



Political Economy of Indonesia's Free Nutritious Meal Policy: Governance and Institutional Analysis

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ABSTRACT

This study examines the political economy of Indonesia's Free Nutritious Meal (FNM) policy under President Prabowo Subianto, focusing on governance arrangements and institutional capacity in managing large-scale public expenditure. The research problem addresses how fiscal allocation, institutional coordination, and policy legitimacy interact in the formulation and implementation of the FNM program. Using a qualitative case study design, this research analyzes official government documents, budget reports, regulatory frameworks, and secondary academic sources published between 2023 and 2025. Descriptive fiscal analysis indicates that the projected annual allocation for the program accounts for a significant proportion of the national social expenditure budget, exceeding IDR 400 trillion in initial policy projections (Ministry of Finance, 2024).

Findings reveal three key results. First, the policy reflects distributive political priorities embedded in the national budgeting process. Second, institutional readiness varies across implementing agencies, indicating coordination challenges between central and local governments. Third, public support for the program is strongly associated with welfare framing and food security narratives. The study concludes that the FNM policy represents not only a social welfare intervention but also a strategic fiscal instrument shaped by political-economic considerations. Its long-term sustainability depends on institutional capacity, fiscal discipline, and transparent governance mechanisms.

Keywords: Political Economy, Public Governance, Fiscal Policy, Institutional Capacity, Food Policy

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1. INTRODUCTION

The introduction of large-scale social welfare programs often reflects not only public policy objectives but also broader political-economic priorities. Indonesia's Free Nutritious Meal (FNM) policy, initiated under the administration of Prabowo Subianto, represents one of the most ambitious social expenditure programs in recent national policy discourse. Designed to provide daily nutritious meals for students across Indonesia, the program is positioned as a strategic intervention to enhance human capital, reduce inequality, and strengthen long-term national productivity.

However, beyond its social objectives, the FNM policy raises critical political economy questions concerning fiscal allocation, governance mechanisms, and institutional capacity. Public budgeting is inherently political, reflecting distributive choices embedded within state priorities (Gilpin, 2001; Weingast & Wittman, 2006). The allocation of significant fiscal resources to a single welfare program inevitably interacts with competing development agendas, macroeconomic stability considerations, and institutional coordination across ministries and local governments.

Recent literature in political economy emphasizes that large welfare initiatives often function simultaneously as redistributive instruments and as mechanisms of political legitimacy (Rodrik, 2011; Cohen, 2014). In developing economies, the sustainability of expansive social programs depends heavily on institutional quality, fiscal discipline, and governance transparency (North, 1990; Fischer et al., 2006). Despite the growing attention to welfare expansion in Southeast Asia, limited research has examined Indonesia’s FNM policy from a political economy and institutional governance perspective.

Therefore, this study addresses the following research questions:

1. How is the Free Nutritious Meal policy constructed within Indonesia’s political economy framework?
2. How do governance arrangements and institutional capacity mediate its implementation?
3. What are the fiscal and public policy implications of the program’s large-scale budget allocation?

By situating the FNM policy within political economy and public governance debates, this study contributes to bridging macro-level distributive politics with micro-level institutional implementation dynamics.

2. LITERATURE REVIEW

Table 1 summarizes the main theoretical perspectives and empirical findings relevant to the political economy and governance analysis of the Free Nutritious Meal policy.

Table 1. Summary of the Literature Review

| Author(s) | Main Concept | Relevance to This Study |
|---------------------------|--------------------------------|---|
| North (1990) | Institutional Theory | Institutional rules determine policy effectiveness |
| Gilpin (2001) | Political Economy of the State | Fiscal policy reflects power and national priorities |
| Weingast & Wittman (2006) | Political Economy Framework | Interaction between political actors and economic outcomes |
| Giddens (1998) | Social Investment State | Welfare policy as strategic human capital investment |
| Fischer et al. (2006) | Public Policy Analysis | Governance, implementation, and accountability mechanisms |
| OECD (2024) | Public Governance Reform | Coordination and administrative capacity matter in large-scale programs |
| World Bank (2023) | Fiscal Sustainability | Welfare expansion must align with budget stability |

Source: Compiled by the author (2026).

Political Economy

Political economy views public policy not merely as a technical response to societal needs but as an outcome of distributive conflicts and power configurations. Classical and contemporary works in political economy emphasize that state intervention in economic distribution is embedded in the interaction between wealth and power (Gilpin, 2001; Balaam & Dillman, 2016). Budgetary decisions, in particular, reflect political prioritization, institutional constraints, and ideological orientation.

Cohen (2014) distinguishes between positivist and critical traditions in International Political Economy (IPE), both of which underline the centrality of state authority in shaping allocation mechanisms. In developing economies, welfare expansion often represents a deliberate strategy to consolidate political legitimacy while addressing structural inequality. Rodrik (2011) argues that social protection policies frequently emerge as compensatory mechanisms in response to globalization pressures and domestic political demands.

Recent studies (2023–2025) suggest that large-scale social expenditure programs in emerging economies often operate within complex trade-offs between fiscal sustainability and political responsiveness. Several empirical studies have shown that redistributive social programs tend to receive broader political and public support when they are framed as long-term investments in human capital rather than short-term consumption subsidies (Alesina & Giavazzi, 2023; World Bank, 2023; OECD, 2024; World Health Organization, 2024). Such framing can influence how welfare policies are perceived by both policymakers and the public, particularly when the programs are linked to improvements in education, nutrition, and long-term productivity.

In this context, the Free Nutritious Meal (FNM) policy can be interpreted as a redistributive fiscal intervention shaped by political priorities and socio-economic objectives. Its budgetary magnitude invites political economy analysis regarding distributive consequences and resource reallocation.

Public Governance

Institutional theory emphasizes that public policies are constrained and shaped by formal and informal “rules of the game” (North, 1990). Institutions determine how fiscal decisions are authorized, implemented, and monitored. Caporaso and Levine (1992) argue that institutional arrangements mediate the translation of political preferences into policy outcomes.

Public financial governance literature highlights the importance of transparency, accountability, and coordination in managing large welfare programs. According to Weingast and Wittman (2006), fiscal policies function effectively only when supported by credible institutional mechanisms. Similarly, Fischer et al. (2006) underline the significance of governance networks and deliberative processes in ensuring implementation effectiveness.

In Indonesia, fiscal governance is normatively structured under Undang-Undang Nomor 17 Tahun 2003, which regulates state budget accountability and public expenditure management. Additionally, Undang-Undang Nomor 18 Tahun 2012 provides the legal framework for food security policy, while Undang-Undang Nomor 20 Tahun 2003 emphasizes the state's responsibility in supporting students' welfare within the education system. These regulatory frameworks establish the institutional foundation within which the FNM policy operates. However, institutional effectiveness depends not only on formal laws but also on administrative capacity and intergovernmental coordination.

Fiscal Policies

The expansion of welfare programs often carries political implications beyond socio-economic objectives. Habermasian deliberative theory emphasizes that policy legitimacy is constructed through public discourse and communicative rationality (Habermas, 2022). In practice, welfare initiatives can enhance political trust when they demonstrate transparency and inclusiveness (Stiglitz, 2017; Rodrik, 2018).

Contemporary governance research (2023–2025) shows that welfare-based fiscal expansion requires strong monitoring systems and cross-sector collaboration to prevent inefficiency and budgetary distortion (OECD, 2024; World Bank, 2023). Studies on school feeding programs in developing countries indicate that implementation success depends on supply chain governance, local participation, and sustainable budget planning (World Health Organization, 2024). Thus, analyzing the FNM policy requires integrating political economy perspectives with governance and institutional analysis. The policy's sustainability will depend on fiscal discipline, institutional readiness, and public accountability mechanisms (OECD, 2024; World Bank, 2023).

Institutional Capacity

This study develops an analytical framework to explain the relationship between political economy dynamics, governance mechanisms, and policy legitimacy in the Free Nutritious Meal (FNM) program. The framework highlights how fiscal allocation and distributive priorities influence institutional capacity and governance arrangements. These interactions ultimately shape policy implementation and long-term sustainability.

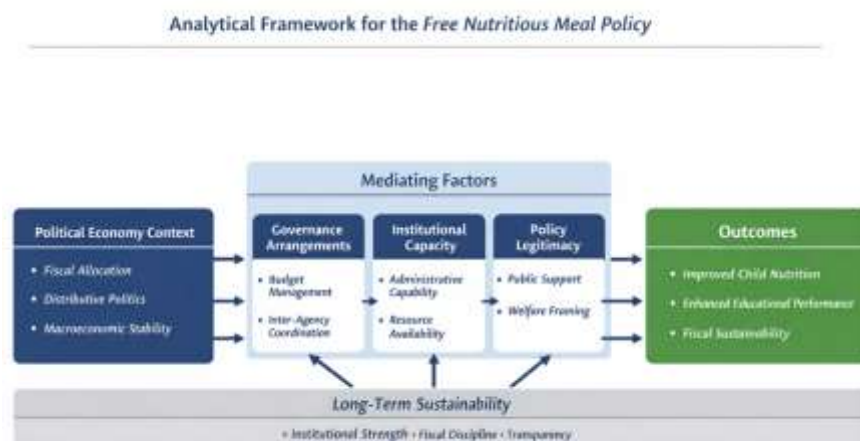


Figure 1. Analytical Framework of the Free Nutritious Meal Policy

Source: Author's conceptualization based on political economy and governance Literature (2025).

Figure 1 illustrates the analytical framework used in this study. The model integrates political economy context, institutional governance mechanisms, and policy legitimacy factors to explain the sustainability and outcomes of the Free Nutritious Meal policy. Fiscal allocation and distributive priorities shape governance arrangements and institutional capacity, which in turn influence policy outcomes and long-term sustainability (North, 1990; Weingast & Wittman, 2006; OECD, 2024).

3. METHODOLOGY

Research Design

This study employs a qualitative case study design to analyze the political economy and institutional governance of Indonesia's Free Nutritious Meal (FNM) policy under President Prabowo Subianto. The case study approach is appropriate because it enables an in-depth examination of complex policy processes within their real-life institutional context. Given the large fiscal scale and nationwide implementation of the FNM policy, qualitative inquiry allows for analytical exploration of governance dynamics, fiscal allocation, and institutional coordination.

Participants and Data Sources

As a document-based qualitative study, this research does not involve human participants in the traditional sense. Instead, the units of analysis consist of official policy and fiscal documents related to the FNM program. Data sources include:

1. National budget documents (APBN framework and fiscal outlook reports).
2. Presidential statements and official policy announcements.
3. Regulatory frameworks, including:
 - a) Undang-Undang Nomor 17 Tahun 2003.
 - b) Undang-Undang Nomor 18 Tahun 2012.
 - c) Undang-Undang Nomor 20 Tahun 2003.
4. Government ministry publications (Ministry of Finance, Ministry of Education, Ministry of Agriculture).
5. Academic articles published between 2023 and 2025 addressing welfare policy, fiscal governance, and school feeding programs.

These documents were selected purposively based on their relevance to fiscal allocation, governance structure, and institutional implementation of the FNM policy.

Instruments and Data Collection Procedures

The primary research instrument is a structured document analysis protocol developed to systematically extract information concerning (1) fiscal allocation, (2) governance arrangements, (3) inter-institutional coordination, and (4) policy framing and legitimacy. Data collection was conducted through systematic review of publicly accessible government portals, legislative archives, and peer-reviewed academic databases. Documents were categorized into regulatory, fiscal, and analytical sources. Each document was coded according to thematic relevance using a political economy and institutional governance framework.

Data Analysis

Data were analyzed using thematic and interpretative analysis. The analysis followed three stages:

1. **Contextual Mapping** – Identifying the political and fiscal context in which the FNM policy emerged. Contextual mapping involves identifying the political, economic, and fiscal conditions that influenced the emergence of the FNM policy. It helps researchers understand the broader environment and key drivers behind policy formulation. In addition, contextual mapping allows researchers to capture external pressures such as regulatory changes, economic instability, or political agendas that may shape policy direction. By understanding these contextual factors, the analysis becomes more comprehensive and better able to explain why the policy was developed at a particular time.
2. **Institutional Analysis**–Examining governance structures, administrative coordination, and implementation mechanisms. Institutional analysis focuses on examining the roles, structures, and interactions of organizations involved in the policy process. It highlights how governance systems, coordination mechanisms, and administrative capacities affect policy implementation. Furthermore, this approach helps identify strengths and weaknesses within institutions, including issues such as bureaucratic inefficiency, overlapping authority, or lack of coordination. Understanding these institutional dynamics is essential for evaluating the effectiveness and sustainability of policy implementation.
3. **Political Economy Interpretation**–Interpreting distributive implications and legitimacy dynamics within the national budgeting process. Political economy interpretation analyzes how power, interests, and resource distribution shape policy outcomes. It also explores issues of fairness, legitimacy, and stakeholder dynamics within the national budgeting process. Moreover, this perspective enables researchers to uncover hidden interests, conflicts, and negotiations among actors involved in policymaking. It provides deeper insight into how political and economic incentives influence decisions, ultimately affecting the success and public acceptance of the policy.

Triangulation was applied by comparing regulatory texts, fiscal data, and academic findings to enhance validity. The analytical framework integrates political economy theory, institutional theory, and public governance literature to ensure conceptual rigor.

4. RESULTS

This section presents the findings of the document analysis regarding fiscal positioning, institutional arrangements, and policy orientation of the Free Nutritious Meal (FNM) program. The results are organized into three interconnected dimensions: budget structure, governance coordination, and policy orientation within the national development framework.

Fiscal Position within the National Budget

The analysis of official fiscal documents indicates that the Free Nutritious Meal program is projected to become a major component of Indonesia's social expenditure framework.

Preliminary fiscal projections (2024) estimate annual funding in the range of IDR 400 trillion during full-scale implementation. This allocation reflects the government’s strategic emphasis on human capital development and social welfare enhancement. Within the broader state budget structure, the program represents a significant investment aimed at improving nutrition outcomes, educational participation, and long-term productivity. Rather than being viewed solely as expenditure, the policy can be understood as a form of social investment. In public finance terms, such investment may generate long-term socioeconomic returns if supported by effective implementation and monitoring mechanisms.

Table 2. Provides A Simplified Overview Of The Program’s Estimated Fiscal Position.

| Category | Estimated Amount (IDR Trillion) | Policy Orientation |
|------------------------------|---------------------------------|-----------------------------|
| Free Nutritious Meal Program | ~400 | Human capital investment |
| Other Social Programs | — | Social protection & subsidy |

Source: Compiled from official fiscal projections (2024).

Institutional Governance and Coordination

Document analysis shows that implementation of the FNM program involves multi-level coordination between central ministries and local governments. Key responsibilities include budget authorization, beneficiary targeting, procurement, food distribution, and monitoring. The legal framework provided by Undang-Undang Nomor 17 Tahun 2003 ensures that fiscal management follows principles of accountability and transparency. Meanwhile, Undang-Undang Nomor 18 Tahun 2012 supports the policy’s alignment with national food security objectives. The findings indicate that institutional alignment has been structured through inter-ministerial collaboration. The effectiveness of implementation will depend on continuous coordination, data integration, and adaptive administrative capacity at regional levels.

Policy Orientation and Public Value

The FNM program is framed as part of a broader strategy to strengthen Indonesia’s long-term development trajectory. Policy narratives emphasize nutrition improvement, school participation, and equitable access to basic needs. From a governance perspective, the program reflects a commitment to inclusive growth and social welfare development. Its orientation is consistent with public sector reform principles that prioritize outcome-based budgeting and measurable social impact. Overall, the findings suggest that the FNM policy represents a structurally integrated welfare initiative within Indonesia’s fiscal and governance system. Its long-term performance will be closely associated with institutional effectiveness and evidence-based monitoring practices.

5. DISCUSSION

The findings of this study reinforce the argument that large-scale welfare policies are embedded within broader political economy structures. From a distributive perspective, public budgeting reflects priority setting within the state’s development agenda (Gilpin, 2001; Weingast & Wittman, 2006). The Free Nutritious Meal (FNM) program illustrates

how fiscal instruments are mobilized to support long-term human capital formation while responding to social welfare objectives.

In institutional terms, the implementation of the FNM program aligns with North’s (1990) view that formal rules structure policy outcomes, but institutional capacity determines their effectiveness. Although the regulatory framework under Undang-Undang Nomor 17 Tahun 2003 and Undang-Undang Nomor 18 Tahun 2012 provides a clear legal foundation, the operational dimension depends on inter-agency coordination and administrative readiness at both national and regional levels. Recent governance literature (2023–2025) emphasizes that welfare-based fiscal expansion can generate sustainable social returns when accompanied by strong monitoring systems, transparent procurement processes, and integrated data management. The FNM program, when viewed through this lens, represents a policy initiative that combines redistributive objectives with long-term productivity enhancement. Its positioning as a social investment aligns with contemporary public finance frameworks that prioritize outcome-based expenditure.

Furthermore, from a public policy perspective (Fischer et al., 2006), legitimacy is strengthened when programs are framed within inclusive development narratives and supported by measurable performance indicators. The emphasis on nutrition, education participation, and equitable access enhances the program’s public value orientation. Rather than functioning solely as a social transfer, the policy can be interpreted as part of a broader national development strategy.

Table 3. Policy Implications of the Free Nutritious Meal Program

| Dimension | Analytical Focus | Policy Implication |
|--------------------------|---|---|
| Political Economy | Fiscal prioritization and welfare orientation | Align program with medium-term expenditure framework to ensure sustainability |
| Institutional Governance | Legal framework and coordination mechanisms | Strengthen inter-agency coordination and clarify administrative roles |
| Implementation Capacity | Procurement, distribution, monitoring | Develop integrated digital monitoring system |
| Public Accountability | Transparency and performance measurement | Conduct periodic impact evaluation using nutrition and education indicators |

Source: Developed by the author (2026).

Several constructive policy implications emerge from the findings:

1. **Strengthening Institutional Coordination.**
Continuous inter-ministerial coordination mechanisms should be formalized to ensure clarity of roles, especially in procurement and monitoring processes.
2. **Enhancing Data Integration Systems.**
Digital monitoring platforms linking central and local governments can improve transparency and real-time reporting.
3. **Ensuring Fiscal Sustainability Planning.**

Medium-term expenditure frameworks may help maintain budget balance while protecting the program's long-term continuity.

4. Evidence-Based Impact Evaluation.

Periodic performance assessments using nutritional and educational indicators will enhance policy accountability and adaptive governance.

These recommendations are not corrective critiques but forward-looking strategies to enhance the effectiveness and sustainability of the program. In sum, the FNM policy can be understood as a contemporary example of how political economy, institutional governance, and public welfare objectives intersect within national fiscal systems. Its long-term contribution will depend on sustained institutional capacity, adaptive management, and commitment to transparent governance principles.

This study offers a theoretical contribution by integrating political economy analysis with institutional governance theory in examining large-scale welfare policy. While existing literature often treats fiscal allocation, institutional capacity, and policy legitimacy as separate analytical domains, this research synthesizes these dimensions into a multi-level framework that explains how distributive political priorities are translated into governance structures and policy outcomes. By positioning welfare expansion as both a redistributive instrument and a strategic fiscal investment, the study extends political economy debates beyond macro-level budget politics toward institutional implementation dynamics. This integrative perspective contributes to public policy scholarship by demonstrating how fiscal priorities, administrative capacity, and legitimacy narratives jointly shape the sustainability of contemporary social programs in emerging economies.

6. CONCLUSION

This study analyzes the Free Nutritious Meal (FNM) program through a political economy and institutional governance perspective. The findings indicate that the policy represents not only a social welfare intervention but also a fiscal strategy embedded within broader national development priorities. From a political economy standpoint, the program reflects state commitment to redistributive expenditure aimed at strengthening human capital formation. From an institutional perspective, its effectiveness depends on coordination capacity, regulatory clarity, and administrative readiness across governmental levels.

The analysis suggests that policy sustainability requires medium-term fiscal planning, strengthened inter-agency mechanisms, and integrated monitoring systems to ensure transparency and accountability. When supported by systematic evaluation and performance-based indicators, the program can generate long-term social returns while maintaining public finance stability. Overall, the FNM initiative demonstrates how welfare-oriented public policy can function simultaneously as a social protection mechanism and as a strategic investment in national development.

Its long-term impact will depend on adaptive governance, institutional consolidation, and continued evidence-based policy refinement. This study contributes academically by

offering an integrated multi-level political economy framework that connects fiscal priorities, institutional capacity, and welfare governance in analyzing contemporary large-scale public policy initiatives.

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