This paper intends to study the condition of wellbeing in Indonesia and Malaysia during the period of 2010-2015. The social condition of wellbeing fundamentally indicates the level of welfare of the people, influenced by the political, social and economic contexts of the state, including the functioning of the welfare state through a variety of state apparatuses and state institutions in meeting the needs of its citizens. This study focuses on assessing 2 (two) countries in the ASEAN region, namely Indonesia and Malaysia, which have relatively close and tangential characteristics based on cultural and historical experience. The term nations of one ancestry is often used to describe the relationship of the two nations, explains the special relation between Indonesia and Malaysia.

Although both countries are of relatively similar age, Indonesia being independent in 1945 and Malaysia in 1957, the different development of the two countries has contributed to the differences in conditions and progress in social, economic and political spheres of both nations. Independent and born in relatively equal social, economic and political conditions, the progress and growth of the economy of Malaysia during the last two decades has placed it as one of the countries categorized as having a high Human Development Index (HDI Human Development Index). While, Indonesia is still in the middle category. When the ranking is

**Abstract**

This paper intends to study the condition of wellbeing and social exclusion in Indonesia and Malaysia during the period of 2010-2015. This paper describing the demographic, social and political contexts of the two countries to understanding how those factors and policy of the state contribute to their wellbeing condition. Secondary data Analysis of Indonesia and Malaysia have shown that conceptually there is a positive relationship between the integrative and comprehensive government policies toward the declining process of social exclusion, especially multiple deprivation related to unemployment and relative poverty. The process of social exclusion based on the vertical dimension can be dealt with if the government policy can be consistently implemented within a certain time period.

**Keywords**

social wellbeing, social exclusion, government policy
compared, the difference between the two nations is more obvious. Based on data from the UNDP, in 2013, Malaysia’s HDI is ranked 62, while Indonesia’s is ranked 108 (UNDP 2014). This index essentially provides a basic overview of the conditions of social and economic welfare of the society. Therefore, it is interesting to analyze various factors and contexts that influence the development of the two countries in contributing to the conditions of social wellbeing of the society.

This paper consists of several sub-sections, namely, conceptual discussion, demographic, social and political contexts of Indonesia and Malaysia; socio-economic policies of Indonesia and Malaysia; and The Implications of Indonesian and Malaysian Socio-Economic Policies on Vertical Dimension-Based Social Exclusion. The first sub-section focuses on Conceptual Discussion of this particular topic. The second sub-section gives an idea of the condition of the two countries. The demographic, social and political contexts will help the understanding of the historical factors, characteristics and development of the two countries that contribute to the wellbeing condition of Indonesia and Malaysia. The third sub-section explores policies of two countries particularly on development program during their post-independence periods. The last sub-section discusses the impacts of the two countries’ socio-economic policies on social exclusion.

CONCEPTUAL DISCUSSION

The concept of social exclusion in general refers to a lack of participation in social support, social networks, and access to a wide range of goods and services (Lee and Shrum 2012). In general, there are four elements in social exclusion (Atkinson 1998):

1. Multiple Deprivation: not only financially poor and unemployed, but also includes not being able to interact socially and not having a community
2. Relativity: shows the people who were excluded from the community at a specific time and location
3. Agency: where people or agents experience exclusion both voluntary and involuntary
4. Dynamics: where people can be unemployed, experience financial pressure, or a reduced opportunity of becoming more prosperous in the future

The operational definition of social exclusion includes five forces that encourage the process of social exclusion, namely, first, poverty and low income; Second, lack of access to the labor market; Third, weakness or lack of social support and social networks; Fourth, effect of neighborhood and living environment; Fifth, disconnected from services. The five forces exclude individuals or groups of people (Pierson 2002).

Poverty can be classified as absolute poverty and relative poverty. Lack of access to the labor market is associated with formal employment. Lack of social support and social networks are defined as the absence of a large family or close friends who can provide support. The neighborhood refers to the immediate surroundings. Disconnected from the services refer to basic services such as transport, health, education, electricity, and clean water.

Vertical dimension based social exclusion refers to social exclusion based on social stratification in a particular society including, namely, poverty and low income and its implications on lack of access and lack of opportunities. Horizontal dimension based social exclusion refers to social cleavages present in a specific society, including, different groupings based on primordial associations such as, ethnic groups, religious groups, ideological groups, etc., and its implications on discrimination and lack of access and lack of opportunities.

The secondary data analysis in this article is limited to the aspects of the first element of the Social Exclusion, namely multiple deprivation, in particular, unemployment and relative poverty. Secondary data in Indonesia and Malaysia have shown that there is a
positive correlation between the policies of the Governments of Indonesia and Malaysia, and the decline in unemployment and relative poverty in the two neighboring countries. It could be concluded that conceptually there is the affirmation that the social exclusion within a community, especially the Indonesian and Malaysian society, particularly associated with the element of multiple deprivation, unemployment and poverty can consistently decrease in a certain period of time if constantly faced by integrative and comprehensive government policies within a certain time.

Further and detailed secondary data analysis is needed regarding the elements of relativity, agency and dynamics of social exclusion, in order to draw a general conclusion that it is empirically provable that the conceptual relationship between social exclusion with government policies is positive and significant.

Conceptually, the secondary data analysis is still limited to show empirically the link between the social exclusion process and the conditions of social wellbeing which can be felt and can be experienced by individuals, groups, communities, and the people of the Indonesian and Malaysian society. Further secondary data analysis is needed to prove empirically the relation between the process of social exclusion and the conditions of social wellbeing in a community within a certain time period; also the nature and extent of the relations.

Eventhough further secondary data analysis is needed to prove empirically and conclusively the relations between the process of social exclusion and the conditions of social wellbeing in a community, but previous researches on wellbeing has shown that there is an overlapping between Society, Social Wellbeing, and Social Quality (Koo et al. 2016). Specifically, the definition of Social Wellbeing is viewed as a combination of the perception of individual life conditions, their quality of relationship with others, and the conditions of society they live in (Koo et al. 2016). There are three dimensions, personal, relational, and societal wellbeing. Personal wellbeing is at individual level (micro level), relational wellbeing is at group level (micro level and meso level), and societal wellbeing is at structural level (macro level).

Social Quality is important to Social Wellbeing because it forms the perceived conditions of society where people interacts with each other. Social Quality indicates that Society requires four conditional factors; socio economic security, social cohesion, social inclusion, and social empowerment. In this Social Quality framework, people have their own specific life experiences which constitutes Social Wellbeing (Koo et al. 2016).

DEMOGRAPHIC, SOCIAL AND POLITICAL CONTEXTS OF INDONESIA AND MALAYSIA

In this section, demographic, social and political data include basic information on the geographical and territorial area, state structures, population and characteristic of demography, including composition of the population by sex, age and its distribution in rural and urban areas. In addition, the population growth rate, the dependency ratio, the Human Development Index (HDI) and Gender Development Index (GDI) are relevant to describe the condition of the welfare of the two nations. This section also includes a comparison of the basic data on education and employment, although this factor will be described in more detail in another section. At the end of this section, the political context and the social and economic policies will be described, particularly those covering the development policy that has laid the basis for the conditions that exist today. The dynamics of prevailing policies in each country is also a concern.

As an overview, the geographic area of Indonesia, according to the BPS, is 1,890,754 km², while the territory of Malaysia covers 329,847 km². Thus, Indonesia is almost six times larger than Malaysia. The total area is proportional to the population of the two countries, with the population of Indonesia in 2014 amounting to 245,862,034 persons,
while in the same year the population of Malaysia is 30,485,200 persons. The population of the two countries, in the five-year period between 2010/2011-2014 shows a slightly higher population growth rate in Indonesia, 1.4%, compared to Malaysia’s population growth rate of 1.3%. However, the population structure specifically shows significant differences if it is linked to population density and spread. In Indonesia, the population density reaches 124 inhabitants/km² in 2010, growing to 132 inhabitants/km² in 2014. The density shows a very large gap between the population living in urban and rural areas; and between the population living in Java and outside Java, especially islands in eastern Indonesia such as Papua, Kalimantan and Sulawesi. As an illustration, the population density of Jakarta (the capital city located on Java Island) reaches 15,000 inhabitants/km², while in Papua, the density is only 9 inhabitants/km² (CBS 2014). This is a very significant gap in the population density of Indonesia. In addition, the gap in Indonesia’s population is indicated by the uneven and imbalanced distribution of population among the islands, concentrated on the islands of Java and Sumatra. According to BPS data in 2014, 50.21% of Indonesia’s population is located in Java, while the rest are spread throughout Indonesia. In fact, the area of Java Island is only about 6.75% of the total area of Indonesia. It shows the disparity in the concentration of population. Unequal distribution and concentration of the population in Java are direct implications of the uneven development and economic growth across the region. Java Island has become the center of growth and development since independence, in particular, since the government implemented development policies and programs in Indonesia through Repelita (Five Year Development Plan) in the early 1970s. Thus, the concentration of the population once again illustrates the inequality of development enjoyed by the population of Indonesia. In turn, development gaps and inequities lead to the birth of various social issues including unemployment in densely populated areas, and population mobility between regions tending towards migration into urban areas in Java. Better infrastructure in western Indonesia and in urban areas also contribute to problems developing in terms of education, poverty, health and other sectors that are uneven across the country.

The population density in Malaysia shows differences compared to Indonesia. Malaysia has a population density of 92 inhabitants/km². Malaysia does not face problems regarding population density gaps between regions, although there is a concentration of population in the states at the center of growth, namely in the area of the Malayan peninsula. This is shown by data from the Department of Statistics of Malaysia illustrating that the highest population density in Malaysia is found in Johor, with a percentage of approximately 20% of the total population of Malaysia, while the regions with the lowest population density are Sarawak and Sabah, at 5% of the total population. Other than in these two areas, the population density is relatively evenly distributed in Malaysia. Although the distribution and concentration of population are relatively evenly balanced in Malaysia, there is a gap of growth and development, as experienced by Indonesia. This is demonstrated by data showing that in Malaysia the center of the growth and residential areas are found in the western Malaysia, with a percentage of 74%, in which most of the areas are urbanized. For Sarawak and Sabah, population distribution and development of the regions are lower than Malaysia’s western region.

In connection with the growth rates of the population in Indonesia and Malaysia, the two countries have implemented various programs and policies on family planning. The two countries have initiated the policies in the mid-1960s. Malaysia promoted the Family Planning Program aligned with the First Malaysia Plan policy (NPDB 2012)¹. In the initial period, this policy was concentrated in urban areas and aimed to lower the population growth over the period of 1966-1985. Through the New Economy Policy beginning in 1989, the focus in the population policy of Malaysia changed from
intervention of the target to reduce growth to improving the quality of the population. The family planning policy in Malaysia can be said to be successful, indicated by the success of the program in suppressing the population growth rate, and the maternal mortality rate; and then in the next stage, the policy had a clear orientation, namely improving the quality and capacity of human resources. A different picture was seen in Indonesia regarding the management of population policy. Although the Family Planning program and policy is the flagship program and a focus on the development programs in Indonesia since Pelita I in the early 1970s, however, after the reform, the policy has no longer been effective.

One of the important aspects of the demographic description of a country is data on infant mortality rates. This information directly reflects the population’s health condition. The difference in mortality rate between Indonesia and Malaysia illustrates the significantly different health conditions and situations between the two countries. The mortality rate in Indonesia is likely to remain high, even slightly increasing in recent years; while Malaysia has a relatively constant mortality rate. In Indonesia, the infant mortality rate in 2012 was 34 deaths per 1,000 infants, which shows a trend of increased mortality compared to 2010 with 25 deaths per 1,000 infants. The infant mortality rate in Malaysia is 6.2 deaths per 1,000 infants. This shows a decrease compared to the 2010 figure, with 6.7 deaths per 1,000 infants. The data correlate with the picture of maternal and infant health in both countries.

Health and welfare of the population are critical factors in building the structure of the population of Indonesia and Malaysia. Indonesia’s population structure is concentrated at the young age group, with the largest proportion in the 0-14 years age group. With this condition, the population pyramid of Indonesia has a young age structure. Although the number of productive age population (15-64) is relatively high (contributed by 20-39 years age cohort), this indicates that the dependency ratio is still relatively high at 51.31 in 2010 (for each 100 persons of productive age, there are 51 persons of unproductive age). There is an indication of a decline in the dependency ratio, to 48.6 in 2014, but the sharpness of the population pyramid of Indonesia shows the low life expectancy of the Indonesian population. The young age structure can indicate the relatively low level of welfare of the population. This shows that the growth rate of population due to births is still high, combined with a low life expectancy and high death rate in the elderly population. The health of the elderly population age group is relatively low.

A different picture is shown by the structure of the Malaysian population: although the percentage of the population group aged 0-14 years is the highest, the proportion of the productive age group is relatively significant, 67.6% so that the dependency ratio is smaller than Indonesia, namely 47.82. In contrast to Indonesia, the increase in the percentage of the population aged 65 and above during the period of 2010 to 2015 is relatively high (from 5% to 14.5%). This indicates an improvement in the welfare and health of this age group.

Another indication that reflects the condition of wellbeing and welfare of the population is the Human Development Index. The measurement index was developed by UNDP since 1990 and indicates the success of development accessible to the population through, among others, income, health and education. HDI is therefore also useful to measure the success of development and the quality of human resources in a country. HDI is measured by, among others, life expectancy, literacy and education (accessed via www.bps.go.id). Based on established standards, Indonesia’s HDI is worse than Malaysia’s. This is indicated by the score and rank of both countries. Indonesia’s HDI score is about 69, placing Indonesia at the 108th rank (in 2013) and 110th (in 2014). On the other hand, Malaysia has an HDI score of 77.9, placing it at the 62nd rank in 2015.

In addition to HDI, an indicator of human quality is the GDI (Gender Development
The Senshu Social Well-being Review

Index), which specifically describes the condition of the population based on gender roles. This indicator is measured through data on the presence/representation of women in the parliament, maternal mortality rate, fertility rate, education level, and participation of women in the economic sector. Although the HDI of both countries show a significant difference, it turns out that the GDI scores of both countries are relatively similar or do not show a significant difference. Based on UNDP data (2014), Indonesia has the GDI of 0.923 and is ranked 98, while Malaysia has a GDI of 0.957, ranked 72. It indicates that the condition of women in Malaysia was slightly better than in Indonesia.

The above objective data demonstrates the different welfare conditions of the two nations, that among others, influenced by its geographical conditions, the demographic structure and social and economy conditions. These conditions of Indonesia are indeed more challenging than Malaysia. The larger territory, dense population and wide social and economy gaps among regions have been the main constraints faced by the Indonesian government to bring welfare for all citizens. While, the smaller territory and less dense population allows the Malaysian government to evenly manage the welfare of the population throughout the country. Consequently, there is inequality and gaps between regions in Indonesia. Accordingly, social exclusion in Indonesia is relatively higher compared to Malaysia since the gaps of HDI and GDI and other economic, health and social objective measurements between regions are relatively wide. In this context, the state’s inclusive economic and social policies could principally facilitate the needs of and reduces the gaps among its citizens to achieve the nation prosperity and welfare. The discussion on economic and social policies of the two countries will presented in the next section.

In addition to the objective data, the subjective data could support the different welfare portraits of both nations. In this regard, the happiness index used to measure the subjective dimension of well-being, at least complement the objective data on the state’s welfare conditions. The happiness index is a newly developed indicator published by the UN since 2012. Based on the World Happiness Index Report 2013, Malaysia’s happiness index of 2010-2012 is 5.760 and placed Malaysia in 56th position. While, Indonesia is ranked 76 with a score of 5.348 (Helliwell, Layard and Sachs, 2013). Based on this subjective indicator, the assumption is that there is a relationship between social inequality and social well-being. Here, the state’s social policy functions to facilitate the positive relationship between those two variables.

SOCIAL AND POLITICAL CONTEXTS

Indonesia and Malaysia have similarities in terms of the cultural characteristics of the people, namely the countries being characterized by a diversity of ethnic backgrounds and religious orientations of the population. The ethnic composition of the population of Malaysia consists of three main ethnic groups, namely Malays, Chinese and Indians. In 2014, out of the total of 30 million inhabitants, the composition of the population by ethnicity is Malays at 15 million; Chinese 6.6 million; Indians 2 million; Other Bumiputera (other than Malays) 3.6 million, and others 260,000. The data for 2015 are as Table 1. The heterogeneity of the Indonesian population based on ethnicity can be seen in Table 2.

Although the two countries are multi-ethnic nations, Indonesia has a higher level of diversity. In addition, based on the ethnic origin of the population, Indonesia’s heterogeneity is not only caused by indigenous and non-indigenous (Chinese or others) ethnic groups, but also by a highly diverse indigenous population. The table above shows at least 25 ethnic groups distributed over various islands in Indonesia. Therefore, both in Indonesia and Malaysia, ethnic composition, issues related to ethnicity and relationship between the groups cannot be ignored as part of the process of building
a national identity. The national identity is an issue of concern as a nation-building project since the independence of both countries, as well as a problem that cannot be separated from the reality of the problems of cross-ethnic relations. Indonesia, through the idea of Bhinneka Tunggal Ika (Unity in Diversity) is working to manage and develop unity, while Malaysia, through the idea of Malay nation attempts to manage cultural differences of the population. Throughout the history of both countries, the fact of diversity is a concern in formulating and developing development policies.

In the context of Indonesian and Malaysian historiography, fundamentally, the construction and dynamics of ethnic relations cannot be separated from the historical context since the colonial to the post-independence periods. While the role of the colonial government was inevitable in the dynamics and problems of ethnic relations in Malaysia, Cheah Boon Keng (1996) states that during the British colonial period, Malaysia was more open and pluralistic through accommodation of ethnic diversity in the territory, while in the post-independence era, in particular after racially nuanced riots in 1969, the Malaysian Government mainstreamed the idea of Malayness as the historical and cultural identity of the nation. This gave rise to ethnic based stratification, which directed cultural animosity and tensions in the ethnic relations between Malays and non-Malays.

A similar picture is found in the multiethnic Indonesia. The colonial rule contributed to the construct of the ethnic relations through the categorization of the population into cultural groups, namely European, East Asian and Indigenous (see the discussion of J.S. Furnivall about the pluralistic society published in 1939). After independence, the issue of ethnicity continued to colour the inter-group relations in Indonesia. Therefore, the idea of SARA (ethnicity, religion, race and class) differences as a sensitive issue in the public sphere.

### Table 1. Population by State and Ethnic Groups in Malaysia (2015)

<table>
<thead>
<tr>
<th>Federal state</th>
<th>Total</th>
<th>Malay</th>
<th>Bumiputera (other natives)</th>
<th>Chinese</th>
<th>Indian</th>
<th>others</th>
<th>non-Malay citizens</th>
</tr>
</thead>
<tbody>
<tr>
<td>MALAYSIA</td>
<td>30,485.2</td>
<td>15,479.6</td>
<td>3,672.4</td>
<td>6,642.0</td>
<td>2,012.6</td>
<td>267.4</td>
<td>2,411.4</td>
</tr>
<tr>
<td>JOHOR</td>
<td>3,553.6</td>
<td>1,893.1</td>
<td>60.9</td>
<td>1,075.1</td>
<td>230.7</td>
<td>16.9</td>
<td>276.9</td>
</tr>
<tr>
<td>KEDAH</td>
<td>2,071.9</td>
<td>1,569.1</td>
<td>5.3</td>
<td>263.2</td>
<td>143.2</td>
<td>19.6</td>
<td>71.5</td>
</tr>
<tr>
<td>KELANTAN</td>
<td>1,718.2</td>
<td>1,585.9</td>
<td>20.9</td>
<td>54.4</td>
<td>4.8</td>
<td>11.5</td>
<td>40.7</td>
</tr>
<tr>
<td>MELAKA</td>
<td>872.9</td>
<td>552.7</td>
<td>11.5</td>
<td>215.0</td>
<td>51.4</td>
<td>4.8</td>
<td>37.6</td>
</tr>
<tr>
<td>NEGERI SEMBILAN</td>
<td>1,098.4</td>
<td>621.9</td>
<td>20.7</td>
<td>234.3</td>
<td>154.0</td>
<td>4.2</td>
<td>63.3</td>
</tr>
<tr>
<td>PAHANG</td>
<td>1,623.2</td>
<td>1,146.0</td>
<td>83.8</td>
<td>241.6</td>
<td>66.3</td>
<td>7.8</td>
<td>77.7</td>
</tr>
<tr>
<td>PULAU PINANG</td>
<td>1,663.0</td>
<td>692.4</td>
<td>7.0</td>
<td>689.6</td>
<td>166.0</td>
<td>4.7</td>
<td>103.3</td>
</tr>
<tr>
<td>PERAK</td>
<td>2,477.7</td>
<td>1,314.4</td>
<td>72.3</td>
<td>713.0</td>
<td>293.3</td>
<td>10.5</td>
<td>74.2</td>
</tr>
<tr>
<td>PERLAS</td>
<td>246</td>
<td>210.2</td>
<td>1.2</td>
<td>19.2</td>
<td>3.1</td>
<td>4.7</td>
<td>7.5</td>
</tr>
<tr>
<td>SELANGGAR</td>
<td>5,874.1</td>
<td>3,069.1</td>
<td>77.5</td>
<td>1,499.4</td>
<td>712.0</td>
<td>41.4</td>
<td>474.7</td>
</tr>
<tr>
<td>TERENGGANU</td>
<td>1,153.5</td>
<td>1,092.2</td>
<td>3.5</td>
<td>27.7</td>
<td>3.0</td>
<td>2.5</td>
<td>24.6</td>
</tr>
<tr>
<td>SABAH</td>
<td>3,543.5</td>
<td>268.5</td>
<td>1,968.1</td>
<td>311.5</td>
<td>12.2</td>
<td>112.7</td>
<td>870.4</td>
</tr>
<tr>
<td>SARAWAK</td>
<td>2,636.0</td>
<td>616.9</td>
<td>1,276.3</td>
<td>602.7</td>
<td>7.9</td>
<td>8.9</td>
<td>123.3</td>
</tr>
<tr>
<td>W.P. KUALA LUMPUR</td>
<td>1,768.0</td>
<td>729.5</td>
<td>21.5</td>
<td>684.1</td>
<td>163.0</td>
<td>15.2</td>
<td>154.7</td>
</tr>
<tr>
<td>W.P. LABUAN</td>
<td>96.8</td>
<td>33.9</td>
<td>40.9</td>
<td>10.7</td>
<td>0.8</td>
<td>1.7</td>
<td>8.8</td>
</tr>
<tr>
<td>W.P. PUTRAJAYA</td>
<td>88.3</td>
<td>83.8</td>
<td>0.9</td>
<td>0.5</td>
<td>0.9</td>
<td>0.1</td>
<td>2.1</td>
</tr>
</tbody>
</table>

*Source: Pusat Maklumat Rakyat 2015*
became the basis of government policies of the New Order. Thus, in both Indonesia and Malaysia, political and social policies are in fact not separable from cultural issues, including ethnicity.

In this regard, an important policy of the governments of Indonesia and Malaysia after independence is a development program. As third world countries, at that time, development programs oriented towards social change and economic growth were intended to promote the progress of the nations. Therefore, cultural and religious diversity were placed in the framework of integration and unity for the implementation of socio-economic development endorsed by the government.

The development policy in Malaysia can be divided into several major programs implemented since 1970, replacing the initial

### Table 2. Population by Ethnic Groups in Indonesia (2010)

<table>
<thead>
<tr>
<th>Ethnic groups</th>
<th>Total</th>
<th>Percentage</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>SukuAsal Aceh</td>
<td>4,091,451</td>
<td>1.73</td>
<td>14</td>
</tr>
<tr>
<td>Batak</td>
<td>8,466,969</td>
<td>3.58</td>
<td>3</td>
</tr>
<tr>
<td>Nias</td>
<td>1,041,925</td>
<td>0.44</td>
<td>30</td>
</tr>
<tr>
<td>Melayu</td>
<td>5,365,399</td>
<td>2.27</td>
<td>10</td>
</tr>
<tr>
<td>Minangkabau</td>
<td>6,462,713</td>
<td>2.73</td>
<td>7</td>
</tr>
<tr>
<td>SukuAsal Jambi</td>
<td>1,415,547</td>
<td>0.60</td>
<td>25</td>
</tr>
<tr>
<td>SukuAsal Sumatera Selatan</td>
<td>5,119,581</td>
<td>2.16</td>
<td>10</td>
</tr>
<tr>
<td>SukuAsal Lampung</td>
<td>1,381,660</td>
<td>0.58</td>
<td>26</td>
</tr>
<tr>
<td>SukuAsal Sumatera lainnya</td>
<td>2,204,472</td>
<td>0.93</td>
<td>21</td>
</tr>
<tr>
<td>Betawi</td>
<td>6,807,968</td>
<td>2.88</td>
<td>6</td>
</tr>
<tr>
<td>SukuAsal Banten</td>
<td>4,657,784</td>
<td>1.97</td>
<td>11</td>
</tr>
<tr>
<td>Sundan</td>
<td>36,701,670</td>
<td>15.50</td>
<td>2</td>
</tr>
<tr>
<td>Jawa</td>
<td>95,217,022</td>
<td>40.22</td>
<td>1</td>
</tr>
<tr>
<td>Cirebon</td>
<td>1,877,514</td>
<td>0.79</td>
<td>24</td>
</tr>
<tr>
<td>Madura</td>
<td>7,179,356</td>
<td>3.03</td>
<td>5</td>
</tr>
<tr>
<td>Bali</td>
<td>3,946,416</td>
<td>1.67</td>
<td>15</td>
</tr>
<tr>
<td>Sasa</td>
<td>3,173,127</td>
<td>1.34</td>
<td>16</td>
</tr>
<tr>
<td>Suku Nusa Tenggara Barat Lainnya</td>
<td>1,280,094</td>
<td>0.54</td>
<td>27</td>
</tr>
<tr>
<td>SukuAsal Nusa Tenggara Timur</td>
<td>4,184,923</td>
<td>1.77</td>
<td>12</td>
</tr>
<tr>
<td>Dayak</td>
<td>3,009,494</td>
<td>1.27</td>
<td>17</td>
</tr>
<tr>
<td>Banjar</td>
<td>4,127,124</td>
<td>1.74</td>
<td>23</td>
</tr>
<tr>
<td>SukuAsal Kalimantan Lainnya</td>
<td>1,968,620</td>
<td>0.83</td>
<td>22</td>
</tr>
<tr>
<td>Makassar</td>
<td>2,672,590</td>
<td>1.13</td>
<td>20</td>
</tr>
<tr>
<td>Bugis</td>
<td>6,359,700</td>
<td>2.69</td>
<td>8</td>
</tr>
<tr>
<td>Minahasa</td>
<td>1,237,177</td>
<td>0.52</td>
<td>29</td>
</tr>
<tr>
<td>Gorontalo</td>
<td>1,251,494</td>
<td>0.53</td>
<td>28</td>
</tr>
<tr>
<td>SukuAsal Sulawesi Lainnya</td>
<td>7,634,262</td>
<td>3.22</td>
<td>4</td>
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<tr>
<td>SukuAsal Maluku</td>
<td>2,203,415</td>
<td>0.93</td>
<td>22</td>
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<tr>
<td>SukuAsal Papua</td>
<td>2,693,630</td>
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<td>19</td>
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<tr>
<td>Cina</td>
<td>2,832,510</td>
<td>1.20</td>
<td>18</td>
</tr>
<tr>
<td>Asing/LuarNegeri</td>
<td>162,772</td>
<td>0.07</td>
<td>31</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>236,728,379</strong></td>
<td><strong>100.00</strong></td>
<td></td>
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</tbody>
</table>

*Source: The Indonesia’s Central Bureau of Statistics (2010).*
policy that was more focused on development of infrastructure and agriculture. The policies included the New Economic Policy (NEP, 1971-1990), the National Development Policy (NDP, 1991-2000), the National Vision Policy (NVP, 2001-2010) and the New Economic Model (NEM, 2011-2020) (Azman et al. 2014). The elaboration of the policy programs is realized through the Five-Year Development Plans.

The main objective of the NEP was to eradicate poverty and economic disparity, especially those occurring between races, and thus, an affirmative action policy towards the bumiputera (indigenous) became one of the central focal points of this policy during the period. This policy successfully led Malaysia into a strong state economically. This condition was affirmed through the NDP policy (1991-2000), focusing on the development of social welfare and improvement of living standards of society. The sustained and consistent policy up to the implementation of NEM (2010-2020) led to Malaysia’s successfully implementing its development program and building the wellbeing and prosperity for its citizens.

The development policy in Indonesia was put in Repelita, implemented between 1969 and 1994 (Repelita I-V). The Repelita policy focused on three main programs (Three Pillars of Development, Triilogi Pembangunan), which included: equitable development and results of development, leading to social justice for all Indonesian people; high economic growth; and sound and dynamic national stability. The procedures for development were laid out in the State Policy Guidelines (GBHN). The five-year development programs of the New Order government ended in 1998. Since then, Indonesia has never clearly formulated long-term plans for social and economic development in an integrated manner. This especially occurred throughout the transition period after the reform in Indonesia. However, since 2005, the Bappenas (National Development Planning Agency) has set up protocols for development planning, at the national and regional levels, through RPJP (Long Term Development Plan), for a 20-year period (2005-2025), and RPJM (Medium Term Development Plan), for 5-year periods.

SOCIO-ECONOMIC POLICIES OF INDONESIA AND MALAYSIA

This paper would like to observe in an explanatory manner, the relationship between socio-economic policies of Indonesia and Malaysia, as well as their implications to social exclusion, social wellbeing and socio-economic conditions of the present day. Thus, before looking at the implications, the following section provides a brief description of the comparison of policies in Indonesia and Malaysia, within the context of the 2010 to 2015 period, accompanied by the context of the development of the policies.

MALAYSIAN DEVELOPMENT POLICIES

The development policy in Malaysia is the Malaysia Plan. The implementation of Malaysia Plan is one of the efforts of Malaysia to emphasize growth with equity in the context of a multiracial society. The implementation is done in several policies aimed at eradicating poverty, namely the New Economic Policy (1971-1990), National Development Policy (1991-2000), National Vision Policy (2001-2010), and One Policy (New Economic Model, 2010-2020). These policies have mechanisms to combat poverty by improving access and capacity to raise living standards.


Following the inter-ethnic riots in 1969, in the period of 1970-1980, the Malaysian government sought to reduce poverty through the controversial New Economic Policy (NEP). The ultimate goal was to eliminate the association of race with economic functions, and the first five-year plan started to implement the NEP. The essence of NEP was to eradicate poverty and also eliminate
The racially based economic system and the economic gap between races. The data show that between 1971 and 1990, the NEP policy succeeded in significantly reducing poverty and unemployment in Malaysia.

In fact, the implementation of NEP benefited the Malay ethnic group. The Malay communities were provided with assistance in the fields of business and education, so that they could prosper. Many people judged that the goal of NEP was to improve the lives of Malays, who were still below the poverty line. Debates arose concerning the results and the relevance of NEP. Some have said that the NEP favored ethnic Malays and managed to create Malay upper-middle class entrepreneurs and professionals. The special treatment has sparked envy and resentment between non-Malays and Malays. The success or failure of the NEP is a matter of debate, although it officially ended in 1990 and replaced by the National Development Policy (NDP).


The National Development Policy was Malaysia’s second economic policy, replacing the New Economic Policy that ended in 1990. However, the goal was similar to the New Economic Policy, namely:

a) eradicating poverty; b) restructuring Malaysian society. The policy was intended to increase the social value and the internal mechanism of Malaysia’s economy in the face of technological advances. This policy was also intended as part of a policy to make Malaysia a developed nation by 2020.

**One Malaysia Policy**

In 2008, the Malaysian government introduced a new policy, known as the One Malaysia policy. On September 2008, Prime Minister Abdul Razak introduced the “One Malaysia Public Policy” as a set of domestic policies of the Malaysian government as a formula intended to foster a spirit of unity for the people of Malaysia, and a formula that will help to achieve the aspirations of the country, namely the achievement of Wawasan 2020, in which time Malaysia becomes a developed country in Southeast Asia. Fundamentally, this policy was intended to bridge the gap between ethnic groups in Malaysia. One Malaysia policy was expected to eradicate social inequality, by eliminating disparities.

During the 2010-2014 period, national development was aimed at achieving the vision of “Realization of Prosperous, Democratic and Fair Indonesia”. The National Medium-Term Development Plan
(RPJMN) 2010-2014 was developed and implemented based on the National Long-Term Development Plan (RPJPN) 2005-2025, which also outlines the vision, mission and programs of the President.

National development is carried out comprehensively on the various areas of public life. The areas of development in the 2010-2014 RPJMN are divided into nine areas of development in accordance with the division in the 2005-2025 RPJPN: (1) Social, Culture and Religious Life, (2) Economy, (3) Science and Technology, (4) Infrastructure, (5) Political Affairs, (6) Defense and Security, (7) Legal Affairs and Apparatus, (8) Regional and Spatial Planning, and (9) Natural Resources and Environment. In addition, development is also carried out through mainstreaming and cross-cutting development.

The vision of RPJPN 2005-2025 is to create an independent, advanced, just, and prosperous Indonesia. The stages of the main priorities and strategies of RPJMN are summarized as follows:

1. 1st RPJMN (2005-2009), aimed to reorganize and develop Indonesia in all areas, aimed at creating Indonesia that is safe and peaceful, fair and democratic, and with rising levels of welfare of the people.
2. 2nd RPJMN (2010-2014), aimed to consolidate the restructuring of Indonesia in all areas, with an emphasis on improving the quality of human resources, including the development of science and technology skills as well as the strengthening of economic competitiveness.
3. 3rd RPJMN (2015-2019), aimed to consolidate the overall development in all areas, with an emphasis on the achievement of economic competitiveness on the basis of superiority of natural resources and human resources as well as rising science and technology capabilities.
4. 4th RPJMN (2020-2025), aims to create an independent, advanced, just, and prosperous Indonesia, through the acceleration of development in all areas, built on a solid economic structure based on competitive advantages in various fields supported by qualified and competitive human resources.

Further, the vision and mission of the government for 2010-2014 were formulated and operationally translated into a series of priority programs that are implementable and
Poverty Reduction Policies

Poverty reduction policies are implemented in order to improve the welfare of society. In the 2010-2014 period, various programs based on community empowerment had been harmonized and synergized. In order to accelerate poverty reduction, poverty reduction policies were directed to: (1) Increase growth in sectors that create employment and effectively reduce poverty; (2) Complement and enhance poverty reduction policies, especially with regard to the fulfillment of the rights of the poor, social protection, and community empowerment; and (3) Improve the effectiveness of the implementation of poverty reduction in the regions.

Various poverty reduction programs implemented during 2009-2013 had generally shown satisfactory performance in achieving the goals of 2010-2014 RPJMN. This is shown with the reduction in the number of poor population by 3.98 million persons. In 2010, the percentage of people living in poverty was 13.33 percent (31.02 million people below the poverty line), while in September 2014 the poverty rate had declined to 10.96 percent (27.73 million people below the poverty line). The decline in the number of poor people was inseparable from poverty reduction policies implemented by the government. In these efforts, the strategy being pursued was to integrate poverty eradication programs into a four clusters approach: (1) Based on assistance and social protection, (2) Empowerment of community, (3) Empowerment of micro and small enterprises, and (4) Pro-people programs. Through various programs of poverty eradication, the government annually increased the budget for poverty alleviation, from Rp 81.4 trillion (2004) to Rp 100.9 trillion (2014).

During the 2010-2014 period, implementation of social protection programs for the poor and vulnerable was done in various forms of cash assistance, social security contributions, as well as care and rehabilitation. The aids were given in the form of implementation of the Hope for the Family Program (PKH), the Community Health Insurance (Jamkesmas), Aid for Poor Students (BSM), and Rice for the Poor (Raskin).

To improve coordination of poverty reduction, the government issued Presidential Regulation No. 15 of 2010 on the Acceleration of Eradication of Poverty, which was a refinement of Presidential Decree No. 13 of 2009 on the Coordination of Poverty Eradication. The regulation mandated the formation of the National Team to Accelerate Poverty Eradication (TNP2K) at the national level, which consisted of representatives from the government, community, businesses, and other stakeholders. At the provincial and regency/city levels, the Provincial and Regency/City Poverty Reduction Coordination Teams (TKPK) were created. In 2011, the government issued Presidential Decree No. 10 of 2011 on the Coordination Team of Improvement and Expansion of Pro-People Program.

In addition, to increase social welfare, efforts are needed to encourage higher economic growth, maintain price stability, as well as implement expansion/equalization to reduce inequalities through policies that favor the poor and disadvantaged. Furthermore, a new initiative has been established as a lever for the acceleration and expansion of national economic growth, which includes: (1) Master Plan for the Acceleration and Expansion of Indonesian Economic Development; (2) Acceleration of Development in Papua, West Papua, and East Nusa Tenggara; (3) Fourth Cluster Program; and (4) Improved Food

The challenges faced in eradicating poverty are, among others: (1) increasing growth and maintaining economic stability to accelerate poverty reduction; (2) carrying out a comprehensive and integrative social protection system; (3) improving skills and entrepreneurship of the poor in the face of globalization and climate change; (4) strengthening decentralization and synchronization of poverty alleviation programs by various parties: Public, People, Private Partnerships; and (5) improving access to five livelihood assets for the poor.

THE IMPLICATIONS OF INdONESIAN AND MALAYSIAN SOCIO-ECONOMIC POLICIES ON VERTICAL dIMENSION- BASEd SOCIAL ExCLUSION

Several aspects are described below, especially in the context of social exclusion based on the vertical dimension, based on analysis of relevant secondary data. The first is the aspect of employment. The second is the aspect of poverty in Indonesia and in Malaysia.

The Employment Aspect

The policy of economic redistribution in Indonesia, with the implementation of MP3EI (of which there are 6 corridors in Indonesia), is followed with increased enrollment in universities; while the growth of the Malaysian economy is caused by the change of the import substitution industrialization policy, towards an export-oriented industrialization policy strategy. These policies have an impact on the unemployment both in Indonesia and Malaysia, which have consistently declined, although the unemployment rate in Malaysia is slightly lower than in Indonesia.

In 2015, the European economic crisis was followed by a decline in the prices of oil, gas and minerals, with an impact on the increasing unemployment rate of both countries, compared to the declining rate of unemployment in 2014. When viewed from the employment aspect, especially the unemployment rate in Indonesia and Malaysia, social exclusion is showing a decline, caused by the policies of the Governments of Indonesia and Malaysia, with the exception of 2015, as a result of external factors such as the European economic crisis and fluctuations in the price of oil and gas and minerals.

Poverty Rate

Poverty Indonesia and Malaysia is likely to decline consistently. However, the aggregate numbers show that the number of poor people in Indonesia is larger than in Malaysia. The poverty rate in Indonesia in 2012 reached 21% of the total population, and dropping to 11% in 2015. In Malaysia, poverty decreased from 11% to 5.6% in the same period.

Especially for Malaysia, the absolute poverty rate is less than 1% (0.7%) of the total households in 2014. The poverty rate in general decreased from 3.8% in 2009 to 0.6% in 2014. Households classified as ‘poor’ have an average monthly income of RM 800 or less. The total number of the middle class increased to 45 million people (18%) of the total population of Malaysia.

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The poverty rate in Malaysia decreased due to the Malaysian Government’s policy to allocate RM 260 billion to create an integrative and comprehensive Social Security System. The Social Security system also includes loans, grants, and poverty eradication programs. Meanwhile, Indonesia’s poverty rate showed a consistent decline, although the aggregate total number of people living in poverty is still higher than
in Malaysia, because of the poverty reduction policies implemented by the Government of Indonesia. In this context, the strategy implemented is an integrated anti-poverty program with a four-cluster approach: First, based on assistance and social protection; Second, community empowerment; Third, empowerment of micro and small enterprises; Fourth, pro-people program.

In addition, the Government of Indonesia in the 2010-2014 period implemented social protection programs for the poor and vulnerable in the form of various forms of cash assistance, social security contributions, and services as well as rehabilitation. The various forms of aid are rendered in the form of the Family Hope Program (PKH), the Community Health Insurance (Jamkesmas), Aid for Poor Students (BSM), and Rice for the Poor (Raskin).

Social exclusion based on the vertical dimension, observed from the employment and poverty aspects, have shown a consistently declining trend both in Indonesia and Malaysia, with the implementation of various policies of the Governments of Indonesia and Malaysia that were comprehensive and integrated during the same period. This could be an indication that social exclusion based on the vertical dimension, if handled in an integrative and holistic manner by the government, will experience consistent decrease, unless there are external factors that are beyond the control of the Government.

CONCLUSION

The secondary data analysis shows that there is a positive relationship between the integrative and comprehensive government policies toward the declining process of social exclusion, especially multiple deprivation related to unemployment and relative poverty. The process of social exclusion based on the vertical dimension can be dealt with if the government policy can be consistently implemented within a certain time period.

Based on the result of secondary data analysis of Indonesia and Malaysia has tentatively shown that more Inclusive Policies tend to decrease Social Exclusion especially based on The Vertical Dimension and on its turn, tend to increase Social Quality (especially Social Inclusion) that increase positively peoples’ specific life experiences which constitutes Social Wellbeing. Malaysia tend to have more Inclusive Policies than Indonesia so that there is a tentative indication that Malaysia has higher Social Quality (especially Social Inclusion) which in turn tend to increase Social Wellbeing. This is a tentative result that can be concluded from the secondary data analysis of this study.

The governments of Indonesia and Malaysia have been relatively successful in reducing unemployment and relative poverty. The challenge lies in the extent to which the integrated and comprehensive policies can be continuously enforced in case of external factors and internal factors that are beyond the control of the governments concerned. In addition, it will be more difficult to analyze secondary data relating to other elements of social exclusion such as, relativity, agencies, and dynamics. Another challenge is the ability to measure the horizontal dimensions of social exclusion related to primordial ties such as relations between ethnic groups, races, religious groups, and social classes.

The secondary data analysis is still tentative, but there is a relationship between more Inclusive Policies which tends to decrease Social Exclusion and in turn increase Social Quality (especially Social Inclusion) in Society which influences positively peoples’ specific life experiences which constitute Social Wellbeing. Thus based on this particular secondary data analysis, it is important that Governments both on the National and on the Local levels, plan and implement Inclusive Policies (based on both Vertical and Horizontal Dimensions) which can decrease Social Exclusion and in turn increase Social Quality (specifically Social Inclusion) that can increase Social Wellbeing in Society. This tentative conclusion has a very important caveat, that specific historical, social, cultural, political, and economic contexts of each country have a very relevant and significant influence on how the

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dynamics of the relations between Policies, Social Exclusion, Social Quality, Society, and Social Wellbeing actually evolves and develops.

Notes
1. The First Malaysia Plan is the Malaysian economic development plan policy, created for the five year period of 1966-1970, implemented across the country replacing the Malayam Five Year Development Plan (1956-1960)

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