8 The ephemeral nature of local political monopolies

The decentralization of political and fiscal authority in Indonesia in 1999 triggered a series of studies that predicted the rise of subnational strongmen who would subjugate the local state to their personal interests. However, almost 20 years after the devolution of power, Indonesian local politics are a lot more dynamic than earlier studies had assumed. While there are undoubtedly oligarchic and dynastic tendencies in Indonesian local politics, recent scholarship has emphasized the ephemeral nature of such power constellations. This chapter argues that a unique combination of institutional and structural conditions explains why local dynasties struggle to survive multiple election cycles in Indonesian local politics. The findings also speak to research on subnational authoritarian regimes in other parts of the world by showing that different constellations of institutional and socio-economic variables shape the rise and fall of local political monopolies.

Keywords: decentralization, dynasties, local politics, machine politics, political monopolies

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8

The ephemeral nature of local political monopolies

Michael Buehler

The decentralization of political and fiscal authority in Indonesia in 1999 triggered a series of studies that predicted the rise of strongmen who would subjugate the local state to their personal interests (see Hadiz 2010). Almost 20 years later, such gloomy assessments no longer dominate scholarship on Indonesian local politics. While many scholars believe that decentralization has failed to improve service delivery and local economic conditions (see Ostwald 2016 et al.), local politics in Indonesia seems to be a lot more dynamic than earlier studies had predicted. While there are undoubtedly oligarchic and dynastic tendencies in Indonesian local politics (Buehler 2013), recent contributions to the debate have emphasized the ephemeral nature of such power constellations (Aspinall and As'ad 2016; Savirani 2016).[1]

Only four election cycles have passed since 1999. It may therefore be too early to reach firm conclusions about the relative dynamism of local politics in Indonesia. However, recent claims that Indonesian dynasties struggle to survive multiple election cycles are suggestive enough to examine the potential reasons for this dynamism more in depth. As most existing studies on Indonesian local dynasties are merely descriptive in nature, it is useful to look at the broader theoretical literature on local political monopolies first.[2]

Literature review

The literature on the durability of local political monopolies falls into two broad groups: the first body of works emphasizes the importance of *local economic conditions*, while the second body of works argues that *institutional conditions* determine the longevity of local political monopolies.

Economic conditions and enduring local political monopolies

In *The Sources of Social Power*, Michael Mann argued that chieftains only managed to establish enduring authority in parts of the world where the local topography allowed them to encage the population. The agricultural surplus that could be expropriated under such conditions then became the nucleus of enduring political systems (Mann 1986: 80). Similarly, McMann (2006) argued that local socio-economic conditions determine to what degree citizens can oppose the monopolization of power in Russian local politics. Montero (2011) stated that demographic conditions, poverty levels, and linkages to urban centers determine whether local incumbents can concentrate power in Brazil. Lankina and Getachew (2012) claimed that education levels resulting from Christian missionary activities increased the level of human capital in some but not other Indian provinces and therefore explain the variance of subnational authoritarianism across the country.

The aforementioned literature finds its counterparts in several works on Southeast Asia. Ockey (1998: 40) and McVey (2000: 12), for instance, both argued that “local godfathers” and “rural big men” came to power in Thai provinces in the 1970s after economic changes acquired political relevance in the context of the (re-)introduction of parliamentary democracy. For the Philippines, Anderson (1988) argued that the concentration of local landholdings gave birth to durable local political monopolies. Similarly, McCoy showed that “a single national highway” in Ilocos Sur province gave rise to a local strongman while "the highway grid that crisscrosses the [Central Luzon] plain lacked comparable choke points," which subsequently prevented the monopolization of local politics in that part of the Philippines (2009: 15). The case that local economic conditions determine the durability of local political monopolies has been made most forcefully by Sidel (2014), who argued that

> [v]ariance in subnational authoritarianism corresponds to local constellations of economic power, with subnational authoritarian rulers' success in entrenching and perpetuating themselves in power contingent on their ability to constrain the economic autonomy of citizens, voters, local state agents, vote-brokers, and would-be challengers. *By this logic, local economic conditions are determinant of local political outcomes.*
>
> (2014: 165)[3]

In other words, wherever local economic conditions create "locked-in electorates" (Scott 1969: 1146, ftn 16) and "pliable populations" (Hale 2003: 229), namely voters who depend economically on local elites, chances are high that local elites leverage these dependencies into local political monopolies.

However, elites do not simply *encounter* local economic conditions but often actively *construct* them when trying to establish stable local political monopolies. Often, local elites do so with the help of outsiders. Hale (2003), Erie (1988), and Schneider and Schneider (2003) showed the importance of intergovernmental alliances for the establishment of durable local political monopolies in Russia, the United States, and Italy.

> [T]his scholarship suggests that accumulation, concentration, and monopolisation of economic control over a given locality are determined not only by the factor endowments and inherited economic structures of a given locality, *but also through interactions between local powerbrokers and supra-local state authorities*.

(Sidel 2014: 169).

Furthermore, the durability of local political monopolies is shaped by

> the form of economic control achieved and maintained by subnational authoritarian rulers . . . [S]ubnational authoritarianism is only viable in the long term insofar as proprietary wealth and predominance in a local economy of a subnational authoritarian ruler are solidly rooted in property rights in the private economy.
>
> (Sidel 2014: 179)

In short, if local politicians can establish local economic monopolies that are based on secure property rights, proprietary wealth, and the private legal realm of the market *and* if these local economic monopolies create sizeable locked-in electorates, local politicians are well-positioned to establish enduring local political monopolies. In contrast, if local politicians depend on privileged access to state resources, rely on the discretionary enforcement of state regulatory powers, and are predominantly involved in illegal economic enterprises, they will struggle to establish enduring economic monopolies (Sidel 2014: 179). The lack of complete control over their economic monopoly makes their local political monopoly more vulnerable to adversarial outside attacks.

The literature emphasizing the importance of economic local conditions for the presence and persistence of local political monopolies can be criticized on several grounds. Since Sidel has most emphatically argued that economic conditions explain the durability of local political monopolies, the following paragraph focuses mainly on his theory. While Sidel differentiates clearly between natural private sector monopolies (1) and private sector monopolies that are created (2), he does not differentiate clearly enough between private sector resources that are created and economic resources that are based on *state-patronage* (3), that is economic resources that flow directly from the state including the "allocation of state budgets and awarding of state loans" (Sidel 2014: 168). He also conflates economic resources and resources that seem to have only *institutional* origins (4), such as "preferential treatment by . . . law-enforcement agencies [and] tolerance of electoral fraud and violence, and punitive treatment of rival candidates" (Sidel 2014: 169). Sidel also does not consider explicitly that many economic conditions deemed important for the creation of durable political monopolies are often a function of a country's institutional context. For instance, secure property rights, which are mentioned by Sidel as an important prerequisite for establishing enduring local economic monopolies, are, arguably, determined by a state's overall regulatory framework and how strictly and impartially it is enforced.

In short, the fact that many economic resources flow directly from *the state*, the fact that many resources have *institutional* roots, and the fact that even economic assets in the private sector may be a function of *administrative* powers suggests that enduring political monopolies may be established entirely through the monopolization of resources that have their origins in a country's institutional framework.

Institutional conditions and enduring local political monopolies

A growing literature has emphasized the importance of *institutional* conditions for the emergence of durable local political monopolies. This research strand has been initiated by Gibson, who argued that local political monopolists in nationally democratic countries are challenged by "regime juxtaposition" (Gibson 2012: 5). Since the local political monopoly is undemocratic but national-level politics are democratic, local political monopolists have to find ways to fend off attacks to their local dominance by national-level democratizers or by adversarial alliances between national and local democratizers. In both scenarios, the fate of local political monopolies is determined by how effectively incumbents control the boundaries to their jurisdiction.

The defense capacities of local monopolists are determined by institutional conditions, namely whether a political system is centralized or decentralized, whether provinces are represented in national politics relatively symmetrically or asymmetrically, and how much power a country's institutional framework assigns to government players situated at administrative layers below a local political monopoly (Gibson 2012: 149).

Expanding on Gibson's work, Giraudy (2015) argued that a combination of fiscal and political powers determines the durability of local political monopolies in nationally democratic countries. For example, the size of local fiscal deficits, levels of indebtedness, and the possibility to raise taxes at the subnational level define the fiscal autonomy of local autocrats. If local fiscal deficits and indebtedness are high while possibilities to collect local revenues are scarce, local autocrats have only weak fiscal powers to resist outside attacks. Furthermore, if the party the national executive government head belongs to is highly institutionalized and enjoys high party discipline, outside attacks are more likely to be successful than if these conditions are absent.

To summarize, this literature emphasizes that local political monopolies do not simply "emerge" from local economic conditions but are *actively* constructed through manipulating and bypassing *institutions*. In other words, there is nothing preordained about local political monopolies and they are decisively non-local in origin.

Several critiques can be levelled against this second body of works. First, the potential role local economic conditions play for the rise and survival of local political monopolies is either ignored outright (Gibson 2012) or insufficiently ruled out (Giraudy 2015). Second, these authors also do not address that many of the institutional conditions said to determine the emergence and durability of local political monopolies, such as party institutionalization and party discipline, may themselves be economically conditioned.[4] Third, and most important, aforementioned research on the institutional determinants of local political monopolies is dominated by Latin American experts (Gibson 2012; Giraudy 2015; Gervasoni 2010; Weitz-Shapiro 2015 and various chapters on South America in Behrend and Whitehead 2016). It therefore focuses almost exclusively on *federal democracies*, which are the dominating political system in the Americas.

Most countries in the world are unitary states, however. While unitary states show varying degrees of decentralization, they all have in common that the possibilities for institutional rigging by subnational political players are much more limited compared to federal democracies. Yet, local political monopolies flourish in such countries too. In fact, there is considerable variance *within* these decentralized unitary states with regard to the emergence and durability of local political monopolies despite the fact that such territorial regimes are much more homogenous and national-level control over subnational entities is usually considerable.

In short, there may be a selection bias in findings that local political monopolies are exclusively based on institutional manipulation because most of this research focuses on a region of the world were political systems that are conducive to institutional rigging are prevalent. The great leeway local incumbents in federal democracies have with regard to shaping institutions in their favor allowed scholars working on federal democracies in the Americas to dismiss local economic conditions too quickly.

In the remaining paragraphs, I want to show that combining these two literatures will result in an approach with increased explanatory power. Concretely, I argue that whether a country is a decentralized unitary state or a federal democracy determines whether economic conditions endogenous to localities or institutional conditions exogenous to localities acquire causal primacy in the rise and durability of local political monopolies. In federal democracies, local political monopolies may emerge irrespective of whether local economic conditions lend themselves to elite dominance and the creation of locked-in electorates, because the federal regulatory framework facilitates institutional rigging of the kind described above. This allows local incumbents to establish monopolies based entirely on political resources. Despite the fact that such monopolies may be somewhat detached from local conditions and therefore "built in the air,"[5] they may nevertheless be durable. Said differently, one does not need to "lock-in" the electorate if one can manipulate the election law or the boundaries of electoral districts.

In decentralized unitary states, however, opportunities for institutional rigging are much less available to local incumbents compared to federal democracies. This shifts the focus to local economic conditions as determinants of local political monopolies. In jurisdictions where local economic conditions have created locked-in electorates and where elites have monopolized the private sector economy, there is a high chance that local political monopolies may emerge even though institutions cannot be easily manipulated. If locked-in electorates are created through intra-state alliances and if economic monopolies depend on elites' access to the state, local monopolies are more fragile. These two different economic contexts explain the emergence of enduring local monopolies and singlegeneration local monopolies within decentralized unitary states, as Sidel has pointed out (2014). Finally, in countries where elites struggle to dominate local economies, where the economic autonomy of local voters is relatively high, *and* where the regulatory framework makes institutional rigging difficult, local political monopolies are less likely to emerge and survive multiple election cycles. Arguably, this is the case in Indonesia, to which I turn now.

Indonesia

Political monopolies are either absent or ephemeral in Indonesian local politics because of two inter-related reasons. First, local economic conditions do not lend themselves to monopolization. Hence, local elites struggle to dominate local economies and the economic autonomy of Indonesian voters is comparatively high. Second, the institutional framework of Indonesia's decentralized unitary state creates formidable obstacles for local incumbents to rig institutions in their favor.

While space constraints make it impossible to provide an exhaustive list of economic and institutional conditions said to facilitate the rise and survival of local political monopolies, the following paragraphs will elaborate briefly on some of the points mentioned in the literature review to illuminate why local politics in Indonesia remain relatively dynamic.

Indonesian elites struggle to monopolize private sector resources

Many democratizing countries are in the Global South, where a large proportion of the electorate works in the agricultural sector. The concentration of land in the hands of a small elite has created tenant farmers whose livelihood depends on landed elites. This has often given rise to political monopolies. In addition to taking advantage of monopolies *inherent* to the private sector economy in a given locality, successful local political monopolists have also used the powers of their office to actively *create* economic monopolies in the private sector as mentioned before. Such strategies included "control over commodity processing centers, markets [and] transportation chokepoints" (Sidel 2014: 169), as well as the use of insider knowledge and political connections to rig the privatization of state-owned enterprises in the manufacturing and heavy industry (Hale 2003: 249). The allocation of concessions for the exploitation of natural resources to allies, friends, and family members, as well as licenses and permits for infrastructure projects on which local economies depend, including bridges, toll roads, ports, and railway tracks, have been used to structure *private sector economic assets* in favor of the incumbent.

In addition to economic power concentration in the hands of an individual politician or a small group of politicians, the rise and endurance of local political monopolies is also determined by the economic autonomy of the electorate. In other words, the lack of an "exit" option for local voters in a jurisdiction where an individual or a small group of individuals have managed to monopolize key economic assets is another important determinant of local political monopolies. One may think that the economic autonomy of local electorates is simply a function of the presence of local economic monopolies. However, local economic monopolies may exist while the livelihoods of the majority of the electorate remain unaffected by such monopolists. Under such conditions, citizens are therefore able to cast freely their ballot on Election Day. In short, it is both the *presence and prevalence* of elite control over the local economy that determines the economic autonomy of voters.[6] Neither inherited private sector economic monopolies nor created economic monopolies are sufficient to establish local political monopolies if the economic autonomy of voters remains high (Sidel 2014: 167).

8 The ephemeral nature of local political monopolies

In Indonesia, it is difficult for local elites to take advantage of natural monopolies or to monopolize local economies in the way described above. In addition, the economic autonomy of voters is relatively high. Concretely, while the quality of data on landownership in Indonesia is notoriously poor, land concentration overall seems to be less prevalent than in other Southeast Asian countries. While there is great variation in land concentration *within* Indonesia (Hefner 1993: 55), the largest concentration of land exists in those parts of Indonesia where the plantation economy looms large (Safitri 2012). However, many of these plantations are under the ownership of *national* elites (Tans 2012: 17) and therefore do not provide *local* elites with leverage over the electorate. About 30% of the plantation sector also consists of small holdings, which explains the fragmented nature of the plantation industry in many parts of the archipelago (Rist et al. 2010: 1112). Finally, provinces and districts receive only a small amount of revenues and export taxes these estates generate (Tans 2012: 58). In areas where there *is* an above average concentration of land in the hands of local players, these pockets of land concentration are often too small to serve as a basis to control significant parts of the electorate. In West Java province, for instance, the higher than usual concentration of landownership (Pincus 1996) is, arguably, neutralized by the population density of the province, which is among the world's highest. Most important, however, the diversification of the rural economy in much of Indonesia since the 1970s (Hart 1986: 192–212) and the accompanying "seasonal or circulatory migration to urban centers or periurban industrial zones (White 1991: 63) has dramatically reduced the importance of landholdings as a source of political power in past decades.

In short, in areas where land concentration is pronounced, the land is often owned by political players with no interest in establishing local political monopolies. If local economic monopolies in the agricultural and plantation sector exist, they are not capturing enough of the local economy to lock-in sizeable numbers of voters. Finally, the proliferation of new employment opportunities in the country's rural areas has contributed to the relative economic autonomy of Indonesian voters.

With regard to state patronage, corruption and collusion are certainly prevalent in the allocation of licenses and business permits in the natural resource sector. This has not only generated enormous profits for local political elites but also often allowed them to become important economic players or at least interlocutors between local business interests. However, natural resource exploitation does not lend itself to the creation of local economic monopolies that could be turned into local political monopolies. While Law No. 22/ 1999 initially provided local government with the authority to issue licenses for the logging and plantation industry, this was partially revoked three years later when government regulation PP No. 34/ 2002 shifted authority over timber permits back to the national Ministry of Forestry (McCarthy 2007). The national government has also used its legal powers to redraw forest boundaries in order to bring more forests under its direct control, thereby depriving local governments of logging opportunities (Tans 2012: 59).

Likewise, large-scale industrialization is absent in Indonesia. Most of the few sizeable industrial assets are in the extractive industry and are either state-owned enterprises under *national* leadership, joint ventures with foreign companies, or under the control of Chinese-Indonesians, who, for historical reasons, constitute a class of pariah capitalists who rarely directly engage in politics. Local mining operations are either too fragmented or too small (Aspinall 2001) to allow local elites involved in such operations to leverage this into political might. With regard to the manufacturing industry, foreign investment in Indonesia's manufacturing industry was always low compared to other Southeast Asian countries (Thomsen 1999). At the time of writing, the sector only employs around 21% of Indonesia's workforce. The largest manufacturing clusters are in Bandung, Jakarta, Medan, and Surabaya, but there are almost no single-company towns (Rothenberg et al. 2016) of the kind that have given rise to local political monopolies in countries such as Russia. In fact, most monopolies in the "good producing industries . . . were eliminated" after the fall of Soeharto, while links between the manufacturing industry and the political establishment largely disappeared after 1998, resulting in "reduced capture" (Kochanova et al. n.y: 7).

Finally, other state patronage resources with the potential to create locked-in electorates are welfare contributions. While a rudimentary welfare state has developed over the past years in Indonesia, the level of welfare services on offer is not anywhere near the welfare resources available for potential politicization in former post-communist countries. Most Indonesians continue to rely on private savings and family networks when it comes to health and welfare concerns.

In short, the lack of natural private sector monopolies, the absence of large-scale industrialization, the fragmentation of the manufacturing industry, and the insignificance of social services for the livelihoods of Indonesians have resulted in an electorate that remains poor but is also relatively free from economic dependencies.

However, as shown, scholars have argued that even if local elites are unable to make use of natural or created private sector economic monopolies, as well as state patronage, politicians may still be able to establish political monopolies through the concentration of institutional resources. Yet, the institutional framework of Indonesia's unitary state provides limited opportunities for politicians in that respect too.

Institutional constraints on local political monopolies

Research emphasizing the monopolization of political resources through the manipulation of institutions has pointed out that in highly decentralized federal democracies local incumbents have rigged constitutions and electoral rules to their advantage and also manipulated fiscal and regulatory frameworks to either fill their own campaign coffers or to starve off adversarial jurisdictions situated at lower rungs of the institutional hierarchy. In addition, the power to collect and allocate local revenues and to manipulate local indebtedness have all been mentioned as institutional conditions that have shaped the rise and fall of local political monopolies (Gibson 2012; Giraudy 2015).

In Indonesia, however, the decentralized unitary state framework places serious restrictions on the monopolization of institutional resources. For instance, certain amendments to the electoral rules can be made by local governments, but the overall framework regulating local elections is standardized across the country and under the authority of the national election commission (Buehler 2010). Furthermore, unlike in federal democracies, Indonesian local incumbents cannot write their own local constitutions. Consequently, while local incumbents in federal democracies, such as Argentina or Mexico, have written their own constitution to, among other issues, bring the security apparatus stationed in their jurisdiction under their control, the police and the army are under national authority in Indonesia (Kristiansen and Trijono 2005: 237). Likewise, the public prosecutor's office reports to the national level, not the local government (Tans 2012: 14). In short, while there is certainly a fair level of collusion between local governments, the local security apparatus, and the judiciary in many localities, Indonesian local incumbents cannot bring these political resources under their *formal* control. Local political monopolies dependent on such institutional resources are therefore unlikely to be enduring, as they are at constant risk of national government intervention.

Local incumbents face similar obstacles with regard to the manipulation of fiscal resources and budget allocations. After 1998, local governments adopted hundreds of predatory taxes and levies. At the same time, local governments have systematically syphoned off tax revenues that were supposed to go to the national level (Buehler 2009a). However, as part of a re-centralization campaign under the Megawati and Yudhoyono administrations, Law No. 32/ 2004 and Law No. 28/ 2009 confined the number of levies local governments can adopt to 11 taxes (Buehler 2009b). Hence, at the time of writing, local taxation generated only around 10% of the income of local jurisdictions (Ostwald et al 2016: 140).[7] Furthermore, the capacity of the Indonesian government to collect taxes is so weak that the country has one of the lowest tax compliance ratios in the world (Rahman 2017: 2). All this makes predatory levies and the diversion of tax proceeds a blunt tool for the creation of economic monopolies that could be turned into political monopolies.

With regard to the manipulation of budget allocations, Indonesian localities receive on average 90% of their revenues from the national level through block grants (DAU – Dana Alokasi Umum) and special allocation grants (DAK – Dana Alokasi Khusus). While there is a lot of corruption and collusion in intra-governmental budget transfers, the formal allocation mechanism is determined by a standardized regulatory framework under the control of the national level (Brodjonegoro and Martinez-Vazquez 2005). This confines the possibilities of Indonesian local elites to manipulate budget allocations to the degree possible in federal democracies.

Hiring friends and supporters into the local bureaucracy has been mentioned as another tactic to establish local political monopolies. The democratization after 1998 has definitely politicized the local state apparatus. Because there are no local economic monopolies that could serve as a stepping-stone for establishing local political monopolies, the state has become the most integrated tool available for campaigns in most Indonesian localities. Consequently, the majority of candidates running for governor, district head or mayor hail from within the bureaucracy, turning local executive government head elections essentially into intra-state competition in many districts.

In this context, bureaucrats running in local elections have resorted to using state administrations under their control to campaign on their behalf during election season (Kompas 2005). Local incumbents have also tried to streamline local bureaucracies by promoting, demoting, and transferring local bureaucrats either before or after elections (Ngusmanto 2016) and to expand their electoral vehicle by spending excessive amounts of the local budget on administrative upkeep rather than service delivery (Sjahrir et al. 2013). Finally, bureaucrats have tried to generate resources by selling posts in the local administration (Kristiansen and Ramli 2006).

However, the politicization of the local state apparatus does not automatically translate into political power. While the Indonesian bureaucracy is bloated, the number of people working in the apparatus is small compared to other Southeast Asian countries because of Indonesia's high population density (Buehler 2011: 66). The percentage of the population that directly or indirectly depends on the local state is therefore insufficient to establish political monopolies. In other words, too many people are independent from the state for control over the local state apparatus to yield political leverage sufficiently strong to establish a local political monopoly. The authority of the national government to impose hiring freezes on local administrations and to request five-year placement plans, powers that Jakarta has used in the past, confines the possibilities to co-opt local bureaucracies further (Kompas 2011). Finally, nationwide term limits for local executive government heads add another obstacle to monopolization of bureaucratic power in Indonesia. In short, the rigid structures of Indonesia's decentralized unitary state constrain the development of durable local political monopolies based on the concentration of institutional resources.

In addition to these economic and institutional obstacles to establishing local political monopolies, the broader political context makes it difficult for local politicians to influence national politics in their favor. The major links between national and subnational politics in federal democracies, such as Argentina and Mexico, where incumbents rely on manipulating national institutions to establish local political monopolies are political parties. However, in Indonesia, political parties are poorly institutionalized. Furthermore, party internal hierarchies are top heavy. Therefore, parties do not provide local elites with access to national politics to the same degree as in Argentina or Mexico.

Conclusion

This chapter argued that existing works on local political monopolies may suffer from selection bias, as they either focus on decentralized unitary states or federal democracies. In the former, economic conditions may indeed explain the variance in subnational authoritarianism. In the latter, the possibilities for institutional rigging may explain better the rise and durability of local political monopolies than economic conditions intrinsic to jurisdictions. I have argued that both economic and institutional conditions need to be taken into account to explain the presence or absence of local political monopolies. In Indonesia, the economic autonomy of voters is relatively high, while the possibilities for institutional manipulation are relatively low. Arguably, this combination explains the ephemeral nature of Indonesia's local political monopolies.

8 The ephemeral nature of local political monopolies

There are four main power bases on which local political monopolies can be established, as mentioned. Since private sector economic monopolies, inherited (1) or created (2), are not widespread and because institutional resources (4) are also not as easily captured by local elites compared to federal democracies, the selective distribution of state-patronage (3) is where Indonesian local elites seem to have the most freedom to manipulate the system in their interest. *If* local political monopolies emerge in Indonesia, they will therefore likely be based on the concentration and subsequent dispersion of state patronage.

However, collusive practices with regard to logging licenses, the diversion of plantation revenues and other tax proceeds, the adoption of predatory taxes, and the particularistic delivery of services to select constituencies are all against the law, therefore necessarily *informal* and subject to constant re-negotiations and potential outside intervention. Term limits for local executive government heads add to these obstacles, as regular transition periods allow national elites to renege on informal arrangements. In short, local political monopolies may emerge in Indonesian politics, but they are unlikely to be very durable because risks of outside intervention are high.

Against this backdrop, the *dynastic* nature of existing local political monopolies and the prevalence of *money politics* in local elections are not to be seen as indicators for the growing entrenchment of particularistic interests but as indicators for the rather unstable basis of local political monopolies across the archipelago state. Since locked-in electorates are largely absent in Indonesia, politicians trying to establish local political monopolies are always confronted with the risk that voters, vote-canvassers, and power brokers will take their money and run. Local elites therefore rely on family and clan networks to minimize the risk of defection. Similarly, the prevalence of money politics in Indonesian local politics should be seen as an indicator for the relative dynamism of local politics.

Indonesian politicians need to engage in money politics because they cannot coerce voters to support them at the ballot box. Locked-in electorates, in other words, would not have to be paid for electoral support, as they have no other option than to vote for the candidate on whom they depend economically.

While it may look like the ephemeral nature of Indonesian local monopolies bodes well for the democratization of Indonesian politics, the absence of local authoritarianism does not automatically translate into progressive and democratic politics. While predatory elites struggle to entrench themselves in local politics, so do progressive politicians. As Trounstine (2008) has shown, successful reformers rely on monopolistic government arrangements as much as local bosses. More likely then, the scenario for future local politics in Indonesia is one where different predatory networks and local mafias will jostle for power and the support of the electorate without providing much in terms of policy agendas that would address the country's many problems.

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[1] There is no doubt that only a sliver of Indonesian society has the means to compete in local executive and legislative elections. Indonesian politics remain elite-dominated. However, the point made here is that power dynamics *within* this elite are more competitive than scholars had expected when Indonesia decentralized its political and fiscal structures.

[2] The burgeoning literature on local strongmen, dynasties, oligarchies, and subnational autocratic regimes all have in common that they focus on power constellations in which competition is confined. I therefore call such power constellations "local political monopolies."

[3] Emphasis added.

[4] Panebianco (1988) showed how economic structures may shape party discipline in the long run. Buehler (2012) applied this argument to the Indonesian context.

[5] In contrast to Democratic machines, Republican machines in the United States were built "in the air" Lincoln Steffens pointed out in his classic study of American political machines, "The Shame of the Cities," published in 1904.

[6] Of course, local economies may be completely monopolized, but voters remain relatively autonomous because their livelihoods do not depend on the private sector but state resources, such as welfare programs that are under the control of the national government.

[7] In April 2017, the Indonesian Supreme Court struck down Article 251 in Law No. 23/ 2014 on Regional Governance. Article 251 allowed governors and ministers to revoke district regulations that were violating provincial and national law. This means that the notoriously slow and corrupt Supreme Court is now the only institution that can revoke local regulations. *De facto*, this has empowered district government heads.