

## THE CONFIGURATION OF LOCAL OLIGARCHY POWER IN EAST KALIMANTAN IN THE COAL MINING SECTOR

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### ABSTRACT

The coal mining industry in East Kalimantan has a strategic position in the national economy. It is a field of consolidation of elite power at the local level. This article attempts to study the structure and exercise of local oligarchic power in the coal mining sector in the context of post reform electoral democracy. This paper adopts a political economy perspective and the concept of oligarchy, understanding oligarchy not only as a wealth-based actor, but also as a configuration of power relations within political institutions, bureaucracy, and social networks. The study is qualitative and utilizes a case study in East Kalimantan. Data were gathered by means of in-depth interviews, analysis of policy documents and mining permits, and a search of media reports and civil society organizations. The findings suggest that local oligarchic power is exercised through close integration of regional political elites, capital owners, government bureaucracies, and security actors, and is linked to the interests of national elites. Electoral democracy and political decentralization are not mechanisms for restraining oligarchic domination but rather sites for the reproduction and consolidation of elite power. This study demonstrates that weak mining governance and local democratic accountability are the consequences of this institutionalized oligarchic power configuration.

**Keywords:** local oligarchy; coal mining; power configuration; local democracy; East Kalimantan

### INTRODUCTION

The East Kalimantan coal mining industry is a central element in the province's economic structure and a major pillar of the national economy. By October 2019, more than 1,400 mining permits covering around 13.8 million hectares of concession area had made the province the center of Indonesian coal production (Dinas ESDM Kalimantan Timur, 2024; Jatam Nasional, 2024). So huge is this exploitation that coal is a major contributor to regional revenue and national energy exports. But this heavy reliance on the extractive sector also creates a fragile economic structure that is highly sensitive to fluctuations in global commodity prices. This dependence could also limit the regional economic diversification.

This situation is indicative of a classic symptom of resource dependence: the exploitation of natural resources concentrates wealth in the hands of a few actors and underpins power relations and political patronage in the context of post-reform decentralization (Ross, 2001; Winters, 2012).

The dominance of the coal sector in East Kalimantan has not only generated economic accumulation but also triggered widespread social and ecological impacts. Mining expansion has contributed to large-scale deforestation, land degradation, water pollution, and the loss of living space for indigenous peoples and local communities (Jannah, 2025). The poor reclamation procedures worsen the environmental harm since open land is being created from the tropical rainforest landscapes that used to serve as ecosystem buffers after mining (Fauzia & Makarim, 2024). In the social dimension, eviction of land in local communities, limited access to water resources and declining health quality due to air and water (Jatam Nasional, 2019). Such reality reveals how the logic of extraction, rooted in capital accumulation, tends to sideline the ideals of ecological and social justice. Making the local communities the most vulnerable stakeholders to absorb the burden of the externalities of the mining business (Nurmiyati et al., 2021).

This position is intimately related to the strong interaction between economic and political power in the mining sector. East Kalimantan is an example of the interlinked interests of political leaders, capital owners, security forces, and bureaucratic actors inside a relatively well-developed oligarchic network. Various studies have shown that power over resources and public policy has been controlled and controlled by strategic alliances consisting of regional heads, legislators, security forces, and mining entrepreneurs (Hadiz & Robison, 2004; Nurmiyati et al., 2021; Winters, 2012). Post-reform democratization has undergone a shift in orientation. The process, previously aimed at increasing public engagement, is often exploited by oligarchic powers by fostering patron-client relationships and funding election contestants with proceeds from natural resource acquisition. This can be interpreted as an attempt to exploit democracy to maintain power rather than for the benefit of the wider public (Diprose et al., 2019; Gyimah-Boadi, 2021; Setyasih, 2023).

Political decentralization offers a relevant background to understand these dynamics. Normatively, decentralization aims at improving transparency, accountability and public participation in natural resource management. But in practice, decentralization has provided more opportunities for local elites to dominate the mining sector through licensing systems and control over regional government agencies. Data Dinas ESDM Kalimantan Timur (2024) recorded that in 2017, the number of Mining Business Permits (IUP) covering exploration, production operations, and PKP2B was 1,404, with a total area of 13.8 million hectares. This concentration of permits has made East Kalimantan the most exploited coal region in Indonesia. Permits' issuance is often marred with conflicts of interest, spatial overlap and neglect of reclamation and post-mining requirements (Jatam Nasional, 2019). . This illustrates that mining regulation is not only a tool of state control but also a space of compromise and negotiation between political élites and mining firms (Abdullah, 2025).

Mechanisms of electoral democracy increasingly contribute to the dynamics of local oligarchies. Regional direct elections, conceived as a tool to achieve popular sovereignty, have become a battleground for the consolidation of elite authority (Jatam Nasional, 2019). The high political cost makes candidates for head of region dependent on financial assistance from mining entrepreneurs, thereby creating transactional patron-client relationships (Habibi, 2020). Burgess et al. (2012) in their study of the political resource cycle, they suggest that the exploitation of natural resources is likely to rise in the run-up to elections as a source of political financing. Another example of a similar pattern is East Kalimantan, where mining concessions are utilized as a tool for electoral fundraising and the distribution of political rents. Consequently, local democracy becomes devoid of its representative essence, since political decisions are taken in the interests of oligarchy rather than the community's goals.

Furthermore, the oligarchic power configuration in East Kalimantan is not only local but also connected to the national political and economic elite. Several national actors, such as Aburizal Bakrie through Bumi Resources, Luhut Binsar Pandjaitan through PT Toba Sejahtera, and Prabowo Subianto and Sandiaga Uno, are known to have direct ties to mining concession ownership in the region (Agustani, 2025; Jatam Nasional, 2024). These cross-level relationships demonstrate that oligarchic power operates through a multiscalar network in which local and national interests mutually support one another in controlling natural resources. Thus, East Kalimantan is not only an arena for economic exploitation but also a strategic space for consolidating national oligarchic power.

Local oligarchies in East Kalimantan draw on material and institutional power, but also draw resilience from mastery of the social dimension 12 Political and economic elites acquire legitimacy through ties to community organizations, customary networks and religious institutions. This practice indicates that oligarchic control is exerted not only through official governmental institutions but also through social ties that render elite dominance commonplace in everyday life. Therefore, the persistence of oligarchies within local democracy cannot be explained by a material perspective alone. As Hadiz & Robison (2004) note, oligarchies function through relational configurations that link the state, business and social actors in a mutually reinforcing power structure.

Based on these conditions, this article focuses on analyzing the configuration of local oligarchic power in the coal mining sector in East Kalimantan. Positioning oligarchy as a configuration of power relations, rather than simply a collection of wealthy actors, this study seeks to explain how oligarchic power is formed, exercised, and reproduced through interactions among economic, political, security, and social actors in the context of post-reform electoral democracy.

Based on this framework, the main question posed in this article is: how is the configuration of local oligarchic power in the coal mining sector in East Kalimantan formed and implemented? By answering this question, this article aims to enrich theoretical studies on local oligarchy while providing an empirical understanding of the limitations of democracy and the challenges of natural resource governance in Indonesia. This article contributes to the literature in three ways. First, it conceptualizes local oligarchy not merely

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as a wealth-based formation but as a multi-layered governance regime integrating coercive, cultural, and electoral mechanisms. Second, it advances the oligarchy debate by showing that decentralization does not simply empower local strongmen, but produces a nested, cross-scalar oligarchic order linking village, district, and national elites.

## RESEARCH METHOD

This research adopts a descriptive qualitative approach, using a case study strategy, to examine the dynamics of oligarchic power in East Kalimantan's coal mining industry. This approach was chosen because the subject of oligarchy cannot be considered separately from the complex local social, political and economic context that needs to be explored in depth in order to answer the issues of “how” and “why” local oligarchies are formed. Conceptually, this research identifies local elites as official and informal players (regional heads, legislators, bureaucrats, community leaders, and community groups) that impact the allocation of strategic resources. Thus, local oligarchy is seen as a power configuration built up by the accumulation of mining capital, the co-optation of democratic institutions and socio-cultural legitimacy, thus becoming a symbiotic power mechanism.

The research data are drawn from primary and secondary sources. Primary data were gathered through in-depth interviews, field observations, documentation, and focus group discussions (FGDs) with key players. The technique in this study was purposive sampling to determine the informants, namely those who hold strategic positions and are directly involved in mining concerns and local politics. The secondary data were collected from official government reports (Energy and Mineral Resources Agency, Statistics Indonesia, and the Regional Spatial Plan), regulations, NGO reports (JATAM and WALHI), media, and academic literature. A list of research informants is shown in the following table:

**Table 1.** List of Research Informants

Name/Position	Initials	Explanation
Member of the East Kalimantan DPRD	BD	Local elite, PAN DPD administrator, former JATAM/WALHI activist, Head of the RTRW Working Committee
JATAM Kaltim	MS	JATAM dynamist, active in human rights, environmental, and indigenous people's advocacy
WALHI Kaltim	FRF	WALHI dynamist, focuses on ecological advocacy, human rights, and environmental policy
POKJA 30 Kaltim	BM	Natural resource management activist, public fund advocate, and good governance
Baladika Mulawarman	H	Mass organizations with involvement in the extractive industry
Academic/Environmental Activist	AR	Unmul lecturer, environmental advocacy, indigenous communities, and ecological justice
Academic	JMS	Researcher of local politics and political ecology, Mulawarman University
Academic/Women Activist	SNE	Ecofeminism and environmental politics researcher, Yellow Roots Activist Samarinda

Source: Processed by the Author

The method of data collection was multi-leveled. First, a literature review was carried out to gather the theoretical framework and historical data about oligarchy, political patronage and mining policy. Second, field observations of mining concession areas and local political arenas captured empirical dynamics. Third, in-depth interviews were conducted with several sources, including political actors, bureaucrats, activists, academics, and community organizations. Fourth, additional data was collected through documentary studies to enrich the discussion. Fifth, focus group discussions (FGDs) aimed to maximize the findings and validate the data from various stakeholder perspectives.

The data were analyzed using thematic analysis Clarke & Braun (2014) The analysis process involved six stages: data familiarization, initial coding, theme search, theme review, theme definition, and narrative development. The analysis process was conducted inductively and deductively, namely by finding patterns directly from the field data and simultaneously testing their relevance to oligarchy theory Winters (2012) dan Hadiz & Robison (2004). The coding results produced eight main themes which formed the basis for the research discussion, as summarized in the following table:

**Table 2.** Main Research Themes

No	Main Themes
1	Concentration of power in the mining sector (Material Oligarchy)
2	Co-optation of local politics and bureaucracy by mining elites
3	Electoral clientelism and money politics in local democracy
4	The symbiosis of power between the state, the market, and social organizations

Source: Processed by the Author

## RESULT AND DISCUSSION

This centralized pattern is a characteristic of the local oligarchic system in the power configuration of the coal mining industry in East Kalimantan. Power is gathered and exercised by an oligarchic coalition that combines economic, political, and security forces within a mutually supportive relational network, rather than being concentrated in a single individual. Field findings indicate that control over coal resources, both legal and illegal, operates through organized collective mechanisms, with dominant actors occupying distinct positions and functions within a single power ecosystem.

Interviews with key informants identified several names that consistently emerged as central actors in the East Kalimantan mining oligarchy, including HI, SA, TP, HA, IB, and HAX. These actors have areas of influence spread across strategic areas such as Marangkayu Kutai Kartanegara, West Kutai, East Kutai, and Paser Regency. However, their dominance is not horizontal or competitive but rather hierarchically structured, with some actors serving as field operators while others play a role as strategic controllers behind the scenes.

To protect informants' confidentiality and for consistency, initialisms are used for actors throughout this paper. The main actors found in the field findings are HI, SA, TP, IB, HA and HAX. HA and HAX are sometimes spoken of jointly, yet they occupy different places in the oligarchic network. HA is largely an operational actor, dealing with security in

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the field, territory management, and enforcement of mining operations. HAX functions through socio-cultural and patronage networks, drawing on symbolic authority, religious influence and community-based legitimation to sustain support for extractive activity. This is crucial because it shows that oligarchic dominance in East Kalimantan is replicated through both coercive-operational techniques and socio-cultural mechanisms.

**Table 3.** Initial Main Role in The Network

Initial	Main Role in the Network	Primary Source of Influence
SA	Central coordinator and patronage broker	Political, social, and organizational networks
TP	Coal logistics and distribution controller	Mining business and distribution infrastructure
IB	Security and protection network actor	Former security apparatus connections
HA	Operational actor and territorial controller	Field enforcement and mining security
HAX	Socio-cultural patron and local intermediary	Religious, symbolic, and community influence
HI	National-level business actor	Large-scale capital and business networks

Source: Processed by the Author

This is in accordance with what was transmitted by a member of the East Kalimantan DPRD with the initials BD, who revealed that the rise of the mining business in the coastal areas of Kukar and Paser demonstrates the repeated engagement of the same actors, both in legal and illicit schemes. BD stated that the expansion of HI's mining activities is suspected in Paser and West Kutai, while TP and HA are the dominant players in Marangkayu. This is not a phenomenon of corporate expansion but a pattern of control of territory, related to political protection and informal security" (Interview, May 5, 2025).

These findings were confirmed by focus group discussions (FGDs) with SNE and JMS informants, who stressed that control over major material resources in East Kalimantan is closely tied to the HI and SA business networks. HI is portrayed as a national oligarch that reaches down to the local level through economic connections, control over auxiliary infrastructure such as haulage highways and ports, and strong relationships to political elites. Meanwhile, the SA also functions as a local node in consolidating social and security power, particularly through the mass organization of Pancasila Youth, which becomes an informal security system for mining operations in several coastal communities of Kukar and Samarinda.

The power structure seems to be multi-tiered. Actors such as HA and HAX frequently emerge as dominating actors on the ground, especially in the acquisition of mining operations and the control of distribution routes. But conversations with an academic and an environmental activist known as AR show that they are, in fact, the operational field implementers of a bigger force.

AR stated, "HA has more concentrated operations in Kutai Kartanegara and East Kutai, while HAX is more spread out in other parts of Kutai Kartanegara, with some activities extending to Samarinda." Both may be described as relatively new players in the coal mining market in East Kalimantan. "They may look dominant at the operational level, but their

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positions are finally decided by an actor who remains invisible but has a lot of control over managing and making sure the entire mining process works smoothly” (Interview, March 2, 2025).

A similar thing was conveyed by the activist of Pokja 30 with the initials BM, the names of which are several mining players, as stated below: "HA is known to have played a significant role, particularly in providing security services for illegal coal mining operations in several areas of East Kalimantan. Recent developments also reveal his direct involvement as a coal-mining business actor. Furthermore, IB is also suspected of being a dominant actor in illegal coal mining activities in the coastal areas of Kutai Kartanegara. Both actors are said to be linked to TP, a well-known central figure nicknamed the "Mining Queen" of East Kalimantan. Other information also indicates that the family of the Deputy Regent of Kutai Kartanegara has begun to expand into the coal mining industry" (Interview, May 3, 2025).

In this context, TP holds a key position as a controller of coal logistics and distribution. His name has surfaced in various national media reports related to the alleged money laundering case involving the former Kutai Kartanegara Regent, RW., in which mining gratuity funds allegedly flowed through a business network affiliated with him (Admin, 2022a, 2022b; Afrianty, 2022; Polycarpus, 2022; Supriyanto, 2022). In addition, IB's video testimony, which went viral and mentioned TP's involvement in illegal coal transactions, became an important novelty that showed the cross-actor relationship between businessmen, officials, and local elites in a collective and organized oligarchic power structure (Admin, 2022b; Afrianty, 2022; Sari & Prabowo, 2024).

Another crucial dimension of the local oligarchy's configuration is the involvement of security forces and state actors. Numerous interviews confirm that the relationship between mining operators and the police and military takes place in an informal, transactional and mutualistic space. IB, a former member of the Indonesian National Police, is said to have privileged access to establish a protection network for illegal mining activities. In some cases, authorities play not only a passive role, allowing it to proceed, but also actively participate in securing distribution and resolving conflicts in the field. This blurs the line between state and market and demonstrates how the state's coercive power is absorbed into the extractive oligarchy's network.

A member of the Baladika Mulawarman community organization, identified as H, stated that the key player in East Kalimantan's mining industry remains the same, SA. However, it's not driven by a single actor, but rather by a vast network. He further explained: "To date, the actor still identified as actively carrying out mining business practices is SA. Meanwhile, names like IB are no longer directly present in the field, but maintain a controlling role by mobilizing new actors at the operational level. Although actors in the field have changed, the network of power and control remains with the same actors. The mining operational scheme demonstrates a structured division of roles, with resource owners, field implementers, and mine recipients being distinct parties. This practice is also supported by the involvement of local security forces, including the police and elements of the Indonesian National Armed Forces (TNI), who play an informal role in ensuring the smooth running of

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mining activities. In East Kutai, for example, coal distribution utilizes a port owned by a retired TNI general, which is used by actors like HA and TP. This indicates that these mining practices are carried out through an organized network involving various actors across sectors" (Interview, May 9, 2025).

This was confirmed through the opinion of MS, who stated that actors such as IB, HA, and TP were still affiliated with SA, as in the following interview: "Based on interview findings, HI is a long-standing actor operating at the national level with a strong network. Meanwhile, HA is identified as a relatively new actor in East Kalimantan but does not operate independently, as it is indicated to be part of a larger network. Another prominent name is TP, who holds a very strong position and is often referred to as a central figure in the coal industry, and is thus categorized as an incumbent player with a significant level of control. Furthermore, HA plays a primary role in providing security services for illegal coal mining operations in East Kalimantan. These findings indicate that both HA and TP are affiliated with SA, as is IB, who is also connected to the same network. This pattern of interconnectedness indicates the existence of an organized and interconnected network that is the main foundation for running and perpetuating the coal mining business" (Interview, May 6, 2025).

The JMS informant also shared something similar, that SA's role in the East Kalimantan mining constellation was still extremely strong: "SA's involvement in the East Kalimantan mining constellation remains very strong to this day. The most evident sign is the presence of the mass organization Pemuda Pancasila along the mine's route, especially in the coastal villages of Kukar. They have a functional presence, not only a symbolic or cultural one. This implies they are involved in the regulation of logistics flows and distribution and sometimes even in the safeguarding of mine haulage activities." (FGD, 18 June 2025)

Informant H confirmed that SA's dominance in the mining industry is still very strong, as in the following interview: "Field findings indicate that the Pemuda Pancasila community organization is frequently seen securing mining sites, although in certain situations, this role is also played by other organizations within the same network. This security pattern is generally part of a delegation coordinated by the SA, with mining entrepreneurs communicating directly with them to determine which actors handle security at the field level. In this context, the SA functions as the main node connecting the interests of entrepreneurs with the social networks below them, not only as a political figure or organizational leader, but also as a manager of the distribution of power. Through this mechanism, entrepreneurs obtain guaranteed operational security without having to directly deal with potential social conflict or disturbances in the field" (Interview, May 9, 2025).

But these great stars are still the backbone behind the scenes. He said, "Well, that's the interesting thing. Things are not always easy. Many of them involve informal structures or people closely related. Others deal with long-term business relationships. If we had to identify names, several that are often mentioned in the field are HA, HAX, Tan Paulin and even some relatives of regional heads. These are not simply average businesses, but in fact

they are part of the local elite and have extensive networks throughout the government, political parties and even security institutions.” (FGD, 18 June 2025).

Control over resources is not an individual monopoly but an organized network involving names such as HI, SA, TP, HA, IB, and HAX, active in Kutai Kartanegara, East Kutai, West Kutai, and Paser. They dominate not just production and distribution but also penetrate legal protection systems and political institutions to the national level. The mining sector thus becomes a closed arena for political-economic contestation, inaccessible to actors outside the network.

HI differs from SA, TP, HA, IB, and HAX, which mostly operate in local and regional networks. HI is a strategic link between national capital interests and local extractive governance. HI is the exterior face of the local oligarchic configuration, expressed through commercial ties, control over infrastructure, and political connections, illustrating how local mining governance is interwoven with a larger national oligarchic framework.

In this network, the power structure is hierarchical and functional. Actors that seem to be in control on the ground are actually led by a central actor, such as SA, who finances and plans the strategy, but does not appear directly at the operational level. The division of duties is systematic: TP takes care of logistics and distribution, HA is responsible for security and regional control, IB exploits its contacts with the police and HAX carries out activities in certain locations with the backing of the same network. This strategy shows that power is not contingent on the visibility of the actor but on the ability to activate covert networks linking capital, security forces and key infrastructure, including ports controlled by the military network.

Informal security apparatuses and extension of political power are played by the participation of village heads, thugs, and mass organizations at the local level. This is in line with the extractive power relations widely examined in several literatures on natural resource politics. This pattern is consistent with the results of Kusumoningtyas (2024) In which the mining extractivism in East Kalimantan is still taking place through a patronage scheme that is strongly embedded between state actors and businesses. Consequently, in the course of public decision-making, the interests of local communities are often sacrificed to those of dominating organizations. This study adds insight to the conclusions of this study by showing that the patronage networks operate not just at the normative level, such as the policy level. In this context, local grassroots actors have re-produced patronage networks acting as intermediaries between the state and capital.

Within a bigger oligarchic network, micro-nodes are village leaders who control informal permits, non-state violent gangs that secure lines of production and distribution, and mass organizations that manage social strife. This configuration supports the argument by As' ad et al. (2023) that coal mining in Kalimantan is not just an economic activity, but also a tool to build political patronage networks through regional elections. Mining entrepreneurs are patrons, and public officials are clients in the local bureaucracy. The dominance of regional oligarchies appears to be an institutionalized process, extending from the economic arena into the spheres of village and district government, while also demonstrating how

informal actors become an integral part of extractive governance within the context of electoral democracy.

Furthermore, the practice of electoral patronage that connects villages with district, provincial, and national levels demonstrates that local democracy serves as a strategic arena for the reproduction of mining oligarchic power. Campaign funding by mining entrepreneurs, which is then converted into regulatory protection, concession access, and weak law enforcement, confirms the findings of Putri et al. (2025) that the institutional structure of the natural resources sector in East Kalimantan opens up a wide space for the penetration of business elite interests in the legislative and public licensing processes.

Meanwhile, a study by Hatima et al., (2025) on informal elites in mining policy shows that informal actors often function as mediators between communities, the government, and companies; however, in the context of East Kalimantan, this study found that this function often shifts into a mechanism of political cooptation that stabilizes the long-term dominance of regional oligarchs. This analysis confirms that mining in East Kalimantan cannot be understood solely as an illegal economic issue or administrative violation, but rather as a manifestation of an oligarchic power structure embedded in local and national political institutions, where patron-client relations, political financing, and the involvement of security actors form a relatively stable extractive governance regime that is difficult to disrupt by democratic accountability mechanisms.

The coal mining phenomenon in East Kalimantan demonstrates a structurally entrenched and layered political-economic oligarchy. Concentration of resource control is not merely economic but also integrated with political, legal, social, and security control. Winters (2012) and Hadiz & Robison (2004) frameworks of material oligarchy and collective-institutional oligarchy explain how extreme wealth enables a handful of actors to control state institutions while simultaneously building collective protection for their interests. In this context, actors such as SA, TP, IB, HAX, and HA are not simply capital owners but managers of a power system that combines formal and informal channels to maintain extractive dominance.

SA could be seen as a crucial local oligarchic figure as a power hub in sectors. His authority is a mix of political influence, bureaucratic networks, social patronage, and symbolic legitimacy. SA serves as a power broker, mediating among mining entrepreneurs, state officials, community organizations, and local elites. It also functions as an “informal permit issuer” and as a defender of both legitimate and illicit mining. SA stands for local authority, which can extend beyond formal state institutions and is exercised through a network of loyalists that includes village chiefs, lawmakers, security forces and community groups. This dominance is further reinforced through cultural hegemonic techniques, such as social philanthropy and sports, which create long-term loyalty and serve as an explanation for the replication of the electoral power of his family.

TP is a national oligarchy, the “Coal Queen,” and it trickles down through local nodes. Her influence is derived from her control of the coal supply chain, upstream and downstream, from legitimate and illicit mines to distribution logistics, shadow ports, and

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unofficial transport routes. Her relationship with IB, a former policeman who turned into a coercive operator, illustrates how the oligarchy appropriates public security functions for the protection of unlawful activities. Formal legality, based on IUP ownership, serves as administrative cover, while criminal activities are systematically carried out under the institution's protection. TP is thus a hybrid oligarchic person who employs legal and illicit sectors together without conflict.

IB illustrates the embeddedness of the state's coercive functions in an extractive oligarchic regime. IB was a former police officer who controlled an illicit network for distributing coal protected by institutional and informal security networks, including community organizations and village leaders. The recognition of the flow of funds to the police elite reveals the oligarchs' penetration of state institutions and explains why unlawful actions go unpunished. IB handles social space, along with physical logistics, using an economic militia that patrols distribution lines and quells dissent. This stance is a type of coercive oligarchy that functions not through overt confrontation but through the internal co-optation of governmental institutions.

HAX and HA complement the oligarchic configuration through cultural and technocratic channels. HAX establishes dominance through religious patronage and moral legitimacy, fostering social loyalties that weaken community resistance to mining impacts. Meanwhile, HA acts as an adaptive oligarch, bridging large capital, the technical bureaucracy, and the local economy through subcontracting, hauling, and conflict mediation. Both demonstrate that oligarchy is reproduced not only by the top elite but also by middle-level actors who maintain the stability of the extractive system. Overall, the East Kalimantan mining oligarchy operates as a collective network that integrates the state, market, and society into a fluid, institutionalized, and difficult-to-tame system of domination.

**Table 4.** Identification of the Roles and Sources of Power of the East Kalimantan Mining Oligarchy

<b>Oligarchy</b>	<b>Role</b>	<b>Sources of Power</b>
<b>SA</b>	A central figure in the patronage of political and economic power; regulator of informal permits; protector of legal and illegal mining networks.	Political connections (local–national), control over mass organizations and security networks, symbolic authority in society, social and cultural capital, and transactional relationships with bureaucratic elites and state actors.
<b>TP</b>	Managers of legal and illegal coal distribution; connectors between the national elite and local mining networks.	Legal mining concessions, control of logistics and shadow ports, co-optation of security forces (via IB), CSR as an instrument of legitimacy, and close relations with the national political and economic elite.
<b>IB</b>	A former police officer who manages illegal distribution and security in illegal mining areas.	Structural access within the police institution, vertical protection from Polri officials, informal coercive power (thugs and mass organizations), spatial control of distribution, and illegal mining security networks.
<b>HAX</b>	Socio-cultural patrons in local oligarchic systems: representations	Social generosity, financing of religious activities, control of local public opinion,

	of moral and symbolic power at the village and semi-urban community level.	cultural and symbolic co-optation, and the ability to influence the electoral direction of a community without direct coercive power.
<b>HA</b>	A liaison between large oligarchs and local economic communities; a conflict mediator and contract enforcer for the mining sub-industry.	Connections with technical officials, relational strength within subcontractor networks, a loyal base of small economic actors, ability to negotiate social conflicts, and flexibility between legal and informal spaces.
<b>HI</b>	National-scale oligarch connecting East Kalimantan's coal sector with broader national business and political networks	Large-scale mining capital, ownership and control of strategic infrastructure, national political connections, and influence over regional business actors through patronage and investment networks.

Source: Processed by the Author

The combined method of Winters (2012) and Hadiz & Robison (2004) is a first step to grasp how oligarchies operate in democracies. Findings in East Kalimantan, however, reveal important limits to Winters' assumption of material oligarchy. The idea of wealth defense, which represents oligarchies as external powers buying protection from the state, does not match the empirical reality in East Kalimantan. The mining oligarchy in East Kalimantan does not exist outside the state but becomes culturally, politically and institutionally integrated in the framework of the state and local society. Oligarchic power is not constructed based on purely transactional vertical relations but rather on the basis of a distributed network of collective patronage which includes economic elites, political actors, the bureaucracy, security forces, mass organizations and even village heads who together manage and protect extractive interests.

In this respect, the notion of post-reform collective oligarchy by Hadiz & Robison (2004) is more useful to explain the institutionalized and systemic configuration of power. The state is no longer a thing "bought" by oligarchs, but an arena that has been taken over from the inside, through electoral co-optation, penetration of state institutions, control of public space and the simultaneous integration of business and political interests. These findings are supported by recent Indonesian literature (e.g., Fukuoka, 2015; Bolqiah & Raffiuddin, 2021), which shows oligarchy continues to thrive in procedural democracy. But the study goes further than this analysis in noting the decentralization of oligarchic power to local and rural levels, where village heads, local media, and civil society become parts of networks of domination through mechanisms of soft power and cultural patronage, rather than through overt violence alone.

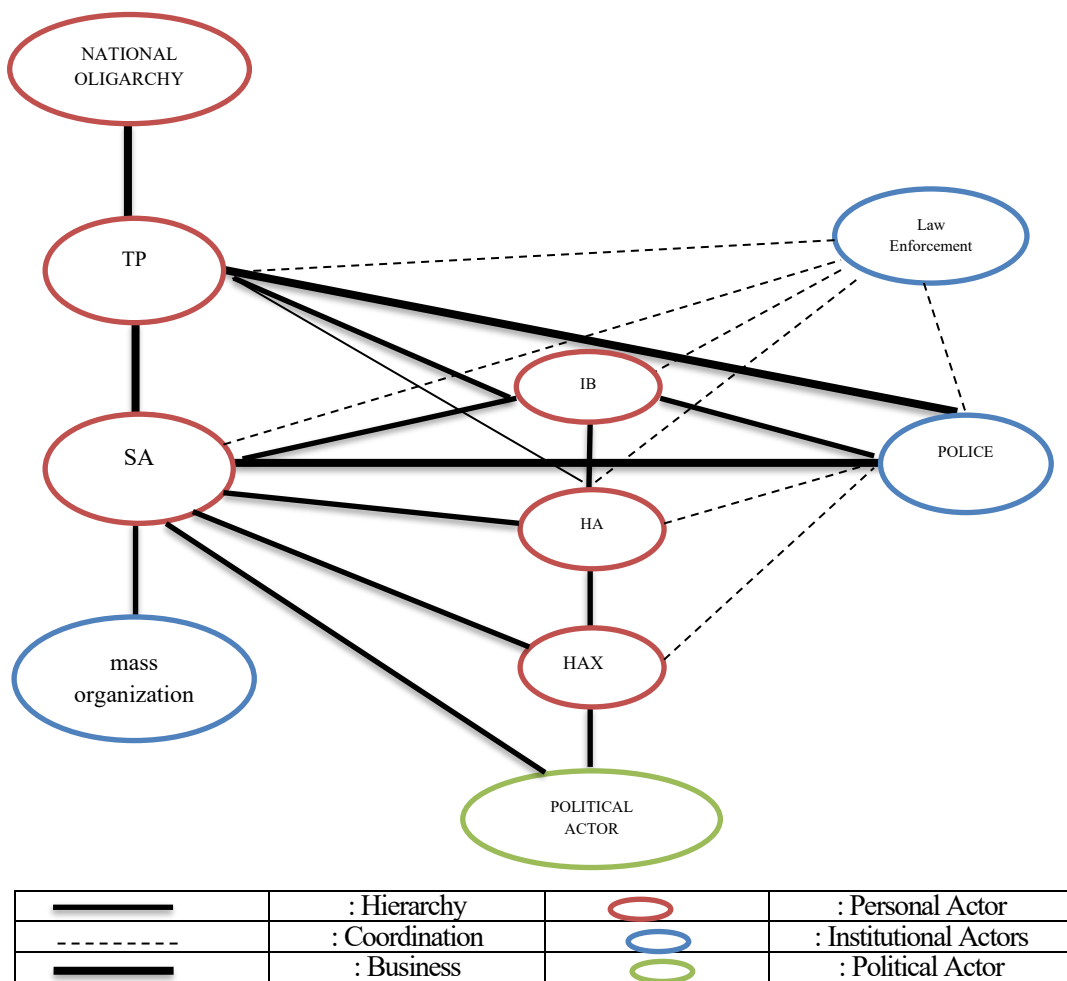
Empirically, players such as SA, TP, IB, HAX and HA should not be viewed as affluent businesspeople merely buying official protection, but as members of an elite circle exercising control alongside state instruments. They populate the executive, legislative, and bureaucratic departments through political funding, placement of loyal actors, and control of the media and mass organizations. In this way, they work as local rule-makers and agenda-setters. The case of the election of RB, IB's younger brother, as a member of the East Kalimantan Regional People's Representative Council (DPRD) and NH, SA's younger son,

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as a member of the Indonesian House of Representatives (DPR RI) shows how the electoral path has become a mechanism for reproducing oligarchic, not democratic representation.

This finding reaffirms the argument that the oligarchy in East Kalimantan is better understood as an institutionalized ruling oligarchy, rather than a protective one, with the challenge of democratization being the dismantling of the relational structures that tie the state, market and society together into a unified, established system of domination. The power configuration of East Kalimantan’s mining oligarchy is linked to other state actors (see figure 1).

Figure 1. Map of Coal Oligarchy in East Kalimantan



Source: Processed by the author

The coal mining power structure in East Kalimantan is not singular but rather is formed by a complex, mutually reinforcing system of patronage and clientelist networks. Within the framework of Kitschelt & Wilkinson (2007), the relationship between oligarchs and politicians is transactional, hierarchical, and non-programmatic, where political funding is exchanged for protection against extractive interests. However, empirical findings indicate

that local political actors do not simply act as clients but become an integral part of the oligarchic hierarchy itself. The boundary between the state and the economic elite is blurred, making oligarchic power immanent within the government structure, rather than external to it.

Along with the financial and coercive power, symbolic and intellectual control are elements that allow the continuity of oligarchic tyranny. Consequently, other actors, including local media, campuses, student organizations and civil society groups, have been systematically co-opted, undermining their vital role. This is consistent with Gyimah-Boadi (2021) where democratic institutions, which ideally should be counterbalances, are rather pushed to create the sense of stability and legitimacy of extractive power. The East Kalimantan oligarchy operates as a collegial system, as explained by Lazega et al. (2017), where elite actors share norms, collective protection, and unwritten consensus on the division of operational domains such as ports, logistics, distribution channels, and access to justice, thus avoiding internal conflict for the sake of shared stability.

From the perspective of the state in society Migdal (2018) in the context of East Kalimantan, the state functions not as a mediator of public interests but rather as an arena for collective oligarchic domination. Democratic institutions such as elections, public policy, and law will lose their corrective power when capital, political power, and local social networks become entwined (Diprose et al., 2019; Nurmiyati et al., 2021; Setyasih, 2023). For example, elections, even though procedurally democratic, ultimately become a mechanism for the consolidation of oligarchic power. Elections often cease to be a means of listening to the people's power but instead become areas of oligarchic power.

East Kalimantan is likewise reproducing oligarchic power in Gramsci's terms of socio-cultural hegemony. Domination is legitimized not only through wealth and violence but also through the normalization of transactional behaviors such as dust money, land-sharing for mining, and the social acceptability of mining players as a pillar of the local economy. The co-optation of students, professors, journalists, and mass organizations creates a false consensus and suppresses resistance, because the community is not only an object but also frequently becomes a subject that passively or actively supports the oligarchic system for short-term advantage.

The systemic implications of this oligarchic rule structure are inadequate law enforcement, serious inequalities in resource distribution, increasing socio-ecological crises and an ethical decay of local democracy. Oligarchic networks can paralise legal accountability, as IB-like cases illustrate. Therefore, the oligarchy in East Kalimantan cannot be remedied by a solely legal-formal approach but requires a structural deconstruction of patronage networks, political interest conflicts, and information hegemony. Local democracy will remain in the shadow of a collective oligarchy that controls wealth, power, and truth unless there are revolutionary interventions to liberate the media, academia, and civil society from elite co-optation.

## CONCLUSION

The empirical findings and the political economy perspective used in this study suggest that the emergence of oligarchic power in the coal mining sector of East Kalimantan is not solely based on the concentration of economic resources, but also on the institutionalization of interrelated political, bureaucratic, security and socio-cultural networks. Oligarchic players wield influence through a combination of legal and informal procedures that enable them to influence licensing processes, get access to crucial resources, influence public policy and dominate local political dynamics. Electoral democracy and decentralization have therefore failed to serve as meaningful limits on oligarchic authority and have instead often become sites of its replication and consolidation.

The findings demonstrate that the local mining oligarchy operates through a hierarchical, functionally differentiated network containing players such as SA, TP, IB, HA, and HAX, each filling distinct roles within a broader extractive governance framework. SA functions as a central patronage broker linking political, bureaucratic, security and social actors; TP controls key aspects of coal distribution and logistics; IB facilitates protection and security arrangements; while HA and HAX contribute to the operational and socio-cultural reproduction of oligarchic influence. These actors together sustain a system in which economic power, political authority, and social legitimacy mutually reinforce one another.

This study also reveals that the local oligarchic authority cannot be understood separately from the national political-economic networks. HI, as a national-scale oligarch, shows that local mining governance is interwoven with larger mechanisms of capital accumulation and elite coordination that are not limited by regional boundaries. The HI is the face of the oligarchic organization externally, connecting local extractive activities to greater national power structures through commercial alliances, control of infrastructure, and links to national political and economic interests. This study confirms the persistence of oligarchic structures in East Kalimantan, which are perpetuated not just by local players but also by long-standing linkages between regional and national elites

This essay contributes to the study of oligarchy in theory by understanding oligarchic power as a relational, multi-scalar configuration rather than a category of affluent players. These results show that the longevity of oligarchy depends on its capacity to integrate economic resources into democratic institutions, bureaucratic structures, security mechanisms, and social networks simultaneously. Thus, the limits of local democracy in managing the mining sector should not be seen merely as a problem of poor regulation but as the result of deep-rooted power relations among state, market and society.

As such, attempts to improve mining governance and bolster democratic accountability cannot be predicated on technical reforms or regulatory tweaks alone. Meaningful reform requires actions to cut patronage networks, improve openness in political financing, build independent oversight mechanisms and empower civil society to confront oligarchic rule. Reform efforts are likely to be symbolic and susceptible to capture by entrenched elite interests unless the fundamental basis of oligarchic control is addressed.

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