With regard to the previous studies which discuss the economic development issues, most of the studies investigated previous economic development issues from economic, political or sociological discipline. For instance, a study conducted by Preston (1975) which discovers the influence of economic conditions on people's morality. In his study he attempted to examine the issue of economic development from socioeconomic perspective. In his study he found that at that time people's morality has become dissociated increasingly from economic level because of a diffusion of medical and health technologies and facilities personnel that occurred in large part of economic level. Thus, attempted to estimate the relative contribution of economic factors to increase in life expectancy during the twentieth century.

However, the present study attempts to investigate the Indonesian government's economic development policies from a

linguistics perspective to know whether its economic development orientation adheres to the 1945 Constitution or contradicts with it.

The notion of the 1945 Constitution Chapter XIV Article 33 is based on the fifth point of Pancasila as the fundamental ideology of Indonesia (Busthomy, 2013). According to Busthomy (2013) the idea of "social justice for whole of the people of Indonesia" is realized into:

- The second point of the basic purpose of the state in the introduction of 1945
   Constitution "Promoting people's prosperity".
- The 1945 Constitution Chapter XIV Article 33 as the fundamental principle of national economy and social welfare.
  - The economy shall be organized as a common Endeavor based upon the principles of the family system.

- Sectors of production which are important for the country and affect the life of the people shall be under the powers of the state.
- The land, the waters and the natural resources within shall be under the powers of the state and shall be used to the greatest benefit of the people.
- The organization of the national economy shall be conducted on the basis of economic democracy upholding the principles of togetherness, efficiency of justice, continuity, environmental perspective, self-sufficiency, and keeping a balance in the progress and unity of the national economy.

The investigation was conducted through analyzing the discourse in Indonesian the National Budget Plan (RAPBN) and Financial Memorandum which was presented by the Indonesian

president in the National Budget Plan and Financial Official Statement (2012) Speechon August 16, 2011.

## **METHODOLOGY**

This study is descriptive a qualitative study. It applies a descriptive qualitative method because it has an eclectic design, reasonable but and wellconsidered combination of data collection, data analysis, and data re-presentation technique (Sandelowski, 2000). The study draws on van Dijk and Kintsch's (1983)semantic representation This framework model. was employed to reveal the discourse actions of the text under investigate by schematizing their Dijk macrostructure (van and Kintsch, 1983). The focus of is analysis on schematizing macrostructure generate to number of macro-components which are used to describe the discourse actions of the text (Dallyono, 2003:70).

Van Dijk and Kintsch have bridged the gap between linguistic theory and theory of social interaction through social cognitive approach to text (Jones, 1989, in Stone, 1998, in Dallyono, 2003) because they view texts both as linguistic and social processes. Van Dijk and Kintsch (1983) argue that the social motives of texts can be revealed by examining their discourse structures: microstructure. macrostructure, and superstructure.

According to Sobur (2002, cited in Dallyono, 2003), van Dijk and Kintsch's discourse structure can be represented as follows:

Table 1: van Dijk and Kintsch's Discourse Structure

| Discourse Structure | Things Examined   | Elements |
|---------------------|-------------------|----------|
| Macrostructure      | THEMATIC (what is | Topics   |

|                | said?)                |                       |
|----------------|-----------------------|-----------------------|
| Superstructure | SCHEMATIC (how        | Schemes               |
|                | ideas are arranged?)  |                       |
| Microstructure |                       | Background, detail,   |
|                | SEMANTIC (meaning     | intentions,           |
|                | emphasized)           | presupposition,       |
|                |                       | nominalization        |
| Microstructure | SYNTACTIC (how        | Sentences, coherence, |
|                | ideas are expressed?) | pronouns              |
| Microstructure | STYLISTIC (word       | Lexical items         |
|                | choice)               |                       |
| Microstructure | RHETORICAL (how are   | Graphics, metaphors,  |
|                | emphases laid?)       | expression            |

The data used in the study were taken from the National Budget Plan and Financial Memorandum (2012) speech. This document was presented to the public on August 16, 2011 by SusiloBambangYudhoyono as the president of Indonesia before the Plenary Session of the House of Representatives. The document was obtained from the official Web site of Ministry of State Secretariat of the Republic of Indonesia; www.setkab.go.id on May 7, 2013.

The National Budget Plan and Financial Memorandum (2012) speech was chosen as the data because it outlines the economic concerns of Indonesian government. The document contains an of Indonesian elaboration government's strategies and policies toward economic development.

Four steps of analysis were applied in conducting the research:

 The first step was skimming: According to Mikulecky and Jeffries (1996) skimming is high-speed reading that can help the reader to get the general idea or sense of a passage or a book. Skimming activity was important to start the analysis because I need to discover the central issues of the text under investigation.

- 2. The second step was classifying paragraphs: In this step I summarized each paragraph and classified it into two categories; relevant and irrelevant. Relevant paragraphs refer to the paragraphs in the text that elaborate the Indonesian government's policies toward economic development. Irrelevant paragraphs constitute the other aspects of development in the text being investigated such as ideological political and development aspect.
- 3. The third step was deriving macro-propositions (macro-components) from the text.

  This procedure was used to

obtain the primary macrocomponents, the secondary macro-components, and tertiary macro-components from the text under investigation. Van Dijk and Kintsch (1983) propose three procedures for the researcher to derive macro-propositions from a text called Macrorules:

- **Deletion**: Delete propositions that are unnecessary from a certain set of propositions.
- Generalization: Derive propositions that function as a reference from a certain set of propositions through generalization.
- **Construction**: Construct a new proposition from a set of propositions step by step.

After deriving the primary, secondary, and tertiary macro-components from the text, the next procedure is schematizing those components by using the TRM (Text Representation

Model), van Dijk's modified version of text analysis proposed by Siregar (2003). This step is important because it can facilitate the researcher to find the macrostructures of the text and enable to show how the macro-propositions of the text perform their (Siregar discourse action 2003, in Dallyono, 2003).

4. The last step was investigating each tertiary macro-component to examine whether or not it adheres to the 1945 Constitution Article 33 which directs the Indonesian government's economic development

- policies towards the idea of economic democracy.

  According to Mubyarto (1981) there are five main characteristics of democratic economy:
- Cooperative development and utilization of social and moral incentives.
- Committed to equalize people's prosperity.
- Nationalistic economic policy.
- The equality of the central government's development plans.
- The decentralized implementation of development.

## FINDINGS AND DISCUSSION

Indonesian government's development policies in the **National** Budget **Plans** and Financial Memorandum (2012)Indonesian Speech cover four development aspects namely ideology and politics, economy, social and culture, and security and defense. These aspects are realized into the 11 national priorities. The 11 national priorities are 1) the reform of bureaucracy and management, 2) education, 3) health, 4) poverty alleviation, 5)

food security, 6) infrastructure, 7) investments and business, 8) energy, 9) environment and disaster management, 10) underdeveloped regions, and 11) culture, creativity, and technological innovation.

The study found that the 11 national priorities are the global content or topic of the text being

investigated. The 11 national priorities represent the discourse of the Indonesian development aspects. I found the schema of the Indonesian development aspects and the government's policy toward the related development aspects in the text as follows:

The Superstructure of the National Budget Plans and Financial Memorandum Speech

- National Budged Plans and Financial Memorandum
  - Indonesian Development Aspects
    - Ideology and Politics
      - Reform of Bureaucracy and Management
    - Economy
      - Poverty Alleviation
      - Food Security
      - Infrastructure Development
      - Investments and Business
      - Energy
    - Social and Culture
      - Education
      - Health
      - Underdeveloped Region
      - Culture, Creativity, and Technological Innovation
    - Security and Defense

## • Environment and Disaster Management

The superstructure above defines the form in which topic or global content is presented in the text. By examining its superstructure, I can understand how the author put the text in order. It helps the researcher discovered the macrostructure of the text.

The present study focuses on the economic aspect (poverty alleviation, food security, infrastructure development, and investment business. and energy). The study examined that the economic discourse on the text several covers policies and programs as the application of the economic development aspect in Indonesia. From the economic aspect, I found that there are 21 relevant paragraphs which elaborate economic development aspects. Those paragraphs cover five primary macropropositions with seven secondary macropropositions and 20 tertiary macropropositions.

Primary macropropositions (M-1, M-2, and M-n) represent the government's economic development policies in the text which cover five national priorities namely poverty alleviation, food security, infrastructure development, investment and business, and energy, the secondary macropropositions (S-I, S-II, and Srepresent the government's measures generally, and the tertiary macropropositions (T-1, T-2, and Tn) represent the detail programs which support the enhancement of economic development and growth.

To determine the suitability among the government's economic development policies and the 1945 Constitution, I compare each tertiary macroproposition of economic aspect in the text with the main characteristics of democratic economy proposed by Mubyarto (1981). After comparing each tertiary macroproposition with the

main characteristics of democratic economy, the study found that the of substance each tertiary macroproposition related to the economic development policies in the text being investigated has at least one or more than one of characteristics democratic economy. The suitability among all tertiary macropropositions and the main characteristics of democratic economy in the text can be defined as follows:

- 1. 15 out of 20 tertiary macropropositions (T-1, T-2, T-3, T-4, T-5, T-6, T-8, T-9, T-10, T-11, T-12, T-13, T-18, T-19, and T-20) manifest the commitment on equalizing people's prosperity.
- 2. 9 out of 20 tertiary macropropositions (T-4, T-8, T-14, T-15, T-16, T-17, T-18, T-19, and T-20) represent the national economic interests.
- 3. 6 out of 20 tertiary macropropositions (T-7, T-10, T-11, T-12, T-13, and T-18)

- indicate the equality of the development plans.
- 4. 5 out of 20 tertiary macropropositions (T-1, T-2, T-3, T-9, and T-18) reflect the principle of togetherness.
- 5. 2 out of 20 tertiary macropropositions (T-1 and T-18) show the implementation of decentralization in economic development.

From all the analysis of the tertiary macropropositions on the five macrostructures of Indonesian government's economic development policies above, it was found that all of the tertiary macropropositions derived from the economic development aspect in the text reflect main characteristics of democratic economy.

With those findings, it can be summarized that the Indonesian government's policies toward economic development in the text in terms of percentage, 100% or all of tertiary macropropositions show that the government adheres to the 1945 Constitution Chapter XIV Article 33. The data percentage has answered the first research question related to the suitability among the Indonesian government's policies in the text being investigated and the notion of the 1945 Constitution regarding to the national economy and social welfare.

Based on the findings from the five macrostructures of economic development aspects of the text and the further elaboration

#### **CONCLUSION**

study was conducted investigate the suitability between Indonesian government's economic development policies with the 1945 Constitution Chapter XIV Article 33 by analyzing the macrostructures of economic development aspects in the 2012 National Budget Plans and Financial Memorandum speech. It also leads to dismantle the of orientation Indonesian macroeconomic policies through examining the relationships among Indonesian government's economic

of the findings, it can be seen that the relationships among the of the substances Indonesian economic government's development policies reflected from all tertiary macropropositions, the idea of democratic economy, and ideologies that interact in these political economic in the National Plan Budget and Financial Memorandum (2012) speech show the orientation of that the Indonesian macroeconomic policies is democratic economy.

development policies represented in the text, the notions of democratic economy, and the ideology that interact in the text.

The National Budget Plans and Financial Memorandum (2012) speech covers several aspects of development. Such development ideology, aspects are politics, economy, social, culture, security and defense. The present study is limited the investigation on the economic development aspects. The development economic aspects cover five out of 11 national priorities which are summarized on the government's work plans/RencanaKerjaPemerintah (RKP) 2012. The five priorities of economic aspects are poverty alleviation. food security, infrastructure, investment and business, and energy.

There are 21 paragraphs in the text under investigate which discuss those economic development aspects. The selected paragraphs contain five primary macropropositions, seven secondary macropropositions, and 20 tertiary macropropositions. Based on the findings in the previous chapter, the Indonesian government's measures on economic development aspect in the text are represented in the tertiary macropropositions.

After comparing the substance of all tertiary in macrocomponents the macrostructure of economic development aspects with the main of characteristics democratic economy as the representation of the 1945 Constitution Chapter XIV Article 33 related to the national economy and social welfare, the study shows that the Indonesian government's economic development policies in the **National** Budget Plans and Financial Memorandum (2012)speech are adhere to the 1945 constitution Chapter XIV Article 33. It is proven by the substance of each tertiary macroproposition which reflects one or even more than one characteristics of democratic economy.

Those findings also explain that democratic economy as a part of the ideology of Pancasila is the Indonesian government's orientation on determining macroeconomic policies. It can be seen from the relationship between the government's economic development policies in the text and the notions of democratic as the representation of the 1945 Constitution Chapter XIV Article 33. The relationship between those aspects shows the government's determinations to regulate the development of economy based on

the 1945 Constitution mandatory.

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