

# THE ROLE OF OLIGARCHY IN LOCAL ELECTIONS FUNDING: A CASE STUDY OF CENTRAL SULAWESI

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*How do oligarchs finance local elections, and what motivates their involvement? This study aims to examine the involvement of oligarchs in funding elections campaigns in Central Sulawesi. The research design uses case studies. This study found that oligarchs were, directly and indirectly, involved in local election activities. They become part of candidates' campaign teams, finance political activities, play a role in issuing parties' recommendations, mobilise mass campaigns, pay political consultants, control public opinion, distribute social assistance and design political parties coalitions. The involvement of oligarchs in local election activities is motivated by their desire to promote political parties in Central Sulawesi and the interests of running a business. This orientation of growing political parties is more dominant in influencing oligarchs to be involved in local elections, rather than the orientation of maintaining their business continuity. This finding shows that there is a shift in the orientation of entrepreneurs in providing political support. From previously conducting such support secretly, now oligarchs are bolder to appear in public as administrators of political parties, success teams and supporting political financing.*

**Keywords:** oligarchy, local election, funding, Central Sulawesi.

## 1. Introduction

Ahead of the 2020 direct local elections (*pemilihan kepala daerah langsung/pilkada*), the Coordinating Minister for Political, Legal and Security Affairs of the Republic of Indonesia, Mahfud M.D., issued a surprising statement that the majority of candidates for regional heads in Indonesia are financed by *cukong* (entrepreneurs). Previously, in the 2017 and 2018 pilkada, a study conducted by the Corruption Eradication

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Commission (KPK) stated that 82.3% of regional head candidates admitted to being sponsored by donors with business backgrounds.<sup>4</sup> The high cost of politics is allegedly the reason the candidates for regional heads need the help of entrepreneurs. Candidates for regional heads require substantial campaign costs and media rentals.<sup>5</sup> A candidate who wants to run in local elections needs political costs of Rp 20 to 30 billion (approximately USD 1.4 to 2.1 million) to compete in the district/city level elections and Rp 30 to 100 billion (approximately USD 2.1 to 7 million) to contest the gubernatorial election. On the other hand, entrepreneurs are interested in controlling assets, resources and development projects in the region.<sup>6</sup>

The interdependence between politicians and private entrepreneurs has implications for increasing corruption cases in the regions. The KPK noted that 429 regional heads resulting from direct regional elections from 2005 to 2020 were entangled in corruption cases.<sup>7</sup> In Central Sulawesi, corruption involving the regional head ensnared the Buol Regent, Amran Batalipu, and the Banggai Laut Regent, Weny Bukamo. Amran was charged with accepting bribes in the form of local elections funding for granting recommendations for palm oil permits. Like Amran, Weny Bukamo is suspected of allegedly receiving bribes from businessmen (contractors) for campaign costs and the 'dawn attack' (early morning vote buying) in the Banggai Laut Pilkada.<sup>8</sup> The KPK arrested Amran Batalipu and Weny Bukamo ahead of local elections in 2012 and 2020.

Entrepreneurs' support for candidates is not something that comes free. Once elected, regional heads reciprocate the support of entrepreneurs by distributing development projects and granting business permits and public policies that benefit them. In Sumenep Regency (East Java), political investors who provided financial support to candidates received economic benefits by placing people close to them in regional government-owned enterprises (BUMD) engaged in the oil and gas sector. Political investors also gain political access in the placement of bureaucratic officials and facilitate government projects.<sup>9</sup>

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<sup>4</sup> Elih Dalilah et al., "Benturan Kepentingan Pada Pendanaan Pilkada," *Jurnal Antikorupsi INTEGRITAS* 5, no. 1 (2019): 181–88, <https://doi.org/10.32697/integritas.v5i1.391>.

<sup>5</sup> Marcus Mietzner, "Funding Pilkada: Illegal Campaign Financing in Indonesia's Local Elections," in *The State and Illegality in Indonesia*, vol. 269, Verhandelingen van Het Koninklijk Instituut voor Taal-, Land- En Volkenkunde (Leiden: KITLV Press, 2010), 123–38.

<sup>6</sup> Meuthia Ganie-Rochman and Rochwan Achwan, "Corruption in Indonesia's Emerging Democracy," *Journal of Developing Societies* 32, no. 2 (2016): 159–77.

<sup>7</sup> *Detik.com*, "Pimpinan KPK Catat Ada 429 Kepala Daerah Hasil Pilkada Terjerat Korupsi," *Detik.com*, 2021.

<sup>8</sup> Kompas, "OTT Bupati Banggai Laut: Uang Suap Hasil Atur Lelang Proyek Akan Dipakai Untuk Serangan Fajar Pilkada," *Kompas*, 2020, <https://nasional.kompas.com/read/2020/12/05/06534021/ott-bupati-banggai-laut-uang-suap-hasil-atu-lelang-proyek-akan-dipakai?page=all>.

<sup>9</sup> Mohammad Hidayaturrahman, Bonaventura Ngarawula, and Kridawati Sadhana, "Political Investors: Political Elite Oligarchy and Mastery of Regional Resources in Indonesia," *Asian Journal of Comparative Politics*, n.d., 1–13, <https://doi.org/10.1177/2057891120917213>.

This study aims to provide a descriptive explanation of the role of politicians and entrepreneurs (oligarchs) in local elections. This study complements previous findings regarding the emergence of wealthy local elites who dominate local politics in Batam, the direct involvement of private entrepreneurs in elections in North Sumatra and East Java,<sup>10</sup> and the ability of entrepreneurs to survive in various types of regimes in Pekalongan.<sup>11</sup> This study differs from the previous ones because it was conducted in Central Sulawesi, one of the regions in Indonesia that is experiencing relatively rapid growth in foreign capital investment. The presence of investments in Central Sulawesi simultaneously emerged with groups of entrepreneurs who manage mining business permits and oil palm plantations. Besides conducting business activities, these businessmen are also active in politics. They were directly and indirectly involved in financing candidates in the 2020 gubernatorial elections.

Therefore, the central question of this study is how do oligarchs influence local elections through financing, and what motivates them to get involved? This study does not attempt to explain why this happened, nor does it intend to explain the impact or implications of the oligarchy's involvement in local elections.

This article consists of four parts. The first part discusses the theoretical framework of the study. The second part describes the case selection method. The third part elaborates the process and dynamics of the gubernatorial elections in Central Sulawesi, including its financing activities and the role of oligarchs in local elections. The final part concludes.

## **2. Theoretical Framework**

In classical terminology, oligarchy is defined as the concentration of power in the hands of a small group of people. Winters (2011) criticises this concept because, according to him, it muddles the definition of oligarchs and elites. He revises the concept of oligarchy by first dividing five individual power resources, including political rights, official position power in a government or organisation, coercive power, mobilising power, and material power.<sup>12</sup> A person is an oligarch if they control material resources in a concentrated manner. If the person only controls the first four power resources without having material power, he is not an oligarch but an elite.

According to Winters, oligarchy is the power controlled by super-rich individuals. Winters' terminology is in line with that quoted by Aslund (2005) and Matuszak (2012), where the mention of oligarchy is attached to entrepreneurs who

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<sup>10</sup> Nankyung Choi, "Elections, Parties and Elites in Indonesia's Local Politics," *South East Asia Research* 15, no. 3 (2007): 325–54.

<sup>11</sup> Amalinda Savirani, "Survival against the Odds: The Djunaid Family of Pekalongan, Central Java," *South East Asia Research* 24, no. 3 (2016): 407–19.

<sup>12</sup> Jeffrey A. Winters, *Oligarchy* (New York, NY: Cambridge University Press, 2011).

are very rich and have good political connections with power,<sup>13</sup> or representatives of big business who can influence politics for their benefit<sup>14</sup>. Oligarchy is also defined as the ownership and exercise of power by a handful of individuals directly or indirectly for personal gain<sup>15</sup>. Direct involvement—such as their participation as executive and legislative officials—could play a role in influencing policy. Indirect involvement may take the form, for example, of their becoming a financier or supporter of political parties<sup>16</sup>.

Robison and Hadiz define oligarchy as a power relationship between a group of people who control economic and political resources for their own sake.<sup>17</sup> The concept of oligarchy in this study refers to the opinion of Robison and Hadiz. This definition is more appropriate to explain the behaviour of groups of politicians and businessmen at the subnational level without categorising the players based on the size of the owned assets. This approach is beneficial because finding a group of super-rich politicians and businessmen at the subnational level—including Central Sulawesi—is a difficult task due to the unavailability of reliable data. Most local entrepreneurs only have businesses locally, and their assets are challenging to identify because they are not officially published or reported. However, locals widely recognise them as businessmen and politicians.

### 3. Setting and Design of the Research

This research focuses on Central Sulawesi, one of the regions in Indonesia that has been experiencing relatively rapid growth of foreign direct investment. The data from the Investment Coordinating Board (BKPM) shows that, for the last three years (2019-2021), Central Sulawesi has been included in the top five provinces in Indonesia that have become the focus destinations for foreign investment.<sup>18</sup> Direct foreign investment in Central Sulawesi in 2021 ranks third in Indonesia after West Java and DKI Jakarta and ranks first for provinces outside Java.

Increased investment in Central Sulawesi correlates with the growing number of mining and palm oil plantations permits. According to the Department of Energy

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<sup>13</sup> Anders Aslund, “Comparative Oligarchy: Russia, Ukraine and the United States,” *CASE Network Studies and Analyses*, no. 296 (2005), <http://dx.doi.org/10.2139/ssrn.1441910>.

<sup>14</sup> Sławomir Matuszak, *The Oligarchic Democracy. The Influence of Business Groups on Ukrainian Politics* (Ośrodek Studiów Wschodnich im. Marka Karpia, 2012), <https://www.ceeol.com/search/book-detail?id=550272>.

<sup>15</sup> John T. Evans, “The Decline of Oligarchy in Seventeenth-Century Norwich,” *Journal of British Studies* 14, no. 1 (November 1974): 46–76, <https://doi.org/10.1086/385666>.

<sup>16</sup> Stanislav Markus and Volha Charnysh, “The Flexible Few: Oligarchs and Wealth Defense in Developing Democracies,” *Comparative Political Studies* 50, no. 12 (October 2017): 1632–65, <https://doi.org/10.1177/0010414016688000>.

<sup>17</sup> Vedi Hadiz and Richard Robison, *Reorganising Power in Indonesia: The Politics of Oligarchy in an Age of Markets* (Routledge, 2004).

<sup>18</sup> BKPM RI, “REALISASI PENANAMAN MODAL PMDN-PMA,” BKPM, 2021, <https://www.bkpm.go.id/id/publikasi/siaran-pers/readmore/2420901/71001>.

and Mineral Resources data, until 2021, there have been 445 mining business permits in Central Sulawesi. Furthermore, the KOMIU NGO noted an increase in palm oil plantations from 123,279 Ha in 2018 to 152,231 Ha in 2020. Entrepreneurs active in the mining and palm oil plantation sectors are also known for their involvement in financing candidates in the local elections. The competition between entrepreneurs to secure permits drives them to be directly or indirectly involved in local elections. Based on that observation, discussing elections in Central Sulawesi could be an illustrative case study in observing the operation of politicians and entrepreneurs (oligarchs) in financing local elections in Indonesia.

This paper uses the case study method. Research data was obtained through desk study and field study. The desk study aimed to develop a database of pairs of regional head candidates who had registered with the KPU. The primary information collected is the profile of the candidate, the members of the candidates' campaign teams, the amount of candidates' wealth as stated in the State Official's Wealth Report (LHKPN), and monitoring of local mass media to track elections dynamics.

The field study involved in-depth interviews in exploring intensive information from the resource persons. The primary data sources in this study include 18 individuals, consisting of three academics, four political party administrators, two personal staff of political party leaders, three non-governmental organisations (NGOs) representatives, two representatives of survey agencies, one local media journalist, two representatives of the companies that operate in Central Sulawesi, and one commissioner of the local Elections Commission (KPU). The selection of informants from academia, NGOs, the KPU, survey agencies, and the media was motivated by their understanding of the dynamics of local politics. We selected political parties and staff members due to their involvement as a campaign team (*tim sukses* or *timses*) for regional head candidates or as a part of the political parties that nominated the candidates. Furthermore, the selection of company representatives is needed to get their perspectives regarding the correlation between businesses operating at the local level and local political competition. It is important to note that the study does not attempt to establish a causal relationship but only explains how the oligarchy is involved in local political contestation.<sup>19</sup>

#### **4. Analysis**

##### **A. The 2020 Central Sulawesi Governor Elections**

Two pairs of candidates—Hidayat Lamakarate-Bartholomeus Tandigala and Rusdy Mastura-Ma'mun Amir—competed in the 2020 Central Sulawesi gubernatorial elections. Seven political parties supported the Hidayat Lamakarate-Bartholomeus Tandigala pair. Two political parties held seats in the Provincial People's Assembly

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<sup>19</sup> John Gerring, "Mere Description," *British Journal of Political Science* 42, no. 4 (October 2012): 721–746, <https://doi.org/10.1017/S0007123412000130>.

(*Dewan Perwakilan Rakyat Daerah* or DPRD)—i.e., the Greater Indonesia Movement Party (*Gerakan Indonesia Raya* or Gerindra) and the Indonesian Democratic Party of Struggle (*Partai Demokrasi Indonesia Perjuangan* or PDIP), with 12 seats in total. The other five parties came from non-parliamentary parties, namely the Berkarya Party, The Moon and Crescent Party (*Partai Bulan Bintang* or PBB), The Indonesian Solidarity Party (*Partai Solidaritas Indonesia* or PSI), The Indonesian Justice and Unity Party (*Partai Keadilan dan Persatuan Indonesia* or PKPI), and the Gelora Party. In total, this pair was supported by 12 DPRD seats or equivalent to 26.6% of the local parliamentary seats. This number was more than enough to nominate a pair of candidates.

Meanwhile, a 'fat coalition' supported the pair of Rusdy Mastura-Ma'mun Amir. The coalition consisted of one non-parliamentary party (*Garuda* Party) and nine parties holding DPRD seats including the Nasdem Party (*Partai Nasional Demokrat* or Nasdem), the Golkar Party, The People's Conscience Party (*Partai Hati Nurani Rakyat* or Hanura), the Democratic Party (*Partai Demokrat* or PD), the National Awakening Party (*Partai Kebangkitan Bangsa* or PKB), the Prosperous Justice Party (*Partai Keadilan Sejahtera* or PKS), the United Development Party (*Partai Persatuan Pembangunan* or PPP), the United Indonesia Party (*Partai Persatuan Indonesia* or Perindo) and the National Mandate Party (*Partai Amanat Nasional* or PAN). Overall, this pair was supported by ten political parties with 33 seats or equivalent to 73.4% of the total seats in the Central Sulawesi DPRD.

The two pairs of candidates had diverse backgrounds, regional origins and different political experiences (see Table 1). The Rusdy Mastura-Ma'mun Amir pair was a combination of politicians and bureaucrats. Both are seasoned politicians. Rusdy Mastura started his career as a member of the Palu City DPRD. He then served as the Mayor of Palu for two terms, from 2005 to 2010 and from 2010 to 2015. Meanwhile, Ma'mun Amir started his career as a bureaucrat. He was the Deputy Regent of Banggai, Regent of Banggai, and a member of the DPD RI. In addition, the Rusdy Mastura-Ma'mun Amir pair was a combination of two figures from different regions, Rusdy Mastura representing the western region of Central Sulawesi (Palu area), and Ma'mun Amir from the Eastern part of Central Sulawesi (Luwuk area). The two areas—Palu City and Banggai Regency—are inhabited by the majority of the population from different ethnicities. Rusdy Mastura comes from the *Kaili* ethnic group, an indigenous ethnic group inhabiting Central Sulawesi. Meanwhile, Ma'mun Amir comes from the *Babasal* ethnic group—*Banggai*, *Balantak*, *Saluan*—the majority ethnic group that occupies the eastern part of Central Sulawesi. Mam'mun Amir was also the son of the last King of Banggai, Sukran Aminuddin Amir.

**Table 1. Profiles of Candidates for Governor and Vice Governor of Central Sulawesi Province**

Name	Profile	Power Resources
<b>Rusdy Mastura</b>	He served as Mayor of Palu for two terms and was once a Golkar elite in Palu City and Donggala Regency. However, he was better known as a leader of the Pancasila Youth Organization ( <i>Pemuda Pancasila</i> ).	<ul style="list-style-type: none"> <li>- Organisational official position (Chairman of Provincial Board of the Nasdem Party)</li> <li>- Mobilization (<i>Pemuda Pancasila</i>, Golkar, Nasdem Party cadre).</li> <li>- Size of wealth: approx. Rp 6.3 billion (USD 440,150)</li> </ul>
<b>Ma'mun Amir</b>	He has a long career in the local bureaucracy. He was elected as the Regent of Luwuk and as a member of the DPD RI. He is known to be from a noble family from Luwuk Banggai. His father was the last King of Banggai.	<ul style="list-style-type: none"> <li>- Mobilisation (positions previously held and their lineages could potentially mobilise the Luwuk- Banggai people (Luwuk Regency, Banggai Laut Regency and Banggai Islands Regency).</li> <li>- Size of wealth: approx. Rp 7.3 billion (USD 510,000) and has been identified as having business relations with the Central Group, a private company operating in Luwuk</li> </ul>
<b>Hidayat Lamakarate</b>	He started his career as a civil servant after graduating from the Home Affairs Civil Servant Academy ( <i>Akademi Pemerintahan Dalam Negeri</i> or APDN) and occupied important positions in the bureaucracy as the Regional Secretary of Central Sulawesi Province, the Acting Mayor of Palu City and Banggai Laut Regency, and the Secretary Central Sulawesi. He has a close relationship with Longky Djanggola (Governor of Central Sulawesi 2011-2021 and Chairman of the DPD Gerindra Central Sulawesi). His wife is a member of the Central Sulawesi DPRD from the Gerindra Party. He comes from a family of officials and nobles. His father was the former Mayor of Palu and a descendant of royalty from the Tojo kingdom.	<ul style="list-style-type: none"> <li>- Official positions (Chairman of PMI Central Sulawesi, Chair of the Central Sulawesi Swimming Association, Chair of the Central Sulawesi Scout Provincial Quarter, Commander of the University Student Regiment (<i>Resimen Mahasiswa</i> or Menwa) of Central Sulawesi, and Secretary of Central Sulawesi Province.</li> <li>- Mobilisation (the organisational positions held and connections with the governor and the Gerindra party could potentially mobilise people within the organisation).</li> <li>- Size of wealth Rp 1.6 billion (USD 111,800)</li> </ul>
<b>Bartholomeus Tandigala</b>	As a civil engineering graduate, he started as a civil servant in the public works department. He has held several strategic positions as Head of the Department of Public Works, Investment, Mining and Energy, Disaster Management Agency and	<ul style="list-style-type: none"> <li>- Official positions (the Chairman of the Ecclesiastical Choir Fest, the Chairman of the Central Sulawesi Takraw Association, the Head of Central Sulawesi BPBD).</li> </ul>

	Acting Regent of Morowali. The position is known as a 'wet job' (ripe for corruption) because it manages a large budget. He is also known as Longky Djanggola's confidant. In addition, he is also considered a representative of Christianity (the second-largest religion after Islam).	<ul style="list-style-type: none"> <li>- Mobilisation (religious organisation positions can potentially mobilise Christian groups).</li> <li>- Size of wealth Rp 5.9 billion (USD 412,221).</li> </ul>
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Source: processed from various sources, 2021.

The pair of Hidayat-Bartho has a different background story. They built their careers as local bureaucrats. Hidayat Lamakarate served as the Regional Secretary of Central Sulawesi Province and was appointed as an Acting Regent of Banggai Laut and Acting Mayor of Palu. Bartholomeus served as the Head of the Manpower and Transmigration Bureau of Central Sulawesi and was promoted as the Head of the Provincial Disaster Mitigation Agency. Bartho once served as an Acting Regent of Morowali. Both Hidayat and Bartho decided to retire early to participate in the 2020 Central Sulawesi gubernatorial elections. Apart from being younger, the Hidayat-Bartho couple also represents different socio-ethnoreligious backgrounds. Hidayat Lamakarate is a Muslim, the majority religion of the people of Central Sulawesi, while Bartholomeus Tandigala is a Christian, the second most common religion adopted by the people of Central Sulawesi, who mostly live in Poso Regency, North Morowali Regency, and parts of Sigi Regency. This identity (ethnicity and religion) is often an essential aspect for elites to win political contestations in Central Sulawesi Province.

Based on the wealth reports, Ma'mun Amir is the candidate with the highest assets valuation, totalling Rp 7,342,576,494 (USD 510,000), followed by Rusdy Mastura with Rp 6,352,695,600 (USD 440,150), Bartholomeus Tandigala with Rp 5,953,572,000 (USD 412,221), and Hidayat Lamakarate with Rp 1,622,126,608 (USD 111,800).

Regarding campaign funding, based on the elections campaign funds donation reports (*Laporan Penerimaan Dana Kampanye* or LPDK), the Hidayat Lamakarate-Bartholomeus Tandigala pair reported that their campaign fund donations reached Rp 5.5 billion (USD 383,586). Meanwhile, the Rusdy Mastura-Ma'mun Amir pair had campaign fund donations of Rp 4.2 billion (USD 292,920). Furthermore, based on the official statement of income and expenditure of campaign funds, the Hidayat Lamakarate-Bartholomeus Tandigala pair were the candidates who received the most campaign funds. This pair were also the candidates with the largest campaign spending. Meanwhile, the Rusdy-Ma'mun pair received and spent only half of the total amount issued by Hidayat-Bartho (see Table 2).

**Table 2. Report of Fund Campaign (in IDR)**

Item	Hidayat Lamakarate- Bartholomeus Tandigala	Rusdy Mastura- Ma'mun Amir
<b>A. Campaign Fund Receipts</b>	<b>Rp. 8,041,669,021.00</b>	<b>Rp. 4,590,002,336.13</b>
A1. Donation Acceptance	Rp. 5,501,805,000.00	Rp. 4,276,000,000.00
A2. Miscellaneous Receipts	Rp. 2,539,864,021.00	Rp. 314,002,336.13
<b>B. Campaign expenditures</b>	<b>Rp. 8,025,174,726.00</b>	<b>Rp. 4,234,656,257.23</b>
B1. Expenses	Rp. 6,184,685,550.00	Rp. 3,214,642,750.00
B2. Miscellaneous expenses	Rp. 1,840,489,176.00	Rp. 1,020,013,507.23
<b>C. Debt</b>	<b>Rp -</b>	<b>Rp -</b>
<b>D. Balance</b>	<b>Rp. 16,494,295.00</b>	<b>Rp. 355,346,078.90</b>

Source: General Election Commission of Central Sulawesi Province, 2021.

Based on the KPU's e-recap on 28 December, 2020, the pair of Rusdy Mastura and Ma'mun Amir received approximately 60% of the votes. This result was then confirmed by the official tally, in which Rusdy Mastura-Ma'mun Amir won the elections with 891,334 votes, equivalent to 59.61% of the total votes.

Suppose one tries to directly correlate the elections result and the size of the campaign funds. In that case, one could be misled to conclude that there is no linear correlation between the size of the candidates' campaign funds and the final elections results. The data shows that the Rusdy Mastura-Ma'mun Amir pair spent less than the pair of Hidayat Lamakarate-Bartholomeus Tandigala. Still, the former was more successful in gaining votes than the latter. However, the financial statement is, at best, inaccurate. Based on our research, the candidates' actual expenditures were much more significant than the official financial statement reported to the local KPU.

## B. Elections Financing Activities

Elections financing in this article refers to all types of political funding—both legal and illegal—to fund the activities of political parties and elections campaigns, particularly campaign events conducted by the candidates, supporting political parties, and independent donations.<sup>20</sup> Political expenses fall into at least five types of costs. The first budget post is the remuneration for witnesses at polling stations. The second budget post is the provision of campaign paraphernalia (e.g., costumes, calendars, merchandise, and hand sanitiser), campaign equipment as well as food and beverage of the teams, and campaign team operational costs. The third budget post is the legal dispute-related costs, including the money to pay for lawyers and transportation costs of the witnesses if they have to solve disputes at the Constitutional Court (*Mahkamah Konstitusi* or MK), including to challenge the decisions of election organisers. The fourth budget post is the political dowry or candidacy buying. Candidates allocate this post to buy political parties' support

<sup>20</sup> Elin Falguera, Samuel Jones, and Magnus Ohman, *Funding of Political Parties and Election Campaigns: A Handbook on Political Finance* (Idea, 2015).

during the nomination process. The final budget is the survey costs, i.e., the costs allocated to pay survey agencies and political consultants.

A PDIP politician stated the need for witness remuneration:

Logistics for political costs in the field are needed to fight in the *Pilkada* (direct local elections). So, coincidentally, the PDIP was entrusted to handle witnesses at polling stations. The fund for this budget item comes from the candidate who deposited a sum of money with the Party Central Board (*Dewan Pimpinan Pusat* or DPP). The DPP did not take the funds; when needed, the DPP will return the money to the region and distribute it to each district. And the witness fee is there. I don't need to mention the amount, but it is there. Every district/city and province that holds *Pikada* needs to allocate witness fees. We manage the witness fees, and we also manage the ballot counting at each polling station. Even though there are shortcomings, it enriches our experience so that it will be even better in the future.<sup>21</sup>

A similar expression regarding the need for witness remuneration was also narrated by a PKB politician who supported the pair of Rusdy-Ma'mun:

We paid Rp 200,000 (USD 14) per witness yesterday, but there is also food and training, so it is approximately Rp 350,000 (USD 24) per witness, and we need 6,310 witnesses.<sup>22</sup>

An interview with a Gerindra politician also reveals the amount of money needed to fund the other budget posts:

The cost of our witnesses is around Rp 2.5-3 billion (USD 174,450 to USD 209,422), and this is calculated based on the number of more than 6,000 polling stations, with an estimate that each witness will receive around Rp 350,000 to Rp 600,000 (USD 24.5 to USD 42). This amount can change according to the location. Remote areas and islands require additional fees. Then the t-shirt printing costs; we usually only produce t-shirts for 30 percent of the total number of voters. One t-shirt costs Rp 11,000 to Rp 12,000 (less than a dollar). Then the costs for equipment and campaign F&B (snack, tents, and speaker rental) is approximately Rp 3 million ((USD 210) with a capacity of 50 participants (to follow the health protocols). According to the campaign sites, the campaign team's operational costs (rent for lodging and meals) are also expensive; one day, it can reach 7-12 sites for the candidates. So, the total operational costs for one day can be multiplied up to 14-24 sites. One site could cost Rp 6-7 million (USD 418 to 488). That's for the 26 September-6 December campaign schedule, deducted by 14 days because, usually, the candidates attend activities outside the campaign schedule, such as going to the KPU or the Elections Monitoring Body (*Badan Pengawas Pemilu* or Bawaslu), so it's about 57 days in total. Then vehicle rental for one car costs Rp 2.5 million (USD 175). The number of vehicles for the governor candidate is 6-7 cars. For the deputy governor, 4-6 cars. So in total, we need to rent 10-13 cars. Then we also need to count the cost of fuel for one car per day, approximately Rp 300,000 (USD 21). Then other campaign paraphernalia (calendars, masks, hand sanitiser, merchandise, and credit). Then the operational costs for the volunteer teams—one site is Rp 3 million (USD 210). Then finally, there is preparation

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<sup>21</sup> Interview with a PDIP politician, Palu, January 18, 2021

<sup>22</sup> Interview with a PKB politician, Palu, January 15, 2021.

for a dispute in the Constitutional Court. Hiring a lawyer and bringing witnesses requires at least Rp 5 billion (USD 348,903).<sup>23</sup>

Based on interviews, the total costs borne by a pair of candidates is approximately Rp 35 billion (USD 2.4 million) (see Table 3). Of this amount, the operational costs of the campaign team take the lion's share of the total expenditure, reaching 27%, followed by t-shirt printing 20%, legal fees to dispute the result at the Constitutional Court 14%, volunteer operational costs 11%, campaign equipment and F&B 11%, witness remuneration 8%, and vehicle rentals. Table 3 summarises the estimated expenses for witnesses, campaigns and disputes for one of the two pairs of candidates in the 2020 Central Sulawesi gubernatorial election:

**Table 3. Estimated Costs for Witnesses, Campaign and Elections Dispute in Central Sulawesi (in USD)**

Type of Cost	Amount (in USD)
Witnesses	209,183
Campaign equipment	285,883
T-shirt printing	509,012
Campaign team operational expenses	662,413
Vehicle rental	139,455
Volunteer operational costs	285,883
Legal dispute at the Constitutional Court	348,638
<b>Total</b>	<b>2,440,467</b>

Source: Processed from interviews with politicians, 2021.

This number does not include the cost of political dowries to secure political parties' support (candidacy buying). Based on the interviews, the market price of parties' support in the 2020 Central Sulawesi gubernatorial election starts at Rp 500 million – Rp 1.5 billion (USD 34,870 to USD 104,609) per seat in the Central Sulawesi local parliament (DPRD). Regarding the cost of political dowries, one informant told the following:

So we are in a meeting and there is one party asking for Rp 5 billion (USD 348,681), and that's normal for the provincial level. Still, this candidate did not immediately respond because he first communicated with the main supporting party. Suddenly another candidate came to the party who asked for Rp 5 billion. This one came and bought Rp 15 billion (USD 1.4 million) from the party, and so in the end this one party disappeared. So, we also regret that this candidate and the party were slow.<sup>24</sup>

Another informant also shared comments on the political dowry:

So there was a party that already set a deal for Rp 1 billion per seat (USD 69,743). It turned out that on the final day of candidate registration, the party increased the dowry to Rp 1.5 billion (USD 104,609). They said that it was a request from the DPP.

<sup>23</sup> Interview with a Gerindra politician, Palu, February 15, 2021.

<sup>24</sup> Interview with party chairman staff, Jakarta, February 11, 2021.

This candidate has the money to pay, but he was disappointed because the party violated the initial commitment. He eventually left this party.<sup>25</sup>

We can assume, therefore, that one seat in the DPRD is valued at Rp 1 billion (USD 69,743). If 30 seats in the local parliament support a pair of candidates, then the total cost of political dowry could be as high as Rp 30 billion (USD 2.1 million).

Another budget post is the fees to pay survey agencies and political consultants, as quoted from an interview with one of the coordinators of a survey agency:

The survey fees for each agency vary, but generally, it starts from Rp 50 million (USD 3,484) – Rp 150 million (USD 10,451) per survey with a sample of 400 respondents. If the sample size is 800 or 1,200 respondents, then, of course, it is more expensive. Apart from the sample size, the credibility and trust in the agency—for example, an agency with a proven track record—can also increase the price. Then, geographical conditions (e.g., islands and remote areas) and demographics (population) make it more expensive. Apart from surveys, if you also play a double role as a consultant, that will also increase the price.<sup>26</sup>

Two national survey agencies—*Poltracking Indonesia* and *Charta Politika*—released survey results in the 2020 Central Sulawesi gubernatorial election. A survey coordinator of one of the survey agencies stated:

Yesterday we did three surveys with a sample of 1,200 respondents. In addition to the survey, our agency was also a consultant for one of the competing pairs.<sup>27</sup>

Based on the interviews, the estimated cost of a survey with a sample size of 1,200 respondents, three visits to the field, and consulting fees may reach Rp 1-2 billion (USD 69,743 – USD 139,486). Thus, if we accumulate campaign costs, political dowries, and survey costs, it is estimated that a candidate for governor for a province like Central Sulawesi requires Rp 37-70 billion (USD 2.58 million to USD 4.88 million). The total estimated cost illustrates that the regional head candidates need significant political financing to participate in elections.

Based on the estimated calculation, it appears that there is a difference of around Rp 18 to 21 billion (USD 1.25 million to USD 1.46 million) between the reported amount of campaign fund donations and the total assets owned by the Rusdy-Ma'mun and Hidayat-Bartho pairs. The difference is a moderate estimate of the campaign costs, including witness fees, campaign equipment, t-shirt printing, campaign team operational costs, vehicle rental, volunteers' operational costs, legal disputes in the Constitutional Court, and political survey and consulting fees. This number will be much bigger when one accounts for the money spent for candidacy buying and vote-buying costs—two “shadow” budget posts for which the amount cannot be known with certainty. This illustrates that even though the donations of campaign funds and wealth owned by the candidate pairs are accumulated, they

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<sup>25</sup> STA 1 interview academics, Palu, February 11, 2021.

<sup>26</sup> STL 2 Interview Research Institute Survey, February 3, 2021.

<sup>27</sup> STL 1 Interview Coordinator Regional Survey, February 7, 2021.

cannot cover the political costs that the candidate pairs must spend. This also indicates the need for external funding that is not recorded or reported in the official campaign financial reports.

### C. The Role of Oligarchs

The interdependency between private entrepreneurs and the Indonesian state has existed since the independence of the Indonesian state, through the New Order regime, and into the current *Reformasi* era.<sup>28</sup> In the Sukarno era, the emergence of a group of entrepreneurs was known as 'client entrepreneurs,' or entrepreneurs born out of patron-client relationships between political rulers in the bureaucracy and entrepreneurs.<sup>29</sup> During the New Order era, Suharto's protectionist policies gave birth to domestic capitalism, which operated through the linkage of bureaucratic politics and conglomerates in a system of patronage and rent-seeking.<sup>30</sup> Yoshihara Kunio labels such a group of entrepreneurs as pseudo capitalists (*ersatz* capitalism).<sup>31</sup> The close relations between the political class and business entrepreneurs during the New Order led to the birth of Suharto's oligarchic power, which was controlled centrally.

Although *Reformasi* brought down Suharto's regime, oligarchic power persists. Moreover, the oligarchy transformed and became more decentralised.<sup>32</sup> Oligarchic power grew along with the delegation of authority to subnational governments. In the era of regional autonomy, the involvement of entrepreneurs (businessmen) in local elections has become a common phenomenon, and it can be observed in almost every subnational election. Entrepreneurs' interests to influence the political policies of subnational officials have always been directed to maintain the continuity of and, if possible, expand their businesses. A local academic states the following:

Of course, politics is following economic opportunities. Now, regarding the management of natural resources, although the central government dominates it, the regions still have the authority to do various strategic things that can influence business. So, this could be the obstacle that entrepreneurs have to deal with...And agreement can be made possible if the entrepreneurs are connected with power.<sup>33</sup>

Additionally, the involvement of entrepreneurs to finance politics is encouraged by politicians who need considerable funds to gain power:

Our elections are expensive. Starting from buying parties, campaigns are also costly, especially when buying votes. So the cost is enormous. And I think that it will be difficult for ordinary politicians who are only involved in political parties without any connection with big businesses to win the costly local elections. So, the assumption

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<sup>28</sup> Richard Robison, *Indonesia: The Rise of Capital* (Equinox Publishing, 2009).

<sup>29</sup> Yahya Muhaimin, *Bisnis Dan Politik: Kebijakan Ekonomi Indonesia 1950-1980* (LP3ES, 1990).

<sup>30</sup> Robison, *Indonesia: The Rise of Capital*.

<sup>31</sup> Kunio Yoshihara and Yoshihara Kunio, *The Rise of Ersatz Capitalism in South-East Asia* (Oxford University Press, USA, 1988).

<sup>32</sup> Hadiz and Robison, *Reorganising Power in Indonesia: The Politics of Oligarchy in an Age of Markets*.

<sup>33</sup> STA 2 Interview Academics, Palu, February 15, 2021.

that the campaigns were financed by the oligarchs is inevitable, especially in, let's say, areas with relatively rich natural resources, for example, palm oil in Buol, North Morowali, Banggai, Morowali.<sup>34</sup>

In this context, Central Sulawesi's rich natural resources attract investors to invest their capital and, therefore, they have vested interests to maintain the continuity of their business in the province:

This vast Central Sulawesi has investment opportunities that will attract many people. Because here there is CPM (Citra Palu Mineral), IMIP, there is a new company in North Morowali that is building a smelter. It's kind of like the new industrial centre of North Morowali. These companies all have difficulties, which can only be solved with the government's involvement, so this government will play a significant role. Likewise, the amount of investment that goes into the Special Economic Zone in Palu... The last case in Poso, the rise in the Poso lake level due to the activities of Jusuf Kalla's company (which is chaired by his younger brother, Suhelmi Kalla), is also a problem. I think this business also has an important role. Because Longky's first term was promoted, it could not be separated from the involvement of Jusuf Kalla.<sup>35</sup>

Therefore, it is not surprising that, during the local elections season, the involvement of entrepreneurs as members of the success team or source of funding became a general phenomenon in the 2020 Central Sulawesi gubernatorial elections (see Table 4). One interviewee observes:

When we talk about supporters, it is the ruling elites or oligarchs who are in control of the natural resources sector. They are quite interested, or they have large enough capital, to move a party. Although Rusdy Mastura is more dominant, [the one] behind him is Ahmad Ali, who has a mining concession. There is Anwar Hafid, whom we know during his tenure as the Regent of Morowali, was generous enough to issue a mining business permit.<sup>36</sup>

**Table 4. Businessmen/Politicians Supporting Pairs of Candidates for the Election of Governor and Deputy Governor of Central Sulawesi 2020**

Name of Entrepreneurs	Political Position/ Political Party/ Government	Company name (Business Sector)	Remarks
Ahmad Ali	Deputy Chairman of the Nasdem Party / Chairman of the Nasdem Faction of the House of Representatives	1. PT. Oti Eya Abadi (nickel mining) 2. PT. Graha Mining Utama (mining). 3. PT. Graha Agro Utama (trading, plantation, agriculture and forestry). 4. PT. Graha Istika Utama (mining) 5. PT. Tadulako Dirgantara Travel (travel agency)	Chief Advisor of the Rusdy-Ma'mun success team. Ahmad Ali was the one who financed the Rusdy-Ma'mun campaign. PT. Oti Eya Abadi is listed as one of the campaign's donors.

<sup>34</sup> STN4 Interview NGO, Palu, February 16, 2021.

<sup>35</sup> STA2 Interview Academics, Palu, February 15, 2021.

<sup>36</sup> STN1 Interview NGO, Palu, January 19, 2021.

Nilam Sari Lawira (Ahmad Ali's wife)	Chairwoman of the Provincial People's Representative Council of Central Sulawesi	<ol style="list-style-type: none"> <li>1. PT. Oti Eya Abadi (nickel mining)</li> <li>2. PT. Graha Agro Utama (trade, plantation, agriculture and forestry).</li> <li>3. PT. Tadulako Dirgantara Travel (travel agency).</li> </ol>	Leader of Rusdy-Ma'mun success team. PT. Oti Eya Abadi is listed as one of the campaign's donors.
Tauhid Lawira (Nilam Sari Lawira brother/brother-in-law of Ahmad Ali)	Member of Central Sulawesi Regional Advisory Council of Nasdem Party	<ol style="list-style-type: none"> <li>1. PT. Oti Eya Abadi (nickel mining)</li> <li>2. PT. Graha Agro Utama (trade, plantation, agriculture and forestry).</li> <li>3. Metro Sulawesi (media).</li> </ol>	Protocol Coordinator of the Rusdy-Ma'mun success team. PT. Oti Eya Abadi is listed as one of the campaign's donors.
Hadianto Rasyid	Chairman of Central Sulawesi Regional Representative Council of Hanura	<ol style="list-style-type: none"> <li>1. PT. A. Rasma Mulia (crushed stone mining)</li> <li>2. PT. Taipa Jaya Mandiri (construction, trade, industry, mining, agriculture, and many more).</li> </ol>	Board of Directors of the Rusdy-Ma'mun success team). Hanura party is one of the supporters of the Rusdy-Ma'mun pair.
Firman Lapide	Deputy Chairman of the Regional Representative Council of Gerindra Party and Chairman of TIDAR (Gerindra's youth wing) of Central Sulawesi	<ol style="list-style-type: none"> <li>1. PT. Bintang Alfath Mulia (gold mining)</li> <li>2. PT. XIN LIU FU Corp (gold mining)</li> <li>3. PT HONG THAI (pine resin industry)</li> <li>4. PT. MULTI KEMBANG INDONESIA (agriculture, forestry, and fisheries)</li> <li>5. PT. BESTONE INDONESIA (coal mining)</li> <li>6. PT. RPS INDONESIA (iron factory)</li> </ol>	Chief of volunteers team <i>Sahabat Hidayat Lamakarate</i> . Firman Lapide is one of those who approve the needs of the Hidayat-Bartho success team.
Andi Nur Bangsawan Lamakarate	Deputy Chairman of the Regional Representative Council of Gerindra Party of Central Sulawesi	<ol style="list-style-type: none"> <li>1. PT. Mitra Karya Agung (nickel mining)</li> </ol>	Andi Nur Bangsawan is one of the donors of the Hidayat-Bartho campaign.

Source: authors (2021).

We found that several entrepreneurs who operate in the mining sector were involved in the “success team” (campaign team) for both pairs of candidates. These businessmen were also involved as administrators of political parties that nominated

the two candidate pairs, namely Rusdy Mastura-Ma'mun Amir and Hidayat Lamakarate-Bartholomeus Tandigala.

Apart from being part of the success team structure, the three businessmen/politicians—Ahmad Ali, Firman Lapide and Andi Nur Bangsawan Lamakarate—also financed the competing pairs. In the 2020 Central Sulawesi gubernatorial elections, Ahmad Ali, his family and his confidants played crucial roles in the victory of the Rusdy-Ma'mun pair. Ahmad Ali served as the Chief Advisor of the Rusdy-Ma'mun Team. Ahmad Ali's wife, Nilam Sari Lawira, occupied a strategic position as the Head of the Rusdy-Ma'mun success team and the Chair of SETRUM (Central Sulawesi for Rusdy-Ma'mun). Ahmad Ali's brother-in-law, Tauhid Lawira, was also a member of the Rusdy-Ma'mun success team. Ahmad Ali's younger brother, Hj. Arnita M. Ali (known as *Hajah Chica*), also the Treasurer of the Nasdem Party in Morowali Regency, was actively involved in campaigning for the Rusdy-Ma'mun pair in the Morowali area. Ahmad Ali also played a role in financing and communicating with the parties that nominated the pair of Rusdy Mastura-Ma'mun Amir. A member of the success team of the Rusdy Mastura-Ma'mun Amir pair said:

For our witness operational costs, we received assistance from businessmen and parties. One of them was Ahmad Ali because he is also [from] Nasdem, Cudy (Rusdy Mastura) is also Nasdem. What we know is that we propose programs, ask for money, and we have money to go.<sup>37</sup>

A journalist from a local media in Central Sulawesi also mentioned the involvement of Ahmad Ali in financing the Rusdy Mastura-Ma'mun Amir campaign:

In terms of logistics, I think Cudy is entirely supplied by Ahmad Ali. Because this is one of Ahmad Ali's strengths—he has a solid commitment to helping people. Among them is to help Cudy. Moreover, he is a party bearer. Combined with the support of the people who really have great sympathy for Cudy...Ahmad Ali once told me that he will put all his power to help Cudy wins the elections.<sup>38</sup>

Ahmad Ali's role in financing the Rusdy-Mastura campaign was also acknowledged by one of the Nasdem politicians in Central Sulawesi.

*Pak Mat* (Ahmad Ali) helps Nasdem cadres running in local elections, not only *Pak Cudy* but also other areas. And that's natural because he's part of the party; it's an effort to grow the party.<sup>39</sup>

Ahmad Ali played a role in securing the support of political parties that supported Rusdy-Ma'mun. To garner political parties' support, Ahmad Ali held meetings with high-ranking officials of political parties, both at the local and national levels. According to a party staffer:

Ahmad Ali met my boss. *Pak Anwar* also came to meet my boss, but he came at the last second. *Pak Hidayat* also builds communication. It's just that the parties have calculations

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<sup>37</sup> Interview with PKB politician PKB, Palu, January 15, 2021.

<sup>38</sup> Interview Local Journalist, Palu, January 8, 2021.

<sup>39</sup> Interview with Nasdem politician, Palu, February 15, 2021.

for the future interests of the parties (Golkar and Nasdem) in Central Sulawesi. Apart from that, other factors are related to the commitments that have been violated.<sup>40</sup>

Ahmad Ali was also actively promoting the Rusdy-Ma'mun pair through social media. Ahmad Ali's active campaign was monitored from a Facebook account with a picture of Ahmad Ali intensely campaigning for the Rusdy-Ma'mun pair during the 2020 gubernatorial elections in Central Sulawesi. Ahmad Ali also utilised several media for campaigning, including *Metro Sulawesi* (print and online media) and *Metro Sulteng* (online media). The two media are indirectly connected to Ahmad Ali. *Metro Sulawesi* was headed up by Tauhid Lawira, a member of the Central Sulawesi Nasdem party and the older brother of Ahmad Ali's wife, Nilam Sari Lawira. The close connection between *Metro Sulawesi* and the Nasdem party can also be observed at the door of the *Metro Sulawesi* office, where the Nasdem Party logo is displayed, making it difficult to distinguish whether the office is the party or the media office.

Ahmad Ali owns several companies and his businesses operate in various sectors (see Table 4). While Ahmad Ali owns the companies himself, he has built partnerships with family, close friends and associates, politicians and other entrepreneurs. One of the companies is PT. Oti Eya Abadi. In 2020, PT. Oti Eya Abadi signed a contract with China Energy Engineering Group Co., Ltd (Energy China) Gezhouba Branch for the mining and transportation of nickel laterite in Indonesia worth USD 160 million. The total mining area is 3,339 hectares, and the laterite nickel ore reserves are about 30 million WMT. The contract lasts four years, covering nickel mining and transportation of 5 million tonnes per year.<sup>41</sup> In the company's shareholding list, apart from the names of Ahmad Ali's wife and brother-in-law, there are also Abdul Rahim and Ferry Anwar. Apart from being politicians from the Nasdem party, the last two names were also mentioned as confidants of Ahmad Ali. Search results at the General Elections Commission also found PT. Oti Eya Abadi is one of five companies that donated campaign funds to the Rusdy-Ma'mun pair. At the end of 2021, residents reported PT. Oti Eya Abadi on suspicion of mining activities that violate regulations. Before that, in July 2021, an online media indicated that PT. Oti Eya Abadi, PT. Utami Rahmat and 11 other companies carry out mining activities illegally but do not receive attention from the local government.<sup>42</sup> Mining activities of PT. Oti Eya Abadi were also reported in Tempo magazine's investigation.<sup>43</sup> Ahmad

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<sup>40</sup> Interview party chairman staff, Jakarta, January 1, 2021.

<sup>41</sup> Seetao News, "Gezhouba Signed Contract with Indonesia Nickel Mining Project--Seetao," 2020, <https://www.seetao.com/details/35620.html>.

<sup>42</sup> Medianasional.id, "Pemda Morowali Terkesan Tutup Mata Atas Indikasi Tambang Ilegal PT. Oti Eya Abadi Dan PT. Utami Rachmat Membangun | Medianasional.Id," 2021, <https://www.medianasional.id/pemda-morowali-terkesan-tutup-mata-atas-indikasi-tambang-ilegal-pt-oti-eya-abadi-dan-pt-utami-rachmat-membangun/>.

<sup>43</sup> Nur Haryanto, "Hutan Habis Nikel Binasa," Tempo, January 30, 2022, <https://newsletter.tempo.co/read/1555516/hutan-habis-nikel-binasa>.

Ali, however, clarified that he is no longer the owner of PT. Oti Eya Abadi and PT. Graha Mining Utama.<sup>44</sup>

Ahmad Ali is also known to have substantial social capital. The Insan Cita Foundation, chaired by his wife, often sends local residents on the *Umrah* and *Hajj* pilgrimage. The Foundation also assists in the renovation of mosques and distributes *qurban* meat to various religious groups in Central Sulawesi during *Eid Al-Adha*.<sup>45</sup> Ahmad Ali's social capital is quoted in the following interview:

Ahmad Ali has solid social capital; he is a wealthy man. He helps *pesantren* (Islamic boarding school) and helps people to go for *Umrah* (pilgrimage). He also actively gives donations. For example, during *Eid Al-Adha*, he donated up to 20 cows in *Alkhairat*. He sent the poor to go on *Umrah*. So that's the advantage of having money; the sustenance is also enormous.<sup>46</sup>

Additionally, through the *Insan Cita* Foundation, prayer activities are often held, attended by many. The frequency of this activity increased before the general elections.<sup>47</sup> This social capital benefits Rusdy-Ma'mun who were campaigned by Ahmad Ali, during which residents flocked to attend the campaign events to express their gratitude.

In the Hidayat-Bartho camp, the businessman involved in helping with the financing was Firman Lapide. He was also the Chairman of *Sahabat Hidayat Lamakarate* (the campaign team of Hidayat Lamakarate).

I know him, and he (Firman Lapide) also played a role. In fact, he was not only helping physically, but he also made financial contributions to the campaign. The Firman that I know is a loyal and royal person. This means that whoever the cadres are who are supported by his party, he will be loyal, royal, and not a half-hearted person.<sup>48</sup>

Among activists and politicians in Palu (the capital of Central Sulawesi) and Central Sulawesi, Firman Lapide is a person who has particularly close ties to the then Central Sulawesi Governor Longki Djanggola. Firman is also the Chairman of the Central Sulawesi Provincial Branch of the Gerindra Party and the Chairman of the Advisory Team of the Hidayat Lamakarate-Bartholomeus Tandigala success team. Apart from being a party official, he also heads up several companies operating in the mining, forestry, plantation and industrial sectors. One of the companies that he heads is PT. Hong Thai, which operates in the pine resin industry. PT. Hong Thai is one of four Chinese companies, subsidiaries of China First Heavy Industries (CFHI)

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<sup>44</sup> Tempo, "Klarifikasi Ahmad Ali Soal Deforestasi Nikel Sulawesi - Surat - Majalah.Tempo.Co," accessed February 20, 2022, <https://majalah.tempo.co/read/surat/165199/klarifikasi-ahmad-ali-soal-deforestasi-nikel-sulawesi>.

<sup>45</sup> Kabar Selebes ID, "Yayasan Insan Cita Indonesia Berangkatkan Umrah Warga Sulteng | KabarSelebes.Id," January 23, 2018, <https://www.kabarselebes.id/berita/2018/01/23/yayasan-insan-cita-indonesia-berangkatkan-umrah-warga-sulteng/>.

<sup>46</sup> Interview Local Journalist, Palu, January 8, 2021.

<sup>47</sup> Metro Sulawesi Id, "Ribuan Warga Doa Dan Dzikir Bersama Yayasan ICI | Metrosulawesi," February 4, 2019, <https://metrosulawesi.id/2019/02/04/ribuan-warga-doa-dan-dzikir-bersama-yayasan-ici/>.

<sup>48</sup> Interview with PDIP politician, Palu, January 14, 2021.

Co. Ltd. CHFI is a Chinese State-Owned Enterprise that invested in the Palu Special Economic Zone (SEZ). PT. Hong Thai invested Rp. 13.7 billion (USD 955,000). At the end of 2019, the Governor of Central Sulawesi Longki Djanggola attended the contract signing event that marked CFHI's investment in the Palu SEZ.

Other politicians and entrepreneurs who share party affiliations with the Hidayat-Bartho pair are Ambo Dalle and Andi Bangsawan Lamakarate. Ambo Dalle is a member of the Central Sulawesi Provincial DPRD from the Gerindra Party and the Deputy Chairperson of the Gerindra Party Provincial Board. Meanwhile, Andi Bangsawan Lamakarate is the Deputy Chair of the Gerindra Party Provincial Board. Andi Bangsawan Lamakarate is also a cousin of Hidayat Lamakarate. Ambo Dalle and Andi Bangsawan Lamakarate are also active in the mining sector. They own shares in PT. Mitra Karya Agung, a nickel mining company with a mining permit in Morowali Regency since 2016 that will expire in 2031. The largest share of PT. Mitra Karya Agung is owned by PT. Bukaka Mandiri Sejahtera, a subsidiary of the Kalla Group. The majority share ownership is in the hands of Achmad Kalla, who is also the President Commissioner of PT. Bukaka Mandiri Sejahtera.<sup>49</sup> Kalla Group is a business conglomerate once led by the former Vice President of the Republic of Indonesia, Jusuf Kalla.

The Hidayat-Bartho pair also received support from the incumbent Governor of Central Sulawesi, Longki Djanggola. As governor, Longki could open access to campaign financing. Commenting on the involvement of entrepreneurs in the campaign of Hidayat Lamakarate-Bartholomeus Tandigala, a local Gerindra politician said:

Financing for large regional elections starts from witness funds, costumes, campaign equipment (tents, sound systems, food), campaign mobilisation, vehicle rental, giving calendars, masks, hand sanitiser, merchandise, credits, to team financing. So we really need a big budget. There are various sources of funding, some from cadres, especially party members in each region. Then there are also entrepreneurs and individuals, and according to PKPU rules, it is possible, and it is reported as campaign funds.<sup>50</sup>

During the tenure of Governor Longki Djanggola, the issuance of business permits for natural resource extraction grew rapidly. This often resulted in policies that favoured investment and ignored the environmental impacts. For example, through a proposed revision of the spatial plan in 2020, the Central Sulawesi provincial government, under Governor Longki, changed the designation and function of forest areas for investment purposes (see Table 5). This alteration favours mining companies and oil palm plantations, especially for the three companies that environmental activists have widely criticised. Allegedly, Murad Husain, the owner of PT. Kurnia Luwuk Sejati was one of the entrepreneurs who paid for Longki Djanggola

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<sup>49</sup> Kementrian Energi dan Sumber Daya Mineral, "MODI," 2021, <https://modi.esdm.go.id/portal/detailPerusahaan/8803>.

<sup>50</sup> Interview with Gerindra politician, Palu, February 15, 2021.

and Sudarto's campaign costs in the 2015 gubernatorial elections in Central Sulawesi.<sup>51</sup>

**Table 5. The Alteration of the Use and Function of Forest Areas in the 2020 Central Sulawesi Spatial Planning**

Company Name	Land Area	Recommendation	Argument	Information
PT. Kurnia Luwuk Sejati (palm oil plantation)	1,771 Ha	Conversion of Production Forest and Limited Production Forest Into Other Use Areas	Accommodating regional interests for investment	PT. Kurnia Luwuk Sejati's activities caused agrarian conflicts with residents in Banggai Regency
PT. Swarna Pratama (nickel mining)	1,945 Ha	Change of Protected Forest into Limited Production Forest	Raw material support for industrial estates (North Morowali)	In 2020, PT. Swarna Pratama sparked community protest over alleged pollution in North Morowali Regency
PT. Palu Mineral Image (Gold mining)	1,126 Ha	Change of Natural Reserve Area to Limited Production Forest	Raw materials for industrial estates	The activities of PT Citra Palu Mineral overlap with the natural reserve area (KSA)

Source: Integrated Team for Changes in Forest Area Functional Use of Central Sulawesi (2021)

Based on the description above, we find two important findings. First, in the Central Sulawesi gubernatorial elections, business interests were, directly and indirectly, involved in providing support—especially financial backing—to both candidates. Those who were directly involved publicly declared themselves as supporters of one of the candidates. This public declaration may take the form, for example, of inclusion of their names as members of the campaign teams. The entrepreneurs use their names, or their companies, to provide political and financial support, including campaign donations, covering the costs for witnesses at polling stations, and buying parties' seats during the nomination phase. The entrepreneurs also played a role in issuing recommendations to political parties, mobilising mass campaigns, hiring political consultants, controlling public opinion through their social media and mass media, distributing social assistance, and designing coalitions supporting political parties. Generally, entrepreneurs who are directly involved also hold a political position, either at the national or local levels.

Second, the involvement of the entrepreneurs was animated by two motives, namely the interest to promote their political parties and to maintain their wealth and business continuation. The entrepreneurs usually hold a strategic position in their political parties. They are eager to help the candidates to win the executive

<sup>51</sup> STA1 Interview with Academics, Palu, February 11, 2021.

elections to dominate and control local politics. Additionally, they also want to maintain the continuity of their businesses. Therefore, for some entrepreneurs, it is not surprising if they donate to all candidates because it is a part of the strategy to maintain their wealth.

## 5. Conclusion

The presence of oligarchs in politics is a phenomenon that can be observed in every democratic country, including both established and emerging democracies. An established democracy like the United States, for example, cannot escape from the influence of oligarchy. Wealthy entrepreneurs can influence the lobbying process, elections, opinion formation, and even the constitution of the United States.<sup>52</sup> Post-communist Russia and Ukraine also face a similar problem, wherein oligarchic forces strongly influence the country's economic and political system.<sup>53</sup> The oligarchs' influence in Ukraine, for example, has left the legislative and executive institutions ineffectual in carrying out their functions. The oligarchy in Ukraine is spreading, but the oligarchs who fund political parties and own the media are more adaptable, influential, and richer than those who rely solely on assets.<sup>54</sup> This may be why oligarchs who own several businesses and media are also interested in entering politics through funding and establishing political parties, as happened in Indonesia.

Central Sulawesi—an Indonesian province with abundant natural resources—has become a locus of contention for entrepreneurs to obtain mining and plantation permits, thus encouraging them to become involved in provincial elections, directly or indirectly. The involvement of entrepreneurs in funding elections campaigns has become a common phenomenon in subnational elections in Indonesia. Central Sulawesi adds to the long list of *Pilkada* involving entrepreneurs, although it is unique compared to entrepreneurs' involvement in other regions. In Central Sulawesi, entrepreneurs establish business relations with foreign investments engaged in the emerging mining sector, namely nickel. The entrepreneurs usually also hold a strategic position in political parties, making them financially and politically powerful. Those entrepreneurs use the mining sector as a resource base for their economic power and political parties as a source of political power. They can use their money to fund the campaign, and they can use their power as party administrators to support the nomination of a candidate who aspires to run in local elections.

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<sup>52</sup> Jeffrey A. Winters and Benjamin I. Page, "Oligarchy in the United States?," *Perspectives on Politics* 7, no. 4 (December 2009): 731–51, <https://doi.org/10.1017/S1537592709991770>.

<sup>53</sup> Anders Aslund, "Comparative Oligarchy: Russia, Ukraine and the United States," SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, 2005), <https://doi.org/10.2139/ssrn.1441910>.

<sup>54</sup> Markus and Charnysh, "The Flexible Few."

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**List of Interviews**

- Interview Academics, STA 2, February 15, 2021.
- Interview Academics, STA1, February 11, 2021.
- Interview Coordinator Regional Survey, STL 1, February 7, 2021.
- Interview Local Journalist, STM1, January 8, 2021.
- Interview NGO, STN1, January 19, 2021.
- Interview NGO, STN4, February 16, 2021.
- Interview party chairman staff, STS 2, February 11, 2021.
- Interview Politician Gerindra, STP 3, February 15, 2021.
- Interview Politician Nasdem, STP 4, February 15, 2021.
- Interview Politician PDIP, STP 1, January 14, 2021.
- Interview Politician PKB, STP 2, January 15, 2021.
- Interview Research Institute Survey, STL 2, February 3, 2021.