

# Strategic Interactions: Transactional Politics and Democratic Outcomes in Indonesia

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**Abstract.** Transactional politics continues to persist as a detrimental issue inside the political process in Indonesia, as seen by its prevalence until the fifth parliamentary election in 2019 throughout the Reform Era. Contrary to expectations, the prevalence of transactional politics in the last election has escalated significantly, displaying a heightened level of vulgarity and brutality. Currently, Indonesia's political trajectory, once optimistic and seen as a budding democracy, has suffered setbacks. This study examines how election law changes affect money-driven political behaviors that erode democracy in Indonesia. The research uses secondary data for qualitative description. This study examines the detrimental influence of political corruption, namely transactional politics, on the state of Indonesian democracy in recent times. Indonesia's capacity to become an advanced and stable democracy requires sustained dedication, particularly in addressing political corruption, including electoral corruption such as transactional politics.

**Keywords:** Vote Buying; Democratization; Election; Indonesia.

## 1 Introduction

Vote buying has been a recurrent problem in Indonesian elections, most recently in 2014. Such practices, in which political parties and politicians provide goods and services in exchange for votes, have polluted the democratic process. Corruption Watch in Indonesia identified 259 instances of corruption in 15 provinces in 2014, up from 62 occurrences in 1999 [1]. This phenomenon, known as "transactional politics," is not new. It has existed since the New Order period, effecting elections at all levels, from parliament to village head. These activities are prohibited under the Election Law, with penalties including jail and fines. Despite the regulations, the tendency continues [1]. Golkar, the ruling party, has a history of utilizing material incentives to win voters [2]. During the New Order, a strategy known as the "dawn attack," which included seducing voters at the last minute, was even created [2], [3]. Many people thought that implementing direct elections would reduce transactional politics, but it only shifted its character, making it more prevalent in both urban and rural regions.

In exploring the dynamics of political evolution in Post-New Order Indonesia, two critical research variables emerge: 'transactional politics' and 'democratic consolidation.' These variables are central to understanding Indonesia's transition from an 'emerging democracy' to its

current state as a 'transitional democracy.' Transactional politics, encompassing practices like vote-buying, patronage, and financial influence in political processes, stands as a key variable in assessing the nature and quality of democracy. This variable provides a lens to examine how financial power dynamics impact democratic institutions and practices, potentially undermining democratic ideals.

On the other side, 'democratic consolidation,' a variable representing the stability and maturity of democratic institutions and norms, offers a measure of Indonesia's progress towards a fully established democracy. The interaction between these two variables becomes crucial in understanding Indonesia's democratic trajectory. Mietzner's observation of a move towards a 'low-quality democratic regime' may reflect the adverse impacts of transactional politics on democratic consolidation. Henk Schulte Nordholt's analysis further complicates this picture by suggesting that decentralization, initially aimed at democratization, might have inadvertently fostered environments conducive to transactional politics, thus affecting the quality and depth of democratic consolidation.

This study highlights the necessity for empirical research to gauge the influence of transactional politics on Indonesian elections and its persisting factors. Effective law enforcement and stable election rules are crucial for free and fair elections, vital for Indonesia's democratic growth. Investigating how eradicating corruption, especially in elections, can guide Indonesia's next government in upholding civil liberties and conducting fair elections is imperative. In this case, exploring the connection between transactional politics and democratic consolidation, noting the decline in Indonesia's democracy, particularly in political culture and civil liberties, which calls for enhancing public trust and the perceived link between democracy and economic development [1].

## **2 Method**

This paper employed a qualitative literature study uses secondary data from books, journals, earlier research projects, and mass media releases. Studies in literature may examine a range of sources and findings from related earlier studies, which are helpful in establishing a theoretical framework for the issue under investigation. Data for this research's literature study is gathered by going over publications and source materials pertaining to transactional politics. Examining the 2019 election's transactional politics and analyzing best practices for avoiding and managing transactional politics in Indonesian elections through a comparative study of newly established and established democratic nations that have been tailored to the political climate in Indonesia are the variables that will be examined.

## **3 Results and Discussion**

Public trust in Indonesia's democracy is low, with people skeptical of politicians due to frequent corruption. This cynicism leads to a tolerance for money politics, as voters feel it's better to gain financially since elected officials may not prioritize their needs. Candidates engage in this transactional politics, viewing elections as investments requiring substantial funds, which they aim to recoup if elected. This practice is expensive, with campaign costs reaching billions of IDR. Furthermore, such a political culture, where wealth is overly respected, undermines democracy's egalitarian principles. This pattern is seen in other countries with clientelistic

traditions, like in Latin America and Southeast Asia, where efforts to combat money politics face challenges due to deep-rooted patronage systems [5]."

The Economist Intelligence Unit ranked Indonesia 64th out of 167 countries in 2019. Indonesia, with an average score of 6.48, is a flawed democracy among 54 countries. These countries also have democratic government, including transparent and impartial elections, according to The Economist. Civil liberties are protected despite media independence restrictions. However, democracy has significant shortcomings in administration, political culture, and political engagement. Despite these challenges, these countries hold free and fair elections and uphold core civil freedoms, even when media freedom is violated. However, democracy has significant flaws. Governance challenges, a young political culture, and low political involvement are factors [6].



Figure 1. Indonesia Democracy Index

Source: The Economist Intelligence Unit

The above figure shows that Indonesia's democratic rating has declined in comparison to previous years when it achieved the 53rd position with an average score of 7.03. Among the five factors used by The Economist, Indonesia had the lowest scores in the political culture and civil rights categories, with ratings of just 5.63 and 5.59 respectively. The political culture variable is shaped by various factors, including: (1) the extent to which the public trusts strong leadership achieved through fair and unrestricted general elections; (2) the degree of public endorsement for democracy; (3) the perceptions regarding the relationship between democracy and economic growth, specifically the belief that a well-functioning democracy can enhance the economy; and (4) the attitudes towards governance led by experts or technocrats. These four factors are indirectly associated with the practice of money politics, which has grown more deeply ingrained among Indonesian voters.

After reviewing the 2014 and 2019 parliamentary elections, several business-experienced candidates won seats in the House of Representatives (DPR). Some candidates lack political experience and rely on money to win elections. Wealthy people with great money may compete in politics in an open, proportional, majority-voting system. Political party officials and wealthy legislative candidates have allegedly engaged in multiple covert deals during the nomination process. These transactions purportedly try to secure favorable positions like low serial numbers. Despite the majority vote procedure in the Indonesian legislative election, candidates

with serial numbers 1 are more visible on the ballot paper, making them easier to recognize [1], [4].

### **3.1 Legal Gaps in the Context of Transactional Politics**

The occurrence of various issues and legal gaps throughout the election phases might augment the likelihood of transactional politics operations. This issue arises due to infringements caused by deficiencies in legislation, oversight, and the electoral system, which facilitate the proliferation of corrupt practices in politics. The following issues provide significant prospects for the advancement of the practice of transactional politics, specifically:

- A. The Election Law (UU No. 7 of 2017) states that only the implementer, participant, or campaign team may donate during the campaign and quiet period. The giver's subject becomes "everyone" during voting. This will affect not engaging with actors other than implementers, participants, or campaign teams during transactional politics during the campaign and quiet period [5].

Article 269 paragraph (1), 270 paragraphs (1), (2), and (3) define election campaign implementers as political party managers, legislative candidates, election campaigners (representing parties/candidates), appointed individuals, and organizations. Political parties. Campaign implementers typically provide the campaign to a public audience. This provision cannot be used to punish transactional politics during the campaign and quiet periods if the perpetrator is a political party or legislative candidate (Article 84). Because of these rigorous legal requirements, transactional politics grew popular before the election, especially among individuals who could not be punished under the provisions [6].

- B. The Election Law only prohibits transactional political activity targeting donors or pledgers; recipients are unaffected. Political parties that employ political dowries in presidential and vice presidential nominations incur administrative penalties under Article 228 of the Election Law. Criminal consequences for political dowry are not covered under the Election Law. This shows that political pressure influences legislative discussion and passage, resulting in the Election Law's disappointing substance [5].
- C. The setting of the presidential threshold leads to political party talks and dowries. The presidential election will usher in a political oligarchy. Accepts that nomination criteria should be loosened and more open since there will be more candidates, allowing for new figures to emerge and lowering the nomination dowry. limits on nominations may suggest limits on citizens' rights [7].
- D. There are weaknesses and constraints in election norms, especially the Election Supervisory Body (Bawaslu) in districts/cities' authority to punish transactional politics. Bawaslu must have reporting witnesses, transactional politics parties, and other supporting evidence to prove transactional politics [8].
- E. According to Article 89 of Law Number 8 of 2012, transactional politics occurs when a campaign implementer pays people for voting or not voting for a political party. The district/city Bawaslu must find evidence of transactional politics to prove election violations in the pre-voting period. If witnesses won't testify and transaction results aren't accessible, proving money political activity is tough. This means pre-election money-laundering acts cannot be effectively prosecuted. If there is evidence of

providing money or goods to voters, Bawaslu will have trouble finding willing witnesses [5].

### **3.2 The prevention and handling of transactional politics: a review of global research**

This article analyzes transactional politics avoidance and mitigation utilizing best practices from other nations and past academic research, which have been tailored to Indonesia's particular conditions.

First, with demographic and socioeconomic factors, the researcher found that education, marginalization, population size, ruling party, and electoral competence affect vote buying [9], [10]. Party loyalists, workers, and low-income and uneducated people are more likely to accept financial incentives and vote for politicians who provide them. Individuals with greater education and moderate and upper incomes refuse financial offers more often [9], [10].

Second, voting behavior shows that transactional politics is more common among party members, whether incumbents or opposition members, than among non-party members. Politicians prioritize voters who have historically supported the other party and live in areas where the opposing party has actively mobilized [11].

Thirdly, the complicated relationships between clientelism and political institutions to resist monetary dominance in politics. This study shows that intermediaries and upper-class financial professionals gain most from vote buying in the near run. The main reason is that monetary circulation relies on parliamentary democracy's legitimacy and integrity. Long-term advantages go to chosen applicants [4], [12], [13].

Fourth, the financial factor, which academic research has seldom connected to vote buying, is unusual. The monthly short-term monetary election cycle increases money supply (M1) faster during elections than non-elections. Increased interest rates on deposits or savings, limitations on big cash withdrawals, and laws on cash handling may achieve this goal. Under some situations, the central bank operates without political interference [11].

Fifth, the open proportional system, which forces legislative candidates to fight inside their party for votes, has promoted transactional politics [10]. Political parties with weak power may engage in vote buying and client list sharing, like in Thailand. However, in Latin America, where political parties are important, vote-buyers are commonly affiliated with political parties. The nation's closed-list proportional list election system strongly explains the reported event. Argentina has a high party identification rate, which discourages vote buying [14].

### **3.3 Efforts to curb transactional politics in local democracy in Indonesia**

From international to national, systematic measures to halt transactional politics in Indonesian political dynamics are difficult. Political actors and society have rationally chosen this phenomenon. Aspinal abstracts transactional politics as a particular Indonesian clientelism [15]. To "inhibit" transactional politics, all political system parts must work together. Some facts and mental notions were discovered to promote consistent law enforcement, public education about transactional politics, and local culture and knowledge.

#### **1. Increase supervision and regulation**

Law Number 10 of 2016 prohibiting money political activities and different Criminal Code (KUHP) restrictions is sufficient. Law No. 7 of 2017 on General Elections has also expanded institutional oversight of commercial procedures [6]. This research

found that transactional politics is hard to monitor and eliminate since many individuals are participating in electoral crimes like it. In addition to enhancing legal articles, institutions must be strengthened. In this situation, authorities oversee elections. Since Law No. 7 of 2017 on Elections was passed, Bawaslu's power has grown. Limiting Bawaslu's power to the campaign registration period confines him to supervise transactional political conduct before that. As is well known, looking for political party endorsements is a potent transactional politics tool before regional head elections. The participation of Bawaslu, the Police, and the Prosecutor's Office in election criminal proceedings is also noteworthy. The sectoral ego of these entities might slow down case disclosure. Thus, Bawaslu's power must be strengthened at every level to disclose administrative and regional election criminal offenses, including transactional political behaviors [6].

## 2. Campaign spending limitation

Limiting campaign spending is another state-led strategy to curb transactional politics. The Draft Election Bill has not yet addressed campaign limitations and transactional politics. We recommend include these two problems in the bill. The House of Representatives' Election Bill is intended to rigorously control systematic measures to avoid high-cost or transactional politics. So far, attempts to control and prohibit high-cost politics have not been consistently built into the legislation, making this a hidden concern in election implementation [16].

Transactional politics stems from the high cost of politics, which drives candidate pairs to transact with other parties. Limiting campaign finances also inhibits candidate couples from overspending on campaign props, ads, and other expenses. However, these constraints must be reasonable and the campaign expenditure limits should not be excessively high to discourage high-cost politics [16]. The Election Bill limits campaign expenditure, but transactional politics may also be prevented by restricting cash circulation during elections. Money politics may be reduced this way.

## 3. Learning about the negative consequences of transactional politics

Political elites and society engage in transactional politics, and law enforcement (law information) is no panacea. Election management institutions and civil society must innovate to avoid and address transactional politics. The Anti-Money Political Village founded by Bawaslu of Maros Regency deserves praise and should be enlarged and enhanced. All Regency villages should be included, not just three. Villagers who believe their village is an Anti-Money Political Village have a moral obligation to safeguard its reputation against transactional politics. Cultural urgency and using local knowledge to warn the public about transactional politics' hazards to life.

Information in local language will help people comprehend and internalize ideals and norms that prevent transactional politics [15]. Naturally, money politics must be stopped and the people educated about its long-term harm. In addition, money politics is the fundamental cause of corrupt and anti-people politicians. Making people aware of how to oppose money politics is crucial to good citizenship.

## 4 Conclusion

Law enforcement must adopt and implement strict regulatory procedures to counter transactional politics. Transactional politics, which involves the exchange of monies between two parties, the supplier and receiver, is illegal, therefore both the providers and the beneficiaries, voters or common people, must face legal penalties. Strong law enforcement will undoubtedly make people wary of accepting cash rewards from political candidates or their successful campaigns. Consistent election rules will boost Indonesian democracy. To avoid transactional politics, the political superstructure and infrastructure must be efficient, the political system improved, a political culture fostered, and moral and political education promoted. This may be done using short-, medium-, and long-term tactics.

The upcoming Indonesian governance should give utmost importance to safeguarding civil freedoms, enhancing law enforcement capabilities, and guaranteeing equitable and transparent electoral processes in order to fortify democracy. This includes immediate measures to combat electoral corruption, including the influence of money in politics, in order to strengthen the foundations of democracy. Enhancing anti-money laundering legislation and ensuring stability in electoral procedures are essential for ensuring trustworthy and consistent elections, as well as upholding the democratic integrity of the nation. Although this study acknowledges its constraints in thoroughly analyzing the influence of money in politics and its socio-cultural aspects in Indonesia, its objective is to offer fundamental insights and promote more in-depth research. To gain a comprehensive knowledge of these issues and to provide effective remedies, it is crucial to conduct a more in-depth examination of socio-cultural elements and power dynamics in money politics. This analysis will be beneficial for policymakers and will contribute to the advancement of democratic consolidation in Indonesia.

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