

A Comparative Political Analysis Between the New Order Regime and The Reformed Era in Indonesia: A Case Study of Oligarchy Politics in the Mining Industry of East Kalimantan

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ABSTRACT

This study analyzes and discusses the democratization of the political oligarchy circle in assessing comparative political oligarchy between the new order (ORBA) and the reformed regime. The authors used a literature review method, which is through journals and reports that associate the goal of this research and had descriptively designed the study through data obtained from the said sources. Findings generated in this study are the comparison between the state of political oligarchy in the new era and the post-reform era. Seen over time, the democratization process increasingly shows a paradoxical situation. It illustrates that the political dynamics and democratic freedoms of citizens are being controlled, as a reflection of perplexed democracy perceived with detachment during the New Order authoritarian regime. Political actors also have taken advantage of the transition building a consolidated political force and repositioning itself into a storefront network of governmental power. However, the transition process aided the rise of a black-market democracy – entrepreneur oligarchs whose hunger for political power and wealth brought them to control the growth and direction of democracy. A problem that this research wants to examine.

Keywords: New Order, Reformed Era, Oligarchy, Democratization

ABSTRAK

Studi ini menganalisis dan membahas demokratisasi lingkaran oligarki politik dalam menilai oligarki politik komparatif antara orde baru (ORBA) dan rezim yang direformasi. Penelitian ini menggunakan metode tinjauan pustaka, yaitu melalui jurnal dan laporan yang mengaitkan tujuan penelitian ini dan mendesain penelitian secara deskriptif melalui data yang diperoleh dari sumber-sumber tersebut. Temuan yang dihasilkan dalam penelitian ini adalah perbandingan antara keadaan oligarki politik di era orde baru dan era pasca reformasi. Dilihat dari waktu ke waktu, proses demokratisasi semakin menunjukkan situasi paradoks. Ini menggambarkan bahwa dinamika politik dan kebebasan demokratis warga negara sedang dikendalikan, sebagai cerminan dari demokrasi yang dirasakan dengan detasemen selama rezim otoriterian Orde Baru. Aktor-aktor politik juga telah mengambil keuntungan dari pembangunan transisi kekuatan politik yang terkonsolidasi dan memposisikan dirinya menjadi jaringan etalase kekuatan pemerintah. Namun, proses transisi membantu munculnya demokrasi pasar gelap - pengusaha oligarki yang haus akan kekuasaan politik dan kekayaan membawa mereka untuk mengendalikan pertumbuhan dan arah demokrasi.

INTRODUCTION

After the collapse of the Post-New Order, Indonesian citizens hope for the birth of democracy in the country. People celebrated the destruction of authoritarianism and greet 'new life'. The life distant from a despotic government. A government that equips prosperity, justice, and law. During the twentieth year of post-reform, promises were apparently still far from what has been desired. Analysts had concluded that the collapse of Suharto's rule to democracy is not followed by the collapse of the power of the oligarchs. And Suharto's legacy of political oligarchic groups is still entrenched in Indonesia's social and political structures, even those transformed into new forms. Local politics are also being influenced by oligarchic groups (Hadiz, 2004). Such of these local political actors include, but is not limited to local and religious leaders, bureaucrats, politicians, and entrepreneurs.

The presumption that the destruction of the oligarchs would bring the birth of democracy turned out to be a mistake. Oligarchic groups apparently flourished when decentralization was introduced in Indonesia. Decentralization ideally give 'carte blanche' concept to the region to establish itself and had become the 'political hide and seek' environment of the oligarchs at the local level. Local strongmen have sprung up along with the shift of the constitutional system of centralization to decentralization. Hadiz, (2004) even mention that decentralization has been hijacked by the interests of self-interest local government officials. Subsequently, though reforms have been enjoyed by people of Indonesia for decades, the main logic of political life in the post-collapse of Suharto's Indonesia is even more struggling to which opportunities for rent-seeking and private accumulation purposes is indeed thriving. This was in line with a report by Forbes magazine (2010), after the reform, there are as many as 40 Indonesian citizens who control 10.3% of the GDP with total assets of 680 trillion rupiahs, equivalent to the wealth of the poorest 60 million people in Indonesia. This is to say that the era of decentralization would lead to a bigger problem where every day oligarchs continues to lurk on public wealth for personal gain. Given this scenario, the researchers derived to the statement regarding oligarchic influence within Indonesia's political systems; to what extent the repercussions are; and why does the oligarchs easily handle corruption within Indonesia's government framework.

THEORETICAL FRAMEWORK

The political reform movement is what comprises the historical events of Indonesia's struggle on leaving its way from the oligarchic structure of power brought about by Suharto's New Order regime. Suharto's New Order government was a symbol of oligarchic power, the people never imagined that one day there will be a demand for political reform (Aspinall & Fealy, 2010). The political reforms that gave birth to a democratic transition have had an impact on changes in the power structure, institutions of power and democratic institutions, and originally centralized-authoritarian character becomes more democratic and open, even when Indonesia became one of the largest democratic countries in the region and the world. The democratization process at this time, as the struggle for democracy efforts of the nation to build a democratic system and leave the oligarchs as a legacy of Suharto's regime, must be recognized and should have provided several of the important change impacts, especially in the context of political democratization (Aspinall & Fealy, 2010).

Political democratization has laid, among others, changes in the party system which became a multiparty, decentralization and regional autonomy of some local government units and changes in local election proceedings. With these specific changes, it becomes a hope for the people to build a democratic system as the reform aspiration and fought continuously on the right grounding of where should be the life of the nation be directed towards. As the dreams of ideal reforms take place within citizen's consciousness, there was a reverse slanting process of democratization which was the result of oligarchs framing up democratic principles in their favor. This was evidently seen as untruthful local electoral proceedings occur and political actors manipulating public votes (Lay, 2012).

Therefore, the ending of the New Order oligarchy did not automatically lead to the birth of democracy. That brings up problems pertaining substantive democracy, procedural democracy, and black-market democracy failing up and deceiving the Indonesian people for their hopes of having a

promising regime. Procedural democracy staged from elections only led Suhartoism or small Suharto metamorphosed in the regions, especially in the local political arena. The current political situation resembles a comparable situation as the term referred to by [Aspinall & Fealy, \(2010\)](#) where political and economic control shifted from a big bandit to a small bandit.

In other words, the looters have generally settled through using alias to survive in a long repressive political system that they need to make state property available for a long time. It also explains that people come to enjoy the wealth trickle so no necessary action that could shake the political stability of a country. That is why China is one important example where the so-called bandit concepts are being applied. It is the act of preserving the power and enjoying the treasures of a gleaming state, this is to say that the political elite Bamboo Curtain - the Cold War political demarcation between the Communist states of East Asia, particularly China, and the capitalist and non-Communist states of East, South and Southeast Asia - country is ensuring that property remains available and adequate for the people in a state, even if only in a minimal living standard. The explanation is that the collapse of repressive regimes does not necessarily mean the fall of oligarchs. Instead, oligarchy persists within the new regime if the transition period is not adequately taken care of ([Carnegie, 2009](#)).

Such a phenomenon by [Aspinall, \(2015\)](#) is called local bossism or in terms of [Cassinelli, \(1953\)](#) and [Hadiz, \(2004\)](#) is referred to as local strongmen and predatory. The emergence of local bosses, local strongmen, and predators who accompanied the process of democratization became an endemic phenomenon today. The presence of local bosses and local strongmen developed along with the transfer of governmental authority to the regions (decentralization). In the era of centralization this phenomenon was rarely found because government management was managed centrally and the managerial power is highly centralized. This decentralization was exploited by some local political elites to build political and economic oligarchies that gave rise to strong people at the local level.

Over time, the democratization process increasingly shows pre-democratic democracy characterized by the behavior of corrupt practices and abuse of power by officials that spread to all levels of government. The increasingly wild democratization process has provided opportunities for political actors to master the stage of democracy in various political forces that are spread from the center to the regions and make the people the object of mobilization and a means of legitimacy to exercise control over political and economic power ([Slater & Simmons, 2010](#)).

The democratic transition and prolonged consolidation of democracy, changes in the institutions of power and increasingly liberal democratic institutions, in the name of democratization actually made the political system give birth to oligarchic power. The owners of capital and state robbers (predator), become holders of power and illegally share various concessions and privileges to the political and economic cronies on a massive and systemic scale, from the center going to the regions, and finally to covering various strategic sectors. The emergence of several regional officials after Suharto who has a background in business and who had controlled the stage of democracy is what tends to be a logical consequence of the high cost of democracy (cost democracy). Since then, it became a political conviction that only candidates with large capital have the chance to win in the elections. This does not mean that the power of money is the only determinant of victory in regional election contestation. Capitalization during elections has made money as a political pragmatism that the public and the regional head candidates are exhibiting. A mind pragmatism and a structured public perception that *Pilkada* (regional head selection) is an arena of money distribution (vote politics), buying and selling votes, and various modes to attract the sympathy of the general public ([Aspinall, 2015](#)).

Regarding the high cost of local elections, candidates try to find federal funds in various modes, including the mode of making natural resources a transactional basis by actors related to natural resource management licenses, such as mining, palm oil, forestry, and other permits —, as a political strategy in the elections. The regional head selection (*Pilkada*) has been perceived to have been reduced as a transaction pragmatic arena of political actors and the masses. High political costs made democratic parties a ground wherein the exchanging of resources owned by political actors happens ([Hadiz, 2004](#)).

It is also relevant that during that period, elected regional authorities will use power, regulation, policy, and protection in exchange for resources and capital power possessed by entrepreneurs.

Therefore, it is not strange if the local election is only giving birth to regional rulers who perpetuate oligarchic politics at the local level and encourage the widespread practice of shadow state or informal economy in regional government. The process of democratization has slipped into the power of the oligarchy, a group of political elites whose main driving force are based on material and wealth. It is indeed an ironical analysis, but the majority of political party leaders today are wealthy entrepreneurs. Candidates for regional leadership and the President do mostly belong and having a background of being wealthy entrepreneurs who are ready to raise their image in the political world. They buy political power with economic capabilities they have – thriving economics rather than highlighting politics in the forefront ([Carnegie, 2009](#)).

Oligarchy, as used by Robison and Hadiz can also be applied in seeing local politics in Indonesia. Various corruption cases that ensnare local officials, both in the executive and legislative branches, shows how the abuse of authority for personal interests and their oligarchic network works in real-time at the local level. Local-level power is divided into the hands of wealthy entrepreneurs; bureaucrats, in result, frequently apply rent politic business, as well as political dynasties have happened in several provinces. [Winters, \(2013\)](#) explained the oligarchy emphasizes the strength of material resources as a basis and defense of wealth in themselves. The existence of material inequality then results in the inequality of political power. The term oligarchy itself is taken from the Greek language, "Oligarchia," which means government by the few, consisting of oligoi and arkhain (governing). But according to Hadiz, (2004), a brief understanding of the oligarchy is very problematic and inadequate to define. That is because it still creates a blurring of meaning about the oligarchy itself more when it is pinned only on the concept of a controlled minority. When the concept of oligarchy is based on this, almost every government or government, which places representation in leadership, can be called an oligarchy. Conceptually, the term oligarchy has long been known in political studies. This term has emerged from ancient Greek times to the present. The concept of oligarchy in the modern era cannot be separated from three Indonesian political experts namely ([Hadiz, 2004](#));([Winters, 2013](#));([Tahir, Bachri, Ruslan, & Abdullah, 2015](#)). Oligarchic studies have been represented in their written works entitled "The Power of Reorganization: Political Oligarchy in the Market Age" by [Hadiz \(2004\)](#), and the "Oligarchy, Transforms Resources to Help Politics and Strengthen the Economy" by ([Winters, 2013](#)). Although these works are theoretically different from the conceptualization of oligarchy, which emerged from the tradition of elite power theory and elite theory in political science and sociology, the said works nevertheless emphasize certain concepts relating oligarchy.

[Hadiz,\(2004\)](#) wrote the theme of the oligarchy to explain the phenomenon of the political economy in post-Suharto Indonesia. The oligarchy theory is used to describe the forces that are the core circle in Indonesia, which strengthens the economic structure and political structure of Indonesia after the New Order. While Jeffrey A. Winters stressed the motive of pursuing wealth in approving oligarchs. While it is given that oligarchs are maintaining political power and wealth. Oligarchy, for Winter, is not always done on political actions' turf. In other words, in a trial, Winter states that an oligarch does not always have to have a political motive. Another study that also focuses on the theme of oligarchy carried out by Nimrod Raphaeli that speaks in behalf of Saudi Arabia's case. Raphaeli saw the phenomenon of control of the economy and financial resources by the elite Saudi monarchy. In Saudi Arabia's monarchical political structure, the position of the palace is indeed very centralistic and powerful. This concentration of power does not only occur in politics but spreads to the mastery of capital by the king, prince, and relatives ([Ford & Pepinsky, 2014](#)). From some of the literature above, it can be explained that oligarchs can be seen from two sides. First, from the political side, oligarchy is a concentration of power on a handful of elites who manage government with their connections. [Cassinelli, \(1953\)](#) highlights about the Iron Law of Oligarchy or stories about authoritarian regimes such as Saudi Arabia or Indonesia's New Order era. Second, in terms of political economy, oligarchy is a power relation that focuses on economic resources on a handful of parties. In this context, the relationship between the capital owner and the political elite is mutually beneficial.

RESEARCH METHODOLOGY

In terms of procedure and the pattern adopted by the researchers, this study adopts a qualitative research approach. Bogdan and Taylor were quoted as stated by Moleong (2012) to define the qualitative methodology as a research procedure that produces descriptive data in the form of words written or spoken from people and behaviors that can be observed. So qualitative research is research that leads to the conclusion that describes in detail the data and not produces the data in numeric terms. In line with the above definition, Kirk and Miller, through the words of Moleong, further described that qualitative research, in particular of the tradition of social science, is fundamentally dependent on observations in humans both in the region and in their terminologies.

Nevertheless, the research is using an exploratory descriptive pattern that "aims to describe the state or the status of the phenomenon." the pattern of research that describes in detail or about the state of the research objectives or phenomenon and not to seek generally applicable conclusions.

RESULT AND DISCUSSION

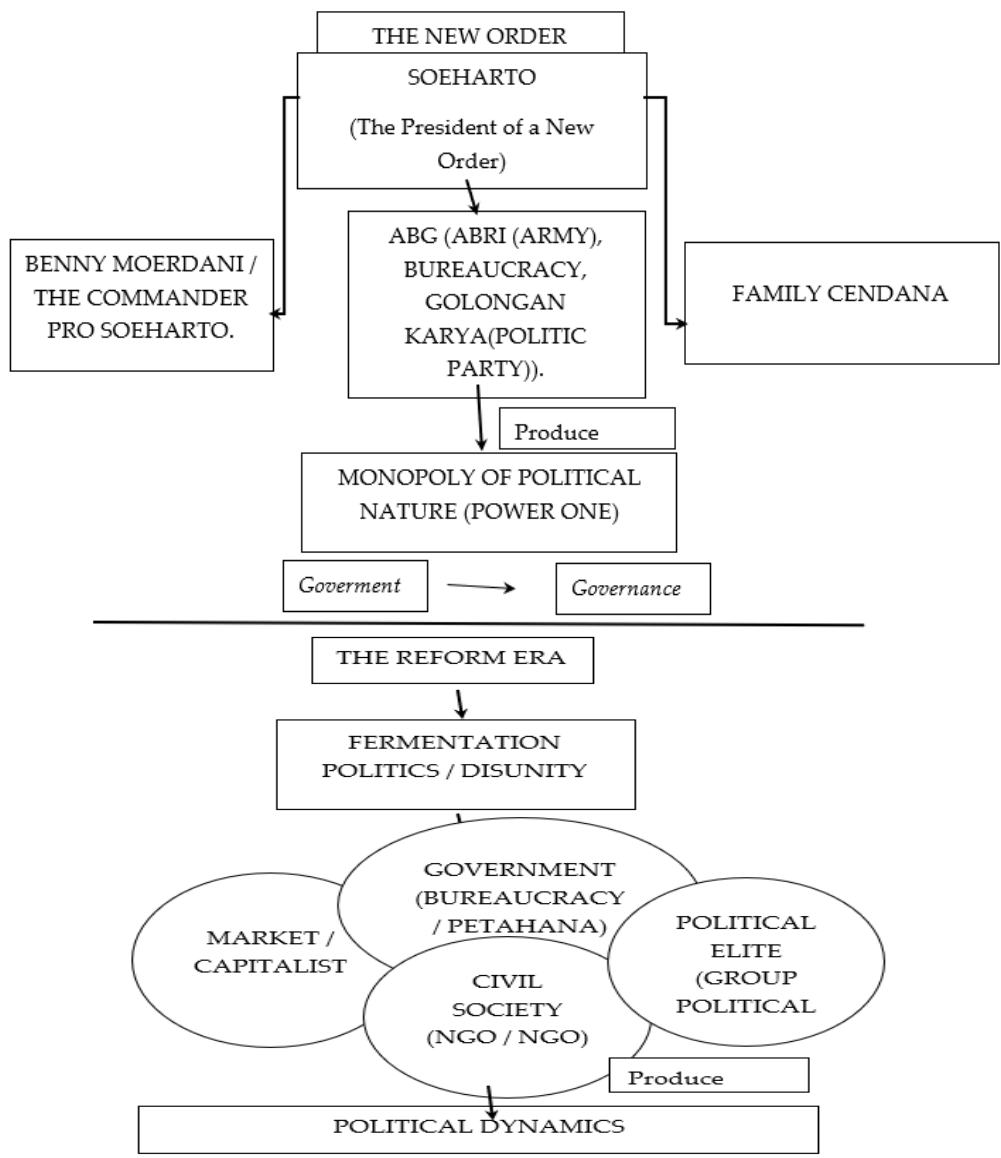


Figure 1. Comparison of Era Orba Political Oligarchy and Post Reform

Based on the chart describing the writer's analysis of the political oligarchy system between the new era and reformed era, the oligarchs in the New Order era had done a run *nomo* (one) political oligarchy power so that the political monopoly of power will be still in their favor. These are the political actors who possess political connections that are close to that of Soeharto as the commander in chief. The Cendana family, Suharto family, the military, bureaucracy, and the Functional Group (Golkar) which can be abbreviated ABG are one of those actors who monopolize political power within their hands. Interestingly, the system is founded in a systematic and structured way so that it becomes a powerful force that cannot be easily subjugated by many counterparties against the political policies of Soeharto.

The new order last for decades, historians say the new order had survived for 32 years. And in 1997, young activists and the political elites countered the policy of Suharto's regime and tried to bring a fresh breeze to carry a new era with the implementation of true democracy by reforming the government. Government to Governance is a concept that is executed to change the authoritarian system into a democratic system - good governance. However, the reform was perceived by a number of activists as a political elite move in spreading its power even further. Therefore, the author analyzes the reforms became a fermentation (split) politics (Winters, 2013). This is evident from the four actors involved in the oligarchic scheme which includes actors on capitalist or market (private), government (bureaucracy or incumbent), political elites (a cluster of political parties) as well as civil society (NGO). The four actors create a system of political dynamic who competes over during the reformed era regarding the economic and political policies that has overlapping implementations. The political battle in terms of political contestation is interesting and reasonable because it creates checks and balances in a certain policy implementation processes (Winters, 2013).

In accordance, Winters (2013) stated in his book entitled "Oligarchy" that if there are no significant changes, it then means that change does not exist as well. And the oligarchs will continue on exploiting the government power for their benefit. Keeping a nation in directing its way towards progress should also have to do with affecting the political attitude of the authorities. Thus, electing phronetic leaders.

Oligarchy's Journey in Indonesia Toward The Plutocracy System?

Twenty-one years have passed since the reformation. Democratization taps have been opened, and in a flash, several restructuring projects and the institutions of government machinery are in progress. Starting from the procurement of a multiparty system, changes to the electoral system that allows direct elections for the president, the regional heads and legislators at the national and regional level, the implementation of "decentralization", and the establishment of new institutions that are expected to avoid the sprout of authoritarian system and create checks and balances. However, institutional reforms that have occurred did not holistically change the socio-political environment and the economy in a better way. The setting is somehow comparable during the post-reform wherein societies are still confronted by several cases of collusion involving the relationship between the political authorities and entrepreneurs who use the facilities' rentier state to accumulate and retain wealth. Of BLBI which allegedly cost the state Rp. 84.84 trillion, the case of Lapindo mudflow estimated state losses reached Rp. 27.4 trillion to be borne by the state through the state budget, to the Bank Century case that cost the state Rp. 7.4 trillion (Aspinall & Fealy, 2010).

The difference that this research tries to convey is that in the reformed era, there is still an oligarchic practice but is not being monopolized by one person like the case of Suharto during his New Order regime. The patronage system is no longer centered on one single power umbrella. Jeffrey Winters called it a regime of "Oligarchy Wild," where the strength of the economy (business cronies) are fragmented in line with the fragmentation of political power results from the process of democratization. Among the power of the oligarchy itself is to compete in the arena of electoral democracy in a multiparty system (Carnegie, 2009).

While the process of decentralization or regional autonomy produces what is called by John T. Sidel as a local bossism or in terms of Migdal and Vedi Hadiz referred to as local strongmen, where

decentralization is used by most of the local political elite to build political and economic oligarchy, thus giving rise to powerful people at the local level, the local strongmen often take advantage of the bureaucracy to garner votes, getting funding from government projects, and arrange officials to fall to families or cronies and attachments to the election management area to make him take advantage of business licensing natural resource management. In other words, the opposite of a decentralized mechanism of rent-seeking. Cases like Ratu Atut Chosiyah, All this makes the results of the reform did not lead to a robust civil society and improving people's welfare, such as what is aspired in the beginning of reforms. Detailing more on post-reform, the gap in inequality had risen even higher. Based on a survey of financial institutions Credit Suisse in 2017, 1 percent of the wealthiest people in Indonesia control 49.3 percent of the national wealth. This condition makes Indonesia the 4th country with the highest inequality in the world ([Hadiz, 2004](#)).

The magnitude of inequality has also been mastered and learned by rich people in the banking sector. Deposit Insurance Agency data shows that out of a total of 187.24 million accounts, 97.8 percent have a nominal under \$ 100 million. While deposits with a nominal Rp 5 billion, only 80 829 account, or about 0.04 percent of the total deposit account. However, Land ownership data also showed high rates of inequality. Based on data from the Central Statistics Agency (BPS), disparities in land ownership in 2013 reached 0.68. This means that only 1 percent of Indonesia accounting for 68 percent of the land resources. In the current era of reform, there are still people, especially the poor, who do not get access to an ideal education. In 2015, the Central Bureau of Statistics found that about 52 percent of poor people over the age of 15 years can have the chance to graduate in elementary. In fact, 31 percent are not able to cover the elementary school level. Only 16.7 percent of the poor can avail education up to high school level or higher. Whereas in the current democratic era, gaining access to quality education is a prerequisite for people to participate in the democratic process and make democracy more adept and capable. Instead of bringing change, democratic electoral reform results reinforce the tycoons became ruler cycle: politics became wealthy and affluent for the sake of political power (Agustino, 2010). This is reflected in the results of research on the Indonesia Corruption Watch (ICW), which shows that of the 560 members of the House of Representatives from 2014 to 2019 period, there were 293 people (52.3 percent) who have backgrounds in entrepreneurship and business. Of the 288 business entities that are identified, ICW found as much as 11 percent or 32 companies have a potential conflict of interest directly to the office, authority, and duties of Members of Parliament concerned. Instead of bringing change, democratic electoral reform results reinforce the tycoons became ruler cycle ([Carnegie, 2009](#)).

This situation is increasingly directing public policy that it should act to improve people's welfare and that the common good being hijacked is prone to private business that listens to the interests of a few. Plus the procedural requirements (Political Party Law, 2011) requires that the necessities for establishing a political party are to have the leadership at 100 percent of the province, 75 percent of districts/cities and 50 percent of the districts of the district/city concerned and the party must have a permanent office at the central, provincial, and district/city until the final stage of elections. All of this would require substantial funds ([Bathoro & Kosandi, 2017](#)).

Also, terms of sound acquisition threshold (parliamentary threshold) are 4 percent and 20 percent for the presidential threshold and encourage cartel and only strengthen the political power elite and oligarchs that have a muscular and capable capital strength. All of this increased pressure on our political system leads to plutocracy, where political power is in the hands of a few wealthy (plutocrat) people, which ultimately negates competition and close spaces for all citizens that are willing to participate in politics. Furthermore, the political impact is now lost as the pursuit of social justice and the common good has been turned into just a tool for wealth accumulation and maintenance of power ([Aspinall, 2015](#)).

Seeing this problem, oligarchy made in Indonesia will change the system of government to the Plutocracy, such as those ran by the American state in running the government. It appears that Plutocracy patterns that occur in the United States can be seen from the influence of the billionaire in the US (some examples of cases: The Koch Brothers Undermining democracy), ([Aspinall, 2015](#)).

With the said statement, this then shows the fact that the plutocrats used a vast wealth that owned them to influence or alter the regulation of existing policies and laws to suit their political interests and

needs. As an excerpt from a book compiled by Stuart Soroka and Christopher Wleizen, a political scientist at McGill and Temple, entitled "Degrees of Democracy: Politics, Public Opinion and Polity." Declared that "if there is a whiff of plutocracy in the American System, it is here, in the shadows of public ignorance and indifference, where the political business of politicized capitalism is conducted. The plutocrats that exerts an influence will control his fortune by co-opting local politicians to channel the interests of capitalists without terdeksi carefully by people mostly because of these policies by the US people are considered not harm them ([Aspinall, 2015](#)).

The Impact of Political Oligarchy in Various Regions in Indonesia

The grip of political oligarchy threatens the very existence of democracy - as Budi Hardiman put it, "oligarchy is a scandal of democracy." Bernhard Limbong even mentioned that the beginning of the occurrence of oligarchy in local power originated from the rapid feasts of democracy. Prospective authorities will be supported by business people and project owners from among their families or relatives as well as political brokers from activist circles. They can "buy" voters' voices by using the power of money. After being elected, only a handful of them will control the various resources in the area and control the policies of the regional government. The behavior of the oligarchs not only affects the widening gap between the rich and the poor but also damages constitutional democratic values that require free elections by the people without being disturbed by matters outside themselves (Budiardjo, 1998). The behavior of the oligarchs makes the quality of our democracy increasingly declining and no longer substantive.

Mahfud MD in the topic relating to "Democracy and Constitution in Indonesia" put forward the concept of constitutional democracy, which requires the limitation of the ruling power. It cannot be separated from the notion of human rights, democracy, and the rule of law that intends to implement government based on popular sovereignty accompanied by legal limits of power. The emergence of local political oligarchs certainly hurt the meaning of constitutional democracy adopted by Indonesia. Furthermore, in addition to having an impact on decreasing the quality of democracy at the local level, political oligarchy also invites growing corruption in the region. Political oligarchy allows the family circle and relatives to control the policies of the regional government as a whole. It is thus fostering the development of political dynasties. With this method of political manipulation, it blurs which party will become a supervisor or controller. Many references have discussed the correlation of the local political oligarchy with a high level of corruption in the region ([Tahir et al., 2015](#)).

The emergence of the Jawara group in Banten as a local elite group that exercised economic control, including in terms of the development of family networks and essential positions in the business field, was the most famous example of the politics of oligarchy. Taken by this example, it can be stated that such continuation of oligarchy cannot be quickly taken down together with the collapse of Suharto's power. Scholars even perceived that the collapse of such power has encouraged and consolidated oligarchic strength. [Tahir et al., \(2015\)](#) describes the Jawara group building social networks, money politics, intimidation, and mastery of government development projects to build 'political politics.' The power of political consolidation they have is extreme because it can control strategic institutions in the economic and political fields, such as the Regional Construction Services Development Agency, Regional Kadin, deputy governor, mayor, a village head, to the village head. Political orientation is needed for economic interests, so the Jawara group needs to maintain its political legitimacy.

The strong network of Javanese oligarchs in Banten makes them very hegemonic and challenging to conquer. Determination, under the influence of the Jawara group, Banten Province was never named one of the most corrupt provinces which caused state losses of 71.59 billion in 2001-2013 (Tempo, 2014). Indonesian Corruption Watch (ICW) also cited the value of corruption in the education sector carried out by Banten Province which received the highest rating in Indonesia, namely 209 billion rupiahs (Republika, 2014). Corruption values only cover the health and education sectors, not including other strategic fields. The high level of corruption in Banten is caused by the hegemony of the Jawara group, which leads to minimum supervision and control from other state institutions ([Lay, 2012](#)).

Political oligarchy is a real threat to the existence of democracy at the local level. Also, it is one of the determinant factors causing high rates of inequality in some regions. Thus, it is important to fight the political oligarchy hegemonic, especially to welcoming the 2018 Regional Election. Some social and political science researchers express their concern about the 2018 simultaneous local elections which will only be a game of a handful of central and regional political elites or subsequent elections. This concern is based on KPU Regulation No. 9 of 2015 Article 38 paragraph 2 which states that political parties must include decisions of leaders of central-level political parties regarding the approval of candidates for regional heads. The regulation provides space for the central political elite to take local democratic rights that should be the authority of the region. With this detailed information, it can be seen that the practice of local political oligarchs in Indonesia will be increasingly ambiguous and endless, as has happened in Banten, Madura, Klaten, and several other regions (Cahyono, 2010).

Politics in The Reform Era in Indonesia (The Political Oligarchy Case of the Mining Industry in East Kalimantan)

In the current slant of situation under the framework of party politics, the oligarchy determines who becomes the choice, and then the people choose through democracy. To be specific, it is money politics - used as a concept and a tool of power - in the party determines who becomes the choice. Influential figures and oligarchs are not subject to law, but it is the law that is submissive to oligarchs. The principles of democracy are crushed by the principle of profit and loss that is deeply embedded in capitalism. The oligarchic mastery of the party makes the party leaders no longer leading; oligarchic acts do dominate a party's operational rules in order to gain personal interests, and the party's political principles start to blur into the seams. Personalization in politics, which is also compatible with oligarch individualism, is then combined with populism by a direct electoral system.

The problem of the failure of the party's representation function and public distrust of the party has no direct connection, and cannot be solved through the direct election model. The root of both problems is an oligarchy. [Winters, \(2013\)](#) asserts that taming oligarchs has nothing to do with freedom or political participation of the community. Taming oligarchs can only be done through the rule of law, and it must be realized that democracy is not always synonymous with the rule of law. Indonesia is an example of democracy without the rule of law, so it is described in Winters' terms as criminal democracy, inversely proportional to Singapore, which he called "authoritarian legalism." Winters, Robison, and Hadiz argued that the level of political change needed to destroy the relationship between wealth and political power in Indonesia (or in other countries) could, in fact, only be achieved through revolution.

On the other hand, democracy has slipped into the vortex of oligarchs. Oligarchy is only stable in conditions of society that are economically and politically weak. Poverty and political equality in society are the key ingredients to the success of oligarchy. Oligarch politicians will continue to produce their wealth and hegemony through procedural democracy. However, despite being very strong, oligarchs still have points of weakness. One of which is that oligarchy will not grow and develop very actively in a robust and knowledgeable civil society because that particular society understands the dangers of oligarchs. Winter describes that the most needed thing to break the cycle of oligarchy and form a new social order is a comprehensive social and political revolution, both in the liberal and on other paths ([Winters, 2013](#)).

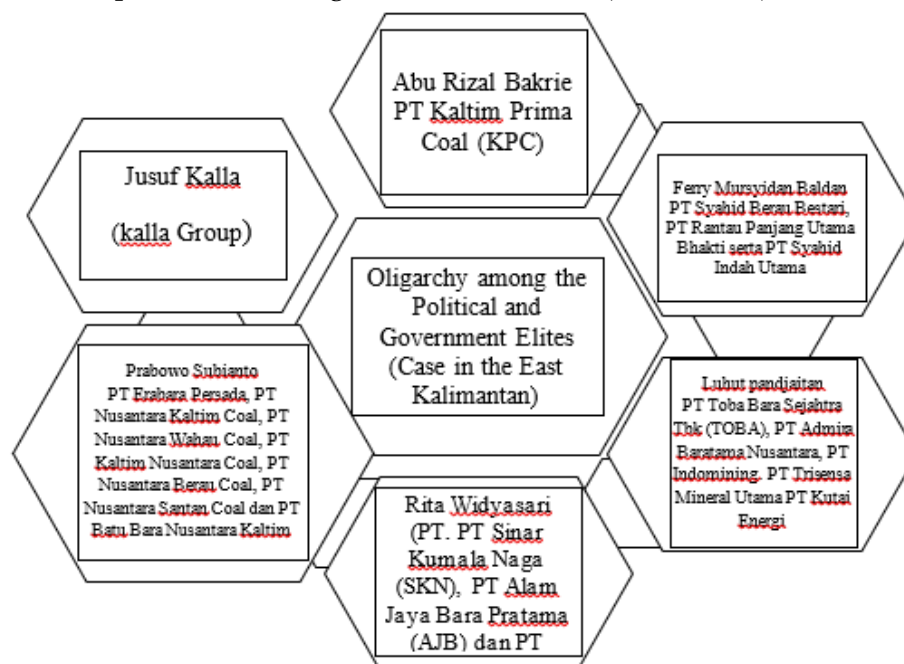
Democracy promises hope for political freedom through various procedures, areas. However, essential determinants and instruments of democracy are being seized by a handful of people who have a lust for power and hinders the metamorphosis of the Indonesian government towards a sustainable and durable kind of governance. The practice of political oligarchy, as a common and, is a shared ideology in many other countries, is more oriented to the accumulation and expansion of wealth and the increasing influence of family dynasties or political ties in controlling government policies ([Winters, 2013](#)).

In the context of the latest Indonesian politics, it is increasingly felt how democracy stages itself in the grip of political oligarchy, both represented by the power of old political actors in the New Order

products and the political products of the Reformation Order. The style and influence of oligarchs are not only in the whirlpool of national politics but also in the turbulence of local politics (Hadiz, 2004). Hadiz, (2004) stated that decentralization in Indonesia paved the way for the revival and consolidation of "local oligarchs." The subject is the survival of the legacy of the New Order, which is an active group of predators who control state power (institutions and resources) and are accompanied by independent non-organizational social movements in the era of decentralization in Indonesia. Decentralization actually strengthens the economic and political position of savage "local oligarchs" rather than strengthening local communities.

Over time, the process of democratization has increasingly shown a paradoxical situation. In the midst of political dynamics and freedom of democratic citizenship that is almost uncontrollable, as a reflection of the release of democratic democracy felt during the New Order authoritarian regime in power. Political actors have taken advantage of the democratic transition to build a consolidation of political power or position themselves in the existing window of government power networks when the democratic transition process has produced a black market for democracy, an arena in which the stage of democracy has been controlled and hijacked by actors politics or oligarchs who have a background as entrepreneurs or people who have the power of money. The direct election of regional heads as a blessing from the democratization process has made *Pilkada* an arena of political gambling and contestation of naked eroticism in the midst of a limited understanding of democracy. For some citizens, the understanding of *Pilkada* and the meaning of democracy in the arena of betting on political power played by political actors who work with political porters (entrepreneurs or owners of the power of money) can be seen in the case of mining in East Kalimantan (Tahir et al., 2015).

The era of reform, oligarchs, or rich people who control wealth to maintain or increase personal gain and attain a privileged social position collectively in electoral democracy is condemning and preventing Indonesia from having its favorable position in bettering its politics. Including aspects such as establishing or becoming part of party supporters, funding the birth of a policy or, if necessary, advancing and enhancing the Indonesian laws. Conversely, what has been felt was a never-ending plunged and undisciplined act of governance that was, and is still - straightforwardly practiced - by a politician, a member of parliament, and government officials (Jatam, 2019).



Source: JATAM, (2019)

Figure 2. List of names of political and government elites who have shares in East Kalimantan

Based on the description of Figure 2 above, the presence of the oligarchs can be seen from the history of some rich Indonesian people who became party officials as well as the government and have multiple layers of status. Some examples of mining oligarchs in Indonesia, especially in East Kalimantan, are:

1. Jusuf Kalla, part of businessman Kalla Group, Chairperson of the Golkar Party (2004-2009), ministers (1999-2004) and vice president (2004-2009 and 2014-2019).
2. Abu Rizal Bakrie, the richest man in Southeast Asia in the 2008 version of *Globe Asia*, the owner of the largest coal mine in Indonesia, became the minister of President Susilo Bambang Yudhoyono (2004-2009) and served as Chairman of the Golkar Party (2009-2015). Abu Rizal Bakri owns shares in East Kalimantan Prima Coal (KPC), a subsidiary of Bumi Resources (BUMI).
3. In Kutai Kertanegara District, there is Rita Widyasari who has a personal asset of around Rp.436 billion, a coal mining entrepreneur, Chairperson of the East Kalimantan Golkar Party (2016-2021). He was the Regent of Kutai Kertanegara for two periods (2010-2021) before being arrested by the Corruption Eradication Commission (KPK) last year because of a gratification case, one of palm oil plantation licenses owned by Heri Susanto (Abun). Several companies affiliated with Rita's family, namely : PT Sinar Kumala Naga (SKN), PT Alam Jaya Bara Pratama (AJB) dan PT Lembuswana Perkasa (LP).
4. General TNI (Purn.) Luhut Pandjaitan is a four-star general of the Army Special Forces Command (Kopassus AD) who transformed into a successful businessman by establishing PT Toba Sejahtera. He owns 99.98% shares of the PT Toba Sejahtera Group. Based on Business detrimental, on the company's official website, the Toba Sejahtera Group is divided into 6 subsidiaries consisting of Toba Coal and Mining (PT Toba Bara Sejahtera Tbk (TOBA), PT Admira Baratama Nusantara, PT Indomining, PT Trisensa Mineral Utama PT Kutai Energi), Toba Oil and Gas (PT Energi Mineral Langgeng, PT Fairfield Indonesia), Toba Power, Toba Perkebunan dan Kehutanan, Toba Industri dan Toba Property and Infrastructure. The subsidiary is divided into 16 companies engaged in various sectors. Also, several other retired generals were called the Bravo 5 team. It was noted that the number of mining concessions owned by Luhut Pandjaitan reached 14,019 hectares. All are concentrated in Kutai Kartanegara.
5. Prabowo Subianto, listed as the owner of Nusantara Energy Resources, which houses 17 subsidiaries engaged in various fields, forestry, paper and pulp, palm oil, coal mining, and service companies, the names of these companies is PT Erabara Persada, PT Nusantara Kaltim Coal, PT Nusantara Wahau Coal, PT Kaltim Nusantara Coal, PT Nusantara Berau Coal, PT Nusantara Santan Coal dan PT Batu Bara Nusantara Kaltim. Nusantara Energy Resources is also suspected of being involved in the seizure of Churchill Mining and Ridlatama coal mining concessions in East Kutai. All this happened because of political and business relations between the then East Kutai Regent Isran Noor and Prabowo.
6. Ferry Mursyidan Baldan, is a former Minister of Agrarian and Spatial Planning, the first period of the Jokowi-JK cabinet. Now, crossing to Prabowo-Sandi's stronghold. The Ferry family's footprint, especially his wife's, was connected to the coal dredging business in Berau and Moncer Regencies while Ferry was still active minister. The shares owned by Ferry Mursyidan are PT Syahid Berau Bestari, PT Rantau Panjang Utama Bhakti serta PT Syahid Indah Utama.

In addition to the political and government elites, it turns out that entrepreneurs (private) also play a role in the mining case in East Kalimantan. Among them are described henceforth:

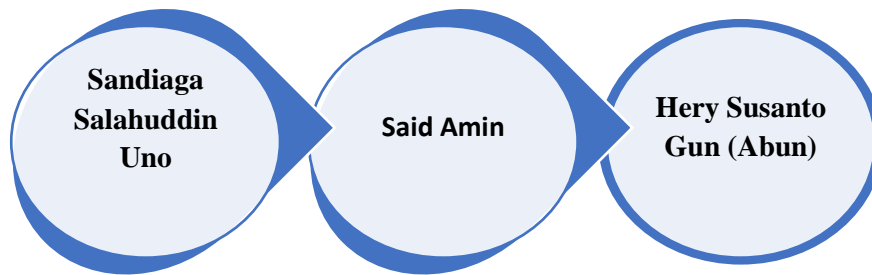


Figure 3. List of names of mining entrepreneurs in East Kalimantan

Based on Figure 1.2. Whereas from businessmen illustrated above is Sandiaga Salahuddin Uno, including business people in palm oil, mining, and coal. Its footprint is recorded in several mining companies, starting with Saratoga Group which is connected with Interra Resources Limited, in the oil and natural gas business. It is also connected with Merdeka Copper Gold which is related to the gold mine of PT Bumi Suksesindo and PT Damai Suksesindo in Gunung Tumpang Pitu, Banyuwangi, East Java. The status of protected forest areas has declined to become production forests and compensated by the swap area also has problems. The company's operation allegedly has an impact on the annual mud flood on Merah island and threatens 49,247 residents in the Pesanggaran subdistrict, as well as 753 fishing families on Lampon, Pancer and Rajekwesi Beaches. Sandiaga's footsteps also appear at PT Adaro Energy, the largest coal mining company in Indonesia today. Sandiaga is also linked to the PT Multi Harapan Utama coal mine in Kutai Kartanegara with a pit causing children to die. In the city of Samarinda there is one of several oligarchs, namely Said Amin, a coal entrepreneur and owner of a private security company, who serves as the Chairman of the Pancasila Youth and treasurer of the Golkar Party. Previously, he was the closest person to Achmad Amin (Alm), the district head responsible for issuing most coal mining concessions covering 71% of Samarinda, including for Abun and Said Amin (JATAM,2019).

This means that decentralization has changed the character of the extraction regime. Mining licenses in Samarinda and East Kalimantan were issued the most in 2005, 2008, and 2013, ahead of the regional head elections. Exit permits relate to regional head election (*Pilkada*) transactions, permits no longer function to regulate (regulate) but shifted into business transactions for electoral fees, known as political debt (JATAM, 2018).

Electoral politics are high-cost, providing opportunities for transaction space for oligarchs, political parties, and politicians. The Corruption Eradication Commission (2015) explained, to become a mayor or regent, it costs Rp20 - Rp30 billion, could be Rp 20-Rp100 billion for the governor. The report on the assets of state officials (LHKPN) states that the total assets of prospective regional heads in 2015 had an average of only Rp 6.7 billion. These electoral politics, which made it come up short, made the candidates seek sponsors actively. The oligarchs can sponsor other people, or support themselves. The unchanging character of the extraction regime is a combination of development and predatory practices, the state extracting above the costs borne by the people, including poverty, health problems, and environmental damage. In East Kalimantan, deforestation for the timber industry reached its peak in the 80s, before the collapse of the timber industry left tremendous forest degradation. Declining timber production was welcomed by large-scale oil palm plantation concessions and gold mines in the 90s. The extraction character of the New Order was continued in the period of regional autonomy, through coal mining concessions. Now, East Kalimantan supplies around 54% of Indonesian coal (BPS Kaltim, 2018). The target of predation is no longer rural areas that are far from sight, also densely populated urban areas, one of which is Samarinda, the capital of East Kalimantan (JATAM,2018).

The city of Samarinda has high coal deposits. Unfortunately, it is inhabited by 27.6% of the population of East Kalimantan (BPS Kaltim, 2018). Some of the people who were impoverished in the Dutch colonial period on Java were then transferred through the Old Order transmigration program, one of the swamps in Makroman Village. The transmigrant families needed more than 20 years to convert the swamp landscape into productive rice fields. Later, this location was known as an agribusiness area, rice, vegetables, and fruits that supplied the needs of Samarinda residents, before Achmad Amin - Syaharie Jaang, Samarinda highest official issued three coal mining concessions there, one of CV Arjuna in 2004 CV Arjuna, a coal mining company owned by the rich in Jakarta and India, operating in 2006. Shortly, in 2008 there was a flood of coal mud from the hills which were demolished, hitting rice fields, fish ponds, gardens, chicken coops and houses in Jalan Tawes RT13.

Since then, the community's economy has declined drastically, partly in despair, since the rice fields were damaged and sold to the company. For those who have land, for farm laborers, there are not so many choices available. This agricultural area in 2017 became a dangerous area with eight mining holes CV Arjuna. There are 59 villages in Samarinda City. Makroman's similar story was repeated in 54 other villages that entered the coal mining concession. Until 2014, at least 232 abandoned mine pits. Also, the abandoned mine pit holes caused many fatalities, and there were 34 fatalities recorded so far precisely in 2019 (JATAM, 2018).

This is was a proposal led by the Head of the Political Research Center of the Indonesian Institute of Sciences or LIPI; Firman Noor said that the strengthening political oligarchy in Indonesia originated from two things. First, economic inequality with 0,0000,0002 percent of the population controls 10 percent of Indonesia's Gross Domestic Product (GDP). Second is the existence of a New Order legacy in the political-economic system. Political, business and bureaucratic actors form a coalition to get policies far from the people's interests. Related to the new order transition to reform, the oligarchic system in the reform era has increased. the strength of civil society does not mean weak, but civil society controlled by a handful of local elites are the elites of local communities ([Aspinall, 2015](#)).

CONCLUSION

Based on the above analysis regarding the political oligarchy's comparison to the new era and reformed era, it can be stated that there is no really specific emphasis on the oligarch-central and local oligarchs on its spread pattern during the reform era, which made the oligarchic population massive politically. Seen over time, the democratization process increasingly shows a paradoxical situation.

The democratization process has spawned a blessing in politics. One political blessing it is direct local elections that are loaded with harshness, the use of money politics and the politically intriguing election of heads of regional elections. Oligarchy in Indonesia has also made the elections as a political gambling arena whose leading proponents are wealth and connections. Political actors do indeed collaborate with the city, which then sets the rhythm of political power during elections in the form of money distribution or goods as a form of political mobilization to influence the choice of the citizens.

Though based on the rules of Act No. 32 of 2014 on local government that with this rule then it will create a government with good governance and clean government so that it becomes an embodiment of the future goals of decentralization. Indonesian politics still highly relies and is dependent on the influence of wealthy and entrepreneurial oligarchs that not only controls the country's politics but manipulate laws to favor its interests and demands.

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