

Regional Autonomy from the Perspective of Capitalist Management

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ABSTRACT

Regional autonomy in Indonesia is expected to be an instrument for improving public welfare, equitable development, and strengthening governance. However, in practice, this policy is often distorted by the pragmatic interests of regional leaders who tend to adopt capitalist logic for personal or group gain. This condition is exacerbated by high political costs in regional elections, which encourage political behaviour that rewards capital and ignores public interests. This study aims to analyse regional autonomy from a capitalism management perspective and identify its implications for community welfare and governance. The study uses a qualitative method with a library research approach, examining sources such as books, scientific journals, legislation, and relevant research reports. Data analysis is conducted descriptively and analytically through the stages of data reduction, data presentation, and conclusion drawing. The results of the study indicate that regional autonomy, without regulatory reinforcement and leadership integrity, has the potential to become a tool of capitalist hegemony at the local level. Regional policies are often directed towards facilitating the interests of large capital, both national and foreign, which exploit natural and human resources, making it difficult to realise the ideals of social welfare as mandated by the 1945 Constitution. The implications of this research emphasise the need for low-cost political reform, strengthening governance based on Pancasila values, and moral education to foster integrity among local leaders.

INTRODUCTION

The eradication of corruption is currently a pressing global issue, reported almost daily through various media outlets around the world. Corruption undermines economic health, disrupts social stability, and lowers the quality of life of communities, regardless of their stage of development or political system. Recent reports show that despite various efforts in different parts of the world, this phenomenon continues to increase. This condition proves that corruption is not exclusive to developing countries; developed countries are not immune to it either.

The experiences of Europe and North America refute the view that industrialised countries have the right to lecture developing countries on how to eradicate corruption. Susan Rose-Ackerman's research on Italy shows that democracy and free markets do not automatically prevent corruption. The shift from authoritarian rule to democracy often only results in new norms of behaviour for the public, without addressing the root causes such as conflicts of interest, the accumulation of personal wealth, and bribery. Without adequate legal reform, democracy risks undermining fragile new institutions, while economic liberalisation without protection against the risk of exploitation can exacerbate pressure on officials to enrich themselves. This phenomenon confirms that corruption is cross-national and can emerge in various social orders—from feudalism, capitalism, communism, to socialism.

In the Indonesian context, *good governance* has long been a public expectation for improving service quality, reducing corruption, and ensuring government concern for the interests of the people (Dwiyanto, 2005). However, from a critical perspective, democracy and regional autonomy are not always

a "panacea" for achieving these goals. These two policies are often exploited by capitalist countries, especially industrialised nations, to control the natural and human resources of developing countries, including Indonesia.

The implementation of liberal democracy and regional autonomy without adequate regulatory strengthening often weakens both the regional and national economies. This situation opens opportunities for foreign capital to access abundant natural resources in regions while exploiting cheap labor. As a result, the ideals enshrined in the Preamble of the 1945 Constitution—to educate the nation and advance the general welfare—become increasingly difficult to realise.

Capitalism as an economic system places trade, industry, and means of production under private control to maximise profits through market mechanisms. Within this framework, government intervention is often limited to protecting the interests of capital owners rather than the collective interests of society. This paradigm clearly contradicts the spirit of Pancasila and the Preamble of the 1945 Constitution, which prioritise the welfare of the people.

Revitalising Pancasila as the foundation of the state is key to restoring the direction of national development. The values of Pancasila must be applied as a reflection of the objective conditions of society and the challenges of the times, while also serving as a driving force for collective optimism for a better future. Pancasila must also remain open to new interpretations so that it remains relevant to global dynamics without losing its essence.

This revitalisation must be directed towards the development of the nation's mental and moral character, accompanied by the enforcement of laws based on the noble values of Pancasila. Morality without conducive laws will easily weaken, while laws without a moral foundation will produce policies that contradict the ideals of the nation. With the synergy between morality and law, Indonesia can strengthen its sovereignty amid the tide of global capitalism, maintain national unity, and direct regional autonomy to become an instrument for equitable welfare, not merely a channel for the penetration of foreign capital interests.

LITERATURE REVIEW

Hegemony Theory

The concept of hegemony proposed by Antonio Gramsci (1971) refers to the domination of one social group over another, which is not only manifested through political and economic power but also through control over the ideas, culture, and values that prevail in society. Hegemony shapes collective consciousness so that the order that benefits the dominant group is accepted voluntarily by the dominated group.

Peter Burke (2003) asserts that terms such as *feudalism* or *capitalism* are well established in historical studies, while concepts such as *hegemony* are still often perceived as jargon, despite their important role in socio-political analysis. In the context of this study, hegemony theory is used to examine how regional autonomy within a capitalist system can become an instrument for political and economic elites to serve their personal interests, perpetuate power, and accumulate wealth, often through corrupt practices (Jessop, 2005).

Thus, capitalism management at the local level can be understood as a form of hegemony where local policies are directed not for the public interest but for the benefit of specific groups that control political, economic, and informational resources (Cox, 1993).

Regional Autonomy in the Perspective of Capitalism Management

Normatively, regional autonomy aims to empower local governments to regulate and manage the interests of the local community in accordance with the potential and characteristics of the region (Law No. 23 of 2014). However, from the perspective of capitalism management, this policy can be distorted when market logic and capital interests are more dominant than public service orientation.

Capitalism, as explained by Harvey (2005), places production, distribution, and trade under private control to maximise profits. In the practice of regional autonomy, this is evident when local governments prioritise facilitating large investors or foreign capital in the exploitation of natural resources and the use of cheap labour, while the interests of local communities are marginalised (Hadiz, 2010).

This phenomenon demonstrates that regional autonomy can become an instrument for the penetration of global capitalism if it is not accompanied by governance based on the values of Pancasila, the principles of *good governance*, and the protection of the interests of the people (Dwiyanto, 2005).

Education as an Instrument for Strengthening Morality and Anti-Hegemony

Dr. M.J. Langeveld (1971) refers to humans as *animal educandum*, *animal educabile*, and *homo educandus*—creatures that must be educated, can be educated, and can educate. Education is not merely a means of transferring knowledge but also a process of character formation that distinguishes humans from other creatures (Tilaar, 2002).

Humans have two main dimensions, physical and spiritual, both of which require attention in the educational process. An imbalance in attention to the spiritual dimension can lead to moral degradation, characterised by a weakening of the values of honesty, caring, responsibility, and mutual respect (Lickona, 1991).

In the context of regional autonomy and capitalist management, education that balances intellectual, emotional, and spiritual intelligence plays an important role in producing leaders and a society with integrity, so that they are able to reject forms of hegemony that are detrimental to the public interest (Noddings, 2013).

Relevance of Theory to Research

The interconnection between hegemony theory, capitalism management, regional autonomy, and moral education forms the conceptual framework of this research. Hegemony theory explains the mechanisms of domination that operate subtly through public policies under the logic of capitalism. The perspective of capitalism management explains how capital interests can influence political decisions at the local level. Meanwhile, moral education plays a role as a mechanism for forming critical awareness that can strengthen resistance against the abuse of power.

Thus, this literature review provides a theoretical foundation for viewing regional autonomy not merely as an administrative policy but also as an arena for the struggle over resources and power within the framework of global capitalism (Gramsci, 1971; Harvey, 2005; Hadiz, 2010).

RESEARCH METHOD

This study uses a qualitative approach with *library* research methods to analyse regional autonomy from the perspective of capitalism management. This approach was chosen because the focus of the study lies in examining concepts, theories, and socio-political phenomena that have developed, thus requiring an in-depth understanding of relevant literature sources (Creswell & Creswell, 2018). Research data were obtained from various references such as scientific books, academic journals, legal documents, and

previous research reports discussing issues of hegemony, capitalism, regional autonomy, and moral education as supporting variables.

The data collection process was carried out through the identification, selection, and critical evaluation of literature directly related to the research variables. Data analysis was conducted descriptively and analytically through the stages of data reduction, data presentation, and conclusion drawing (Miles, Huberman, & Saldaña, 2014). This technique allows researchers to link theoretical concepts—such as Gramsci's theory of hegemony and the theory of capitalism management—with empirical phenomena occurring in the practice of regional autonomy in Indonesia.

This approach is considered relevant because the research does not aim to measure phenomena statistically but rather to explore the social and political implications of regional autonomy policies within the context of global capitalism. With this method, the research is expected to provide a comprehensive and critical understanding of the distortions in the implementation of regional autonomy that often conflict with the values of Pancasila and the objectives of the constitution (Sugiyono, 2022).

RESULTS AND DISCUSSION

The analysis results indicate that the practice of regional autonomy in Indonesia often deviates from the values of Pancasila and the mandate of the 1945 Constitution. Ideally, regional autonomy is regulated to achieve " " strengthen regional independence, improve the quality of public services, and promote equitable development. However, its implementation in many regions has shown a tendency toward elitism, where local political elites adopt a capitalist mindset that prioritises personal economic interests, political parties, and specific groups over the interests of the people.

This adopted capitalist mindset aligns with the principles of liberal democracy, which prioritises individual freedom and market mechanisms as its core pillars. The combination of capitalism and liberal democracy gives rise to hegemonic practices, as understood in Gramsci's perspective, which refers to a form of domination that operates subtly through political legitimacy, economic control, and ideological penetration. Western countries, particularly the United States, have long exploited this concept in international relations to secure access to natural resources and cheap labour in developing countries (Harvey, 2005; Cox, 1993).

In the context of regional autonomy in Indonesia, hegemonic practices are evident in various policies that facilitate foreign investment or national conglomerates to exploit regional potential, often at the expense of environmental interests and the rights of local communities. This becomes even more complex when regional leaders are caught up in the logic of high political costs. The capital spent to win local elections (Pilkada) is often seen as a "political investment" that must be recouped after election, so that development policies are directed towards securing personal and political funding sources rather than public welfare (Hadiz, 2010).

Globalisation as a Factor Strengthening Capitalist Hegemony

Globalisation accelerates the penetration of capitalism into local policies. As stated by Koentjaraningrat (2009), globalisation has a *borderless* impact, where capital, goods, information, and culture flow across countries without significant barriers. Meanwhile, Kaloh (2007) notes that the increasingly global orientation of industries and consumers has driven companies from developed countries to seek production locations in developing countries that offer low costs and lax regulations.

In this context, local governments often act as "facilitators" for foreign capital through streamlined licensing processes, tax incentives, and disregard for sustainable development principles. Strategic

alliances with local companies controlled by the political elite further strengthen the concentration of wealth and power among a small group, leaving widening disparities between those who have access to resources and those who do not (*the haves* and *the have-nots*).

Socio-Economic and Political Impacts

Observations show that the negative impacts of globalisation and capitalist hegemony at the regional level are not only economic, but also social and political. In terms of economic, regions rich in natural resources often experience the *resource curse*, where natural wealth does not correlate with the welfare of local communities (Auty, 1993). Socially, income inequality and access to public services are becoming more pronounced, triggering horizontal tensions in society. Politically, regional leaders who are trapped in a cycle of political patronage towards campaign financiers are vulnerable to corruption, collusion and nepotism (KKN).

The inability of regional heads to develop the regional economy in a fair manner often stems from two main factors: first, development orientation that is centred on the interests of the elite; second, weak regional institutional capacity in managing resources in a transparent and accountable manner. As a result, the principles of *good governance* are difficult to realise, and the ideals of social welfare as mandated by the 1945 Constitution are becoming increasingly distant.

Education as a Strategy for Resistance Against Hegemony

Another important finding is that education is a strategic factor in shaping the critical awareness of the community and the regional political elite in facing the tide of globalisation and the penetration of capitalism. Education that integrates the values of Pancasila, national insight, and economic-political literacy can serve as a moral bulwark to prevent the abuse of power.

Langeveld (1971) asserts that humans are beings who must be educated, can be educated, and can educate. Education that balances intellectual, emotional, and spiritual aspects will produce regional leaders with integrity and a society capable of rejecting policies that harm the common good. Without adequate moral and political education, society will tend to accept hegemonic practices that harm them, thereby perpetuating the cycle of inequality and exploitation.

Based on the above discussion, this study implies that regional autonomy in Indonesia requires a reformulation of policies that integrate the protection of people's interests with resilience against the hegemony of global capitalism. This approach must involve:

1. Political reform to reduce the costs of regional elections and decrease the dependence of regional leaders on profit-oriented political capital.
2. Strengthening the institutional capacity of local governments to manage resources transparently and accountably.
3. Integration of moral and political education into formal and non-formal education systems to foster critical awareness among the public.

If these steps are not taken, regional autonomy will continue to be an arena for the elite and global capital to fight over resources, rather than a means of equitable welfare distribution.

CONCLUSION

This study concludes that regional autonomy from a capitalist management perspective tends to be exploited by regional heads as a pragmatic instrument to pursue personal or group interests. The costly

political process of electing local leaders, which can reach tens of billions of rupiah, encourages political payback practices after election. This situation causes local leaders to focus more on recouping political costs than on economic development and improving public welfare. As a result, the essence of regional autonomy, which should serve as a means of equitable development and improved public services, is distorted by capitalist logic and the narrow interests of the political elite.

Theoretically, these findings reinforce Gramsci's hegemony theory, which explains how power can be perpetuated through interrelated political and economic mechanisms, even at the local government level. Practically, this study shows the need to reformulate regional autonomy policies so that they do not become a gateway for the penetration of global and domestic capitalist interests. Another practical implication is the importance of building a low-cost political system and strengthening the capacity of local institutions to implement transparent, accountable, and people-oriented governance.

This study has limitations in its scope, which is more focused on conceptual and interpretative analysis based on literature, and does not include quantitative empirical data or specific case studies in certain regions. In addition, the discussion highlights political and economic perspectives, while the socio-cultural and psychological dimensions of regional autonomy practices still require further exploration.

Further research is recommended to conduct field studies using a *mixed-methods* approach to obtain a more comprehensive empirical picture of the relationship between the political costs of local leaders, capitalist practices, and the quality of governance. Researchers may also develop comparative studies between regions to examine variations in the implementation of regional autonomy within the context of global capitalism. Furthermore, an in-depth exploration of the role of political and moral education in society as a long-term strategy in fostering resistance against hegemonic practices at the local level is necessary.

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