

# Poverty, Inequality and Development The Challenge for Social Policy

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## ABSTRACT

At the end of 20th century almost all poverty quasi nation states have strategically been alienated without any support by any means vies a vies the power of global market and natural selection processes controlled by industrial and technological revolution. In trend as such, only a little developing countries left possess strategically advantages, as those prime food and oil exporter states two resources that increase strategically and significant for daily need of life due to world booming of population number. The paper is on the basis of Hall and Midgley's book (2004) *Social Policy for Development* supported by other relevant literatures especially issues written by Indonesian scholars. Debate on global poverty one should consider at least structuralism and radical structuralism and dominative structuralism. Some development strategy have been applied by developing nation to eliminate poverty, unfortunately they are trapped by capitalism. The principle of trickledown effect gives no benefit at all toward poor people due to the fact that most economic resources allocation remain in the hand of the least capitalists

**Keywords:** poverty, social policy, development, capitalists

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## INTRODUCTION

A successful Program of Marshall Plan conducted in Western Europe countries and Japan doesn't match with the failure of the same program conducted in developing countries include Indonesia. Recently, Indonesia must learn from its experience which is so far under the control of global economic neoliberalism pressures. Indonesia is in a weak position against dominative foreign economic sovereignty, for example in the cases of stock market, household goods and appliances, big foreign debt in an amount of Rp 1,768 Trillion as appears in November 2011 data.

As compared with Brazil and China which were belong to developing countries as the same as Indonesia in 1970, but now both countries become the seventh biggest economic states and they left us away behind. It is normal to say that there are now severe constraining factors such as weak and visionary national leadership. It is expected that the country and elected democratic governance by the people must be able to achieve the determined objectives of the state, not become an instrument of Transnational Corporation – Multi National Corporation interests which handicap our freedom and nation development.

As a social concept, poverty is an old social fact that viewed as a societal matter and never ending academic issues in social scientist debates from a wide variety of disciplines. In accordance with the authors: Anthony Hall & James Midgley, the oldest publication traced by academic qualitative findings on poverty of labour in London conducted in 1851 by Henry Mayhew, that in the future it will be followed by other academism up to the present, with variety approaches. Many interests on poverty issues based on the fact that poverty problems caused by complex interests and factors and capable to give serious effect that threat community existence if it is failed to be accurately solved.

In the second chapter of the book *Social Policy for Development* [1], Hall & Midgley try to figure up poverty problems faced by some societies in developing and developed countries, poverty indicator, history of development strategic thought and its implementation that cause poverty, criticize to development thought, and strategy to overcome poverty by social policy<sup>2</sup>. Up to recent days hundreds of million people still suffered by unsolved poverty in many parts of the world, while at the same time limited parts of the global society benefited by wealthy life. The condition shows highly social gap in the life of the global community. Essentially, social policy is a set of public policy relates to social welfare that staked to solve problem of basic need fulfilment of the citizen by providing social services, such as social assurance, education, health, and housing. The purpose of the program is to increase the quality of human life [2].

## MATERIALS AND METHODS

News Publication in Mass Media from many parts of the world are the real evidence that poverty is social fact that trap wide societal life. Some parts of the social fact are famine in some poverty states in Africa, social economic depression of the slum areas in cities of Asia, Street kids and bunglers in Latin America, and the

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increase number of homeless in United States and England. Poverty is remaining becoming a global problem. Poverty and its impacts not only suffer to developing nations, but also occur in developed countries. Assume it is right, what does anything go wrong with recent development strategy? Even if we have designed development movement, social development in particular for a half century ago, we have to agree that in fact poverty is underway, it is exist among societal life and no best solution so far. Therefore, poverty must be placed as common problem and poverty engagement must be done by many involvements as common accountability.

### **Understanding Poverty and Social Gap**

In analysing and mapping global poverty and poor in a state, Anthony Hall and James Midgley [1] use structural approach, as shown as a result of poverty and wealth dichotomy between North (Western Europe and North America) and South (Developing Countries) states, as well as between upper and under classes. The dichotomy is commonly used by structuralism and radical structuralism who are guided by Neo-Marxianism. Therefore, type of poverty resulted from the dichotomy is belong to "structural poverty. Both writers do not mention about cultural poverty. The concept followed by the "government bureaucrats" in common, who perceive poverty as problems of laziness to work, low education, and lack of entrepreneurial spirit [3]. If both writers talk characteristics of identity and poverty group behaviour, it must be understood that behaviour emerges due to poor condition that suffers poor group life, as described by Oscar Lewis on culture of poverty.

Even if structural approach is used, Anthony Hall & James Midgley [1] do not indicate thinking and stand "confront and offensive" toward dominant class position, i.e. political and business elites (corporates), they usually unite and cooperate to dominate low class (people). Anthony Hall & James Midgley's perspective is relatively similar to the Maurice Mullard & Paul Spicker [4] way to describe problems of poverty and strategy to solve them. Perhaps, even though using structural analysis, they belong to scientists who tolerate to those who responsible to poverty emergence. They differ from Herbert J. Rubin & Irene S Rubin [5] who tend to be confront and offensive against business and political elites who are viewed as creator of poverty and social group exclusion of the poor. Perhaps, Herbert J. Rubin and Irene S Rubin [5] can possibly classify as radical structural scientists.

Structural poverty is defined as poorness suffered by a group of community because social structure hard to involve allocating income resources that in fact available for them [6]. In another word, the existing social structure limit by nature accessible right of poor people towards political and economic resources available in society. The access limitation occurs due to the existing dominant structure that gives broad accessibility toward a small group of people to maximize and sustain political economic resources. Dominant structure become determinant factor for the continuity [7], "urgent to change is social structure, structures which make poor group continuously dependent upon other group and that they are continuously exploited by the group."

The concept of cultural poverty differs from the concept of culture of poverty. The concept is derived from finding of the Anthropological study Oscar Lewis [8][9] on poverty story that suffers five families in Mexico. Lewis translates the concept as "to argue that poverty was transmitted the generations and that cultural traits which engendered complacency, a lack of ambition, infantile demands for instant gratification, and a lack of foresight and planning, would persist" (p. 51) [1]. To Lewis: natures of poor and patterns of their socio cultural behaviour as "means and instrument that they recognize to adapt" toward their existing poor condition. So, it is not the nature of poor condition or a nature that cause their poor. To them, plausible factors that make them poor is beyond their control. The heritage of this cultural behaviour is effecting poor continuation among them. Lewis understood deeply about poverty through micro approach that is a study on social basic institution known as "family." The explanation is necessary to make sure that Lewis [9] also underline if poverty of five family in Mexico life within urban capitalistic community. Lewis argument is in line with this book's writers in the sense that there are structural factors that make people become poor, i.e. capitalism.

In understanding condition of a person or a group of people as "poor" used indicators. In accordance with the problem a series of study are conducted, so the results are expected to be accurate to determine border of poverty line and degree of minimum standard of living for poor individual and household. Based on time line, poor indicator has changed in line with the changing degree of human need. For instance, in 1970s World Bank determined poverty line at \$50 to \$ 75 per capita per annum; in 1990, the World Bank used indicators of \$275 to \$370 per capita per annum; in 1995 the World Bank determined an amount of \$365 per capita per annum or \$ 1 per day (pp 47-48)[1]. The decade of 2000s the World Bank determined poverty line if a person have earned \$ 2 per day.

The determination of poverty line based on the degree of income per capita per annum or income per day per person is actually much easier to be understood and implemented to search the quantity of poor population. However, this measurement does not represent condition and minimum standard of life of poor people, resulting in questionable validity by the scholars (pp. 48-49)[1]. Since 1960, the UN has promoted the study of social indicators to understand poverty and remain in development in the future. The indicator accommodate a series of social condition faced by poor people, like low health, improper housing, bad nutrition, low education and illiteracy, low life expectation, and limited access into social caring and many others. To Hall & Midgley "the

social indicator approach expands the definition of poverty.” [1] The enrichment in understanding poverty with social indicator has expanded to become an idea to managing poverty problems.

By the income measure \$ 1 per day, total world population suffers absolute poverty for about 1.5 billion people (24%) of the total world population 6 billion people, and if use income measure \$ 2 per day, total world poor population reach 2.8 billion or 46% of the total world population in 1998. The majority of poor population is life in the south and developing countries. The World Bank does not provide absolute poverty data from the population of Western Europe, North America and Japan, if their amount is very little as compared to poor population in developing countries. As an example, total poor population in America in 1998 was an amount of 32 million or 12% of its total population (pp 55-56) [1].

Absolute poverty is a factual physical and materiel poorness, under this condition impossible to have a proper human life, a comparison that indicates to inequality. A relative poverty is a category that always exist – a category that in principle has no direct relations to absolute poverty. Absolute poverty is in equal distributive income and difference in level of life (sometime very wide) among social stratification, between urban and rural, among regions, between male and female. The gap can be described in a pyramidal form of income. Relative poverty include not only economic inequality but also in equal in chance and opportunity in any life circumstances. Similar symptom also colouring international relations, as it can be seen in terms of gap between North and South or between West and East [10]

Among developing countries, concentration of poor population is in distributive. In 1998, 43% poor population (522 million) live in South Asia (include Indonesia); 24% poor population (291 million) live in Sub-Sahara Africa; 23% poor population live in Latin America and Caribia; 2% live in East Europe and Middle Asia; and less than 1 % live in Middle East and North Africa. The data indicates that poverty is a serious problem in developing countries, particularly countries in South Asia region, because this region becomes the concentrated place of world population.

Income gap also exist within developing countries, higher than those in industrial countries. In Mexico, one tenth upper level among its total population enjoy 42% national income; 10% from total population in Columbia and Guatemala enjoyed 46% total income, one tenth upper level from total population of South Africa earned 45% national income, and in Nigeria for about 41%. In Denmark, 10% total population earned 20% from total national income while in Germany for about 23%, 10% total population in England earned 27% national income, while in US earned for about 30%. Poverty and inequality the income level occur both in developing and developed countries. Therefore, it is logics if poverty is viewed as important problem for humankind because plausible consequences by poverty give threat toward the sustainability of social stability in human life.

### **Strategy of Capitalistic Development**

In accordance with Hall & Midgley’s point of view, an idea of development post World War II, especially in Western Europe (and Japan) dominated by developmental strategy under modernization theoretical base with target of high economic growth, based on industrialization leverages. The development strategy have succeeded bring Western Europe into social advancement as indicated by the higher income and high living standard for their major population. In the meanwhile, scholars who support the modernization theories, partly give emphasize to the commitment of full free market to support fast economic growth, while others who followed Keynesian still expect government involvement in a certain extent to supervise and to direct on going modernization process in Western European countries (p 65). However, the orientation of both scholars remains capitalistic.

In fact, application of modernization theory in Western Europe is bounded by the US interest global society. Redevelopment in Destroyed Western Europe resulted by the World War II done under the Marshal Plan Program.

This theory based on the thought of Harrod-Domar, Weber, McClelland, Rostow, Hoselitz, Inkeles and Smith [11][12]. The adoption of the development strategy has been attracting a variety of critics viewed as a history. It means that the successful Western European countries conducting industrialization not only its own strength but also due to the environmental factors of international support. At that time being, market of industrial products remains open, while when developing countries selling industrial commodities, market condition have been very competitive, so it handicaps developing countries to achieve a successful industrialization. Modernization theory doesn’t make a map of external factors because state backwardness caused by internal states’ condition, then solution to overcome the problem tends to become culturally, psychologically and mentally. Beside, stressing high economic growth has pushed the government to collaborate with the corporation which plays major role in supporting economic growth. To do so, cost to support industrialization is very high then it push the government much more away to increase foreign debt. The big amount of foreign debt is not only increase burden for development fund but also shrinking Indonesia into the control of international capitalism who works through international institution. In 1970, Indonesia owed foreign debt around US\$ 67.901 million, the second bigger in the world after India (US\$ 70.115 million). The strategy

of capitalistic development is in fact not support the whole public interest [11] The development strategy should be based on our own national resources potential, not jump up instantly to industrialization without strengthening supporting factors from the beginning, such as agribusiness or agroindustry sectors with the support of widely agricultural reform, as it done by South Korean, which then move to become a developed country with supporting cultural behaviour [11]. The development of some strategic industries during New Order era pioneered by B.J. Habibie who acting as Minister of Research & Technology need high amount of funding which severely burden the development budget. Spirit to become a developed industrial state wasn't mistake. What's lack of consideration was seeking time to right decision when state and nation resources ready to do industrialization. When economic crisis severely suffered Indonesia, developed strategic industries tragically collapsed [13] such as a valuable learning on the formulation of rethinking and development strategy in Indonesia.

By the successful program in Western Europe it is tried its implementation to developing countries in the beginning of the decade 1960s. Through friendly development strategy toward foreign investment and technological and capital industrializations, it is expected to create a great amount of employment and high economic growth by the principle of trickle-down effect, capable to solve social poverty, combating economic dualism, and developing a strong foundation for modern economics.

In Indonesia, the capitalistic development strategy of New Order era fully copying the development idea based on the above modernization theories. the New Order Government start to preparing the development strategy application since the end of the year 1960s, beyond the consent of the Foreign Investment Act of the year 1967. Post general election in 1971, the implementation of capitalistic development strategy was underway. The doctrine of political economic formula of New Order development devoted to guard economic growth agenda by reducing political democratization at all cost [14]. Political stability must be created to assure the sustainability of economic development regardless repressively applied. The characteristics of development regime are known as repressive development list regime. The regime in the era of 1970s up to 1990s dominated political arena in developing countries which followed capitalism of its national developmental strategy, include Indonesia [15].

The myth of trickle-down effect that embedded toward development strategy was hard to be implemented. The high economic growth was in reality supported and enjoyed elites that they were tied by "a mutual symbiotic coalition," not the majority of society. The high income gap but poverty wasn't fully solvable yet. To overcome social problems resulted by development then a wide variety of thought emerged, such as to give broader to the government to solve social problem, emphasized in the fulfilment of people basic needs, increase human resources' quality, integrated development and so forth, but remain within the mainframe of capitalistic development. However, ends result of the stressed development locus remain unchanged.

Critics toward the development paradigm of economic growth oriented was spoken out due to the failure of solving poverty and increasing the quality of social living standard in developing countries, done by many scholars such as dependency theorists and mainstream of the theory of post modernism [12]. Essentially, they reargued the ideological assumption of capitalistic development strategy that in fact proved worsen socio economic condition of developing countries and creating state's dependency upon powers of international corporation resulting in state autonomy was hostage. In Indonesia, the failure of New Order development strategy occurred when the government was unable to prevent financial crisis in 1997 then ended by taking the regime over. This was proved that the state foundation of socio, political economy of the New Order was very weak [16].

Poverty faced by society in developing countries not only reducing the level of human life quality but also placing poor group into social exclusion (pp 49-50) [1]. They faced difficulty in the accessibility of health, clean water sanitation, education, housing, and life expectancies that was so low. Social exclusion which occurred was due to the intensive marginalization of capitalistic development strategy. As poor group, their right was denied, their participation were limit, and excluded from various development planning. That policy was justified by negative stereotypes toward poor people, so it became visible if they were denied by the state or government, beside among them agree the existing such stereotypes. To Rubin & Rubin [5] the perspective of bias thought had handicapped organizing and empowering poor societal group especially when their empower assistants have to encourage their confidences in that they have high capacities to fulfil a better life.

### **Empowerment and Neoliberalism Challenge**

A research conducted by I. Adelman & C.T. Morris [17] suggested that economic development was not only accompanied by high social gap but also causing an absolute decline of poor group income. They reached a surprised conclusion that poor people will be better if there was no economic growth at all (p 50)[1]. In the meanwhile, A. Mafeje [16] argued that, "... a trickle-down effect strategy of development is a much more effective strategy for poverty eradication than conventional trickle-down effect strategies based on industrial development and large scale government intervention." (p 75)[1]

Government failure in managing poverty problem through industrial base development strategy invite two mainstreams reaction. **First**, a group of thought who wish an alternative development strategy by emphasizing full involvement of the society through bottom-up approach, in the form of community empowerment or community organization as an integral part of rural development (pp 73-76)[1]. The group was also divided into some faction of thought on level of the government involvement. In principle, government involvement must be in proportional level. In accordance with Hall & Midgley's note, the previous program of empowerment involves the government in its implementation in collaboration with non-government organization (NGO). However, the government involvement even constrains program implementation, bureaucratic and corrupt. Such programs in developing countries funded by foreign assistance and World Bank as creditor understood the positive role of the NGO, eventually empowerment program conducted by NGO in cooperation with target group and their performance tends to be good. The government function is as regulator, facilitator, and motivator which support the successful of empowerment. In Indonesia, such a strategy can be looked at the concept and implementation of National Program of Self Community empowerment (PNPM-Mandiri) that started in 2009. **Second**, it is New Right or Neo liberalist which preferably choose the application of free market instrument, by providing unlimited space to corporation to lead development in developing countries and government role in economic regulation totally decreased (pp 76-79)[1]. The Neoliberalism group urges privatization of state owned enterprise and public sector such as education, health, and housing. Social development expenditure of the government have also to be decreased. All of which goes to market mechanism. Neoliberalism is a biggest challenge for social development. Neoliberalism group believes that the power of free market will be able to create wide range of employment to solve poverty and to increase social welfare. However, neoliberalism group claims or the power of free market in developing the community was criticized after financial crisis in United States in 2008 and economic financial crises in euro-zone in 2010-2011 ago. Social protests and mass demonstration against corporate greediness and the more increase of social cost in big cities in United States and Europe. It means that we don't fully trusted to the market power because in fact the market is also distorted by various economic speculative interests which hazardously affect public interest.

Both groups were interring push and pull and it seems that developing countries prefer to choose the second group of thought, i.e. neoliberalism. In Indonesian idiom, since post public sector privatization, investment liberalisation, trade and finance intensively go on. Such a condition have increased higher living cost, while budget allocation for empowerment programs if connected to the scale of need was inadequate. If the first group of thought tends to deny corporate role and limit government role, the second group of thought more placed society and government. On the other side, each party has economic resources that can be synergised and exchangeable for poverty solution, to strengthen function and accountability of state toward its people, and to help the smoothness of corporate business.

In doing so, cooperation among those three parties: state-corporate (market)-society is highly needed to develop society and increase the quality of their live through the development policy of social sector (p 80) [1]. Unfortunately, the book writers do not provide example on how that partnership to be implemented. To do so, I will provide example of cases where its government follow democratic socialism,<sup>7</sup> i.e. Germany, England and Norway.

1. The Chancellor of Germany who acts also as the leader of Democratic Socialist Party Gerhard Schroder who asks corporate role for the solution of his people unemployment, provide trainings for people and recruit them into corporations. As compensation corporations received tax incentive and other business facilities. Similar services also given to other corporations which take part in helping government to building economic infrastructure that give benefit to the whole parties: government, society and corporation. Pattern of such collaboration also worked in England when Labor Party in power with Tony Blair was Prime Minister, when a sociologist Anthony Giddens acted as Prime Minister's advisor in tackling social welfare issues [18].
2. A case of welfare state in Norway, pressure of globalization and neoliberalism didn't reduce state capacity in executing its social policy. Value of social expenditure during 1980s was 21.8% - 22.6% from the GDP and in the period of 1990s - early 2000s was 23% - 26.8% from the GDP. In the year 2002 social expenditure was distributed: 48% to elder and retarded people, 34.1% to health care, 2.6% to unemployment, and 12.2% to children and family care. The data showed that universal social right for minimum living standard remain assured by the government. Beside, social policy in terms of planning, implementation and control involved organization of social volunteer as state partner. The organizations gave support ideologically-politically toward government to do the concept of welfare state. Within the waves of globalization, privatization and neoliberalism, the state has still responsibility to guarantee citizen right to have jobs, full salaries during health care-taking, pension to disabled and elder people, and funding to health service and health caretaking. Norway was capable to keep economic growth and distribution high [19].

## RESULTS AND DISCUSSIONS

Structuring and maximizing resources of national politics and economy according to democratic socialism ideology highly different from liberal capitalism and communism ideologies. Democratic socialism can be viewed as alternative or middle way ideology between two ideologies: capitalism and communism. In Indonesia, democratic socialism ideology followed by Indonesia Socialist Party under the leadership Sutan Syahrir but this party was dismissed by Presiden Soekarno in 1960 [20][21]. Even though not fully similar, democratic socialism based on Western humane close related to Pancasila Ideology.

More than that, strategic collaboration among three parties is a smart solution to make sure sustainability of capitalism system which has highly capability to adapt change by the absorb of ideas, recipes, and strategy from other ideological thought, like the ideas of distribution, right equality, egalitarian from communism [22].

The positive aspect of the book is to provide inspiration and innovative thought toward efforts to tackle poverty and social gap as a result of development. However, in relation to efforts of tackling poverty and social gap in Indonesia there are three points that must be considered as below:

The first, during reform era Indonesia has been trapped into liberalisation in infestation and international free trade without a selective regulation and without a comprehensive preparation and this in turn derivate national interest in the long run. In “Economic Iron Law” whoever is in weak position facing highly market competition he/she will be the loser. Such a condition can be seen at the strong domination to stock market by foreign capitalist in national economy and the shift of Indonesia becomes “importing nation”. The two factors have made Indonesia as potential economic object for the domination of foreign economic power.

On the basis of existing data foreign share domination toward industry can be seen in wide varieties of product, such as French Danone’s Aqua, British Unilever’s Sariwangi, Lux soap and Pepsodent, US Philips Morris’s Sampurna cigarettes, the Dutch Numico’s SGM milk, Germany Heidelberg’s Tiga Roda cement, Mexican Cemex’s Semen Gresik, Zwitserland Holchim’s Cbinong cement, French Carrefour’s Alfamart all of which the majority of shareholders owned by foreign capitalists. The foreign domination has also expanded toward sectors of banking, shipping, aviation, mining<sup>8</sup> and oils, palm farming, franchise, and so forth. In addition, soy “tempe” has been got patent right in Japan and batik business [23], without any regret from the government.

As examples for gold mining sector in Papua that explored by PT Freeport Indonesia (FI), PT FI share consist of 90.64% owned by Freeport McMoran Copper and Gold Corporation, US and only 9.36% owned by the Government of Indonesia. Shareholder’s gap doesn’t give benefit to Indonesian nation, especially Papua people and quite clearly it breaks the Article 33 Basic Constitution (UUD 1945). At this point, the government has no commitment to evaluate the mining contract in order more justice and give benefit to the interest of state and nation.

We are also becoming importing nation. Almost of all our household needs are imported, such as salt, garlic, vegetables and fruits, potato, corn, soybean, rice, meat, fish, tea, spices, sugar, automotive, electronics appliances, computer and so on. As an example, Jember becomes tobacco exporter, Situbondo is sugar exporter, Banyuwangi is rice and fruit exporter (to Australia), Sumatra exports natural rubber, West Java exports tea, Maluku exports spices, and Madura exports salt. Under reform regime, Indonesia tends to be worse than Netherland colonialism era. Prior to the increase of tea and spice imports, Vice Minister of Trade, Bayu Krisnamurthi, argued that the government will build ship port special for spice import (Kompas, December 10th, 2011:18). Why don’t we keep the glory of Netherland Hindie’s state (Indonesia) as an exporter of agriculture and farm products as was in the colonial era?; an argument that underestimates the Indonesian farmer capability to produce spices.

Second, the number of our foreign debt per November 2011 was Rp 1,768 trillion, while in 2010 our foreign debt was Rp 1,676 trillion. Our problem is that if there is fluctuation in dollar value increase, debt amount will also warily bigger. The debt burden will worsen state autonomy, i.e. in designing development strategy that base on national interest. The creditors which unite in international financial institution such as World Bank and International Monetary Fund are of course preferably see us fall in foreign debt trap because it will benefit them political economically.

Third, community empowerment program in Indonesia funded through foreign debt, partly derived from World Bank. At glance the empowerment program pose as Western commitment to give help developing countries to overcome existing social problems resulted by development such as poverty in general. However, if much closer watching the foreign debt empowerment program base is as developed countries’ political economic instrument to tie developing countries in order remain within the hegemony of neoliberalism. A study done by Carrol [24] indicates that Sub District Development Program (PPK) if analysed the aspects of institution, strategy and basic values it is proved as neoliberal Trojan horse to implant in thinking method of Indonesia men. The empowerment program is also as tie tools developing countries with international order created by neoliberalism power. Eventually, this country will remain be the exploitation political economic arena and hostage by neoliberalism power.

Three above dimensions is highly potential to keep poverty in Indonesia. Based on the three highlights it is properly right suspicious thinking's Swasono [25][26] that our country at the time being moving from nation-state into corporate-state and people sovereignty into market sovereignty, so it breaks state order under the Pancasila ideology and UUD 1945, especially Articles 27, 33 and 34 which regulate citizen right of social and economy and the autonomy of nation economy. The Articles is essentially the foundation of welfare state in Indonesia.

## CONCLUSION

The success key to solve various nation problems as above is very much dependent upon national leadership capacity. If national leadership sounds weak, doubtful, and unclear its development direction, then the problem of nation integrity and autonomy in the future will be hollower. It necessarily learns from the leadership of Brazil President the 35th, Luiz Inacio Lula da Silva (2002-2011), a democratic socialist who was smart to see and combine between opportunity and threat at domestic side and neoliberal handicaps when he developed his country. Lula didn't pose confront against neoliberalism and international finance institutions which supported him. Neoliberalism was hard to be stopped even to be controlled. The least developing countries that is able to play role in taking advantage neoliberalism inflow as argued by Revere above.

Through social policy name Bolsa Familia, it has been tenths of million people were freed from poverty and Lula was succeeded to distribute a distributive income. Social program of Bolsa Familia was in fact a previous president program prior to Lula, who was Fernando Henrique Cardoso, theorist of dependencies. Both Cardoso and Lula had placed state foundation of modern Brazil, so at the end of 2011, the Brazil economic power has been shifted England in World forum. Nowadays, Brazil together with China belong to 7 world economic superpower countries beside US, Japan, Germany, England, and France (Kompas, December 28th, 2011:110). Both China and Brazil in 1970s slightly are the same as Indonesia as developing countries group. If two countries run ahead left Indonesia far away it is of course there are dominant factors that handicapped it, i.e. visionary and weak national leadership.

State responsibility is so clear cut, i.e. social welfare for its people, assure the fulfilment of citizen socio economic rights, and give the sense of safety for the citizen in their lives. No reason whatsoever for a nation leader to run away from the above responsibility and obey social and political economic laws imposed by neoliberalism, so social development is so hard to implement. State and elected democratic government is not an instrument of Trans and Multi-national Corporation which constrains freedom and development of the nation.

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