
DEMOCRACY UNDER THREAT: THE POLITICS OF CORRUPTION AND PARTY FINANCING SYSTEM IN INDONESIA

Derwin Tambunan

School of Political Science and International Studies, The University of Queensland
St Lucia QLD 4072, Australia
d.tambunan@uq.net.au

Abstract ; After Soeharto's authoritarian regime had ended in 1998, Indonesia has successfully been transformed into one of the world's largest democratic nations. However, Indonesia still faces enormous challenges to eradicating corruption; corruption is still ubiquitous and entrenched in governments and political parties. This study argues that the primary reasons for this apparent paradox are the politics of corruption and the dysfunction of the party finance system underpinning the illicit campaign financing system. This research also claims that the deficiency of the party finance system is not accidental; it is intentionally designed and perpetuated by the elites who prefer the illicit finance system since this system allows them to penetrate the state's assets, creating privileged business opportunities and reserving political advantages. The elites minority overpower political parties and establish politics-business networks to perpetuate their status quo and dominance in politics and economy. The dysfunction of the party financing system has also caused parties to remarkably relied on financial support from conglomerates; this situation engenders politics and 'black' business empires networks and oligarchisation. Further, business and political parties maintain their access to the state's resources by becoming part of electoral democracy, assuming political office or lobbying societal organisations, and taking control over economic actions and election campaigns that undermine Indonesia's democracy system. To substantiate the arguments in this study, the researcher uses the literature study and secondary data sources to support the arguments.

Keywords ; democracy, party financing system, political corruption, political party

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INTRODUCTION

After Soeharto's authoritarian regime had ended in 1998, Indonesia has successfully been transformed into one of the world's largest democratic nations. Indonesia has established political transformation; local governments have been granted more power and autonomy, the judiciary has been secured greater

independence, and corruption eradication commission (Komisi Pemberantasan Korupsi or KPK) emerged to prevent and charge corruption (Transparency International 2013: 2). However, Indonesia still faces enormous challenges to eradicating corruption; corruption is ubiquitous and pervasive in all government levels, political parties, and the judiciary (Berenschot 2018: 1172).

According to Dick and Mulholland (2016: 46), political corruption is the root cause of any form of corruption and has engendered domino effects in the Indonesian political and government system. Mietzner (2014: 71) suggests that costly election campaigns have induced pervasive political corruption. For example, for a regent, gubernatorial and presidential election, a candidate needs to spend IDR. 5-28 billion, IDR. 60-78 billion and IDR. 1-2 trillion respectively (Media Indonesia 2020). However, factually the cost of an election could require ten to twenty times than the reported (Dick and Mulholland 2016: 46).

Therefore, to meet the elections' sumptuous cost, incumbents or candidates should channel fundraising, and the common source is business people or the oligarchs, who have immense capital power. Some of these oligarchs are also willing to pay for the candidate's election campaigns, and in return, if the candidate wins the political competition, these oligarchs will be given privileged access to state resources, business licenses, and business contracts (Aspinall and Berenschot 2019: 3; Dick and Mulholland 2016: 47). For instance, in 2004, the cost of election campaigns for the presidential election for Susilo Bambang Yudhoyono and Jusuf Kalla was funded by Aburizal Bakrie, a business tycoon Bakrie had granted privileged access to leverage his business chains (Dick and Mulholland 2016: 47). Similarly in 2014, Joko Widodo-Jusuf Kalla's presidential ticket was backed by Surya Paloh (Kompas 2014; Merdeka 2015).

This central argument of this study is that the dysfunction of the party finance system is not accidental; it is intentionally designed and perpetuated by the elites (party's leaders and oligarchs) who prefer the illicit finance system, which allows them to penetrate the state's assets and resources, privileged access for business opportunities and reserves political and financial benefits. In a practical sense, the party finance system does not work right since it neither secures sufficient state subvention nor supports legal donations to political parties. As a result, political parties channel illegal fundraising from oligarchs to meet the parties' regular operation and the cost of election campaigns (Mietzner 2015: 587; Mietzner 2007: 239). This study is organised as follows. Firstly, we will discuss a meagre and manipulated donation; further, we examine how oligarchs and illicit electoral fundraising fill the gap of meagre donation. Then, we will discuss the impacts of the dysfunction of the finance party system on entrenched political corruption and oligarchisation. In addition, we will see how business-politics

networks are employed to fund political campaigns. East and Central Kalimantan cases are discussed to illustrate the political corruption, business and political networks and the finance for election campaigns. Lastly, this study will examine the impacts of political corruption on democracy and the electoral process.

Insufficient and manipulated donations

Since 2004, the expenses for election have risen significantly to pay political consultants and media advertising to draw electors attention. Mietzner (2013: 112) claims that both media advertising and political consultants have been a trend in election campaigns, as indicated in the party official report to the Electoral Commission (KPU). Indonesian Democratic Party of Struggle (Partai Demokrasi Indonesia Perjuangan or PDIP) reported that the campaign expenditure rose from IDR. Sixty-nine billion in 1999 to IDR. Three hundred seventy-six billion in 2009 (Mietzner 2013: 113), while in 2014, PDPI reported the total annual expenditure was IDR 720 billion, and that expenditure excludes local and regional elections (Komisi Pemilihan Umum 2014).

According to Government Regulations number 5/2009, three sources of political parties finance; legal donations, membership fees and state subvention. These three channels are an institutional framework for how political parties obtain funds to run their party (Mietzner 2015: 599). Legal donations are received from both companies and individuals; however, this source is manipulated and consistently lacks transparency. Membership fees are acquired from the party's regular due includes fees obtained from the member of parties who take office in executive and legislative and donations from wealthy functionaries in the party (Mietzner 2015: 601; Winters 2011: 143-144). State subvention is the most transparent fund source in political parties; the state grants this fund to support the regular parties' operations, nonetheless this subvention cannot be used to finance election campaigns. In 2009 under the Government Regulations number 5/2009, political parties received state subsidies IDR. 108 for each valid vote. These three sources of parties' finance are far from sufficient (see table 1 and table 2). Since this institutional framework of parties finance system does not work, Winter (2011: 143-144) says that this parties' finance system is dysfunctional; therefore, parties seek illegal fundraising that obtained off the books to shield from scrutinization of a state agency and the public includes media (Djani 2013; Winters 2013: 12; Winters 2011: 143-144).

Table 1. The estimation of the expenses of annual political parties
(Barid and Mulyanto 2018: 278)

No.	The position of party	Expenses
1	Head Quarter	IDR. 50 billion
2	Province (34 provinces)	IDR. 68 billion
3	Region (514 municipalities and regencies)	IDR. 257 billion
Total		375 billion

Table 2. The estimation of the annual income of political parties
(Junaedi 2011)

No	Sources	Amount
1	Membership fees	Unkown
2	Parties' member donations	IDR. 0.6 billion
3	Non-parties' member donations	Unknown
4	Corporate donations	Unknown
5	State subventions	IDR. 0.6 billion
Total		IDR. 1.2 billion

We can see how enormous the discrepancies between parties' income and expenditure are. To secure the sufficiency of the finances of the party, it establishes politics-business networks with oligarchs. These oligarchs are also happy to support these parties; however, most of these capitalists do not grant their donation directly to the parties; instead, they give it to the candidates (i.e. candidates nominated for legislatures, gubernatorial, presidential elections) to secure that they will receive their kickbacks in the future (Mietzner 2015: 595). Direct donation to the hand of individual politicians will create a mutual dependency between them. Once these politicians win an election, they would pay the oligarchs with many forms of kickbacks such as special business licenses, tailor a business and state asset networks (i.e. arrange a tender to win the oligarchs). So that is why since 2004, the party-based regime had ended and has been replaced with a candidate-centred pattern (Mietzner 2015: 601). For instance, in 2004, the incumbent president Megawati was funded by a wealthy person, Djoko S. Chandra, through his 17 companies to disguise the origin of the donations (Transparency International Indonesia 2008: 25).

Oligarchs and illicit electoral fundraising

Parties' dependency on the aids of oligarchs to fund the operation of parties, particularly on election campaigns, has engendered systemic political corruption (Mas'ood and Savirani 2011: 64; Mietzner 2007: 249). Moreover, parties also auction off nominations to non-parties candidates to add some income to the party. Dependency on oligarch aids and the auction off nomination have become two sides of a coin. Non-parties candidates who bid the highest price would be the official candidate to compete in regional, local or national elections, and if they won the political contestation, they would for sure return their former 'investment' that has been paid to the political party. If the fund to pay political party comes from oligarchs' support, they would arrange a business contract or make a particular policy benefiting the oligarchs as a recompense (Firdaus 2014; Reuters 2015: 1). Sjafrina (2019: 44) argues that these political transactions have created endemic corruption. For instance, from 2010 to 2018, 253 governors, mayors, and regents, 503 local legislatures were charged for criminal action, corruption. It is believed that most of these cases were related to electoral fundraising or the politicians who won an election, and when they took office, they try to return the big money they spent in the election Sjafrina (2019: 44-45).

Some oligarchs do not satisfy as supporters of politicians, so they assume political office to penetrate politics and state assets more broadly. In this situation, they obtain double roles as political actor-bureaucratic capitalists and businesspeople (Robinson 1986: 56). These oligarchs create networks and become predators and private oligarchs (Hadiz 2010: 58; Robison and Hadiz 2004: 221). So, the dysfunctional party's finance system has induced extravagant election campaigns and further created an interpenetration of politics and business. In these circumstances, a contestant with political bargaining but insufficient capital power, networking with a business tycoon can be a solution. In contrast, when business tycoons have capital power but lack political power, approaching individuals with political bargaining would strengthen their business networks (Winters 2013: 23-25). In Indonesia, many oligarchs built networks with the Functional Groups Party (Partai Golongan Karya, Golkar) to win local and national elections, and in return, these politicians protected their business empire (Aspinall and Berenschot 2019: 19). However, some oligarchs transform themselves to be part of electoral democracy, lobby societal organisations or assume political office to maintain their domination in politics and economics (Lewis and Hendrawan 2018: 178; Mas'ood and Savirani 2011: 71).

The impacts of the dysfunction of the political finance system: systematic political corruption

Party finance system that relies heavily on oligarchs' donation has grown the patronage system and a new corruption scheme and oligarchisation represented in five modes (Ford and Pepinsky 2014; Mietzner 2015: 601). Firstly, oligarchisation has become perpetuated and dominated politics and democracy in Indonesia. Secondly, the treasury of parties have plundered legislators; as a result, they abuse their power to make money illicitly. Thirdly, political parties use ministers as a cash-cows to fulfil the party's finance. Fourthly, the party branches in the regions sold-off nominations for regent, head of district and governor to the candidates outside the party. Lastly, parties use the state's assets to hand out patronage for their followers and electors to obtain the support of the people in elections (Mietzner 2015: 601).

In 2004, the direct election started, and since then, the oligarchs overpower political parties. These few minority oligarchs are powerful elites with tremendous capital resources (Mietzner 2014: 58). They offered a solution for a dysfunctional political party's finance system. In 2014, ten parties participated in the general election, and none of these parties had an oligarchic party leader. However, in 2014, the number of party chairpersons increased by five times. Jusuf Kalla was the first chairperson of the political party in all of the history of Indonesian democracy, and since then, the new trend has emerged, oligarchs can establish a new party or can 'buy' a current party to become the chairperson (Mietzner 2015: 602). There is a situation where the oligarchisation is taken in the form of gradual oligarchisation, namely, leadership in the hand of the seniors in the party. In this way, the party's oligarchs manipulate the institution of politics into assuring prerogative to business they possessed. These people also perpetuate the dysfunctional party finance system to defend their status quo, and by doing this, they make parties consistently dependent on their donations (Mietzner 2015: 602).

The infertile party finance system urges parties to seek another way out to obtain funds by managing their representatives who take office as a source of money to the party, and they justify the membership dues of their representatives up to 40% of the income of the legislators. According to law, politicians are not allowed to receive a donation from individuals; consequently, these politicians cannot compensate for their spending related to the party. So to make additional income, politicians establish a business. In 2009, Wajah DPR dan DPD (2010) reported that 54% of the national parliament members (DPR) run business. In these circumstances, business and politics have intertwined; politicians involve in the scalping of the budget, and legislators chase fees from many agencies. Since 2004,

legislatures have made an enormous amount of money with illicit business-politics networks. They authorise state projects ranging from the distribution of Al-Qur'an books to constructing complexes and arenas of the sports. So this is why, from 2004 to 2013, more than 75 of the national parliament members were charged by KPK for the allegation of budget scalping or the charges of bribery operations (Mietzner 2015: 602).

Parties also use the executive as a channel for electoral fundraising; they expect ministers to arrange some policies in which parties can obtain a large amount of money from business under the minister's control. For example, in 2013, the former leader of Partai Keadilan Sejahtera (PKS) or Prosperous Justice Party, Luthfi Hasan, asked the Minister for Agriculture to increase the beef import quota in exchange for IDR. Forty billion of kickbacks to be paid by a company. KPK charged the case, and he was sentenced to 18 years in prison. This modus operandi has been practised by PKS in the previous years, plundering the ministers to fund PKS and this operation also has common in other political parties (Tempo 2013a). In 2014, Partai Demokrat (PD) or Democratic Party also practised ministerial corruption. The minister of Sport and Youth was prosecuted with severe corruption allegations and sentenced to four years in prison for a corruption case of Hambalang construction, a sports arena complex. Malaranggeng reportedly employed the money for the campaigning of chairmanship of Partai Demokrat in May 2010; this political contestation required candidates for party chairperson to pay essential services such as accommodation, travel and meals for their supporters (Mietzner 2015: 603).

The treasuries of the party have also been complex networks to obtain funds from business people. For example, Mohammad Nazarudin was the treasurer of Partai Demokrat in 2010. He made extensive networks with many companies by assigning many contracts with companies in relatively short periods to channel Partai Demokrat to capital resources. According to the Indonesian Financial Transaction Reports and Analysis Center (PPATK), Nazaruddin was involved in assigning state contracts with more than 154 companies, and some of these companies are Nazaruddin family business empires (Kontan 2011). As a party treasurer and legislator, he lobbied state institutions to make business-politics networks, and with an extensive connection, Nazaruddin successfully assigns many state contracts with his business empire. In addition, he also bribed bureaucrats to win state projects, or if this method were not possible, he would have to help other companies win a tender, and as kickbacks, he will receive some fees. So during his position as a party treasurer, Nazarudin made millions of dollars, and he said that some of the money was given to the party elites in Partai Demokrat, such as Anas Urbaningrum and other party's functionaries regularly

(Mietzner 2015: 604). Urbaningrum used the money in the chairmanship of Partai Demokrat to compete with Malaranggeng in 2010. This case indicates that parties did lucrative business through their treasurer, so business and politics are interpenetrated to obtain capital resources (Kompas 2011; Kontan 2011).

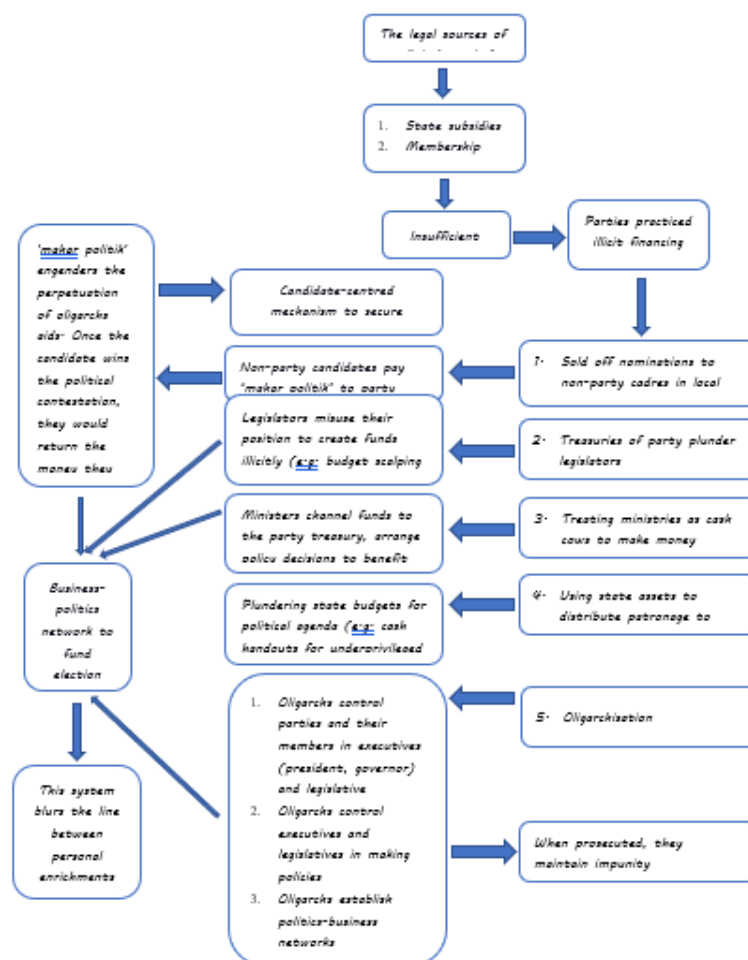
The insufficiency of regular donations to a political party has also driven the party to sell off the nomination to the candidates of the non-party members. According to Mietzner (2015: 604), 60% of the nomination for local executives was sold off to non-party candidates in 2013. There are two main reasons to sell off nomination: firstly, parties are incapable of funding election campaigns for the cadres of the party and secondly, by selling the nomination to non-party cadres, the party receives money from the non-party candidates to fund the party's regular operation. The money paid by non-party candidates is called 'mahar politik', and this fee is essential to add cash injections to the party. The amount of 'mahar politik' depended on factors such as the size of nominating party and the significance of the territory; however, this amount could typically be dozen of a billion rupiah. This 'mahar politik' essentially is a political transaction and engendered domino effects on politics, democracy and governance. On one side, 'mahar politik' engenders the perpetuation of oligarchs aids; this has happened since once the candidate wins the political contestation, they would return the money they paid for 'mahar politik'. They could do this by scalping state budgets, creating networks with businesspeople, and further, these wealthy people arrange contracts and the executives manipulate tendering process, grating business licenses and other illicit operations that involve state assets (Mietzner 2015: 604). For example, in 2012, Ilham Sirajuddin paid 'mahar politik' to PKS, amounting to IDR. Eight billion in the gubernatorial race of South Sulawesi (Tribun News 2013). A former minister for Administrative and Bureaucratic Reform of the Republic of Indonesia or Kementerian Pendayagunaan Aparatur Negara dan Reformasi Birokrasi (PAN-RB) claims many local executives spent a vast amount of money to pay 'mahar politik' and the cost for election campaigns. After winning the competition, they sell bureaucratic positions to the civil servants, and these civil servants do a similar operation. So, this is one of the arguments why the circle of corruption is never-ending and even more entrenched in Indonesia political parties, bureaucrats and government (Mietzner 2013: 112).

Plundering the budget of the state is also a typical operation to raise funds for a political party. For example, in 2009, to prepare the presidential race, president Yudhoyono decided to order cash handouts for underprivileged families amounting to IDR. 20 trillion. This cash was considered an illicit strategy to obtain people's sympathy and support for his second presidential election (Mietzner 2009: 28). Local executives also use similar operations; they distribute cash (dana

hibah) to draw people's support for a gubernatorial election. For instance, in East Java province, the cash handouts to underprivileged families surged from IDR. Five hundred eighty-six billion to approximately IDR. 5 trillion under a program called social assistance (bantuan sosial, bansos) (Koran Tempo 2013b).

So, even though KPK has charged a considerable amount of corruption cases, the vast majority of the corruption cases are still unable to prosecute. The mastermind of corruption is still intact and untouchable. Illicit political parties finance system rewards political corruption and outweighs the risk of being charged (Mietzer 2015: 603). If politician corruptors are prosecuted, they may hire elite lawyers to defend their actions, protect their felonious wealth, and only receive light sentences. Since the establishment of KPK, the average sentence is approximately 2.5 years (Koran Tempo 2014).

Figure 1. A framework of politics of corruption and party financing system in Indonesia



Business-politics networks to fund political campaigns

a. The case of mining business in East Kalimantan

Since the cost for election campaigns is sumptuous, politicians overpower the mining business as a cash cow to fund election campaigns nationally and locally (Coalruption 2020: 3). Since 2000, the mining business has become the primary source of parties to obtain funds. In less than a decade, local and central governments had issued more than 10000 mining licenses, and most were issued in the periods of elections (Ansori, cited in Macdonald 2017). More than half of these companies were not adequately operated and evaded their environmental and tax payable liabilities. Many of these licenses were owned by political actors (e.g. Luhut Panjaitan, Abu Rizal Bakrie, Jufuf Kalla), their families or connections.

In many cases, the real identity of the owners of these mining companies was hidden from media and public scrutiny (Coalruption 2020: 3). Some mining licenses were also granted as kickbacks for political support. The exchanges of power to issue mining licenses and capital have rampant occurred in the mining business. These companies are also allowed to operate illicitly, escaping from their tax liabilities (Macdonald 2017). So, since 2000, corruption has deeply entrenched in the mining business; parties' members in executive channelling money to the party by granting the business licenses. Hence, politics and mining businesses are merged to secure the mutual dependency between politicians who need capital support to win elections and the political power of executives to back the business tycoon (Coalruption 2020: 7).

East Kalimantan province is wealthy with minerals and coal; the political contestation in this province has been consistently related with the mining industry to obtain funds for election campaigns. Syaukani Hasan Rais was elected as Kutai Kartanegara's regent in 2001-2005, and during his government in his first term, he issued hundreds of mining licenses, and many of them are considered his preparation in political contestation in his second term in 2005 (Evaquarta 2008). Under his leadership, he relaxed the mining tax intentionally, and he received gifts from the mining companies. Eventually, in 2007 he was sentenced to six years in prison, and it was estimated he incurred the state cost of IDR. 113 billion (detiknews 2009).

In 2010, the daughter of Syaukani, Rita Widyasari, won the election as a new regent of Kutai Kartanegara, and she inherited the patronage web of his father. Widyasari managed the web to work very hard to win her first term elections (Iskandar 2010), and indeed, Widyasari succeeds in the election. Since then, the web she inherited from his father transformed into a shadowy structure behind her leadership as Kartanegara's regent and was recognised as 'Tim 11' or team 11. This 'Tim 11' worked cohesively and exclusively to influence Widyasari to make

policies, including mining policies such as mining licenses, procurements of goods, tenders, budget allocation, Kartanegara regency, and appointment development of local government (Tranggana 2017). The 'Tim 11' worked to bridge Widyasari and businesspeople, from the embezzlement of public funds to brokerage, gratification and bribery, and mining permits to mining supervision (Nadlir 2017).

In September 2017, KPK charged Widyasari for accepting gratification from mining companies related to licences and business operations issues. She was allegedly receiving a total amount of IDR. 110.720.440.000 (Jong 2017; Jakarta Post 2017). Diah (2017: 54) argues that corruption cases in East Kalimantan have always been related to the fundraising of election campaigns. The mining business has become a lucrative strategy to fund election campaigns because in East Kalimantan, the reserve of coal was an overflow, and according to law number 22/1999, local executives are allowed to grant mining licenses. The control of mining operations is also on the power of the local executive, hence strengthening the power of the networks of politics and mining business. In her two periods as Kutai Kertanegara's regent, Widyasari had issued 254 mining licenses. Macdonald (2017) claims that Widyasari followed her father's path; she copied his father's strategy to overpower politics. She used her power to grant mining licenses and mining industries operations to obtain massive money to finance her second term election in 2015 and her gubernatorial election in 2018. However, before she won the gubernatorial election, KPK arrested her and sentenced her to ten years for her rapaciousness to overpower politics by merging the networks between mining industries and politics (Ghofar 2017; Jong 2017).

b. The case of palm oil plantations in Central Kalimantan

Akil Mochtar, a former chief justice of the Indonesian Constitutional Court, was arrested in October 2013 because he accepted bribery from the head district of Gunung Mas, Central Kalimantan province, Hambit Binti. Binti Bribed Mochtar to quash the case of electoral fraud that his competitor against him challenged. Binti asked Cornelis Nalau to deliver SGD. 300,000 to Mochtar. Nalau is a businessman; he helped Binti win his second term as the head of the district of Gunung Mas by providing funds to pay Binti's electoral campaigns in 2013 (Aspinall and Berenschot 2019: 208). Before the election, Nalau arranged extensive land in 2012 for his palm oil companies in the region of Gunung Mas, PT Berkala Maju Bersama and PT. Jaya Jadi Utama.

Binti also helped Nalau to enlarge his palm oil business by granting licenses to those two companies. Once Nalau's companies' business licenses have been granted, the companies' prices were skyrocketing, and in a few months, Nalai sold them to a Malaysian company, CB Industrial Product Holding (Aspinall and

Berenschot 2019: 209). Nalau donated the profits he obtained from his oil companies as a kickback to help Binti win his second term as the head of Gunung Mas district and paid his election campaigns and fees for vote-buying. Binti's competitor challenged the election result and was brought before the Constitutional Court, where Mochtar was the chief justice. Again, Nalau helped Binti defend the election's result by paying Mochtar with money (Firdaus 2014). In this case, the connection between Nalau and Binti was a business-politics network. Business licenses were granted in exchange for capital support to win political contestation. This case is also adequately illustrating how capital power and political power perpetuate their mutual dependencies. Binti and Nalau believe that Binti's political power and Nalau's capital power can work together to overpower politics and business, so essentially business and politics are interpenetrated, and the line of political funding and 'black' business empires have blurred to secure the elites' status quo.

The case of Binti enlightens our understanding of the Indonesian democratic system that has been manipulated and controlled by oligarchs. This situation emerged since the election campaigns are costly and business-politics networks are the easiest and the most lucrative way to finance the extravagant election campaigns. In Central Kalimantan, business people know that land and natural resources can be exploited by approaching politicians (Gecko Project 2017). However, politics-business networks engender systemic corruption and caused poor law enforcement and maladministration in granting licenses and supervision of business operations. In Kalimantan, only 83 out of 300 palm oil companies have all required licenses to operate palm oil businesses (Amirullah 2015; Aspinall and Berenschot 2019: 209). Burgess et al. (2012: 2) suggest that the number of land-use licenses for plantations surged by 42% in the period of elections. In 2009, only 20% of the total plantation companies obtained licenses from local or central government. This data shows us that majority of plantation businesses do not have even a single license to operate their business, and these companies are owned by politicians, their families, their networks or the companies that donated funds to pay election campaigns (Afrizal 2013; Colchester and Chao 2013; Gellert and Andiko 2015, 651).

Likewise, mining business and political networks, granting licenses for palm oil plantation companies, are also attributed to election campaigns fundraising. In Central Kalimantan's gubernatorial election, a candidate should pay 'mahar politik' around IDR. 29 billion, and for a district head election, political parties require the candidate to pay IDR. 7.3 billion. This money does not cover election campaigns, fees for the success team and vote-buying. So the candidates should provide an amount of money of at least IDR. 36 billion (Aspinall and Berenschot 2019: 210).

Expensive political contestations and meagre state subventions to political parties are the main reason why politicians seek illegal fundraising to finance electoral campaigns (Mietzner 2015: 592; Mietzner 2008:232).

Democracy under threat: political corruption and electoral process

Political corruption dominates the electoral process and created patronage democracy (Chandra 2004). Patronage can be defined that politicians provide goods and favours in exchange for electoral support (Aspinall and Berenschot 2019: 3). At all electoral cycle stages, the exchange of material benefits has been pervasive and caused that democracy in Indonesia is for sale (Aspinall and Rohman 2017: 41; Hadiz 2004: 621). The sale of the state power started before the election process; it starts when political parties sell nominations for non-party would-be candidates. These would-be candidates pay political parties with the sum of money 'mahar politik', and the highest bidder of 'mahar politik' would be the candidate. After the candidate has been nominated, political parties and candidates negotiate about the future benefits. At the same time, this auctioneering of support would also present in the candidate's stage of the campaign organisation's establishment. Candidates build their campaign organisation by attracting campaign workers with particular transactions. The transactions include monetary incentives and future benefits such as special access to state projects and a nomination for executive bureaucratic positions (Aspinall and Berenschot 2019: 3; Aspinall and Sukmajati, 2016: 13).

Further, the people in this campaign organisation will play as a success team or 'tim sukses'. In turn, this success team approach the leader of communities by offering infrastructure contribution or granting them under the table payments. In the near days or hours of elections, a success team or campaigner from a candidate's campaign organisation takes their auction to the households and the streets, and this is called 'serangan fajar' or dawn attack. On this occasion, they distribute a massive amount of money to the voters in an envelope. In these circumstances, the voters could receive many envelopes from different success teams. In terms of vote-buying, Muhtadi (2018: 9) claims that according to a survey in 2014, 25-33% (47-62 million) of voters received gifts or payments. After the elections, once the candidates win the race, it is time to pay back. The campaign workers expect to be rewarded by giving them contracts, jobs, state projects, and other benefits.

Moreover, the winning candidates will repay the vast amount they spent in paying 'mahar politik' and success team (Aspinall and Berenschot 2019: 3; Aspinall et al. 2017: 2018; Aspinall et al. 2015). The winning candidates will set their strategies

to obtain funds by involving various forms of corruption; auctions executive bureaucratic positions, budget scalping, mark-up state projects, and bribing legislatures to pass the local government budget (APBD). Hence, Indonesia's democracy is to be auctioned off (Aspinall and Berenschot 2019: 5).

Within patronage democracy where state officials-patronage networks control state, therefore, in every state life's sphere, from the police (Baker 2013: 131) to management of the natural resources (Warren and Visser 2016: 281), from the judiciary (Butt and Lindsey 2011: 192) to the conflict of lands which ubiquitous across Indonesia (Lucas and Warren 2013: 76), it is self-evident that state officials functioned merely as a shadow state (Hidayat 2007:). Selection and promotion of bureaucratic executives rely heavily on political and personal connections instead of professional capacity (Blunt, Turner, and Lindroth 2012: 72; Kristiansen and Ramli 2006: 214). So it is apparent that in the Indonesian government, the state operates in which state officials illegality become the centre of how government runs its duties and functions (Aspinall and van Klinken 2011, 22-23; van Klinken 2009; Schulte and van Klinken 2007; Simandjuntak 2010: 43; 2012: 102).

CONCLUSION

The cost for election campaigns is enormously expensive, and the party financing system cannot help parties fund their regular operations or finance election campaigns. So, parties need to look for a solution for the inadequate parties' finance. Moreover, since candidate-centred has replaced party-based regimes, candidates also need to finance themselves in election campaigns. Oligarchs offer solutions; however, they create dangerous systemic effects; these oligarchs penetrate state resources, create illicit parties fundraising systems, budget scalping, a trade-off public offices, and politics and business empires become the primary source of political financing system in Indonesia. These circumstances are not accidentally nor the side effects of a well-designed but poorly implemented system. Instead, the elites intentionally designed this system to justify continuous illicit fundraising and lack of prosecution. Politicians and oligarchs benefit from this shadowy world of illicit party finance systems since the system blurs the line between personal enrichments (and 'black' business empires) and political funding. Many functionaries of parties fund their political activities and luxurious lifestyle from an illicit fundraising system. Therefore, interpenetration between personal and political arrangements has established a robust incentive structure to preserve the status quo and attenuate institutionalised regimes based on potent public financing.

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