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From Salt to Votes: Civic Resistance, Regime Collapse, and Cartel Politics in Malaka, Indonesia

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ABSTRACT

This study aims to examine how the governance of the salt industry in Malaka Regency, East Nusa Tenggara, Indonesia, affects local democracy, particularly by distinguishing between procedural and substantive democratic outcomes. Despite growing interest in the democratic implications of natural resource governance, existing studies on coastal extractive resources often conflate these two dimensions, leading to mixed conclusions. Employing a qualitative single-case study approach, data were collected through field observations, in-depth interviews, focus group discussions, and desk research. The findings reveal that salt governance in Malaka triggered grassroots resistance and significantly increased voter turnout in the 2020 regional elections, ultimately contributing to the fall of a dominant political dynasty. These developments reflect a strengthening of procedural democracy through heightened civic engagement and electoral accountability. However, the same governance processes resulted in substantive democratic failures, including land dispossession, environmental degradation, and violations of customary rights. Furthermore, the political transition led to the rise of a cartel-style regime, where elites reconfigured power through alliances among business actors, bureaucrats, and political leaders. This study concludes that coastal extractive governance can simultaneously advance procedural democracy while undermining substantive democracy and calls for a more nuanced evaluation of democratic quality in resource-dependent, decentralized regions.

INTRODUCTION

Salt has long held a central role in the global industrial economy, underpinning essential sectors such as petrochemicals, pharmaceuticals, agriculture, livestock, food preservation, and, more recently, advanced battery technology. The emergence of sodium-ion batteries, driven by companies like CATL, LG Electronics, and Northvolt, has amplified the strategic importance of industrial-grade salt. This development presents an extraordinary opportunity for a country like Indonesia, with its 99,083 kilometers of coastline, the second longest in the world. However, despite this natural advantage, Indonesia remains highly dependent on imported salt. As of the last decade, the country imports more than 2.83 million tons annually to meet its 4.5 million-ton demand, of which 84% is for industrial use.

This study aims to examine how the governance of the salt industry in Malaka Regency influences the quality of local democracy by distinguishing between procedural and substantive dimensions. Its significance lies in its ability to unpack the dual outcomes of extractive resource governance under decentralization: civic empowerment versus elite consolidation.

This structural reliance on imports prompted the Indonesian government to launch strategic interventions, culminating in Presidential Decree No. 126 of 2022. This decree mandates the establishment of the Salt Sector Development Agency (SEGAR), which aims to accelerate domestic production, especially at the subnational level, thereby reducing dependency and maximizing Indonesia's coastal potential. One of the priority areas for this effort is Malaka Regency, located in East Nusa Tenggara (ENT), a border region between Indonesia and Timor-Leste. As a newly established autonomous region since 2015, Malaka has become a key site for salt industry investment, with over 5,500 hectares of salt-ready land, accounting for 42.3% of the province's salt potential.

Malaka's salt has been certified to meet industrial standards with a sodium chloride content exceeding 97%. According to company data from Inti Daya Kencana (IDK) Ltd., the sole operating industrial salt firm in the area, production capacity in Malaka could reach up to 700,000 tons per year. This figure surpasses the total imports from countries like New Zealand, China, and Denmark and could reduce Indonesia's import burden by nearly 25%. However, salt development in Malaka is not simply an economic endeavor. It is also deeply political, intersecting with patterns of local elite power, traditional authority, and democratic contestation. Since it is the only significant investment in Malaka since regional autonomy, salt governance has become a proxy for broader struggles over control of land, resources, and political legitimacy.

While extractive governance has been widely studied in sectors such as mining and oil, studies on coastal extractive resources like salt remain limited. To substantiate this research gap, a preliminary bibliometric analysis using VOSviewer (2024) shows that terms such as "salt governance," "decentralization," "political-economy", and "Indonesia," have minimal co-occurrence in Scopus-indexed articles. It indicates a significant vacuum in academic inquiry that this study intends to fill (See Figure 1).

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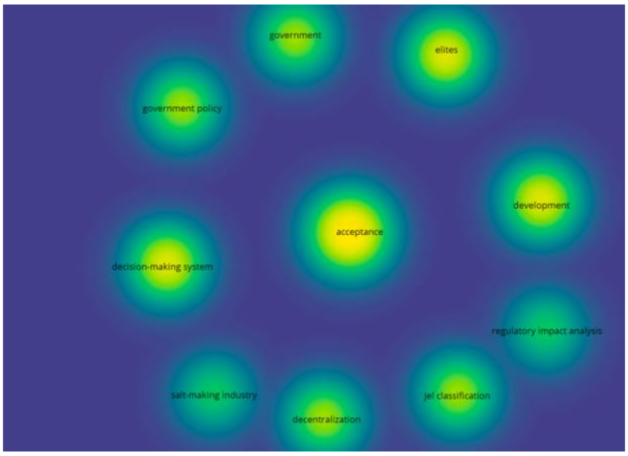

Figure 1. Mapping the Landscape of Salt Governance: A Bibliometric Analysis Using VOSviewer
Source: VOSviewer, 2024

Indonesia's democratic decentralization reforms, which began in 1998, aimed to devolve governance to the local level (Pradana, 2019). The intention was to bring decision-making closer to communities, improve service delivery, and enhance citizen participation. In some regions, decentralization has enabled more participatory governance and democratic innovation. However, it has reinforced pre-existing inequalities and power asymmetries in many other areas. Local elites, often with strong ties to political dynasties or business interests, have exploited decentralization to entrench their influence (Pandie et al., 2024; Pradana et al., 2022). At the same time, the institutions meant to support accountability remain weak or co-opted.

This study defines the research problem as follows: Why does extractive industry governance in a decentralized setting produce contradictory democratic outcomes, enabling electoral mobilization while entrenching elite control? Furthermore, what does this reveal about the broader dynamics of power, participation, and legitimacy in peripheral regions of Indonesia?

This mixed record is particularly evident in the field of natural resource governance. Studies on decentralized resource management show divergent outcomes. In East Java and Central Java, programs like PUGAR (Pengembangan Usaha Garam Rakyat) have improved the welfare of salt farmers through collaboration among the government, the private sector, and local communities (Purwiyono et al., 2022; Vince Tebay, 2023). These cases demonstrate how well-designed policies when paired with inclusive institutions, can produce democratic and developmental gains. On the other hand, research from West Java and other provinces shows that salt governance often suffers from institutional fragmentation, market distortions, opaque licensing, and unequal access to capital, factors that limit its benefits and perpetuate marginalization (Komariyah et al., 2021; Kusumah, 2022).

Beyond the Indonesian context, international perspectives reveal similar patterns. Oppong & Andrews (2020) show that resource governance under decentralization can stimulate formal participation but fails to address structural inequalities. Riofrancos (2017) further argue that extractive development often normalizes new forms of domination under the guise of consultation, efficiency, and investment rationality. These insights confirm the importance of distinguishing between the procedural form of democracy and its substantive content.

These inconsistencies reflect deeper conceptual shortcomings in the literature. Many studies conflate the different dimensions of democracy, failing to distinguish between its procedural and substantive forms. Procedural democracy refers to formal mechanisms such as elections, voter participation, and institutional accountability. Substantive democracy, by contrast, concerns the realization of justice, rights, equity, and inclusive governance. This distinction is critical because resource governance may stimulate civic mobilization and formal participation while undermining social justice and economic equity.

Moreover, most existing research focuses on extractive sectors like mining, oil, and gas, leaving coastal extractive resources such as salt relatively unexplored. Salt may appear less politically significant than oil or minerals, but marginal and newly autonomous regions like Malaka constitute the principal axis of economic development and political negotiation. As such, salt governance offers a unique vantage point to study the interplay between decentralized development, elite politics, and democratic consolidation.

This study addresses these gaps by examining how the governance of the salt industry in Malaka Regency affects both procedural and substantive democracy. It seeks to answer the following research question: To what extent does the governance of salt industry development in Malaka contribute to democratic deepening or degradation at the subnational level? The study also investigates how citizen resistance to salt governance has influenced regime change and whether such transitions signify actual democratic consolidation or a reconfiguration of elite power under new terms.

Theoretically, this study draws on Katz and Mair's (1995; 2009) theory of cartel parties in Indonesian local politics. These frameworks help explain how local regimes evolve through adaptive alliances among political, business, and bureaucratic elites in response to shifting political pressures.

Using a qualitative case study approach, including field observations, stakeholder interviews, focus group discussions, and policy document analysis, this research reveals complex and contradictory outcomes. On the one hand, the governance of salt in Malaka led to widespread dissatisfaction over land acquisition, environmental harm, and weak consultation mechanisms. These grievances triggered protests, grassroots mobilization, and political resistance. The 2020 regional elections witnessed an unprecedented increase in voter turnout, resulting in the electoral defeat of a dominant political dynasty. Salt governance helped stimulate procedural democratic gains, enabling greater political accountability and citizen engagement.

However, the very same process was marked by severe substantive democratic failures. Communities affected by land clearance received inadequate compensation, customary rights were violated, mangrove forests were damaged, and decisions were made in non-transparent ways. More alarmingly, the fall of the dynastic regime gave way to a cartelized political structure in which business interests, contractors, and bureaucratic actors consolidated control under a new coalition. This transition reflects a broader pattern in Indonesian local politics, where formal regime change masks more profound continuities in elite dominance.

The case of Malaka demonstrates that democratic transformation cannot be reduced to electoral turnover alone.

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Democracy's substantive integrity depends on whether power is redistributed, whether rights are respected, and whether communities are genuinely included in the decisions that affect their lives.

The political transition in Malaka, from dynastic to cartelized governance, highlights the adaptability of elite coalitions in response to public pressure and shifting political landscapes. Drawing from Katz and Mair's (1995, 2009) theory of cartel parties and Ambardi's (2008) analysis of oligarchic structures in Indonesia, this study argues that decentralization does not automatically dismantle elite control. Instead, it enables the articulation of elite alliances around new economic projects. In the case of Malaka, the salt industry became a platform through which political and economic elites reorganized power while maintaining access to state resources and investment flows.

This dualism, electoral participation paired with continued exclusion, reinforces the urgency of distinguishing between the appearance of democracy and its actual substance. The case of Malaka illustrates that democracy is not simply a matter of institutional formality but of distributive outcomes and normative legitimacy. While flawed elections may temporarily remove unpopular leaders, they do not guarantee systemic transformation unless accompanied by accountability, equitable governance, and the protection of local rights.

This study contributes three novel insights to the literature. First, it operationalizes the analytical separation between procedural and substantive democracy in decentralized resource governance. It allows for a more precise understanding of how democratic institutions can advance and constrain civic outcomes depending on the broader political economy. Second, it introduces empirical evidence from an understudied extractive sector, salt, and an often-ignored region, Indonesia's eastern periphery. Malaka's case adds geographic and thematic diversity to the study of subnational governance. Third, the study reveals how resource-driven conflicts provoke grassroots mobilization and reshape political regimes, often reinforcing new forms of elite control rather than democratizing governance from below.

The study challenges simplistic binaries of success or failure in decentralization and resource governance by capturing this dynamic. It shows that decentralized development is not inherently democratic or undemocratic; rather, its democratic potential depends on how power is distributed, how decisions are made, and who benefits from resource extraction. Even participatory institutions can be co-opted by elite networks without strong accountability mechanisms. Conversely, local resistance can leverage procedural mechanisms to demand political change, though the outcome is rarely linear or uncontested.

The implications of this research extend beyond Malaka. Across Indonesia and other developing democracies undergoing decentralization, extractive projects are often justified in the name of economic growth while marginalizing those most affected. This study warns that failing to recognize the distinction between democratic form and democratic content risks celebrating electoral rituals while ignoring substantive injustices. It also offers a framework for future research on extractive governance that goes beyond formal institutions to analyze power's structural and cultural foundations.

In conclusion, the governance of the salt industry in Malaka provides a compelling case of how decentralized resource management can simultaneously empower citizens and entrench elite interests. The region witnessed both democratic revitalization through increased political participation and regime change and democratic erosion, as seen in continued land dispossession, environmental degradation, and the rise of cartel politics. These contradictions reveal that democracy in Indonesia's periphery remains a contested process, shaped not just by policy and institutional design but also by land, identity, and authority struggles.

The challenge going forward is to build governance systems that facilitate elections and uphold justice, equity, and meaningful participation. As new frontiers of extraction and investment emerge, particularly in coastal and border areas, the future of democracy in Indonesia may well be shaped as much in regions like Malaka as in Jakarta.

The structure of this article is as follows: literature review, method, results, discussion, and conclusions.

METHOD

This study adopts a qualitative research approach with a single case study design to explore the complex dynamics of salt industry governance and its democratic implications in Malaka Regency, East Nusa Tenggara, Indonesia. This method was selected for its strength in capturing context-specific phenomena, allowing for an in-depth examination of social, political, and institutional interactions related to extractive development (Bungin, 2021; Burchett, 2014).

The study draws on both primary and secondary data. Primary data were obtained through direct observation, in-depth interviews, and focus group discussions (FGDs), while secondary data came from government documents, media reports, policy papers, and prior research (Bungin, 2021). Field observations were conducted in Weoe and Weseben villages, key sites of salt development. These observations allowed researchers to understand land-use changes, infrastructure impacts, and community responses.

Informants were selected purposively to ensure representation from various stakeholder categories, including government officials, private sector actors, civil society, and traditional leaders (Campbell et al., 2020). Interviewees included the Regent of Malaka, the CEO of IDK Ltd, legislative members, investors, local journalists, youth leaders, and activists from WALHI and POSPERA. FGDs were conducted with two key groups: members of the Border Journalist Community (Kontas) and traditional clan leaders (Fukun), providing insights into customary land rights and public narratives.

As illustrated in Figure 2, the research methodology flow followed a structured sequence. It began with problem identification and the subsequent selection of Malaka Regency as the case site. Data was collected using multiple strategies, observation, interviews, FGDs, and desk research. The data were then subjected to thematic coding and narrative construction to derive interpretive insights into the links between governance practices and democratic outcomes. The final step involved synthesizing conclusions about the interactions between governance processes and local democratic dynamics.

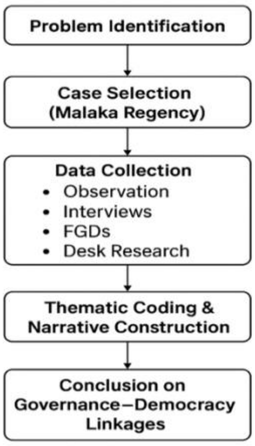

Figure 2. Research Methodology Flow
Source: Authors' construct, 2025

Data were analyzed thematically using explanatory techniques to identify governance, resistance, and political transformation patterns. Coding was applied to interview transcripts, field notes, and secondary materials to trace causal links between salt governance and democratic outcomes. As illustrated in the visual framework above, the research process followed a logical flow from problem identification to conclusion (B.Miles et al., 2014; Lochmiller, 2021).

RESULTS AND DISCUSSION

Malaka Regency is a compelling site to explore how extractive resource governance shapes political change in newly decentralized and transitional societies, particularly in salt industry development. As the most prominent investment initiative in the region, the salt project has generated a paradoxical legacy: it catalyzed civic mobilization and regime turnover yet failed to deliver structural reforms or substantive democratic gains. Instead, it entrenched new forms of elite accommodation, deepened socio-environmental conflict, and perpetuated patterns of exclusion under democratic procedures.

To illustrate this trajectory, Figure 2 presents a theoretical model that captures the interplay between three key structural drivers: dynastic rule, extractive and speculative investment practices, and environmental degradation. These forces collectively provoked civic resistance through protest, digital activism, and high electoral participation. However, rather than dismantling entrenched authority, the post-election political settlement reconstituted power through a cartel-style regime characterized by transactional politics, elite redistribution, and institutional continuity without reform.

The model emphasizes that in transitional regions like Malaka, electoral regime change alone is insufficient for democratic deepening. Without accompanying transformations in governance institutions, legal recognition of customary rights, and environmental accountability, democratization risks becoming a façade, procedurally vibrant but substantively hollow. The sections that follow unpack this argument by presenting detailed findings under four thematic subheadings: the emergence of a new arena of investment in a transitional society; the dynamics of salt governance and its entanglement with political participation and rights violations; the transformation of local political regimes; and the broader implications for democratic quality in extractive regions.

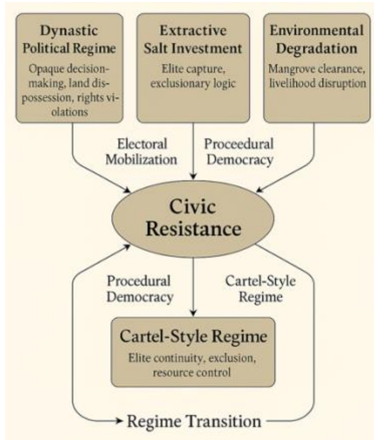

Figure 1. Theoretical Model of Extractive Resource Governance and Democratic Transformation in Malaka
Source: Authors' construct, 2025

New Arena, Investment and Transitional Society

Malaka Regency, officially established by Law No. 3 of 2013, exemplifies Indonesia's broader decentralization project, promising enhanced democracy, local development, and governance responsiveness (Caffyn & Jobbins, 2003; Honig, 2006). However, its trajectory reveals a persistent pattern common in newly autonomous regions, where procedural democracy is overtaken by elite capture and extractive investment logic (Van Klinken, 2007; Berenschot, 2018).

At the national periphery near Timor-Leste, Malaka's pre-investment economy was dominated by subsistence farming and seasonal migration. The entrance of IDK Ltd., a subsidiary of the Roda Mas Group, in 2015 marked a dramatic shift. This salt development project introduced over IDR 300 billion in capital, but less than 11% of this investment was realized in economic return by 2023. This asymmetry reflects Bebbington's (2012) concept of "enclave economies," where external investments bypass local institutions and social integration, isolating development from community well-being.

The dynamics of Malaka echo those found in the Jeneponto case, where elite dominance constrains traditional salt producers and local institutions are underdeveloped and largely ceremonial (Yani et al., 2019). Like the Madura case explored by Wahyudi et al. (2020), Malaka's value chain remains weak, with minimal integration and benefit capture for local actors. The lack of institutional readiness and community-based governance models contributes to what Sudaryana and Pramesti (2018) call "governance failure," especially when policies are misaligned with local capacities and market conditions.

Malaka's hybrid coalition of political elites, traditional leaders (Fukun), and investors function as informal gatekeepers to land, licensing, and public resources. Vel (2008) describes this formation as a "local political class" that operates through informal networks rather than formal policy mechanisms. One local bureaucrat noted that crucial investment decisions are made outside the official apparatus in elite meetings and customary negotiations. It mirrors Sikor and Lund's (2009) critique of overlapping legal and customary authorities, where legal pluralism creates competing claims of legitimacy and governance confusion.

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Elections in 2015 and 2020 did not escape this logic. The salt project became not merely an economic initiative but a political currency. As a party operative revealed, candidates campaigned on defending land rights or supporting development, turning a resource project into a symbolic and electoral battleground. It supports the argument that decentralization, while designed to diffuse power, often results in the reterritorialization of authority and elite brokerage (Boone, 2014; Hadiz, 2010).

In conclusion, Malaka illustrates the contradictions of decentralized development in Indonesia's peripheries. While framed as modernization, the salt industry has reinforced old patronage structures, undermined participatory governance, and exposed institutional fragilities. These findings highlight the necessity of integrating community-centered approaches, robust local institutions, and inclusive planning to prevent enclave development and democratize investment outcomes (Rochwulaningsih, 2018; Sutrisno & Suharto, 2023).

Salt Governance, Political Participation and Rights Violations

The governance of salt as an extractive coastal resource in Malaka offers a poignant illustration of how natural resource management intersects with local democracy, rights-based struggles, and institutional asymmetries in newly autonomous regions. Ostensibly framed as a vehicle for economic growth, the salt project in Malaka promised job creation and local revenue enhancement. However, field findings expose a dual reality: while procedural political participation increased, the project simultaneously generated environmental degradation, land dispossession, elite capture, and erosion of Indigenous cultural rights.

Between 2015 and 2020, power consolidation under the SBS–DA regime created a "local authoritarian enclave" (Levitsky & Way, 2010) characterized by low civic engagement, evidenced by only 62.3% voter turnout, and a patron-client network linking bureaucrats customary leaders, and private interests. It reflects what Sudaryana and Pramesti (2018) describe in Java as policy implementation shaped by elite control rather than participatory governance. Informants noted that dissent was suppressed and decision-making highly centralized, with narratives controlled by the Regent's family.

The salt industry became both an economic tool and a political instrument. While supporters were promised inclusion, a small elite circle monopolized access to contracts and benefits. This exclusion reflects the broader critique of enclave economies (Bebbington, 2012), where external investments extract local resources without commensurate social integration. Moreover, the forced appropriation of sacred land without consent from traditional leaders or ritual processes violates the socio-cultural governance models across Indonesia's salt-producing regions (Rochwulaningsih & Utama, 2013).

In response to exclusion, civil society actors mobilized through digital platforms. As observed in Jeneponto by Yusniah et al. (2021), civic actors in salt-producing regions are increasingly turning to alternative forms of advocacy when formal institutions fail. In Malaka, platforms like Facebook and WhatsApp were repurposed to circulate protest content and galvanize the diaspora. This digital mobilization was pivotal in the 2020 electoral shift, resulting in a voter turnout increase to 85.3%, a remarkable civic response to perceived injustice.

Nevertheless, democratization via elections did not equate to rights restoration. The project continued to infringe on community access to the coast and clear ecologically vital mangrove forests, actions violating environmental protections. As noted by Darsita et al. (2022), similar projects in East Nusa Tenggara demonstrate that technological advancement in salt production often comes at the expense of sustainability and community oversight. Furthermore, opaque compensation mechanisms and the absence of participatory documentation processes suggest a disjuncture between governance formality and substantive justice (Sikor & Lund, 2009).

Thus, Malaka's case reflects the paradox Sørensen (2008) emphasizes: democratic transitions must expand electoral participation and institutionalize accountability, environmental integrity, and protection of customary rights. Without these, democratic forms risk legitimizing extractive practices. Moving forward, reforms must involve legal recognition of Indigenous land, enforcement of environmental standards, and inclusive governance mechanisms that bridge formal and customary institutions (Sutrisno & Suharto, 2023; Bahroni & Iqbal, 2023).

The Change of Local Political Regime

The expansion of the salt industry in Malaka Regency catalyzed a dramatic political and economic realignment, illustrating how extractive investments can disrupt ecological systems and governance structures. Initially promoted as a development initiative, the salt projec, anchored by Indonesia Development Corporation Limited (IDK Ltd.), was quickly captured by the local ruling elite under Regent Stef Bria Seran (SBS), who governed from 2015 to 2020. The project became a vehicle for resource consolidation and elite reproduction rather than inclusive development.

The governance arrangement surrounding the salt project embodied what Hadiz and Robison (2013) describe as the "resilience of oligarchic structures" within democratic formalities. SBS's inner circle monopolized access to permits, land, and environmental clearances, with bureaucratic channels insulating the regime from accountability. Informant 21 (Interview, 1 March 2024), a senior regional planner, stated: "Everything related to salt had to pass through the Regent's family network. There was no transparency." This institutional opacity reflects the patterns of rent-seeking and exclusion identified by Sudaryana and Pramesti (2018) in their governance analysis of Java's salt industry.

Beyond administrative control, the SBS regime encroached upon customary and spiritual domains. Lands managed by Fukun (customary leaders) were reclassified for industrial use, often without proper rituals or informed consent. It echoes findings by Rochwulaningsih and Utama (2013), who show that governance of salt resources in Indonesia often neglects sociocultural foundations, primarily in regions where customary authority remains strong.

As public dissatisfaction intensified, a counter-narrative emerged through civil society, alternative media, and digital platforms. Journalists and activists affiliated with networks like the Communication Network for Social Justice (KONTAS), the Indonesian Forum for the Environment (Wahana Lingkungan Hidup Indonesia, WALHI), the Indigenous Peoples Alliance of the Archipelago (Aliansi Masyarakat Adat Nusantara, AMAN), and the Justice, Peace, and Integrity of Creation – Order of Friars Minor (JPIC-OFM) documented cases of land dispossession, corruption, and ecological destruction. These align with what Bebbington et al. (2008) term "accumulation by dispossession," a condition where development displaces communities without equitable redistribution.

A pivotal moment occurred when Simon Nahak, a legal academic and human rights advocate, entered the legal defense of Indigenous land rights. His transformation into an electoral challenger in the 2020 local election unified fragmented opposition groups. This shift corresponds to the strategic defection theory by Levitsky and Way (2010), wherein regime insiders and elites defect to preserve political relevance amid declining legitimacy. Informant 25 (Interview, 5 March 2024), a former member of Team 16, reflected: "We supported the salt project at first, but betrayal and broken promises changed everything."

IDK Ltd. also adapted by distancing itself from the collapsing regime and initiating quiet negotiations with opposition actors. This maneuver reflects Migdal's (2001) concept of "adaptive state-society strategies," where institutions hedge their positions during moments of political volatility. Informant 26 (Interview, 6 March 2024) confirmed that IDK Ltd. pursued asset protection assurances as part of post-election survival strategies.

Despite the ruling coalition (Golongan Karya or Golkar and the Indonesian Democratic Party of Struggle or PDI-P) holding 25 of 30 seats in the Regional House of Representatives (Dewan Perwakilan Rakyat Daerah, DPRD), a minority alliance led by the National Awakening Party (Partai Kebangkitan Bangsa, PKB), the Indonesian Solidarity Party (Partai Solidaritas Indonesia, PSI), and the Indonesian Unity Party (Partai Persatuan Indonesia, Perindo) defeated them in the 2020 election. Informant 27 (Interview, 7 March 2024), a political science lecturer in Kupang, noted: "This was not a party win, it was a people's rebellion."

This moment exemplifies Huntington and Nelson's (1976) theory of mobilized transitions, where change is driven by collective civic agency, not elite realignment. The election's 85.3% voter turnout, up from 62.3% in 2015, was powered by community kitchens, online forums, and digital media like Facebook and WhatsApp, reappropriated as civic organizing tools.

However, the post-regime order did not purge entrenched structures. Instead, it led to a power-sharing accommodation between new leaders and defected old elites. Informant 28 (Interview, 8 March 2024) observed: "The new administration didn't dismantle the system. They absorbed it." This form of negotiated transition reflects Grindle's (2000) concept of "negotiated rule," where stability is purchased through cooptation rather than institutional renewal.

IDK Ltd. further solidified its position by offering advisory roles and symbolic recognition to former regime affiliates, allowing the salt project to continue uninterrupted. This scenario resembles what Katz and Mair (1995, 2009) define as a "cartel party regime," where inter-elite consensus reduces political competition and public policy is subordinated to investment protection and transactional loyalty.

Consequently, Malaka's democratic transition remained superficial. While leaders changed, governance norms did not. Informant 30 (Interview, 10 March 2024), a civil society leader, captured the disillusionment succinctly: "We changed the rulers, but not the rules." This outcome illustrates what Berenschot (2018) and Hadiz (2010) have argued in their analyses of post-authoritarian Indonesia: that democratic procedures can coexist with enduring clientelistic structures when political transitions fail to disrupt the underlying networks of power and resource control. In such contexts, formal electoral turnover does not guarantee democratic deepening. Instead, it reproduces what Sørensen (2008) terms "façade democracy," a political order where institutions function procedurally but remain hollow in their capacity to protect rights, deliver justice, or redistribute power. Malaka's case thus serves as a cautionary tale for decentralization and resource governance in transitional regions, underscoring the imperative for institutional transformation beyond regime change, specifically through legally binding recognition of customary authority, robust environmental regulation, and genuinely participatory governance mechanisms.

From Dynasty to Cartel

The transformation of Malaka Regency's political order from a dynastic regime into a cartel-style governance system is inseparable from the logic of capital accumulation embedded in the salt industry. Unlike conventional models of industrial development that emphasize productivity, local employment, and value chain integration, Malaka developed a configuration where political actors, investors, and customary elites negotiated new political-economic pacts centered on access, influence, and asset security rather than developmental outcomes.

Two overlapping capital strategies became central to this transformation: stopover investment and strategic reinvestment. These were not purely economic but politically conditioned maneuvers. Stopover investment refers to acquiring land and permits not for immediate salt production but as speculative assets to be collateralized or used in unrelated financial operations. Informant 31 (Interview, 11 March 2024), a former official at the National Land Agency (*Badan Pertanahan Nasional*, BPN), revealed that "some parcels were never meant for salt. They were acquired to boost asset portfolios." This phenomenon echoes Sikor and Lund's (2009) concept of the *instrumentalization of land*, where legal access and land titles serve as tools of capital accumulation rather than for direct productive use.

Global salt commodity regimes further enabled these speculative behaviors. The low price and steady supply of imported salt, mainly from Australia and India, undermined the commercial viability of domestic production. As Informant 32 (Interview, 12 March 2024) stated, "Landholders are waiting for market signals or government incentives before actually producing." This incentivized land banking while discouraging full-scale production.

In parallel, strategic reinvestment served as a long-term hedge. Malaka's strategic proximity to the Masela gas block, Kolbano oil field, and planned industrial zones in South Central Timor and East Sumba made it attractive for future-oriented positioning. Informant 33 (Interview, 13 March 2024) described the salt project as "a pawn in a bigger chessboard," where the real game lies in regional infrastructural integration and potential shifts in national supply chain policies.

Crucially, these investment patterns were embedded in political patronage. Li (2007) notes in her work on extractive governance that development projects often normalize extractive relations by cultivating influence through ritual support, cultural sponsorships, and electoral financing. Informant 34 (Interview, 14 March 2024) confirmed: "We fund cultural events and sponsor candidates, not because it helps salt today, but to secure access tomorrow."

This convergence of capital and politics mirrors what Ford and Pepinsky (2014) term *authoritarian clientelism with democratic façades*. Despite regime turnover, Malaka's policy environment remained conducive to cartel-style governance. Political competition became less about policy differences and more about

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negotiating over rent access and investment protection. As theorized by Katz and Mair (1995, 2009), cartel parties emerge when rival elites converge to protect collective political and economic interests, limiting actual competition and reducing public responsiveness.

Under this model, governance becomes an elite consensus-building mechanism. Informant 35 (Interview, 15 March 2024) noted: "We serve whoever is in charge. Stability matters more than loyalty." Even after the fall of the Stef Bria Seran (SBS) regime, many mid-level officials and contractors from the previous administration were retained under the new leadership of Simon Nahak and Louise Lucky Taolin (SN–LLT). Informant 36 (Interview, 16 March 2024) lamented: "Only the political flag changed." It is what Slater (2010) calls a protection pact, an elite agreement to preserve institutional continuity and economic access under the guise of democratic transition.

At the grassroots level, however, this continuity has reinforced cynicism. Informant 37 (Interview, 17 March 2024), a youth activist, described the post-election disappointment: "Villagers don't see any difference, just more ceremonies, more promises." Meanwhile, land remains locked in speculative holding, salt production stagnant, and local communities sidelined. Informant 38 (Interview, 18 March 2024), an NGO leader, concluded: "It's political theater masking economic stagnation."

Malaka's post-dynastic configuration exemplifies the shift from centralized authoritarianism to distributed cartelism. While the political arrangement may offer temporary stability and prevent the rise of new autocrats, it entrenches systemic barriers to accountability, transparency, and equitable development. As Berenschot (2018) and Hadiz (2010) cautioned, local regime changes in post-authoritarian Indonesia often reproduce exclusionary structures through elite coalitions and informal bargains. In such contexts, decentralization does not deepen democracy but rather facilitates the diffusion of clientelism across new power networks.

Theoretically, this case reinforces the view that political liberalization and electoral turnover are insufficient indicators of democratization. As Sørensen (2008) emphasizes, genuine democratic consolidation requires dismantling elite cartels, institutionalizing accountability mechanisms, and repurposing governance structures toward public, not private, ends. Without these, post-authoritarian regions like Malaka risk substituting one form of elite domination for another, replacing dynastic rule with rent-sharing cartels in a perpetual cycle of stagnation disguised as progress.

The Impact On Local Democracy

This study reveals the dual and contradictory impact of extractive resource governance, centered on the salt industry, on local democratic development in the Malaka Regency. While the salt investment initially unfolded under a dynastic political regime, it ultimately triggered civic contestation, electoral mobilization, and regime change. However, this democratic breakthrough was offset by the emergence of a new political configuration that preserved many of the exclusionary logics of its predecessor.

During the dynastic administration (2015–2020), led by Regent Stef Bria Seran (SBS), salt governance was marked by opaque decision-making, land dispossession, inadequate compensation, and civil and cultural rights violations. Informant 39 (Interview, 19 March 2024), a legal advocate for Indigenous communities, recounted: "The government signed deals with companies without consulting the rightful landowners. Compensation was symbolic, far below the land's value." These dynamics contradict the normative principles of democratic governance, which include justice, equality, and participation (Held, 2006; Sørensen, 2008).

Simultaneously, environmental degradation and the displacement of traditional livelihoods undermined trust in state institutions. Mangrove forests were cleared for salt ponds, disrupting marine biodiversity and the subsistence economy of coastal residents. Informant 40 (Interview, 20 March 2024), a fisherwoman from Weseben Village, stated: "Our crabs are gone; the water is contaminated. They called it development, but it killed our village economy." It supports Bebbington et al.'s (2008) assertion that extractive development frequently compromises local autonomy and ecological resilience, especially in marginal regions.

Nevertheless, paradoxically, the failures of extractive governance catalyzed a surge in civic engagement. Urban youth, student organizations, and rural communities mobilized across digital and physical spaces to challenge authoritarian exclusion. Informant 41 (Interview, 21 March 2024), a student activist, noted: "We held meetings, made videos, and coordinated diaspora voters to return during elections." These actions exemplify what Diemer (2012) and Zittel (2007) describe as *networked civic participation*, where shared grievances and access to communication technology converge to produce democratic pressure from below.

This pressure culminated in the 2020 regional election, a public referendum against extractive injustice. The Malaka General Election Commission (*Komisi Pemilihan Umum Malaka*, KPU Malaka) reported record voter turnout. Informant 42 (Interview, 22 March 2024) affirmed: "People were not just voting for a candidate; they were voting against a system of abuse." This case affirms Verba and Nie's (1987) argument that electoral participation can redistribute political power and alter elite behavior.

Nonetheless, while the fall of the SBS regime was a civic milestone, it did not yield a substantive transformation of political structures. Instead, Malaka transitioned into a cartel-style regime, where authority is shared among bureaucratic elites, contractors, populist politicians, and capital investors. Informant 43 (Interview, 23 March 2024), a former campaign strategist, stated: "There was no purge. The old brokers just shifted loyalties." This arrangement mirrors the *cartel party theory* of Katz and Mair (1995, 2009), in which parties cease to compete ideologically and instead collaborate to preserve access to state resources.

The dynastic monopoly over power evolved into a transactional coalition characterized by patron-client reciprocity and the distribution of public contracts as political returns. Informant 44 (Interview, 24 March 2024), a local contractor, confirmed: "We supported the campaign. Now we get first calls on projects. That is our return on investment." It reflects what Lombardi (2008) terms the *pragmatic coalition model*, a decentralized but stabilized form of elite governance in post-Suharto Indonesia.

Capital actors, especially Indonesia Development Corporation Limited (IDK Ltd.), recalibrated their alliances after the election, aligning with the new coalition while prioritizing infrastructure access, labor, and regulatory certainty. Informant 45 (Interview, 25 March 2024) stated: "We don't care who wins, as long as business stays smooth." This adaptation confirms Winters' (2011) thesis that oligarchic capital can survive democratic transitions by forging alliances with ruling coalitions that guarantee asset protection.

Thus, while procedural democracy advanced, evidenced by mobilization, participation, and regime turnover, substantive democracy remained elusive. Cultural marginalization, ecological harm, and elite continuity persisted. Informant 46 (Interview, 26 March 2024), a civil society researcher, reflected: "Elections brought new actors, but not new justice." It reinforces Diamond and Morlino's (2005) framework that democratic quality must be assessed not only by competition and participation but also by inclusiveness, rule of law, responsiveness, and equality.

Theoretically, Malaka's case challenges the assumption that electoral reform alone ensures democratic deepening. As Karl (1997) and Bebbington et al. (2008) argue, extractive development tends to reconfigure power asymmetries, not eliminate them. Short-term political openings, such as regime change, may create moments of accountability but rarely lead to institutional transformation unless followed by legal reforms, inclusive planning, and grassroots empowerment.

In conclusion, this study demonstrates that salt governance in Malaka produced ambivalent democratic effects. On the one hand, it catalyzed civic resistance and electoral accountability, key markers of procedural democracy. On the other, it entrenched transactional politics, elite cartels, and exclusionary resource control, hallmarks of substantive democratic weakness. This duality underscores the need to evaluate democratization in resource-rich post-authoritarian regions not merely by elections but by the long-term trajectory of institutional responsiveness, rights protection, and equitable governance.

CONCLUSION

The findings of this study reveal that the governance of coastal extractive resources, specifically the salt industry in Malaka, produced a dual impact on local democracy. On one hand, it catalyzed political mobilization, increased voter turnout, and contributed to the collapse of a dynastic regime. These dynamics demonstrate a strengthening of procedural democracy, as citizens exercised political agency and demanded electoral accountability. Community resistance, protests, and diaspora-led campaigns became key instruments for regime change.

On the other hand, the same governance process perpetuated exclusionary practices, environmental degradation, and customary land dispossession, undermining substantive democracy. While formal institutions facilitated electoral participation, they failed to deliver justice, transparency, and equitable outcomes. The collapse of dynastic rule gave rise to a new cartel-based regime, where elite actors restructured alliances to retain control over permits, land, and investment flows. This shift indicates that political turnover did not necessarily translate into deeper democratic consolidation but rather a reconfiguration of elite dominance.

These results imply that decentralized governance of extractive resources can simultaneously activate civic engagement and reinforce oligarchic adaptation. The case of Malaka illustrates that democratization is not a linear process; it involves ongoing contestations over land, power, and legitimacy. Policy interventions in similar contexts must, therefore, go beyond institutional design and address distributive justice, participatory safeguards, and mechanisms of local accountability.

This study is limited by its focus on a single case within a specific geographical and political context. While the Malaka case provides rich empirical insights, its generalizability to other regions should be approached with caution. Moreover, the study's qualitative design, though suitable for exploring depth and complexity, may benefit from future integration with quantitative data to strengthen causal claims.

Future research may explore comparative cases in other coastal or border regions experiencing similar extractive transitions, particularly to assess variation in democratic outcomes. Longitudinal studies tracking post-electoral governance reforms and community empowerment efforts could also offer valuable contributions to understanding the resilience or fragility of democratic gains in post-extractive settings.

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