

***Beyond Oligarchy: Wealth, Power, and Contemporary Indonesian Politics.* Edited by Michele Ford and Thomas B. Pepinsky. Ithaca, New York: Cornell University Press: 2014. Softcover: 178pp.**

There is an ongoing debate about how best to explain the dynamics of Indonesian politics after *reformasi*. The focus of this book is the oligarchy versus non-oligarchy thesis.

The oligarchy thesis is regarded as pessimistic because it implies that in spite of the fact that Indonesia has become a democracy, political life is essentially unchanged: political power is still in the hands of the same group of powerful actors who held it during the Soeharto era. On the other hand, the non-oligarchy thesis holds that Indonesian politics is progressing because democratic processes and institutions have been consolidated since the end of the New Order in 1998. The non-oligarchy thesis can also be categorized, as Thomas Pepinsky puts it, as a pluralistic approach to explaining Indonesian politics since it views the importance of various actors and the diverse outcomes of politics.

Following the Introduction, the first two chapters of *Beyond Oligarchy* present the oligarchy thesis from two of its main proponents. In Chapter 1, Jeffrey Winters argues that because of its wealth, oligarchy has always been, and continues to be, a determinant factor in Indonesian politics. Winters states: “The trend is clear. As Indonesian democracy consolidates, oligarchs are increasingly positioned as key arbiters of the country’s political life” (p. 33). Oligarchs, according to Winters, are actors who, because of the extreme concentration of wealth in their hands are empowered by that wealth. Since wealth concentration has always faced social and political challenges, the interest of oligarchs is to defend themselves against those threats (p. 14). In short, oligarchy is defined as “the politics of wealth defense” (p. 15). Oligarchic power flourished during the Soeharto era. It consisted of a group of oligarchs who were instrumental in the country’s economic development. These oligarchs were only tamed by Soeharto (an oligarch himself) and when the transition to democracy took place in 1998, not only was Soeharto’s control removed but, more importantly, they were able to seize the process of political life through the power of wealth required by the new democratic processes. “Their grip is particularly evident in the structure and operation of political parties”, argues Winters (p. 33).

In Chapter 2, Richard Robison and Vedi R. Hadiz define oligarchy in a more structural way. Oligarchy, according to them, is “a system of power relations that enables the concentration of wealth and authority and its collective defense” (p.37). In this system, political power is controlled by a small number of very wealthy people who use their wealth-originated power to defend their interests and gain more financial benefits while ignoring the interests of the public. Oligarchy can present itself in any regime because it is not a kind of regime itself. Similar to Winters, Robison and Hadiz argue that Indonesian democracy has not disrupted the oligarchy which has emerged in the post-Soeharto era, enabling it to play a key role, if not control, democratic political processes and institutions. “The social order of the previous regime and its ascendant political forces remain intact and in charge of the state”, argue Robison and Hadiz (p. 54). Democracy, including the programme for institutional fixes and good governance, will always be obstructed or even prevented as long as the structure of oligarchy and its social underpinnings remain in place. Thus, democratic reform by individuals or groups can only be piecemeal.

For the proponents of a more optimistic view on Indonesian democracy development, Winters, Robison and Hadiz’s arguments are clearly controversial. According to R. William Liddle in Chapter 3, there are two fatal weaknesses in this thesis. First, it “denigrates or dismisses all resources other than great material wealth that might be mobilized to reduce political inequality” (p. 76). For Liddle, other than wealth, important political resources in a modern democracy include income, status, prestige, information, organization, education and knowledge. Furthermore, it is a “counsel of despair” (p. 76) because it does not offer any theory of how to change or reduce the excessive power of material wealth.

For Pepinsky, Indonesian politics is much more dynamic than what the oligarchy thesis suggests. Using pluralism as an analytical lens, Pepinsky criticizes the oligarchy thesis by arguing that “political actors engage in politics to produce policies that they favor”, resulting in outcomes “that aggregate or channel individual or collective preferences” (p. 83). Like Liddle, Pepinsky points to the inability of the oligarchy thesis to recognize the interplay between material and non-material power resources and argues that it is thus unable to provide a systematic explanation of the relationship between material wealth and political outcomes.

Another critic of the oligarchy thesis is Marcus Mietzner. According to him, Indonesian politics is “characterized by high level of fragmentation, involving both oligarchic and non-oligarchic elements” (p. 114). The oligarchs’ motivation to become involved in politics is also diverse, ranging from advancing their politico-economic interests and personal vanity, to representing broader private capital, or to simply make more money to finance their political operations. The oligarchy thesis is also unable to capture the importance of “the operations to counter oligarchic groups in Indonesian parties and legislatures” (p. 115), such as women’s rights, labour and human rights activists movements.

The chapters by Ed Aspinall, Teri L. Caraway and Michele Ford focus more on the lower class movements whose importance is also disregarded by the oligarchy thesis. According to Aspinall, “we have become over-used to viewing Indonesia as a site of political domination”, while it actually “remains equally a place of contestation” (p.135). Street protests and social movements, he adds, have been central to Indonesian political life involving political actors and frictions among them (oligarchic, popular, other interests) in the arenas of parliaments, parties and electoral politics. Similarly, Caraway and Ford argue that oligarchy theorists are unable to recognize the emergence of a dynamic working class movement as an empirical development in contemporary Indonesian politics (p.155). The ability of labour movements in Indonesia to increase the level of minimum wage, among others, is proof that the lower class movement is an important political force which has a clear impact on Indonesian politics.

The final chapter assesses the importance of the elite competition model. In his study on sharia’s (Islamic oriented) policy-making in twenty-five districts, Michael Buehler found that “local politics in Indonesia is not produced by oligarchs” but by “state elites who have adapted to the changing nature of post New-Order Indonesian politics by selectively reaching out to societal groups that can provide them with the resources they need to win elections” (p. 174).

Reading through all the chapters in this book, one finds that despite the clearly opposing arguments between the oligarchy and non-oligarchy theses, there is one thing they have in common: both theses recognize that the political processes in democratic Indonesia need to be much more dynamic with a greater diversity of political actors, interests and institutions. The main difference between

them, however, is in the level of influence and importance they attach to various political actors and institutions. For the oligarchy thesis, oligarchs are influential to the extent that others can be ignored, while for the non-oligarchy thesis, at least in this book, political powers and outcomes are much more diverse, depending on the context, constraints and opportunities that shaped the actors.

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