

Politics and Business in Post Soeharto Indonesia

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Background and objectives

Reviewing previous research, R.Robison [1987] and Kawamura [2008] mentioned that the controversy has been kept among bureaucrats who promote nationalism and technocrats who support liberalism over economic policy in the Soeharto regime. According to R.Robison & V.Hadiz [2004] and A.Rosser [2004], liberalism in the Post-Soeharto era is still distorted because politics based on Patron-Client network which was created in the Soeharto regime have been re-organized and kept, keeping the Indonesian market still politically constructed.

Observing political economic situation after Soeharto's resignation, economic growth has rapidly increased in Indonesia, 4-6% of GDP growth annually, transforming the Indonesian society from a developmental economy led by the State to an economy where various actors interact each other. Especially, the SBY administration, including business-oriented ministers, started to promote some kind of economic and trade policies. The administration should be focused on the movement of free trade policy with East Asian nations, such as Japan-Indonesia Economic Partnership Agreement, ASEAN-China Free Trade Agreement, and ASEAN regional economic integration as well. This should include the "State Strategy for Energy in 2006", where development of coal mining industry is the primary focus, should also be taken into account for their economic policy.

However, there is no empirical research about the political process of such economic and trade policy in the Post-Soeharto era.

This thesis examines that how the political process have been proceeded in Post-Soeharto Indonesia, with focusing on Business Associations, in the arena of coal mining industry and free trade movement, which business-oriented politicians have promoted.



Pic. 1. Political campaign car, supporting Thaksin's political party/
17, September, 2010, Chen Mai



Pic.2. Shipping equipment for export.
15, October, 2010. Jakarta



Pic.3. Economic development brings traffic jam.
22, October, 2010, Jakarta