

Global Economic and Local Communities in Development A Case Study of Mbah Priok Graveyard Conflict

Muhammad Ismail

Abstract - The development of the global economy has both positive and negative impact. As a developing country, Indonesia also experiences the effects of the global economic process. Seizure of Mbah Priok graveyard in 2010, which involves conflict between the locals and Pelindo II shows the example of the impact of global economic development. The incident happens following the ignorance of local values in implementing the economic liberalism. The conflict itself brought a bad influence on the development of Tanjung Priok area. People need a peaceful solution to create a better development of Tanjung Priok society.

Keywords - Global Economy, Conflict, Development

I. INTRODUCTION

Since the end of the cold war, the world has experienced a global flow of change. Changes after changes will continue, even until the 21st century. As well as the development in developing countries which also undergo a process of globalization.

The fact shows that the development process of developing countries cannot be implemented only on a particular aspect. Some developing countries, such as Indonesia, East Asian countries as well as some other South American countries have gone through the development process which causes considerable changes in the economic and social structures.

The development of the Indonesian economy is closely linked to the global economy, it is reflected by the emergence of multinational companies in Indonesia. This ongoing change fosters new social forces that also require new management scheme and development policy frameworks.

II. ANALYSIS THEORY OF GLOBALIZATION AND DEVELOPMENT

Observers and experts gave numerous definition on globalization. Ashcroft, Griffiths and Tiffin, for example, in *Post-Colonial Studies: The Key Concepts*, define globalization as "a process whereby the lives of a person and the local community are affected by the economic and cultural forces operating globally."

Consecutively, the discourse on globalization will invite controversy and polarization. The polarization is a two-fold view of globalization, those who support and optimistic about globalization see it as an opportunity while those that pessimistic about it see globalization as a threat.

The start of economic globalization can be seen from the period of space trade, forced cultivation (*cultur stelsel*) and the period in which the Dutch private capital was developed in colonial times through forced labor. During that period, Indonesia's crops have entered Europe and America. Also, the simple form textiles and manufactured goods imports lasted for a long time.

The discussion of the post-colonial state is fascinating to be studied in the constellation of the current problems of the third world country. Post-colonial state terminology itself still invites theoretical debates in social science both at the regional and international scale. Some say that the post-colonial state is a third world country traced back to the history that emerged after the decolonization. But others say that the post-colonial state is a politically independent country that is still economically colonized. The existence of these two perspectives basing on the analysis of the linearity of colonialism with post-colonialism which see the condition of a country that is still poor and full of social inequality. This viewpoint is not wrong, but it is also good to examine the social formation structures that exist in the post-colonial state which makes the stigmatization of the poor country is still inherent in the contemporary context. By using the old model of understanding globalization, for the condition which occurs in African countries in which they strongly impacted by the colonialism. In Englebert's research on African countries he says:

".. I have shown that Africa has paid a high price in terms of the foregone growth by failing in the early 1960s to question the state structures it inherited from colonialism, and have provided some clues as to why Africa counts so few "developmental "states." [1].

The current economic globalization is a new manifestation of the development of capitalism as the international economic system. The economic sector mostly feels the positive impact of globalization. For instance, the industry is rapidly developed so trade can be established across countries, and there is an open door for the international labor market. With the implementation of free trade, domestic products can be marketed to various countries without paying the import duty. In addition, another aspect that influences trading between countries is the formation of world economic institutions which consists of countries in the world. International Monetary Fund (IMF) and the World Trade Organization (WTO) are the examples of the economic institutions which help to regulate the rate of trade and the velocity of money between countries. Globalization also influences the forming of the regional trade cooperation agreements such as the Asia-Pacific Economic Cooperation (APEC), the North American Free Trade (NAFTA), the Asian Free Trade Area (AFTA). In Europe, it also triggered the formation of the Euro currency as the common currency of countries in the European region. More cooperation emerged especially after the establishment of ASEAN Economic Community (MEA) 2015 which will soon be realized [2].

The discussion of economic globalization cannot be separated from the discussion of capitalism as an important part of economic globalization itself. It is understandable because capitalism is nothing but an economic system that underpins the development of globalization. Mansour Fakih writes,

“Globalization is simply understood as a process of integrating national economies of nations into a global economic system. As well, global capitalism is essentially one of the longest-running phases of the development of liberal capitalism, theoretically true that Adam Smith has developed. In other words, global capitalism is an attempt or a stage of colonialism of rich countries against poor or developing countries. Therefore, globalization arises initially from a country’s economic point of view.” [3].

Global Capitalism is a development that can not be avoided and prevented. But the process of globalization is like a culture that is introduced systematically and intensively to everyone at all corners of the world. The era of globalization that flourished in the 21st century poses the different challenges from the one in the previous century. This era contains instances of nationalism, national state, national politics, a national economy and its national pressure for the countries with clear borders. Entering the age of globalization requires us to be wise and able not only to formulate but also re-actualize the

values of a stable nationhood in interacting with the external world order while maintaining the national identity, as well as refreshing and expanding the meaning of our national understanding.

Globalization is an era that now inevitably becomes a challenge for Indonesia. Many of the major problems are faced by our country and our people. It is a challenge to survive in this era while also becoming a part of today’s globalization process.

The global economy is the economy of a country that is globally involved with the other countries in the world in economic activity. This activity can be in the form of trade, such as export and import of goods. A country now becomes one of the real manifestations of the globalization’s definition. Indonesia is also one of the countries that are impacted, hence implementing the process of globalization. It has a well-established connection with other countries for conducting international trade.

Indonesia has a wide range of relationship internationally with many countries in the world. Our country trades globally either through export or import activities. Through export activities, Indonesia sells and ships products from to other countries, both Asian countries and other countries outside Asia itself. Through import activities, Indonesia receives or purchases our country’s needs to support the continuity our nation. Through these two activities, Indonesia is always dealing with the global economy. An economic system without any state boundaries and encounters a variety of economic conditions globally. The close link between the development of the Indonesian economy and the global economy can be seen from the rise of multinational companies in Indonesia.

Export and import activities have significantly affected the country’s revenues. The higher the export activity to other countries, the higher the state revenue that we earn. But on the contrary, the higher our imports, the more we need to pay off which reduce the revenue/income of our own country. Therefore our country needs to improve the quality of the local goods or products that will be exported out of the country. This should be done to increase state revenues to meet the needs of the state and the welfare of the people in particular.

The development of city area has been both a demand and an answer for the growth of population and urban community activities. Society and its activities are getting more difficult to control. The source of the problem often brings other new issues, such as the issues on public facilities, systems, and areas. The development is also influenced by its population or its inhabitants, and the economic movement happened in the area [4]. Indonesia’s

strategic role makes it as a dream economic market that attracts the global economy because of its large population.

In general, many of the positive things that are felt by the Indonesian are related to the ongoing process of globalization. In addition to those mentioned above, some instances become are much easier than in the past. Such as production factor processing, product design, transportation of products, promotion and sales, and many more. This improvement happens because of the emergence of new technologies that support to facilitate the work in that field. The inventions of various technologies and a variety of sophisticated electronic media are the answer to the development in various areas in Indonesia today.

III. THE PHENOMENON OF GLOBALIZATION IN CONFLICT VS. LOCAL VALUES (PELINDO II CASE AND MBAH PRIOK GRAVEYARD)

Jakarta as a metropolis in the global economic system is in line with the other major cities of the world. Many of the Global companies based in Jakarta, such as PT. Coca-Cola, PT. Cemex Indonesia, PT. Cardic Express Nusantara and so on, which shows that Indonesia has entered the era of the free market as a hallmark of globalization. Multinational companies that come to Indonesia see a high possibility to raise business profits because of a huge population that Indonesia has, including the Hutchinson Port Holding as one of the investors at Tanjung Priok Port. There is also some container terminal that is still under construction, namely Kalibaru Terminal, Tanjung Priok with Japanese company Mitsui & Co Ltd as its investor [5]. Even President Director of PT Pelindo II (Persero) RJ Lino asserted, the extension of Jakarta International Container Terminal concession between PT Pelindo II and Hutchison Port Holdings will be continued until 2039 [6].

The outbreak of Tanjung Priok social conflict on April 14, 2010, and had killed three people, and dozens of others were injured, in addition, billions of Rupiah worth of material losses. The conflict occurred between the community and the *Satpol PP* (the unit of Government Local Police). *Satpol PP* officers initially want to make a land acquisition in the burial complex of Habib Hassan bin Muhammad Al Hadad aka Mbah Priuk; they claimed that the land belongs to PT. Pelabuhan Indonesia II (PT Pelindo II). Mbah Priuk himself is the founder of Tanjung Priok area, and the funeral has been there for hundreds of years, and it has been used for the weekly recitation for many of his *santri*.

The conflict showed to us that Pelindo II as a state-owned company which has cooperation with MNC, Hutchinson Port Holding and Mitsui & Co Ltd have the desire to develop a better port to meet the international port standard with the purpose of facilitating more ships carrying export-import activities.

There is a good reason behind the desire to renew the port, for example in 2011, the statistics of the Ministry of Transportation mentioned that Singapore's port capacity reaches 29.9 million TEUs, Laem Cha-bang Thailand port can handle 10.5 million TEUs, while Tanjung Priok was only able to facilitate 5.7 Million TEUs per year. In this regard, despite Singapore being the smallest country in Southeast Asia, it has the largest and busiest port in the region. Based on the world ranking, Port of Singapore is often ranked second & third since 2008. Port of Singapore is also connected with 600 ports in more than 100 countries. The port also manages the oil cargo where Nearly 50% of the world's crude oil transit in Singapore.

The phenomenon of the need for land tends to increase; this is the result of economic development and population growth. This problem, in turn, will give rise to the symptom of land use competition, which is actually a manifestation of the law of demand and supply. This instance is understandable since land is a crucial natural resource. Almost all aspects of life and development, are directly or indirectly related to land issues.

Along with the growth of the region including the growth of the city, the demand for land resources also tends to increase. Meanwhile, the availability of land area within the administrative boundaries is limited (inelastic). On the other hand, economic structure is also changing due to the development of industrial sector which causes the increasing activities outside the agricultural industry. The population is also increasing due to many reasons, one of it is the extensive urbanization. These all combined allegedly will lead to a shift of land use pattern, even a graveyard as a place of the dead can be changed into a residence for the urban people who cannot get a proper land to live.

The study reveals that conflicts the corporations supported by governments and communities have multiple causes, many kinds of literature analyze that most of the conflicts caused by the economic and political interests. After the reform era, there is an increasing number of disputes between corporations and local communities. Few examples that are related to mining and oil and gas industries between the local community and company are as follows, Kaltim Prima Coal Company,

Newmont, Keian Equatorial Mining, Prima Lestari, Newmont Minahasa Raya, Freeport Indonesia.

The global economic system becomes the need of the developing countries. Globalization in this sense can indicate both a process and a condition that shows tendency within the economy and other spheres, or the state of living in a globalized world.

Jakarta is the capital city and the standardized growth center of cities in Indonesia and is a city of trade and services. Sea transportation services is an option that is still a mainstay for the world economic movement. Tanjung Priok Port is an integral part of supporting the growth of the Global economy due to a large number of outflows of imported goods through the port services of Tanjung Priok.

Tanjung Priok Port stands on 195 Ha land; it is smaller than the one designed by the Dutch Government which covers from Tanjung Priok to Cempaka Putih and Sunter area. The limitation and the decrease were due to inability to clear the settlement area around the designated place [7]. The advancement of the port area to be a modern international port is a form of national economic improvement that has a global impact. After the realization of the development, the large vessel which usually has to do loading and unloading in Singapore can go directly to Tanjung Priok.

The heirs of Mbah Priok and the community who believes in the sacredness of the cemetery refused the process of expanding the area of the port. They opposed the plan of Pelindo II to acquire the land. Hence, the conflict between the heirs who were supported by the community against Pelindo II supported by the Government of DKI with *Satpol PP* and some Police and national army was inevitable and became the hot news in the mass media.

Sociologically the Government and Pelindo II are "part of a society that has Power, force and also the authority to allocate resources and facilities from social systems". The government carried out that plan in hope to get a willing investor to cooperate. The relationship between the state and the corporation has usually been recognized an effort made the government for the sake of the secure economic production process undertaken by the country [8].

The conflicts occur in society, especially in urban areas, are a logical consequence of the relationship between communities. Conflict in society can be caused by the religious, ethnic, economic, repressive political, and bureaucracy domination.

In the case of the conflict between the corporations and the heirs of Mbah Priok's grave, for

example, the obsession of the multinational company to channel all the ports in the ASEAN region was hindered by the land problem. The land is not growing, and the minimum vacant area closest to the existing ports was not enough. Hence the procurement becomes more difficult and scarce. The expansion of the harbor area was done by moving the settlements of the current residents in the port area. This effort included moving a public cemetery located at Jalan Dobo, in which there is the tomb of Mbah Priok which is believed by some people to have a "*kekeramatan*" because it is considered as one of the *Wali*. The social condition, tradition and combined with the act of government compulsion and eviction invited a strong opposition to the corporation.

The conflict between the corporation and local community was related the different belief and interest possessed by both parties involved. Pelindo II and the Government of DKI try to acquire the land by using violence which then resulted in the loss material and non-material possession of the community. A mechanism is needed in consolidating the understanding of a development process. Hence, both parties will get a mutually acceptable solution. The multinational company and corporation as part of the global economy, in conducting economic activities they should pay a more intense attention to local values, in order to avoid a clash of interests.

IV. CLOSING AND RECONSTRUCTION

From the context of global economic relations and local communities in the case of Mbah Priok grave seizure conflict that shows the emergence of inappropriate act conducted by Pelindo II as a Global Economic agent to the local tradition and local community beliefs that are rooted in society.

So it is expected that the corporation (Pelindo II) together with the government of DKI Jakarta try to meet the heirs of Mbah Priok in order to solve this problem. A good discussion will lead to a solution that can be well-received by both parties. Global corporations that fail to recognize the traditional values that exist in society were actually expelling the community from the global economic activity.

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