

Questioning Reform, Democracy and the Rule of Law in Indonesia

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ABSTRAK

Peneitian ini menganalisis kemunduran demokrasi, reformasi, dan supremasi hukum di Indonesia yang ditandai dengan fenomena stagnasi serta regresi. Melalui tinjauan literatur dan analisis situasi terkini, penulis menyoroti bagaimana demokrasi Indonesia telah dibajak oleh kekuatan oligarki, plutokrat, dan kapitalisme neoliberal yang memperlebar jurang ketimpangan ekonomi dan sosial. Data menunjukkan adanya ketimpangan aset finansial dan lahan yang ekstrem, serta dominasi asing yang kuat dalam sektor sumber daya alam seperti migas dan pertambangan. Rezim reformasi, khususnya pada era Presiden Joko Widodo, dinilai gagal mewujudkan keadilan sosial karena terjebak dalam praktik neo-KKN (Korupsi, Kolusi, Nepotisme) dan pelemahan etika kepemimpinan. Artikel ini menyimpulkan bahwa pemerintahan Presiden Prabowo Subianto memikul tanggung jawab besar untuk memulihkan cita-cita Proklamasi 1945 melalui penegakan hukum yang tanpa pandang bulu, penguatan masyarakat sipil, dan tata kelola ekonomi yang berorientasi pada kesejahteraan rakyat guna menghindari risiko negara gagal.

Kata Kunci: Demokrasi, Reformasi, Oligarki, Ketimpangan Ekonomi, Neoliberalisme, Indonesia

ABSTRACT

This research analyzes the decline of democracy, reform (Reformasi), and the rule of law in Indonesia, characterized by the phenomena of stagnation and regression. Through a literature review and analysis of current conditions, the authors highlight how Indonesian democracy has been hijacked by oligarchic forces, plutocrats, and neoliberal capitalism, which have widened the gap of economic and social inequality. Data reveals extreme disparities in financial and land assets, as well as significant foreign dominance in natural resource sectors such as oil, gas, and mining. The reform-era regimes, particularly during President Joko Widodo's administration, are viewed as having failed to achieve social justice due to entanglement in neo-KKN (Corruption, Collusion, Nepotism) practices and the erosion of leadership ethics. The article concludes that President Prabowo Subianto's administration bears a heavy responsibility to restore the ideals of the 1945 Proclamation through indiscriminate law enforcement, strengthening civil society, and economic governance oriented toward public welfare to prevent the risk of a failed state.

Keywords: Democracy, Reform, Oligarchy, Economic Inequality, Neoliberalism, Indonesia

INTRODUCTION

Why do our Reformation and Democracy continue to be corrupted and experience such sad decline and setbacks? National University of Singapore academic Dr. Jamie S. Davidson (2019) answers by explaining that from the beginning, the Reformation in Indonesia was not driven by a "revolutionary renewal" force that completely overthrew the old order and implemented total renewal within it. Meanwhile, our reformation and democracy experienced stagnation and regression, harming the people in their efforts to realize emancipation and community participation to achieve social justice, general welfare, and equality.

Prof. Richard Robison even stated that very few strong reformers emerged on the radar screen for change after Suharto's New Order in 1998. The faltering of reform is made all the more apparent by the lack of real role and oversight of these reformers themselves. And this is partly due to our own mistakes, the reformers who allowed everything to unfold in the unequal political-economic struggle between neoliberal capitalists and marginalized popular forces (Aspinall, 2015). In the era of democracy and reform that has been corrupted for 20 years, Indonesia is a real battleground between the strong economic classes (Oligarchs-Plutocrats) versus the weak social classes who are increasingly poor and marginalized (Robison, 2004). Robison also observed that the Indonesian business sector may fund politics, but it is completely incapable of organizing a party in its own interests to seize power. Yet, the symbiosis of economic and political oligarchy has proven to dominate Indonesia's political economy today (Sahasrad, 2023).

Thus, reform is vulnerable and susceptible to being weakened and hijacked by capitalist and political oligarchs. Evidently, co-optation, rather than elimination, is the method used by reform elites to "falsify and distort" acceptance of change and workable consensus, while the aspirations and interests of the grassroots are sidelined by the reform elite and oligarchs. (Davidson, 2019).

Entering 2025, the Indonesian economy faces various challenges, both domestically and globally. Although the government is targeting economic growth of 8%, various indicators point to a significant slowdown. Factors such as global trade tensions, declining domestic consumption, and tight fiscal policy are major obstacles to achieving this target. The latest data shows that Indonesia's economic growth in the first quarter of 2025 reached only 4.87% annually, the lowest since the third quarter of 2021.

This slowdown is due to weakening household consumption, which grew only 4.89%, as well as a decline in investment and government spending. Domestic consumption, which contributes more than 50% of GDP, is under pressure from the increase in Value Added Tax (VAT) to 12% and the government's budget austerity policies. These policies, while aimed at fiscal efficiency, have the potential to reduce people's purchasing power and slow economic growth.

In addition to economic factors, Indonesia also faces structural challenges such as dependence on commodity exports and a lack of industrial diversification. Dependence on exports to China makes Indonesia vulnerable to fluctuations in demand from that country.

Social phenomena such as ‘‘ #KaburAjaDulu’’ reflect the younger generation's dissatisfaction with the economic and social conditions in Indonesia. This phenomenon indicates a potential brain drain, where skilled workers choose to work abroad, which can reduce domestic productivity and innovation.

Jamie S. Davidson reminds us that a reform process that initially led to innovation then experienced stagnation, followed by socio-political polarization (the 212 Islamic Defense Action, or the cebong vs. kampret camp, for example), which can be seen as a cracked or even shattered mirror.

Prof. Jamie Davidson (professor at NUS, Singapore), who completed his doctorate under the loving care and supervision of the late Professor Daniel S. Lev at the University of

Washington, Seattle, noted that today, in the Reformation era (Reformasi Order), Indonesia is "threatened" with becoming a failed state and disintegrating not only due to economic disruption and external/global economic factors, but also due to the failure of national leadership, the failure of elites and political party leaders to realize the ideology and ideals of the Proclamation of August 17, 1945. Indonesia has become a country full of contrasts, inequality, and injustice. There are two extremes of inequality: inequality in financial assets and inequality in land assets. Borrowing data from Dr. Teguh Dartanto (Dean of the Faculty of Economics, University of Indonesia), 98.2 percent of account holders with accounts under Rp 100 million control 13.9 percent of total savings, while 0.003 percent of those with accounts up to Rp 5 billion control 47.9 percent of total savings. In terms of land ownership, 56.8 percent of smallholder farmers control 12 percent of agricultural land. Meanwhile, the richest 6 percent of farmers control 38 percent of agricultural land.

In 2017, Oxfam Indonesia and the International NGO Forum on Indonesian Development (INFID) recorded Indonesia's economic inequality ranking as the sixth worst in the world, despite relatively stable economic growth and a reduction in the proportion of people living in extreme poverty to around 8 percent. However, Oxfam and INFID assessed that this economic growth has not been matched by equitable income distribution. Over the past two decades, inequality between the richest and the rest of the population in Indonesia has increased faster than in other Southeast Asian countries. Furthermore, the wealth of the four richest individuals in Indonesia is equal to the combined wealth of the poorest 100 million people (Oxfam Indonesia & INFID, 2023).

In 2023, the Central Statistics Agency (BPS) recorded that inequality in Indonesia had increased since March 2023, with the gap between the rich and the poor widening. The inequality rate as of March 2023 was 0.388, an increase from 0.381 at the end of September 2022. It widened even further in 2024, raising deep public concern.

At the Nurcholish Madjid Society (NCMS)'s "19th Haul: Inequality Is Increasingly Widening" in Jakarta in August 2024, scholars Yudi Latif, PhD, and Sukidi Mulyadi, PhD, delivered an important message: "Indonesia's dream of equality is slipping away." Economic inequality endangers the future of the republic, which is moving toward ever-widening inequality.

The reality is that after 79 years of Indonesian independence: "The mind is once again being insulted. Nepotism is once again being lifted to the skies. The mind is being insulted by cronyism, nepotism, and the luxury of wealth. In the revelry of freedom, equality is not doing well. Freedom will have little meaning without economic and political equality."

Yudi Latif, referring to the perspective of Joseph E. Stiglitz (The Road to Freedom: Economics and the Good Society, 2024), advises us to be careful, because the freedom of the wolf must be paid for by the death of many goats. "Beware of capital-intensive democracy that can be controlled by oligarchies riding on the backs of neoliberalism and controlled by a handful of people," Yudi Latif warned.

The failure of capital-intensive democracy over the past twenty years and the failure to implement the ideology of the 1945 Constitution has become increasingly alarming in the era of President Joko Widodo (2014-2024), marked by a surge of anti-intellectualism, widespread and disturbing inequality, widespread poverty and unemployment, and severe environmental damage. Neoliberal capitalism has reinforced structures of inequality and injustice, sidelining Pancasila and the 1945 Constitution. As a result, an anxious and worried society, millennials and young people, are increasingly losing trust in the political elite, political parties, national leaders, and the cabinets of the reform regime due to the lack of exemplary behavior, honesty, discipline, competence, and openness in managing the government and state of our nation today, marked by a declining economy and declining public trust in the ruling regime during the reform era.

We see the failure of reform regimes to build a just and prosperous economy as a result of the elite/politicians' failure to put their ideology and values of public virtue into practice. Currently, under the Jokowi era, Indonesia's liberal democracy has failed to achieve social justice and address inequality. To borrow the perspective of Milan Svobik (2012), in recent years, Indonesia has nearly experienced a continuing "democracy breakdown," a decline in democracy, with authoritarianism resurfacing, while political polarization is sharply evident in society. This situation is occurring in Indonesia, marked by social polarization between Islamic and nationalist/liberal camps, for example, between the Ahokers and the opposing 212 camps, and between the identity politics camp and its opponents.

Recently, many intellectuals, religious scholars, and activists in Indonesia have emphasized that the liberalization of national life after the reforms has proceeded too rapidly. In fact, "predatory capitalism" and the dominance of neoliberalism and neocapitalism have a strong grip on this country, threatening Indonesia's very existence and contradicting the Unitary State of the Republic of Indonesia (NKRI), which was proclaimed and independent in 1945, based on the ideology of Pancasila and the 1945 Constitution.

Professor Sarbini Sumawinata once warned that under the New Order, there were no opposition political parties, no proper "checks and balances." There was only "consensus." However, this political consensus was not a spirit of agreement based on genuine deliberation, but rather an agreement imposed "from above" by any means necessary. The New Order's "consensus" was the adjustment of weak subordinates to the will of powerful and powerful superiors, so that consensus was actually nothing more than the superiors' efforts to impose their will and desires on those in power. In this situation, borrowing Benedict Anderson's perspective, the state then subjugated its increasingly powerless society (Sahasrad, 2007).

According to the late economist from the Faculty of Economics and the University of Indonesia, Prof. Sarbini Sumawinata, similar political conditions have become increasingly prevalent in the reform era, with those in power imposing their will and desires to achieve their goals. It was clear that the people were completely abandoned, and the actions of the New Order elite were almost entirely dominated and driven by a greed for power and wealth.

This was particularly evident in 1983, with the implementation of banking deregulation. This opportunity was exploited by those in power, cronies, and those close to those in power to establish banks in a frenzy, aiming to exploit the nation's banking system. Through collusion and corruption, these banks siphoned off capital from state-owned banks, which was then used to establish "pseudo" businesses operated by their associates and cronies. This led to the emergence of giant, semi-giant corporations known as ersatz conglomerates, capitalized by government bank loans. These ultimately became rife with corruption, went bankrupt, and harmed the people. The phenomenon of corruption, collusion and nepotism (KKN), which is almost the same as the New Order era, has recurred in this reform era on a larger and more horrific scale.

Today, after four amendments to the 1945 Constitution under President Megawati Soekarnoputri, social justice and public welfare have yet to be truly realized. Academics and intellectuals believe that the public is growing restless and concerned because many fundamental aspects have undergone "extreme" changes, such as the MPR (Congress) no longer being the highest state institution, excessive economic liberalization, changes to Article 33 of the 1945 Constitution, which incorporates predatory capitalist interests, the removal of the phrase "original Indonesia" in the sense of a president, regional autonomy resembling a devolution, and other issues that have sparked a backlash calling for a return to the original 1945 Constitution, among other controversial responses.

Similarly, the hegemonic practices of control over the state and Indonesia's natural resources, perpetrated by a handful of elites engaged in oligarchic politics, are deeply

detrimental to the lives of the people and the future of Indonesia. National issues such as these cannot be separated from neoliberal capitalism in the complex Indonesian context on the one hand, and the pull of radicalism and extremism on the other.

The emergence of proponents of the caliphate (radical Islamism) as an alternative ideology is an excess and negative impact of the rise of neoliberal capitalism in Indonesia (Jamie S. Davidson, 2019).

METHODS

Authoritarian and Undemocratic Rule

It is crucial for us to understand that the current grim conditions are inseparable from past history, which is an integral part of our national life. Daniel S. Lev (2009), Herbert Feith (1962), Karl Jackson (1978), and Don Emmerson (2001) note that after Indonesia's independence in 1945, amidst the Cold War, a relatively backward Indonesia began an experiment in liberal democracy with its first general elections in 1955. However, in 1959, due to an ideological crisis, regional rebellions, and elite divisions, President Sukarno finally issued the Presidential Decree of July 5, 1959, and imposed an authoritarian Guided Democracy, which ended in 1965. In this regard, studies of the first and last 20 years of Indonesian democracy are often "ignored."

As reflected in the first 20 years, 1945-65: elected governments came and went; Parliament was unstable, subject to frequent upheavals and conflict with the ideological beliefs and values of the community, often leading to violent conflict.

Daniel Lev, Feith, Jackson, and Emmerson note that, for the first 20 years of its existence, Indonesia was largely governed this way: President Sukarno gradually clipped the wings of democracy in the country, making it a "Guided Democracy" and allowing gradual military intervention. The last truly democratic elections were held in 1955. But the decline of authoritarian and undemocratic rule continued rapidly in 1965 after a covert military coup that allowed an unknown military general named Suharto to take power. Thirty-two years later, Suharto was ousted after a crisis, riots, and chaotic protests, which then gave way to democracy for the next 20 years.

Initially, according to Jamie Davidson, a period of innovation accompanied the succession of the German-educated technology minister of the Suharto era, Prof. B.J. Habibie, who became the country's first reformist president. Jamie Davidson points to the extraordinary decentralization initiated by Habibie, which, while initially destabilizing and fueling fears of national disintegration, ultimately created a broader and more stable political and economic base.

In some ways, counter-innovation also characterized this period—essentially a rejection of reform. All of the negative behavior of the New Order elite was perpetrated by the political and economic interests of entrenched and entrenched elites, often seen as obstacles to change. However, this also helped the political elites during the authoritarian New Order period adapt to democratization and ultimately implement institutional reforms, ultimately hijacking and even taking democracy hostage.

In fact, since the era of President Megawati Soekarnoputri (2002-2004), as repeatedly stated by Indonesian intellectuals and movement activists, it has become increasingly clear that in Indonesia, the democracy the people longed for has been hijacked by plutocrats and oligarchs who grip and control political and economic power. This hijacking of democracy has become even more powerful during the era of Presidents Susilo Bambang Yudhoyono-SBY (2004-2014) and Joko Widodo (2014-2019).

Plutocrats, oligarchs, and predatory capitalists have become increasingly powerful, wielding the power of capital, technology, and networks to control resources and all the instruments of democracy at their disposal. They easily subvert the people's sovereignty and

suppress the voices of those who desire freedom, justice, and general prosperity. (Richard Robison and Vedi R Hadiz, 2004).

The people have voted in every election, but afterward, they have been forgotten and abandoned. As a result of these adverse conditions, what Jamie Davidson calls "stagnation" occurred, encompassing the period of Indonesia's first direct presidential elections during the reform era under President Megawati Sukarnoputri from 2004 to 2014, and the era of President Joko Widodo from 2014 to 2019.

Davidson describes this dark and gloomy political-economic phenomenon as "stagnation" due to the stagnation and inaction of reformist elites and intellectuals in instituting changes that favor the interests of the masses. This occurred during the period of Indonesia's first direct presidential elections during the reform era under SBY from 2004 to 2014, and also during the era of President Joko Widodo from 2014 to 2019. During this period, political corruption and identity politics increasingly concerned the public, but even more alarming was the rise of oligarchy under Jokowi, resulting from the ethical and moral decay of the ruling elite/political elite, who were greedy for power and wealth. Jokowi even had ambitions of ruling for three terms, but was opposed by the Covid society until he finally played tricks in the Constitutional Court by nominating his son, Gibran Rakabumi, as a vice presidential candidate through a serious ethical violation and was reprehensible in the eyes of the people.

RESULTS AND DISCUSSION

Injustice, Inequality, and Economic Darwinism

The World Bank observes that inequality in Indonesia has increased significantly and alarmingly over the past 15 years. This inequality is due to unequal development between regions, not to mention the sharp disparities between individuals and groups.

The World Bank proposes at least four recommendations for Indonesia to avoid the current high inequality:

First, improve public services in the regions, especially in remote areas. This is key to ensuring the next generation gets a better start. This is key to improving health, education, and family planning opportunities for everyone.

Second, create better jobs and provide opportunities for employees to receive skills training to improve the quality of human resources.

Third, ensure protection from shocks. Government policies can reduce the frequency and severity of shocks, while also providing coping mechanisms to ensure that all households have access to adequate protection if shocks strike.

Fourth, use taxes and government spending to reduce current and future inequality. Fiscal policy focuses on increasing government spending on infrastructure, health and education, social assistance, and social security. Design a fairer tax system by improving a number of tax regulations that currently support the concentration of wealth in the hands of a few.

The World Bank's recommendations will almost certainly not be implemented effectively by the government, its bureaucracy, and its apparatus. From the New Order era of Suharto to the current reform era, our bureaucrats and apparatus have been weak, their mentality corrupt, and their values disoriented. There has also been a long-standing decoupling, a separation, between the socio-economic programs and agendas of the people and the government. Meanwhile, transactional democracy and rampant political corruption have dashed public hope for improved lives and economic equality.

Related to the above issues, activist/writer Eddy Junaedi noted that one fundamental weakness of Joko Widodo's cabinet, driven by Sri Mulyani Indrawati (Minister of Finance), is its fiscal weakness but its ingenuity in borrowing. Prabowonomics is expected to address

this by separating fiscal matters, while the Ministry of Finance only handles monetary matters with Bank Indonesia, specifically development expenditures agreed upon in the State Budget. Currently, the majority of this comes from taxes and oil and gas commodities, as profit sharing is only 2.5–5% according to the law. This needs to be reformed and improved. Meanwhile, senior activist Ir. Indro Tjahjono noted that under the Jokowi administration, state-owned enterprises (SOEs) have incurred debts of Rp 6,500 trillion. Pertamina is recorded as having Rp 700 trillion in debt and PLN Rp 500 trillion. Many SOEs have suffered and gone bankrupt as a result of this policy. Several state-owned enterprises (PUPR) have even been forced to sell toll roads to foreign parties due to increasing construction costs.

According to Mukhamad Misbakhun, a member of Commission XI of the Indonesian House of Representatives (DPR), the government also manages Rp 4,500 trillion in public funds, the majority of which is used for infrastructure development and the payment of obligations of bankrupt SOEs, such as PT. Merpati Nusantara Airlines, PT. Asuransi Jiwasraya, and PT. Dirgantara Indonesia. However, Sri Mulyani argued that government debt was only Rp9,000 trillion, or around 40% of GDP, although if added to state-owned enterprise debt and domestic liabilities, the total debt reached Rp21,000 trillion or 95% of GDP.

Economic Darwinism

We see that since the fall of Suharto's New Order in 1998 until today's reform era, the greatest economic growth has continued to be felt by the wealthy. The poor, on the other hand, have felt little impact. Income inequality has risen rapidly, with nearly a third of this growth stemming from unequal opportunities. Poverty reduction has stagnated, with a decline approaching zero in 2014. A World Bank study confirms this: currently, 45 million people, or 18% of the wealthiest in Indonesia, are the fastest-growing group. However, the poorest 40% have only recorded growth of less than 2%.

This is clearly what Nurcholish Majid (1998) calls Economic Darwinism, where Indonesia's capitalist economic development sacrifices the weak and disadvantaged masses, prioritizing the sovereignty of capital, with a limitless, free-flowing economic system that is entirely oriented toward results, profit, or gain. In the Economic Darwinism that Nurcholish Majid (Cak Nur) refers to, capitalism destroys the very foundations of society, inciting people to worship money and the power of capital, and leading elites and rulers to completely disregard ethical and religious values. The meeting between former House of Representatives Speaker SN and businessman MRC and the President Director of Freeport MS, who used the names of President Jokowi and Vice President JK, demonstrates this.

As a result, society will increasingly move away from the spirit of "sharpening, caring, and nurturing," losing trust, compassion, love, and sacrifice. The mindset of the elite and the public will be driven to prioritize material gain and power alone.

This situation encourages, or even "forces," society to compete with one another, fostering competition, individualism, and unfair advantage, as the powerful and capitalist groups emerge as superior and dominant. Undeniably, today, the powerful and capitalist groups are becoming increasingly powerful and growing, while the economically weaker groups are increasingly marginalized, oppressed, and trampled upon.

In economic Darwinism, the weak and poor will always be the victims of the victimized, to borrow Edward Said's metaphor.

This is evidenced by a World Bank study that shows that inequality in Indonesia has been increasing over the past fifteen years. In 2000, the Gini ratio was recorded at 0.3, then increased to 0.41 in 2015. Furthermore, growth over the past decade has only benefited the richest 20 percent of the population, while the remaining 80 percent of the population, approximately 205 million people, remains lagging behind. This means a widening gap in

living standards and a growing concentration of wealth in the hands of a few. Meanwhile, between 2003 and 2010, per capita consumption for the richest 10% of Indonesians rose even more sharply, up to 6% per year, even taking inflation into account. However, the increase (growth) is less than 2% per year for the poorest 40%. By 2024, socioeconomic conditions will be even worse. It's important to note that the violence in Singkil (Aceh), Tolikara (Papua), Mesuji (Lampung), Bima (NTT), and so on, are inseparable from this Economic Darwinism.

In this regard, Yuki Fukuoka and Luky Djani's analysis, published in their 2016 article, *"Revisiting the Rise of Jokowi: The Triumph of Reformasi or An Oligarchic Adaptation of Postclientelist Initiatives?"*, is interesting. They argue that from the outset, Jokowi is no longer the figure he portrayed to the public during the campaign: one who prioritizes the interests of the people over the party (Fukuoka & Djani, 2016).

Just a few months into his presidency, Indonesia's new president, Jokowi, is beginning to disappoint supporters who hoped he could improve the quality of democracy. In the beginning of their article, Djani and Fukuoka state that "Jokowi gave strategic positions to oligarchic interests and indicated that his decisions were actually based on his supporting parties, contrary to his campaign promises of a "clean" and "professional" government without bribery." Instead, one of Jokowi's effective methods to expand his power was this politics of favor. According to Yuki Fukuoka and Luky Djani, after the collapse of the New Order, social groups were fragmented and disorganized. As a result, those holding power remained tied to the oligarchy of the previous administration.

However, with the emergence of activists and labor groups, the post-New Order political elite also paid attention to the needs of the lower-middle class. After all, they needed their votes to win elections. Moreover, they dared to voice greater demands than before.

Politicians no longer relied on patronage to win elections. They began to support individuals with a history of caring for the poor and boldly promoting populist programs. Such figures typically emerge during democratic periods after authoritarianism that perpetuates clientelistic practices has collapsed. "When clientelistic mobilization becomes less effective, the oligarchic elite begins to selectively embrace populism in an effort to maintain its grip on the state power structure," Fukuoka and Djani said. This oligarchic grip is what has distanced the Jokowi regime from its own people, as Jokowi sides with the oligarchy and neglects his own public interests.

Jokowi Deeps Sby's Neoliberalism

Under President Joko Widodo's administration, the dominance of foreign powers in Indonesia continues and tends to strengthen as a consequence of the neoliberal political-economic legacy of the Susilo Bambang Yudhoyono (SBY) administration. Now, it seems as if Jokowi is a continuation of SBY in one breath of neoliberalism.

Even economist Faisal Basri, a member of the Faculty of Economics and the University of Indonesia, called Jokowi more neoliberal than SBY. Yet, if we examine Soekarno's Nawa Cita and Trisakti, which Jokowi championed, their spirit and vision are clearly aimed at eroding and correcting SBY's neoliberal regime. This ironic situation has led some people to adopt a Cynics and skeptics.

The dominance of foreign powers, coupled with neoliberal globalization in Indonesia under the SBY era and previous regimes, continues to flow rapidly, with a powerful impact on the dispossession and marginalization of the people.

Remember that neoliberalism believes that individual initiative can thrive if the role of the state is minimized. The implication is that the state should not be heavily involved in the economy, but should use its power to defend private property rights and market institutions and promote capitalist elites on the global stage when necessary. (Harvey, 2005).

Friedrich von Hayek recognized as the "Prophet" of the market economy by British Prime Minister Margaret Thatcher in the 1980s or towards the end of the 20th century inspired, motivated, and encouraged global capitalists to force neoliberalism into the lowest levels of society, through a number of policies imposed by governments in the Third World, including Indonesia.

Neoliberalism paved the way for the birth of a global economic empire that transcended national borders. And for Indonesia, neoliberal globalization, which has become the daily norm among universities, state officials and bureaucrats, and the business world, has resulted in a deeply concerning impact of foreign domination. Under the climate of neoliberalism, it is the market and capital that dictate or create the state, not the other way around. This means that, in the case of Indonesia, the market and capital are able to impose their interests on the state, with all its implications, particularly the marginalization and economic-political deprivation of the people.

In this regard, since the era of President SBY (2004-2014), and up to the current era of President Jokowi, several laws that have faced public challenges, including Law Number 25 of 2007 concerning Investment, Law Number 27 of 2007 concerning Management of Coastal Areas and Small Islands, and Law Number 4 of 2009 concerning Mineral and Coal Mining, have continued to operate and been ignored. All three laws are exploitative and pro-corporate rather than prioritizing the interests of the people. In fact, the Investment Law before being partially annulled by the Constitutional Court provided corporations with 95 years of land ownership.

Regarding oil and gas and coal, research by NGO activist Chalid Muhammad (Walhi/Indonesian Green Institute, 2010) noted that 85.4 percent of Indonesia's 137 oil and gas concessions are controlled by foreigners. Foreign control in the mining, plantation, and fisheries sectors is also increasing. Ironically, excessive exploitation of natural resources is carried out to meet the consumption needs of other countries. A 2008 report by the World Coal Institute states, for example, that 82.52 percent of Indonesia's 246 million tons of coal is exported. Compare this to China, which produces 2,761 million tons and exports only 1.7 percent. The remaining 98.3 percent is used for domestic purposes. In 2010, the Mining Advocacy Network (Jatam) reported that 35 percent of Indonesia's landmass was cleared for mining.

The injustice in Indonesia's oil and gas production process is not only demonstrated by foreign domination of ownership and profit sharing, but also by production costs (cost recovery). Cost recovery is reimbursement for operating costs incurred by contractors to carry out oil and gas exploration and production activities in a work area. Contractors are entitled to cost recovery once the oil and gas field is commercially productive, through a profit-sharing system with the state. According to a 2005 report by the Oil and Gas Regulatory Agency (BP Migas), since 2004, government investment in national oil and gas production has only been US\$5.56 million, while cost recovery has been provided by the government at US\$5.6 million. In 2005, oil and gas investment was US\$6.22 million, while cost recovery was US\$7.68 million. Corruption is again evident in the use of cost recovery by foreign oil and gas contractors.

Referring to the Audit of the Development Supervisory Agency (BPKP) for the period 2000-2006, indications of irregularities were found in 43 oil and gas contractors, resulting in state losses of Rp 18.07 trillion. This was due to the loose definition of cost recovery agreed upon by the government and contractors (most of whom were multinational corporations). Consequently, non-production factors such as home renovations and entertainment costs were also borne by the state. In 2011, the government returned US\$15.22 billion to oil and gas well operators, US\$15.51 billion in 2012, and US\$15.92 billion in 2013. During the meeting, the government, through the Special Task Force for Upstream Oil and Gas Regulatory Affairs

(SKK Migas), requested an increase in the recovery cost from the 2014 Revised State Budget (APBN-P) from US\$15 billion to US\$16 billion, or Rp 192 trillion, in the 2015 Draft State Budget.

Foreign dominance of national oil and gas production also yields a more surprising reality. A study by Chalid Muhammad, along with Walhi (The Indonesian Forum for the Environment) and the Indonesian Green Institute, recorded that foreign oil and gas companies control 95.45 million hectares of Indonesian oil and gas concessions, out of Indonesia's total land area of 192.257 million hectares. The total number of oil and gas blocks controlled by foreign parties is 329.

Even tax manipulation by these KKKS holders seems to justify Transparency International's (TI) report on the corrupt behavior of 44 global oil and gas corporations (MNCs) in Berlin in early 2011. This corrupt behavior was merely an instrument to "smoothe the way" for these MNCs to achieve greater success, namely domination of the national oil and gas industry.

Various media outlets reported that foreign oil and gas companies controlled 65 percent of the total oil and gas blocks in Indonesia. National companies controlled only 24.27 percent. The remainder was controlled by consortiums of foreign and local companies, again demonstrating foreign dominance in profit-sharing and share ownership, with local companies only holding 20 percent of the consortium's shares. Meanwhile, at the end of May 2009, data from the Ministry of Energy and Mineral Resources showed 69.9 percent foreign domination of the Indonesian oil and gas industry, approximately 70 percent of which belonged to US companies such as Chevron, ConocoPhillips, and ExxonMobil. What about national companies? The data shows that the role of national oil and gas companies only reached 29.1 percent in the oil and gas industry.

Specifically for the natural gas sector, a January 2008 report from the Energy Information Administration (EIA) confirmed an even more devastating fact. The report stated that 90 percent of Indonesia's total natural gas production comes from six multinational corporations: Total (30%), Exxon Mobil (17%), Vico (BP-Eni joint venture 11%), ConocoPhillips (11%), BP (6%), and Chevron (4%). Of these six multinational corporations, three are from the US and control 32 percent of Indonesia's natural gas production. These MNCs are also among the 44 international oil and gas companies that, according to the TI report, have engaged in corrupt behavior, harming Indonesia.

Meanwhile, the Coastal Area Management Law also grants corporations the right to control the water surface, water column, and even the bottom of the waters for 60 years cumulatively in the form of Coastal Waters Concession Rights (HP3). The HP3 concept is similar to forestry and mining concessions, which have been widely criticized for their detrimental effects on the state. The Mineral and Coal Law, which replaced the 1967 Mining Law, has not shown any promise of improvement. Local governments seem to be competing to issue permits, even appearing to be selling them cheap.

It's no wonder that the NGO Jatam estimates that more than 10,000 mining permits have been issued by local governments to date. In fact, in many places, the destructive power of mining threatens the lives of local residents.

Meanwhile, Sawit Watch stated that as of June 2010, the government had granted 9.4 million hectares of land, and this figure will reach 26.7 million hectares by 2020, to 30 groups controlling 600 companies. This area is equivalent to the land controlled by 26.7 million poor farmers, if each farmer owned 1 hectare. Yet, many Indonesian farmers still own no land or own less than 0.5 hectares. The Head of the National Land Agency noted that 56 percent of Indonesia's assets, whether property, land, or plantations, are controlled by only 0.2 percent of the Indonesian population.

Meanwhile, as of 2015, at least 25 palm oil company groups controlled 5.1 million hectares of land, or nearly half of Java's 128,297 square kilometers. Of these 5.1 million hectares (51,000 square kilometers), 3.1 million hectares have been planted with oil palms, while the remainder remains unplanted. Indonesia currently has approximately 10 million hectares of oil palm plantations. These corporate groups are controlled by 29 tycoons whose holding companies are listed on stock exchanges, both in Indonesia and abroad.

The control of a handful of individuals over agrarian resources is even more evident when viewed across development sectors. The government has also granted more than 42 million hectares of forest to 301 forest concession companies and 262 industrial timber plantation companies (Ministry of Forestry, 2009).

Meanwhile, agrarian injustice in Indonesia persists, almost as long as the Agrarian Law Number 5 of 1960 itself. The spirit of agrarian justice enshrined by the nation's founders in the 1945 Constitution has been distorted by the SBY regime and previous regimes. Privatization and liberalization have further deprived farmers and further alienated them from agrarian justice. For the sake of economic growth and political stability, the Soeharto regime, for example, distributed the country's natural assets to domestic and foreign corporations, including its cronies. Unfortunately, this corrupt practice of power continues into the current era of SBY and Jokowi. The propaganda of neoliberal intellectuals and economists that the privatization and deprivation of state assets are congruent with the eradication of corruption is clearly unreliable and cannot be proven by the facts.

CONCLUSION

Corruption, Collusion, Nepotism (KKN), Neoliberalism, and Oligarchy have become deeply rooted in Indonesia. In this regard, borrowing WS Rendra's perspective, our nation's dignity and honor can no longer be protected and defended against the ravages of frustration and despair. This is the result of the failure of the Jokowi regime, which has deeply hurt and disappointed its own people.

Therefore, President Prabowo Subianto's administration must firmly realize the ideals of the 1945 Proclamation and the 1998 Reforms, uphold the Rule of Law, eradicate corruption indiscriminately, and implement good governance through sound political and economic management.

Now, our people's hopes are in President-elect Prabowo Subianto to improve the socio-economic conditions of our nation, strengthen civil society, the Rule of Law, and democracy. The public and the business world should help the new government address the myriad problems inherited from the Jokowi regime, not encourage collusion or corruption.

Civil society and fellow citizens must work together with the new government to lift this nation out of the economic turmoil and multi-dimensional crisis left by Jokowi.

Now, under President Prabowo Subianto, the state and society face complex problems: from ethical, moral, and ethical crises to economic and ecological crises. Therefore, civil society, including the mass media (Tempo, Kompas, Jakarta Post, Media Indonesia, Jawa Pos, television, and other mainstream media) that care about and are committed to quality democracy, must be more critical, honest, and discerning, carrying out continuous and in-depth monitoring alongside social media (Medsos), so that this nation's state and democracy are safe and do not plunge into a deeper crisis.

In this regard, civil society must boldly exercise social control with an anti-corruption, collusion, and nepotism (KKN) agenda and vision and mission, as well as uphold the rule of law and implement checks and balances, because the executive, legislative, and judicial institutions are dysfunctional, ineffective, and beyond hope.

This is crucial to prevent our nation and state from falling back into the economic and political crisis of 1997/1998, which would have bankrupted the nation and led to its collapse.

Indonesia has entered more than 20 years of reform, and the role of the media and civil society in general remains crucial. It is also crucial for building credible/professional political parties and community organizations (ormas), as well as good governance, with morals, ethics, and civility.

Thus, going forward, our society and nation will undoubtedly be able to maintain and strengthen the democratic state and the rule of law, which are the spirit and ideals of the 1945 Proclamation, for the sake of our dignity as a modern nation-state called the Republic of Indonesia, not a kingdom. The Republic of Indonesia was founded by the Founding Fathers and Mothers with a socialist-democratic orientation as an antithesis to liberal capitalism-colonialism, as an antithesis to the palace (kingdom) which had a feudal and dynastic character.

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