



Global and Regional Political Economy: The Power of Capitalist Elites and Material Power After Authoritarian Regimes

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Abstract. This study illustrates the extent to which Indonesia's political economy played on the New Order pattern until after the New Order. All kinds of studies and issues regarding local strongmen, groups, tribes, and families to the struggle for material resources for political interests have been at a level that creates crises in the republic and conflicts of interest that occur that affect the course of the post-New Order government so that the narrative of capitalism and all forms of distribution of wealth and inequality has reached the peak of elite exchange and unity. The problem in this study is how the Chinese capitalist elite and the indigenous capitalist elite build post-authoritarian capitalism, how the efforts of the Chinese elite and the Indigenous elite influence and play a role in electoral politics, and how the exchange of interests between the Chinese capitalist elite and the Indigenous elite. To answer the formulation of the problem, the author uses qualitative methodology with a case study approach to see how the case of exchange capitalism develops. So the author sees that the exchange of interests between the indigenous elite and the Chinese elite since the post-new order tries to unite interests further responsively, measurably and the Chinese group as a minority tries to build unity from a cultural perspective through a religious perspective and tries to enter and mingle in socio-political activities and political parties.

Keywords: Capitalism, Indigenous, China, Poverty Distribution.

1. Introduction

This article is prepared to illustrate how the global and regional political-economic atmosphere that affects political changes in the landscape of power of capitalist elites and material forces has a significant impact on electoral politics, especially the presidential election in the case of 2014, 2019 and 2024 presidential elections where after the authoritarian regime Suharto the presidential election case illustrates a significant influence on the development and weakening of democracy. Studies on the Suharto regime certainly illustrate how the formation of a new ruling class in Indonesian society increasingly shows the trend of influence of individuals groups, giving birth to community forces such as local strongmen and capitalist influence after

the New Order where the author views social change as a linear journey like the pre-1998 and post-1998 governments.

Political power as the dominant base underwent significant changes in carrying out political practices where the emergence of new ruling classes that the author identified as the indigenous capitalist elite and the Chinese capitalist elite who increasingly gave rise to their role became so important in the development of Indonesia's political economy because it seemed as if there was a kind of capital competition with the indigenous middle class that gave rise to a new bourgeoisie to strengthen their respective existences in terms of fighting for material power and political economy in local power.

The theories that the author uses here are studies of pseudo-capitalism in Southeast Asia [1], the study of conscious capitalism [2], studies on the distribution of wealth and inequality [3], the study and theory of oligarchy [4] and theory of power and elit groups [5]. The formulation of the problem that the author developed for this study is how the Chinese capitalist elite and the indigenous capitalist elite build post-authoritarian capitalism in Indonesia, how the efforts of the Chinese elite and the Indigenous elite influence and play a role in electoral politics, and how the exchange of interests between the Chinese capitalist elite and the Indigenous elite in political circulation.

From the formulation of the problem that the author developed based on the author's attention so far in contemplating and completing the exchange of interests between capitalist elites in the economic and political *vortex*, the author tries to use relevant theories such as the study of elites, oligarchs, wealth distribution and inequality and their effects on global and regional capitalism starting from the perspective of pseudo-capitalism explained by Yoshihara Kunio in Southeast Asia. The author uses the arguments in the study of this theoretical foundation to answer the formulation of problems that can develop in field research and produce the main purpose of the study, which is to find out how the motives of the Chinese capitalist elite and the indigenous capitalist elite changed after the post-authoritarian regime in Indonesia.

2. Research Methods

This research provides explicitly a macro, mezzo and micro approach to examine the development of class politics, strong individuals about indigenous groups and Chinese groups in Indonesia using qualitative research through a case study approach where this approach is to find out how, in all situations, the need for case studies goes beyond the desire to understand complex social phenomena. In short, case studies allow researchers to maintain holistic and meaningful characteristics of real-life events, such as a person's life cycle, organizational and managerial processes, changing social environment, international relations and industry maturity [6].

Data collection with documents has also been collected in the form of magazines, journals, and books related to the study of capitalism, oligarchy, and some studies on politics and electoral democracy. The results of research from observations or interviews later the author hopes to be more credible/reliable with historical support or documents that the author will collect, such as biographies, various writings,

regulations, policies, photos, sketches and others. Miles dan Huberman (1984) [7] suggests that activities in qualitative data analysis are carried out interactively and continue continuously until completion so that the data is saturated. Activities in data analysis, namely data reduction, data presentation and conclusions.

3. Results

This study focuses on the results that elites, actors and individuals, according to the author, are those who are actively involved and directly influence the condition of the political economy and democracy after the authoritarianism of the New Order, which the author categorizes as an iron fist government, and comes to power through the power of political parties, bureaucracy and military. After the collapse of the New Order, the author noticed that many local elite groups were formed, and their power was carefully consolidated, giving rise to new political narratives such as political dynasties, local oligarchs, local strongmen, families and others. However, the author focuses on the many political transfigurations or changes after authoritarianism that then populate the reform political system, including the new local elite in power and the development of a political economy where ethnic Chinese again compete with indigenous elites in developing their influence and capitalization to the influence of electoral democracy.

Of course, by looking at the graph of the distribution of world capital in terms of the percentage of world private income comes the question of whether China will rule the world, where they seem to dominate technology and capital growth is growing very fast today, not to mention from the world security system, China has also managed to reconcile world tensions in the Middle East, with peace concessions between Iraq and Iran and of course the latest is that China is able to open business taps and peace in Afghanistan and also facilitated Taliban rule after the United States declared its withdrawal from the country. China's global success also affects the political concern index where Chinese citizens in a country are emphasized that they are successful, they are domination and hegemony, as is the case in Indonesia where the large and growing ethnic Chinese also do the same by controlling markets and economic activities and land ownership are everywhere.

This research discusses the influence of global and regional economies that have an impact on political change, which then focuses on the involvement and power of local elites and capitalists after authoritarianism in the city of Makassar, South Sulawesi. Referring to the theoretical perspective that the author uses by looking at the approach in Capitalist theory and Oligarchy Theory, capitalism, in a sense and according to the author, is a picture of how capitalism seeks to control large amounts of capital and then make the economy monopolized or controlled by a group of people, where Aristotle also uses this definition as power that a group of people then owns. This group of people makes capitalism the protector of economic modernization, which is then carried out or carried out by the so-called business elite, entrepreneurs, and business executives who control the practice of significant capital with all forms of managerial and management

that can act as speculators and monopolies to obtain considerable profits in the operation of the market economy.

The process of political self-identification has brought about a change in the identity of Chinese people in Indonesia. This is shown by sociological aspects, namely that the descendants of Chinese immigrants have undergone an identity transition from Chinese to ethnic Chinese even though the body and soul or typology are still the same as the typology of mainland China as their ancestral land (ancestral orientation). However, juridically regarding Indonesian citizenship, ethnic Chinese are Indonesian citizens who have become an integral part of the political aspect of Indonesia's national diversity system [8]. The identification process made the Chinese ethnicity experience intermingling in the sociological system of Indonesian society. However, it is not uncommon for indigenous Indonesians to underestimate still because ethnic Chinese have been the rulers of the national economy for a long time, even since the nation was founded, especially since the beginning of Indonesian independence and the Orla era, many citizens of the Chinese ethnic group are involved in institutional politics by becoming cabinet members as the composition in Indonesia below:

Table 1. Chinese Indonesian ethnic group involved in politics in the early independence era until the Old Order era 1946-1966

No.	Miniters Name	Position		Government Cabinet		Cabinet Period
1.	dr. Darma Setiawan	Menteri Kesehatan		Kabinet Kedua	Syahrir	12 Maret 1946 s.d. 2 oktober 1946
2.	dr. Darma Setiawan	Menteri Kesehatan		Kabinet Ketiga	Syahrir	2 oktober 1946 s.d. 27 Juni 1947
3.	Mr. Tan Po Gwan	Menteri Negara		Kabinet Ketiga	Syahrir	2 Oktober 1946 s.d. 27 Juni 1947
4.	Siauw Giok Tjhan	Menteri Negara		Kabinet Syarifuddin Kedua	Amir	3 Juli 1947 s.d. 11 November 1947
5.	dr. Ong Eng Die	Menteri Keuangan	Muda	Kabinet Syarifuddin Kedua	Amir	11 November 1947 s.d. 29 Januari 1948
6.	Siauw Giok Tjhan	Menteri Peternakan	Urusan	Kabinet Syarifuddin Kedua	Amir	11 November 1947 s.d. 29 Januari 1948
7.	dr. Ong Eng Die	Menteri Keuangan		Kabinet Amidjojo Kesatu	Ali Sastro	1 Agustus 1953 s.d. 12 Agustus 1955
8.	dr. Mohammad Ali alias dr. Lie Kiap Peng	Menteri Kesehatan		Kabinet Amidjojo Kesatu	Ali Sastro	9 Oktober 1953 s.d. 12 Agustus 1955
9.	Oei Tjoe Tat, S.H	Menteri diperbantukan pada Presidium Kerja	Negara pada Kabinet Kerja	Kabinet <i>regrouping</i> Kedua	Kerja	13 November 1963 s.d. 27 Juni 1964

10.	Oei Tjoe Tat, S.H	Menteri diperbantukan Presidium Kerja	Negara pada Kabinet	Kabinet Dwikora	27 1964	Agustus s.d. 21 Februari 1966
11.	David Gie Cheng	Menteri Cipta dan Konstruksi	Karya	Kabinet Dwikora	27 1964s.d.	Agustus 21 Februari 1966
12.	David Gie Cheng	Menteri Cipta dan Konstruksi	Karya	Kabinet Dwikora disempurnakan	21 1966	Februari s.d. 27 Maret 1966

Data source: Satiarso T. Taruna, *Composition of the Cabinet of the Republic of Indonesia from 1945-1973*, published by the Institute of Asian Studies, Jakarta, 1973 [9].

From the description of the table above, it is explained that ethnic Chinese who have been involved in politics, from individuals, professionals, community organizations, and political parties, were given roles in the Old Order era government led directly by President Soekarno. Assuming President Soekarno's closeness to ethnic Chinese in the Old Order era or the beginning of independence, even President Soekarno once permitted ethnic Chinese to celebrate religious holidays such as Chinese New Year and implemented it as an official holiday. The table above also shows that the facilitation of ethnic Chinese in the Old Order era also negated that they also had qualifications and were able to be given political roles during the era of President Soekarno.

During the New Order era, which ruled Indonesia for 32 years, the Chinese ethnic group was severely restricted in political and cultural aspects. From a political perspective, the New Order government issued MPRS Decree Number XXV / MPRS / 1966 concerning the prohibition of communism and Marxism-Leninism because they were considered latent dangers to national security. The Indonesian Citizenship Consultative Body, abbreviated as Baperki, chaired by Siauw Giok Thjan, who also served as Minister of State under President Sukarno for two terms in the cabinet of Amir Syafruddin, a community organization belonging to the Chinese ethnic group considered oriented towards PRC (People's Republic of China) Communism, immediately stopped his political creativity. Although there are still citizens from the Chinese ethnic group involved in politics, their involvement is not prominent through attitude or deed. They include Harry Tjan Silalahi, Jusuf Wanandi from the Center for Strategic and International Studies (CSIS) group, Kwik Kian Gie from PDI, and Anton Priyatno and Djoko Sudjatmiko from Golkar [10]. The direction of communism suspected by Baperki represented Chinese organizations whose purpose was, among others, to rally the strength and unity of Chinese tribes throughout Indonesia.

It is interesting to note that the conglomerates that control national economic interests in Indonesia have long seen their dominance, that ethnic Chinese, who are also group 2 in Indonesia since then and even now, have a very significant influence on the current national economic system, seen to this day how ownership of the development of conglomerates from business groups, their elites control both the Indigenous elite and the Chinese elite such as national TV, regions, the dominance of radio broadcasts, events such as newspapers and magazines or tabloids to digital information such as

online media and owned by other businesses such as information technology businesses, distribution, automotive, property, hospitals, education, banking and so on. As described in the table below:

Table 2. Indigenous and Chinese Conglomerates in Indonesia

Media Group	Group Leader	TV Stations		Radio stations	Print		Online Media	Other Business	
		National	Other		Newspapers	Magazines/Tabloids			
Media Nusantara Citra (MNC) Group	Hary Tanoesoedibjo	RCTI, Global TV, MNCTV (ex TPI)	Indovision, SkyVision, SINDOtv network	Sindo (Trijaya FM), Radio Dangdut, ARH Global Radio	<i>Sepuhara</i> , <i>Indonesi</i> (Koran Sindo)	<i>High-end magz.</i> , <i>Genie</i> , <i>Mom & Kiddle</i> tabloids	Okezone.com, SeputarIndonesia.com, Sindonews.com	IT, content production and distribution, talent management, Automobil	
Mahaka Media Group	Erick Tohir	—	Jak TV, Alif TV	JakFM, Prambors FM, Delta FM, Female, Gen FM	<i>Republik a. Harian Indonesia</i> (in Mandarin)	<i>Parents Indonesia</i> , <i>A+, Golf Digest</i> , <i>Area</i> magazines	Republika Online, Raje.com, Rajakarcis.com	Entertainment, outdoor advertisement	
Kompas Gramedia Group	Jakob Oetama, Agung Adiprasetyo	—	Kompas network	TV Sonora Radio network, Automaton Radio, Motion FM, Eltira FM	<i>Kompas</i> , <i>Jakarta Post</i> , <i>Warta Kota</i> , + other local papers	<i>Intisari</i> + 43 magazines & tabloids, five book publishers	Kompas Cyber Media	Hotels, public relations agencies, university & telecommunication tower (in plan)	
Jawa Pos Group	Dahlan Iskan	—	JPMC network	Fajar FM (Makassar)	<i>Jawa Pos</i> , <i>Mentari</i> , <i>Indo Pos Liberty</i> magazines + 11 tabloids	<i>Rakyat Merdeka</i> , <i>Radar</i> + others (total: 151)	Jawa Pos Digital Edition	Travel bureau, powerplant	
Media Post (KMB)	Bali Group Satria Narada	—	Bali network, TV, Semarang TV, Sriwijaya TV, + others (total: 9)	TV Global, Kini Genta, Global FM, Lombok Fajar FM, Suara Besakih, Singaraja FM, Nagara FM	<i>Bali Post</i> , <i>Tokoh</i> , <i>Lintang</i> , <i>Bisnis Bali</i> , & <i>Wiyata Suluh Mandala</i> tabloids	<i>Harian Indonesia</i> , <i>Denpost</i> , & <i>Suara NTB</i>	Bali Post, Bisnis Bali	—	
Elang Mahkota Teknologi (EMTEK) Group	Eddy Kusnadi Sariaatmadja	—	SCTO'Channel V, Elshinta TV, Indosiar	Elshinta FM	—	<i>Elshinta</i> , <i>Gaul</i> , <i>Story</i> , <i>Kort</i> , <i>Mamamia</i>	—	Wireless broadband, pay TV, telecommunications, banking, IT solutions, production house	
Lippo Group	James Riady	—	First Berita Satu TV	Media, —	—	<i>Jakarta Globe</i> , <i>Investor Daily</i> , <i>Suara Pembaruan</i>	<i>Investor</i> , <i>Globe Asia</i> , & <i>Campus Asia</i> magazines	Jakarta Globe Online	Property, hospital, education, insurance
Bakrie & Brothers (Visi Media Asia)	Anindya Bakrie	Antv, TVOne	Channel [V]	—	—	—	VIVA news	Telecommunications, property, metal, oil & gas agribusiness, coal, physical infrastructure	

Femina Group	PiaAlisyaban a, Mirta— Kartohadipro djo	—	—	U-FM Jakarta & Bandung	—	<i>Femina, Gadis, Dewi, Ayahbunda</i> + others (total:15)	Femina, GitaCinta, Ayahbunda, Gadis, Parenting Online	The production house, event management, boutique, education, printing
Media Group	Surya Paloh	Metro TV	—	—	—	<i>Media Indonesia, Lampung Post, BorneoNews</i>	Media Indonesia Online	—
Mugi Reka Abadi (MRA) Group	Dian Muljani Soedarjo	—	—	Cosmopolitan O'ChanFM,Hard Rocknel FM, I- Radio, Trax FM	—	<i>Cosmopolitan, Cosmogirl, Fitness</i> + others (total: 16)	—	Holder of several international boutique brands
Trans Corporate (Para Group)	Chairul Tanjung	Trans TV, Trans7	—	—	—	—	Detik Online	Banking, venture capital, insurance theme parks, resort, retail, cinema

Sumber data: Merlyna Lym, Participatory Media Lab Arizona State University Tempe, Arizona United States & The Ford Foundation [11]

The table above illustrates how the strength of ethnic groups is clearly depicted in Merlyna Lim's research results by giving the nickname "Liga Thirteen" or League Thirteen, how the media in Indonesia is concentrated by their group or league to identify them as indigenous or Chinese elites, either emerging after the emergence of the New Order by cooperating with the indigenous ruling elite so that business development they developed into Multinational Companies or what we often refer to as Multinational Companies (MNCs).

Capitalism in Indonesia has always been associated with politics. Dutch historian Leonard Blusse said 1800 that "only individuals dependent on the VOC or those who robbed from within could accumulate wealth. Such situations exist in all countries in Indonesian history, including colonial, traditional, and national history. The Dutch realized that they and China did not have common interests but only "common interests". Therefore, sometimes the Dutch regarded the Chinese as rivals, as traditional rulers did if they wanted to dominate the economy with political power [12]. The variety of capitalism since colonial times has paid attention to the fact that capitalism and political problems are imaginative and innovative so that they become speculation in the development of the Indonesian economic chain. Of course, all kinds of profitable contracts have made capitalists since the colonial era and affect national economic growth.

Only in the Dutch East Indies were the Chinese viewed with suspicion. In contrast, suspicion of Chinese merchants was relatively small in the British and French colonies. Also, in the post-war period, this suspicion did not diminish, and sometimes even worsened during Indonesian independence. In the traditional society of Javanese peasants, Chinese traders were still considered inferior [13]. The tendency towards certain ethnicities in Indonesia, including ethnic Chinese, even now this view of suspicion still prevails because economic domination by these ethnicities has been a reason for the indigenous class to be suspicious of the ownership rights of material resources owned by ethnic Chinese for a long time, even becoming elites in

contemporary common market areas for daily life such as the dominance of the geographical regions and strategic areas by mastering production, trade, and other industries in which the natives were seen as workers of the ethnic Chinese production process.

4. Conclusion

From the results of the above, the author concludes that the Chinese capitalist elite and the indigenous capitalist elite are trying to build material power in terms of political economy practices and compete in the same interest: to dominate the economy with political power. Chinese and Indigenous capitalism, which at that time was influential, was very instrumental in electoral politics, such as the electoral arena, by showing the existence of the bourgeoisie and new local elites so that this group competed significantly in the fight for votes in political parties. This indicates the exchange of interests or intermingling where capitalists work in the transformation of political economy because this also significantly influences political development in the center of the regions since all forms of economic activity lead to the distribution of goods and services, which allows it to be a pattern of communication between regional leaders and political people in business to be close.

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