MONOGRAPH



SOCIO-ECONOMIC AND MANAGEMENT CONCEPTS



DOI 10.46299/ISG.2021.MONO.ECON.I ISBN 978-1-63684-341-4 BOSTON (USA) – 2021 ISG-KONF.COM

Socio-economic and management concepts

Collective monograph

Boston 2021

SOCIO-ECONOMIC AND MANAGEMENT CONCEPTS

Library of Congress Cataloging-in-Publication Data

ISBN - 978-1-63684-341-4

DOI- 10.46299/ISG.2021.MONO.ECON.I

Authors - Krupelnytska I., Panasyuk V., Sokhatska О., Беляєва Л., Пеняк Ю., Ментей О., Йолтуховська О., Ковалевська Н., Нестеренко I., Соколова €., Лопін А., Лобачева І., Коцеруба Н., Сакун А., Цегельник Н., Derkach O., Horbas I., Metoshop O., Moroz L., Амосов С., Ващенко В., Клебан О.Д., Устиновська Т.Є., Галушка Н.О., Храбко М.І., Заріцька О.С., Савенко О., Mazurkevich I., Postova V., Moroz S., Кобилюх О.Я., Гірна О.Б., Краснодєд Т., Захарченко О., Попова Т., Почерніна Н., Псарьова І.С., Ромашко І.С., Пішенін І., Шевченко І., Тихонюк Д., Шевченко О.М., Чижевська М.Б., Жовнір Н.М., Шекета €., Казюка H., Kobzev I., Kosenko V., Latynin M., Melnikov A., Pankova O., Shastun A., Kasperovich A., Soliar V., Zastavetska L., Zastavetskyi T., Taranova N., Балабанова Л.В., Германчук А.Н., Вдовенко Н., Герасимчук В., Коробова Н., Денисенко М.П., Бреус С.В., Коваль Л.А., Ліщук Н.В., Козак С.В., Онофрійчук О.П., Близнюк С.В., Морозов О.В., Кіріяк Ю.П., Морозов В.В., Козленко Є.В., Морозова O.C., Boguslavskyy O., Nikitina T., Klochko V., Kulynych T., Kunicheva T., Postolna N., Holovanova O., Mishchenko V., Drougova O., Domnina I., Nikonenko U., Khalina O., Mandzinovska K., Балабанова Л.В., Сардак Е.В., Горященко Ю., Ільченко В., Гуртова Н., Жидовська Н., Прокопишин О., Журавська Н., Стефанович П., Стефанович І., Краснодед Т., Бакіна Т., Попова Т., Захарченко О., Наливайко Н., Сухоняк С., Тельнов А., Решміділова С., Ткаченко І.П., Ніколаєва С.П., Буткевич О.В., Гора А.В., Штець Т.Ф., Alieksieiev I., Mazur A., Demchenko I., Yakusheva I., Havryliuk V., Khalatur S., Masiuk Y., Solodovnikova I., Protsun A., Лащик I., Віблий П, Мороз Н.В., Бондаренко Л.П., Третякова О., Харабара В., Грешко Р., Чорненька О.Б., Dehtyarova I., Melnyk L., Kubatko O., Karintseva O., Matsenko O., Gliebova N., Kovalova V., Kozyreva O., Svitlychna K., Koliada T., Yzik L., Максимов О., Пічугіна Ю., Максимова Ю., Сідельник О., Грудзевич У., Руденко З., Фроленкова Н., Андрійцьо-Рузаєва А., Prokofieva O., Samoshkina I., Kudyrko L., Samsonova L., Panasyuk V., Brodovska O., Buchynska T., Плотніков О., Belei S., Dymchenko O., Rudachenko O., Patrizia G., Khailo Y., Khailo T., Yarova I., Аксьонова Т.С., Оболенський О.Ю., Громоздова Л.В., Леонтович С.П., Маляревський В.М., Косяк М.В., Шаравара Р.І., Боруцька Ю.З., Живко З.Б., Прокопишин О.С., Лесик I.I., Кирчата I.M., Напольських К., Kaplin M., Bilan T., Makarov V., Amosova L., Bocheliuk V., Panov M., Uvarova A., Zinovchuk V., Kurovska N., Tsyganok V., Muhammad U.A., Martyn O., Zhyvko Z., Leskiv H., Rodchenko S., Іващенко М.В.

SOCIO-ECONOMIC AND MANAGEMENT CONCEPTS

REVIEWER

Kvasnytska Raisa Doctor of Economics, Professor of Finance, Banking and Insurance, Khmelnytsky National University

Dovgal Olena Dr.Sc. of Economics, Professor (Full), Professor of the Department of International Economic Relations of V.N.Karazin Kharkiv National University.

Breus Svitlana Doctor of Economic Sciences, Associate Professor, Professor of the Department of Management and Public Administration, Kyiv National University of Technologies and Design.

Published by Primedia eLaunch

https://primediaelaunch.com/

Text Copyright © 2021 by the International Science Group(isg-konf.com) and authors.

Illustrations © 2021 by the International Science Group and authors.

Cover design: International Science Group(isg-konf.com). ©

Cover art: International Science Group(isg-konf.com). ©

All rights reserved. Printed in the United States of America. No part of this publication may be reproduced, distributed, or transmitted, in any form or by any means, or stored in a data base or retrieval system, without the prior written permission of the publisher. The content and reliability of the articles are the responsibility of the authors. When using and borrowing materials reference to the publication is required.

The collection of scientific articles published is the scientific and practical publication, which contains scientific articles of students, graduate students, Candidates and Doctors of Sciences, research workers and practitioners from Europe and Ukraine. The articles contain the study, reflecting the processes and changes in the structure of modern science.

The recommended citation for this publication is:

Socio-economic and management concepts: collective monograph / Krupelnytska I., – etc. – International Science Group. – Boston : Primedia eLaunch, 2021. 660 p. Available at : DOI- 10.46299/ISG.2021.MONO.ECON.I

SECTION 15. THEORY AND HISTORY

15.1 LOCAL ELECTIONS AND CAPITAL INVOLVEMENT IN SOUTH KALIMANTAN

Historically, the study of the relationship between state and capital in thehistory of political power in IndonesiP, especially under Suharto's government era is a reality of conspiracy between the state capital during past 32 years. The reality of this conspiracy is established through the use of a mutually beneficial institution of power, regulation, and patronage relations to dominate economic resources and political power. Under the Suharto's government era with the political authoritarian power structure the economic resources and political power are in the hands of actor groups who have patronage relationships with those within the bureaucracy of government to accumulation and monopoly of economic resources who have economic and political patronage relationships within the government bureaucracy network.

The rise of Suharto's cronies behavior by Kunio (1991), is described as an erzast capitalism,. Hadiz, (2004), and Winters (2011) called it oligarchy- predatory who were born to obtain facilities and protection from the authorities. Entrepreneurs appear as strategic groups that can influence state policy through conspiracy, which places institutions of power and regulation that are engineered in such a way as to legally control state's economic resources.

The fall of the Suharto's government in May 1998 that led to the transition of democracy has changed the current political order. Although the formal regime had collapsed but the heritage disease grew at the local government, such as the practice of political corruption and nepotism. The political actors who occupy the current stage of power have not undergone much change from the mental oligarch-predatory. The oligarchs are increasingly finding their habitat at the local level with decentralization and local autonomy era to be as an opportunity for these local oligarchs.

In the democratization, local autonomy era has changed the structure of power and new designs on democratic institutions more open and democratic through contestation of Regional Head Election (Pemilihan Kepala Daerah/ Pilkada). Democratic capitalization and political pragmatism is increasingly fragmented political behavior of the people, the political choice of the people is increasingly not easy to localize the political choices of the politicians. The politician in various modes display the patterns of money politics and the make people lose political rationality. The political logic of the people has been caught in the vortex of political pragmatism and has no power to avoid all that. The political market has been colored by political transactional and conspiracy issues between political elites and market (capital) and educating the mentality of the people into political absurdity in the black market of democracy

In the political pragmatism, local Head Election is to be made and fomulation of strategies by local actors to influence political choices of the people. One of the strategies for influencing local actors is use of capital (money politics) and patronage networks played by political elites. The high cost of democracy in local elections making political gambling behavior, that is political mafia by mobilizing economic and political resources, conspiracy, and design by local actors to gain economic and political advantage.

After the fall of Suharto's regime, changing of political institutions are expected to build economic and political life better, does not lead to change significant although the institution of power has changed. The political institution has changed but not changes in the behavior of political actors who still behave in pridatory oligarchy (Hadiz, 2010). Therefore, what is happening about democratization is mostly controlled by political actors. The changing of politics in democratization era is not necessarily accompanied by the fall of the power of the oligarchy.

South Kalimantan Province is known as the region having the second largest mining resource, now shifting to palm plantations that have surrounded 9 districts in South Kalimantan. Citing the news reported by jejakrekam.com on March 8, 2017, from the statement of the Chairman of the Indonesian Palm Oil Association South Kalimantan Totok Dewanto stated that now there are 9 districts that have transformed into a palm plantation center on an area of four hundred thousand (400,000) hectares.

These oil palm plantations are spread in Barito Kuala, Hulu Sungai Selatan, Hulu Sungai Utara, Tapin, Tanah Bumbu, Kotabaru, Balangan, Tabalong and Tanah Laut.

Well, the big players in the palm business is a national and international network, especially from Malaysia which mostly has mastered the area of productive land and swamp in Barito Kuala District, such as Sinar Mas Group, Astra Graha Lestari Group, Minamas Group and others. In addition, local entrepreneurs joined by Hasnur Group, Jhonlin Group and others also played, including Batola Hasanuddin Murad Regent in the palm business of producing cooking oil (CPO) and soap industrial raw materials and others, amid the mine business melasunya Coal due to price fluctuations from export destination countries such as China, India, Japan and others. Such a position ultimately leaves local actors no longer relying on mine potential but also targeting large-scale plantation enterprises as one of the pundi to generate multiple profits.

Therefore, the mining entrepreneurs who have large capital and have a number of mining companies, as well as retired bureaucrats (regents and governors) who have large capital, competing for a strategic position in a political party or become chairman of one political party. By controlling the institutions of democracy will have value strategic and construct economic and political concessions for ruling candidates, both in terms of funding power and in terms of political value. The mining business network will only revolve around people who have made it into the power network and forming a business client under the protection of the powers of public officials (regions or governor) elected in the electoral process. The actors who play in the arena of the mining industry are the ones who were born as business client, shadow government, and local bossism.

These actors seek to establish power relations with legislative and governmental institutions to gain policy support through the creation of a number of local regulations related to the policy of mining and oil palm plantation management.

The actors involved in the election will eventually appear as rent-seekers. The issuing of mining permits and palm oil plantations will be easier for business clients as a form of political repayment for winning public officials in political or electoral contests. In view of the development of economic and political dynamics, particularly

in relation to the existing coal mining management policy in South Kalimantan, the meaning of decentralization in the context of natural resource management does not necessarily eliminate the predatory patronage and oligarchy patterns that are inherited from the New Order. The emergence of a number of local actors in the political stage of entrepreneurial background, not just rely on social capacity, political capacity, no less important must have financial capability.

Understanding of local political landscape in Pilkada 2017 in Barito Kuala District is closely related to the succession of Pilkada 2015, especially in the election event of Governor-Vice Governor of South Kalimantan. In general, after the death of Chairman of South Kalimantan Golkar Party, H. Abdussamad Sulaiman HB on June 14, 2015, automatically there are only two power investors that greatly affect the map of politics in South Kalimantan. First, is the person behind the Governor of South Kalimantan H. Sahbirin Noor who is now H. Andi Syamsudin, the owner of the Jhonlin Group, although not appearing in public, but the supply of funds given to H. Sahbirin Noor for campaign funds and money politics is very large.

Jhonlin Group who helped oversee H. Sahbirin Noor who is now familiar with the iconic Uncle Birin in all political activities is now famous. H. Isam's competitors come from Binuang sub-district of H. M. Hatta alias H. Ciut and H. Zaini Mahdi alias H. Izai who are big mining entrepreneurs in Tapin Regency and most influential under the banner of P. T. Batu Gunung Mulia (BGM). They are behind the financial strength as well as the network in the exploitation of former Mayor of Banjarmasin H. Muhidin together with former senator of DPD RI, Gusti Farid Hasan Aman as candidate for Governor-Vice Governor of South Kalimantan period 2016-2021. The rest, small coal entrepreneurs like H. Jahrian Noor, H. Amir, H. Parlin which is the miners and coal cukong with the concession area are in Tanah Laut Regency and part of Tanah Bumbu Regency.

As a result of political parties which have pushed H. Sahbirin Noor who chose Rudy Resnawan who previously served as Vice Governor of South Kalimantan as a companion, automatically made Golkar power to be in the hands of Uncle Birin. Hence, Gusti Iskandar Sukma Alamsyah who want to advance through Golkar, finally

stuck when enrolled with academics FKIP University Lambung Mangkurat (ULM) Banjarmasin, DR Karyono Ibn Ahmad with support from the DPP Golkar Party version of Agung Laksono. Until finally, the South Kalimantan Election Commission decided not to accommodate the Golkar Party and PPP support letters are stated double.

From here, the beginning of the change of political map in South Kalimantan that affects the next democratic party in 2017, especially in Barito Kuala (Batola) and Hulu Sungai Utara (HSU). It was stipulated by Election Commision of South Kalimantan that H. Sahbirin Noor and Rudy Resnawan as Governor-Vice Governor of South Kalimantan period 2016-2021 with voice reaching 739,588 or 41,09 percent, followed by independent candidate H Muhidin-Gusti Hasan Farid with 725,585 votes or 40,31 percent and Zairullah Azhar-Muhammad Safi who carried PKB, Party Nasdem, and the Democratic Party is only 334,712 votes or 18.6 percent.

According to Arief (Barito Post journalist, interview on February 15, 2017), the reason why H. Muhidin did not file a lawsuit with only 1 percent permitted by the Constitutional Cour in Jakarta was because there is a business political deal that binds between H. Muhidin and H. Isam (owner of Jhonlin Group) for coal transport cooperation through a special port owned by H. Muhidin. Not only business agreements, criminal cases that ensnare H. Muhidin handled Police Headquarters can be dismantled again, if the former mayor of Banjarmasin is still desperate to file a dispute election 2015 to the Constitutional Court in Jakarta.

Not surprising, if finally the Great Coalition which was done by Uncle Birin in the election of Governor-Deputy Governor of South Kalimantan 2015 was imitated Hasan Ismail with the same pattern plans to break the vote of Golkar, by holding Fahrin Nizar (Batola member from Golkar emerges. So, in broad outline, Jhonlin Group did not play very much in Batola with its oligarchic network. It is precisely Binuang Group led by H. Izai and H. Ciut who became opposing H. Isam in the political arena in South Kalimantan, also played behind the scenes H. Bahrian Noor-H. Suwandi. Therefore, the Binuang Group has the interests of the port business of fuel oil (BBM) as well as the existing sand mines on the coast of the Barito River, near the Barito Bridge area.

Although not too obvious, Binuang Group network is a political enemy Hasnur Group is also targeting palm oil plantation in Batola. The political actualization played by H. Izai and H. Ciut in Batola, can be seen clearly from the movement played by members of the House of Representatives from Golkar Party, Bambang Heri Purnama in every recess or down to the public in absorbing aspirations, promoted H. Bahrian Noor. Meanwhile, Zairullah Azhar also melakoni similar things, with the pattern from the mosque to the mosque, or one pengajian to other pengajian.

Well, the political actors in South Kalimantan have split into two major forces namely H. Sahbirin Noor and H. Muhidin, Mardani H. Maming who became the representative of Jhonlin Group with his 'grand master', H. Isam behind the power of Hasan Ismail-Fahrin Nizar. Then, the political resistance that Zairullah Azhar-Guntur Prawira and Binuang Group-though not too prominent-presented for the victory of H. Bahrian Noor-H. Suwandi in elections 2017. Meanwhile, Hasanuddin Murad (Regent Batola) with bureaucratic and ethnic networks Dayak Bakumpai plus Banjar Pahuluan, also played a role to win the Noormiliyani Aberani Sulaiman-Rahmadian Noor.

The couple of Noormiliyani-Rahmadian Noor excel with 48.11 percent voice managed to surpass her rivals in the elections namely Hasan Ismail-Fahrin Nizar (34.61 percent) and Bahrian Noor-Suwandi (17.28 percent). Regent elected Noormiliyani paired with Rahmadian Noor is the wife of Hasanuddin Murad who has served as Regent Batola two periods. While Ramadian Noor as Vice Regent elected none other than Hasanuddin Murad's nephew. The appearance of Normiliyani-Rahmadian Noor as the winner in the Barito Kuala election has allowed the politics of the dynasty of Hasanuddin Murad's ethnic group on the local political scene in Barito Kuala.

The Normaliyani-Rahmadian Noor pair promoted by the Golkar and Democrat parties, the Bahrianoor-Suwandi couple were supported by the National Awakening Party and Gerindra Party, while the Hasan Ismail-Fahrin Nizar pair was supported by the Prosperous Justice Party, Partai Amanat Nasional (PAN), Partai Unity of Development, Indonesian Democratic Party of Struggle, Hanura Party, and Crescent Star Party

When observed by the Chairman of the Political Party, the bearers of couples candidate are persons with entrepreneurial background, local officials, or former local officials. Like Golkar Party as a bearer of the couple Normaliyani-Rahmadian Noor, one of the important members of the Golkar Party is Hasanuddin Murad who carried his wife as a candidate for Regent Barito Kuala. PKB and Gerindra Party carrying the couple Bahrianoor-Suwandi as it is known that the Chairman of the PKB South Kalimantan Zahirullah Azhar former Regent Tanah Bumbu two periods that have a network with the mining entrepreneurs, while Chairman of the Gerindra Party of South Kalimantan is H. Abidin who is known as an entrepreneur or owner Port of coal mine.

The couple candidate of Bahrian-Suwandi loses money and not many entrepreneurs provide support to the candidate so that the losses are lost and the community is already patterned with money politics. Why this happened? Therefore, since Thursday (January 26, 2017), hauling (special road) PT Talenta Bumi including mining business owned by H. Jahrian closed the Integrated Team Enforcement of Local Regulation No. 3 of 2012 on Special Road of Coal and Oil Plantation which is a combination of Transportation Department, Communication and Information South Kalimantan together with Directorate of Traffic Polda South Kalimantan, plus assistance from Korem 101/Antasari. Also attended was hauling owned by PT Binuang Mitra Bersama (H. Izai and H. Ciut's business network) and Hasnur Group for 41 days with estimated loss of Rp 41 billion.

This is also explained by the Chairman of the Association of Mining Society (Permata) of the People of Kalimantan, Syamsul Daulah (interview on Thursday, January 26, 2017) that due to the closing of hauling to three local companies owned by H. Jahrian, H. Izai and Hasnur Group is coal transportation activities ranging from 500 to 1,000 Ton per day by South Kalimantan Governor H. Sahbirin Noor who issued letter number 551/97, dated January 23, 2017 to South Kalimantan Police Chief Brig. Gen. Erwin Triwanto to cover the existing hauling as it was considered violated by law No. 3/2012, and followed up a letter from the Ministry of Public Works And Spatial Planning (PUPR) of the Directorate General of Highways, National Road Implementing Agency XI Number 02.06-Bz / 027, concerning the obligations of the

mining entrepreneurs to create a flyover in the national road area connecting Marabahan-Margasari to the coal-specific port area in Sungai Puting, Kabupaten Tapin.

H. Syamsuddin or known H. Isam in Barito Kuala election is also barely audible. In the case as always in some elections in South Kalimantan always appear as supporters or supporters of funds or set political calculations for candidates who supported. As is known, H. Isam currently as PAN Council Advisory South Kalimantan and Chairman of DPW PAN South Kalimantan is Muhidin former Mayor of Banjarmasin and former political rival H. Sahbirin Noor in South Kalimantan Governor Election. H Isam is the nephew of H. Sahbirin Noor as the main supporter of political funds in the elections of South Kalimantan Governor since 2015.

CONCLUSION. With that position, H. Isam has also built a strong and influential political network in almost all major political parties. Although Rudy Ariffin, a former governor of South Kalimantan, is able to control the United Development Party (PPP), but essentially debt service or politics to the success of the child, HM Aditya Mufti Ariffin during legislative elections 2014. This further indicates the dominance of the main actors in business and political networks in South Kalimantan is still held by H. Isam. Meanwhile, the concentration of H. Izai and H. only in the local level, especially Tapin regency which is ahead of the succession in 2018, after being pressed by Jhonlin Group with power and law networks supported by Police and Military. The phenomenon that occurred in the 2017 Batola Election has shown that financial power, business and political networks including law enforcement officers controlled by H. Isam with a leading figure who appeared to the public, South Kalimantan Governor H. Sahbirin Noor has become the actor of determining the way of political direction in South Kalimantan. Although not appearing publicly, H. Isam hands still gripped strongly in politics and business in South Kalimantan. Whether later in elections in 2018 which will take place in four districts of Tanah Laut Regency, Tabalong Regency, Tapin Regency and Hulu Sungai Selatan Regency (HSS). Even so, out of the four regions that will hold elections of

SOCIO-ECONOMIC AND MANAGEMENT CONCEPTS

Regent's Regents in 2018, Tanah Laut District will be an exciting battle, and the patterns applied in the 2017 Regional Elections can be repeated again.