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Charles Wright Mills and The Power Elite Theory: Analyzing Alfamart's Position in the Local Economic Elite Network in Indonesia

Yosef Usman^{1*}, Benyamin Guido Reke², Yohanis Emil³, Pius Pandor⁴

^{1,2,3,4} Sekoah Tinggi Filsafat Teologi Widya Sasana Malang, Jln. Raja Basa No. 2, Pisang Candi, Kec. Sukun, Kota Malang, Jawa Timur 65146, Indonesia

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***Corresponding author:** Yosef Usman

Sekoah Tinggi Filsafat Teologi Widya Sasana Malang, Jln. Raja Basa No. 2, Pisang Candi, Kec. Sukun, Kota Malang, Jawa Timur 65146, Indonesia

Abstract

This study aims to examine the concerns and at the same time criticize the phenomenon of local economic elite networks that occur in Indonesia, specifically the position of alfamart and studied in the light of Charles Wright Mills' thinking. The current Indonesian context of the dominance of the elite network is a concern for local communities, in this case the economic elite. Such a problem will have an impact on people who have no share in society, finally the elite who dominate or rule according to their own wishes and do not take into account tolerance. The economic circulation that occurs in Indonesia today is a terrible problem. But only some people realize this. The domination of the elite in the realm of economics, politics, democracy, and the realm of government has become a hot topic of discussion lately. In this discussion, the author only examines from the angle of the local economic elite and confronts it with the thoughts of Charles Wright Mills. This review concludes that there are four groups of elites in Indonesia: political elites, economic elites, democratic elites, and government elites, who control most of the circulation of the current Indonesian government. Second, local communities are subjected to manipulation and camouflage by distorting normative truths or even evaluative truths that have been legitimized by the authorities in government. The group that is most often exploited is the community that does not carry education and this is an opportunity for the elites to develop strategies to seize power including the local economy in Indonesia. Finally, the internal factors within the elites that have a major influence on the growth of ambitious desires and high levels of power in Indonesia.

Keywords: *The Power Elite, Local Community, Alfamart, Local Economy, Economic Structure.*

INTRODUCTION

One of the concerns of local communities of small traders (street vendors, small kiosks, or micro-enterprises for short) in terms of the economy will be evident in the context of the current Indonesian state. This is based on the circulation of elite networks that almost dominate all positions in the government. The existence of Indonesian society in terms of the local economy of small traders should be of concern to everyone regardless of background.

The existence of education, culture, or the role of status in society. The economic life of local communities is always directed towards equality and the pursuit of a life that is commensurate with the elite. The reality of local communities in terms of the economy is that small traders, or people whose economy is middle, medium or lower are alienated by the elite. The decisions they make are indirectly intended to strengthen their position of dominance rather than to promote the welfare of the community (Mills, 1956a).

In this discussion, the author sees concern or raises the phenomenon of power or domination of the elite over local communities. In this case, the dominance of indomaret, alfamart, alfamidi, and the like is powerful in terms of attracting buyers, and this will be clearly seen in Indonesia. With the presence of indomaret, alfamart, alfamidi, and the like, the economic existence of local communities or small traders automatically becomes alienated by the elite. This is one form of elite power network that is not realized by local communities today. The concerns of local communities in terms of the economy are a serious problem. Because with this local economy, small traders survive in life and finance children's education, their daily lives and so on. The issue of elite domination has become a hot topic of discussion in Indonesia and in almost all circulations of government.

The dominance of the elite perceives that its actions reflect justice, but in reality it rules or dominates others. This is why Mills says that the bureaucratic system has narrowed the freedom and alienation of urban workers, making them feel satisfied despite being suppressed by elite power (The Power Elite 1956) explaining the relationship between "political, military, and economic elites in determining policy". This is one of Mills' concerns about the dominance of the power elite in government. It will also be seen in the small peddler's longing for truth, government regulation of wisdom and justice that should belong to all, not just the elite. The presence of indomaret, alfamart, alfamidi, and the like is a serious problem in this country of Indonesia. This has resulted in small traders being alienated by the elite themselves. By using these tools, individuals' personal anxieties are focused on concrete problems and common commonalities are transformed into involvement in public issues (cf. Mills, 1959; Poloma, 1987; Wallace and Wolf, 1991). Charles Wright Mills dan Teori Elit Kekuasaan: Menganalisis Posisi Alfamart dalam Jaringan Elite Ekonomi Lokal di Indonesia Injustice is a phenomenon that is often found in various countries including Indonesia today (Damanik, 2016). The existence of local communities in terms of the economy must be a concern of the government and must guarantee justice, meaning that every small trader has a decent or equal place with the elites in building the economy. This situation also led to the emergence of the middle class (office workers) and the working class, the latter further weakening its individual power (Mills, 1956b:4). So it is not dominated by elites or by those who make policy. This means that normative economic decisions are manipulated by policymakers. This is called the power of the elite

in the circulation of government. The rights of the people are disenfranchised by some elites. The culture of middle-class transactionalism is growing as a result of the integration of communication and rationalism in the choice of economic and political roles, as well as the exposure of power as described by Mills in his work on power elites and power structures in the post-Cold War United States. In this context, the middle class acted as advisors to the White House and the Department of Defense at the time (cf. Wright Mills, 2014).

The right to life, the right to uphold truth and wisdom, and the right to a decent economy are not dominated by capital. The voices of local people speaking out on politics, the military and the economy have little place. The dominance of the elite creates a line of demarcation between the local community and the elite. Mills clearly states that the "political, military and economic elites determine policy". Policies that do not look at equity in society and this is seen in the local economy. This means that this kind of issue is a concern in terms of the existence of small traders with the circulation of indomaret, alfamart, alfamidi, and the like. Currently, capital in Indonesia has become the dominance of large companies, while the government only acts as a supervisor and regulator, with companies taking an active role. The role of these companies is increasingly significant, and the capital structure in Indonesia since the reform era until now is still dominated by new actors such as large companies. This phenomenon raises concerns about the endangerment of small businesses owned by Indonesians (see Arie Wahyu Prananta pg. 7).

The existence of local communities related to the economy also has the full right to be in a fair economic scene in a government. It does not distort or camouflage small traders. Mills reviews the existence of a small number of individuals who have the freedom to control and limit the majority. The fate of the majority of individuals is determined by the limited actions of this elite group. This does not reflect an objective history, where the majority of people do not act on reason (Mills, 1956a:337).

This kind of issue needs to be explored wisely, so that it does not put preference on the elite alone who have full power in a country. The local economy loses its essence because of a group of elites who have power in a country. The phenomenon that occurs in Indonesia in relation to injustice is the power of the elite to determine policy. The case of elite domination that occurs in Indonesia is increasingly seen as very common for Indonesian society itself and is even feared by Mills in developed countries such as the United States. This can only be realized if the social reality to be constructed truly emerges from the imagination or rational thinking involved. With this approach, the use of all positivistic approaches in the social sciences will generalize the way of thinking of all individuals (Mills, 1959:23).

This power and strength becomes a wall or fortress for corruptors when they are dealing with the law (Sanusi, 2009, in Andreas Marison et al, 2023). The law should be a means of justice for everyone who violates the rules, not the other way around (Sari, 2012 in Andreas Marison et al, 2023). Justice should be a right for everyone, including local communities, not dominated by the elite. Everyone deserves a place in the economic arena, even if some of them are poor and needy.

"Our interest in history is not owing to any view that the future is inevitable, that the future is bounded by the past. That men have live in lute limits to the kind of

society they may create in the future. We study history to discern the alternatives within which human reason and human freedom can now make history. We study historical social structures, in brief in order to find within them the ways in which they are and can be controlled. For only this way we can come to know the limits and the meaning of human freedom "(Mills, 1959)."

This is not a line of demarcation and dichotomy in the economic world, including the majority-monority issue in Indonesia. Differences in social status, social class and economy in a society do not become a barrier for them to live in justice. The existence and position of everyone in a society is basically the same; both subjects (Andreas Marison et al, 2023). This means that local people have the same power in a living economy. They also have the same freedom as the elites. To achieve this, "there needs to be a space for the wider community to dare to criticize the existence of the elite in Indonesia." Furthermore, the author wants to see the novelty and some literature that discusses the thoughts of C.W.Mills.

Newness and Comparison of Literature Discussing the Thought of C.W. Mills

There are various theories, both in sociology and in other sciences such as philosophy, that attempt to explain the dynamics of power in society. One of them is class theory, which is different from elite theory. Generally speaking, in Classical Marxist theory, members of the dominant class (bourgeoisie) have control over economic resources such as the means of production and capital, which determine their position in the market. These economic resources are considered the basis of classes (bourgeoisie and proletariat), but they also create other resources such as politics and ideology. As a result, classes emerge simultaneously from various sources, including economic and political (cf. Etzioni-Halevy, xxx, Marx and Engels, 20 and Etzioni-Halevy, xxvii). In this article, the author tries to criticize and give attention or contribute philosophical thoughts to local communities in Indonesia regarding the position of the economic elite network in the present era. For this reason, this article is expected to be able to open the horizons of local communities and at the same time the elite to see wisely regarding justice and balance, equality in terms of the local economy.

In the writings of Arie Wahyu Prananta, and Zainal Abidin, they see that in Mills' "Sociology Imagination" he examines the diametrical debate between idealism and pragmatism in the middle class in Indonesia and how the interaction of socialism in social classes Naumun they do not provide specifics related to the position of alfamart and elite network connections in terms of the local economy. In his writing, Maftu also tries to provide an anatomy of power in Indonesia. He said that the structure and constituent elements of the elite theory of power and this is the basis for the development of sociological and political science thought, as well as stimulating further discussion about the dynamics of power in society. In addition, Maftu tried to explain the social and political context behind the birth of the theory of power elites in the theory of sociological imagination, as well as the social reality that gave birth to the theory of power elites. However, he did not explain the local economic situation and he used the writings of Mills Sociology Imagination. Sigit Rochadi also describes the anatomy of the power elite theory and Mills' sociological imagination theory but does not reach a specific

explanation related to the local economy. In Arie Wahyu Prananta's writing, he provides an explanation starting from the panorama of class divisions and class challenges in America and writing it in Indonesia. He does not give specifics regarding local economic class conflicts and the dominance of elite networks that are rampant in Indonesia today. Therefore, this paper examines the question of how to analyze the position of alfamart in Indonesia's local economic elite network in the light of Charles Wright Mills' thinking by first analyzing local communities, then local economies, and their relevance in Indonesia today.

METHOD

The method used in writing this article is a qualitative method, using a phenomenological approach, where the author sees for himself, experiences for himself, and confronts Charles Wright Mills' work "The Power Elite New Edition Charles Wright Mills With A New Afterword By Wolfe (1956)." Mills addressed a serious problem in his own country. Mills said that the dominance of elite networks in society such as economic elites, political elites, and military elites creates a serious distinction and dichotomy because the preference for power in government is in the circulation of elites. The same thing happens in Indonesia today. Of these three elite networks, Mills says that they can work together and ironically dominate the others. Therefore, in this paper, the author only examines the issue of elites in the economy in local communities which is contrasted with Mills' thinking. Seeing phenomena like this, Riyanto said that with this phenomenological approach where the reality that occurs is allowed to appear as it is or reach "the thing itself" (Riyanto 2011), by detaching itself from all constructions and assumptions that were previously installed (Timbang, 2020).

The data is collected mainly from Mills' work, other supporting books related to The Power Elite, then the literature of scientific articles from journals, related to the theme of Alfamart's position in the economic elite network of local communities, and analyzed using the theory of "The Power Elite". This paper wants to confront a new perspective in an effort to deal with a concern and at the same time criticize local communities (small traders, street vendors, small kiosks, or in short micro businesses) against the circulation of economic elites.

RESULTS AND DISCUSSION

1. Overview of Charles Wright Mills

Charles Wright Mills was an American sociologist who was born on August 28, 1916, in Waco, Texas and died in West Nyack, New York, on March 20, 1962. Mills was known as a fairly radical thinker of social reality who was full of brilliant ideas, open to anyone, and brave enough to argue a point. Mills said that the adventure of intellectual politics is the search for the most precise and real truth of the reality that was happening in America at that time. He said that politicization and truth and simplification of reality data were considered inappropriate. This is the hard issue that Mills wanted to emphasize. Therefore, Mills argued that he was trying to be objective in his research (Mills, 1963). Mills, a brilliant mind, completed his bachelor's degree in philosophy at the University of Texas at Austin in 1939. Mills earned his doctorate at the University of Wisconsin-Madison in 1941 with a focus on the pragmatism of American society at that time in his dissertation. Mill also worked at the University of Maryland, College Park, and because of his brilliance he was entrusted by his lecturer to become an assistant professor of sociology at Columbia University in 1946

until he died of a heart attack. Mill received his full professorship only in 1956. Under such circumstances, Mill never intended to leave New York, which he thought was the center of education (Robertson, 1988).

Many of Mills' thought pieces include *The New Men of Power: America's Labor Leaders* (1948), which examined the dynamics of American labor leaders and concluded that they became part of the "power elite" because they were tempted by ambitious materialism. The next work was *White Collar: The American Middle Classes* (1951), which examines the issue of bureaucracy. He says that bureaucracy has narrowed the freedom and alienation of urban workers, making them feel satisfied despite being suppressed by the power elite (*The Power Elite* 1956) describes the relationship between "political, military, and economic elites in determining policy". One of his works that will be the focus of this article is *The Power Elite*, which discusses the concept of power elites in local communities and their impact on the local economy. Another famous work of Mills is *The Sociological Imagination* (1959), which explains the concept of sociological imagination in the study of sociology that emphasizes the ability to connect personal experience with social structures. He says that the sociological imagination consists of three dimensions: history, biography, and social structure. This work allows individuals to see beyond their personal environment and context into a broader framework, where it is the role of the individual to assess the reality of a country. Other important works include *The Causes of World War Three* (1958), *Listen, Yankee: The Revolution in Cuba* (1960), and *The Marxists* (1962).

Mills' elite theory of power has been central to contemporary sociologists and intellectual elites and is a point of departure in discussions of power structures in America to this day. Although the works of While it may not have received much attention before, *The Power Elite* was Mills' breakthrough in unpacking the realities of American power and governance with the support of political sociology theory. With the help of Dr. W. Domhoff, Miliband attempts to update the theory with more extensive data to support his argument. One concept that explains inequality is class theory, which is mainly divided into two major schools: Marxist Class Theory and Weberian (Mainstream) Theory. In addition, there is also elite theory, which consists of four schools: pluralist elite theory, elitist elite theory, democratic elitism, and demo-elite perspective (Ahmad Imam Mawardi, 2019, 76-77).

With Mill's argumentation being quite developed and relevant to the current situation in Indonesia, the points of his philosophical argumentation are still relevant today with accentuations on each argumentation including Marx and Weber which later became very influential milestones in the development of these theories, including the birth of contemporary elite theory developed by C. Wright Mills (Ahmad Imam Mawardi, 2019, 76-77). Although Mills' argumentation was influenced by Marx and Weber in his thinking, unfortunately Mills did not explicitly or explicitly identify himself as a Marxist or Weberian. The emergence of Mills' elite theory is actually inseparable from the elite theories that have emerged before, especially from the opposite school, namely pluralist elite theory. This school itself is an evolution of previous theories about the state and power (Ahmad Imam Mawardi, 2019, 76-77).

2. Analysis of the Local Elite of Charles Wright Mill's Thought

The lives of local people today are colored by various professions in life such as farmers, fishermen, teachers, office employees, laborers, companies and so on. The needs continue to increase, especially the local community is increasing with all its demands. In the life of local communities, there must also be elites who dominate and are dominated. Or in other words, there are those who lead and those who are led. Problems arise that will be complex in these two camps. The local community continues to maintain its essence while the elite continues to fight for its power by clinging to its position and inheriting it to the next generation. This kind of thing will be seen clearly in the State of Indonesia lately and the impact that arises is to create interests within the camp itself.

In the context of local communities related to the local economy, it will be clear that the dominance of the elite in terms of the economy is dominated by creating an influential network in society. Contextualizing or implementing the relevance of alfamart in the Indonesian retail market in konteks "*The Power Elite*" C.W. Mills' approach involves understanding how economic, political and social forces are interconnected in complex power structures. For this latter approach, Mills proposes collecting data from biographies, at least curriculum vitae. As with the theory of sociological imagination, Mills states that its scope is comparable to that of world historians, who seek to describe various types of historical phenomena and systematically relate the various institutional contexts of society to the types of people that exist (Mills, 1959: 167; Poloma, 1987: 334). C.W. Mills in his theory "*The Power Elite*" states that power in society tends to be concentrated in a small number of individuals who dominate in the fields of economics, politics, and the military. In the context of the Indonesian retail market, Alfamart is a clear example of a retail company that has significant economic power. With a widespread network of stores across Indonesia, Alfamart has great influence in the retail market. Currently, dominance in commerce is held by a powerful class in the ownership of influential companies (Robinson & Vedi, 2004: 42).

According to Mills, the relationship between macro social reality (referred to as macroscopic in Mills' concept) and micro social reality (referred to as molecular in Mills' concept) is clear. All aspects of macroscopic reality can be found at the microscopic level, and all microscopic aspects become the basis for the development of macroscopic reality. Therefore, the sociologist or intellectual elite must collect data and look for connections between these two levels of reality. The approach is not dialectical as proposed by Berger and Luckmann (1990), but through a strategy of displacement between these two levels, allowing the sociologist or intellectual elite to easily work on both levels of reality simultaneously (Mills, 1959: 177; Poloma, 1987: 331).

In the author's perspective, the presence of alfamart, and the like can be considered as part of "The Power Elite" in terms of local economics because of its dominance of the retail market, which allows it to have great economic power and influence consumer behavior and market dynamics. From here, Mills sees that Alfamart can also have political connections and access to political power that influences economic policies in their favor. Mills states that because of centralized control over information and power, some men occupy positions in society that give them significant power. They can degrade and influence people's daily lives through their decisions. (Mills, C. Wright, 2000:3). Mills says that in an era

where data, facts and information play an enormous role in civilization, a sociologist should have the creative ability to reflect on what is going on and what is not. menggambarkan aspirasi tentang masa depan, dengan memanfaatkan imajinasi sosiologisnya (Mills, 1959:32).

Therefore, the presence of Alfamart and similar companies can be seen as part of a complex power structure, where they play a role in shaping and maintaining economic and power inequalities in society. While they may not directly be part of the political "elite" mentioned by Mills, it is the author's opinion that the presence of companies like Alfamart still has a significant impact in shaping and maintaining the power structure in Indonesia. Mills adds that changes in political, economic and military institutions trigger elite circulation. Among these institutions, economic power is manifested in the fulfillment of material needs through the social processes of extraction, transformation, distribution and consumption of natural objects. As a result, money and products are important examples of economic power (Hess, Andreas ed, 2003, 244). Mann, adds that the sources of social power in the history of power from the beginning to 1760 AD, but Mills considers the basis to be more diverse. Restrictions on individual freedom were not caused by the ownership of the means of production, but by decisions made by elites (Mills, 1956a).

3. Analysis of Local Economies in Indonesia

One of the economic concerns of local communities will be evident in Indonesia today. This concern does not mean limiting some individuals or groups to develop their economy, but rather the author's intention is to provide economic balance or equality in local communities. The local community in its economy should have a decent place too, because with a decent economy it can send children like some of the elite to a decent profession. The only hope of the local community is that their economy can develop, especially attracting consumers to buy small businesses such as street vendors, small kiosks, and the like. However, this is not realized or only partially realized by the dominance of the elites who are currently rampant everywhere.

In this context, the economy in local communities can be explained as a complex interplay between the dominance of economic power and the influence that a few individuals or groups have on people's daily lives. As a new segment of the middle class in America, the White Collar Middle Class has a significant strategic role. They were able to act as a link between the interests of the elite class and the proletariat class in that era (Mills 1958). Mills' unique thinking initially stemmed from practical sociology, but later evolved towards European classical thought (Mills 1958). This evolution of Mills' thinking influenced his conception of the Consciousness Inner Life White Collar Middle Class, both ontologically and epistemologically. The concept emerging from Sociological Imagination seems to bring about a change in the ontological understanding of the essence of life, which is able to reveal the epistemological dimension of the present. Furthermore, the focus is more on the ability to understand the historical past that strongly influences individuals in the present (cf. Mills 2013).

Mills emphasizes that in modern societies, economic power tends to be concentrated in a small number of individuals or large corporations that dominate sectors of the economy. This economic elite, which includes large corporations, financial institutions and wealthy individuals, has control over significant economic resources. Mills notes that although the elite circulate and are divided into three groups, they share similar social backgrounds.

They have similar family and personal relationships, and often have similar education (Meisel, James ed, 1965: 22 and Mills, *The Power Elite*, 12 and 19).

These economic elites have a huge impact on local communities. They not only control employment and economic resources in a particular area, but also have a strong influence in determining economic and social policies that affect the daily lives of local people. Mills defines power elites as individuals who occupy positions of authority. Theories such as Pareto's elite theory, Michels, and Mosca have explained that in all societies, a minority group has dominance over the majority due to its superiority and organization. They state that the elite has a certain internal unity that reinforces its power. However, in the thought of Mills, a post-war elite theorist, this concept is surpassed. Therefore, it is important to understand Mills' ideas in more depth (Etzioni-Halevy, 44).

Mills recognized that this concentrated economic power often created significant inequalities in society. Economic policies adopted by economic elites tend to favor themselves over the interests of the wider community, leading to restricted access to economic opportunities and resources for local people and creating large social disparities. There are significant differences of view among elite theorists on the extent to which elite power influences political decision-making and the role of the majority in it. These divergent views often cause divisions among elite theorists, as their opinions can be in line with either democratic or classical currents of thought (Etzioni-Halevy, *Class and Elites in Democracy and Democratization*, xxx). In the words of C.W. Mills in his book "The Power Elite", the relationship between economic elites and local communities is a complex relationship between the dominance of focused economic power and the influence that a few individuals or groups have in influencing people's daily lives. Elite theorists argue that power is not evenly distributed in society. Some elite groups have higher levels of power than others. A person's level of power depends on the particular resources (power base) he or she possesses (Egan, Daniel and Levon A. 2005, 13).

Mills emphasizes that in modern societies, economic power is often concentrated in a small number of individuals or large corporations that control sectors of the economy. This economic elite, which includes large corporations, financial institutions and wealthy individuals, has control over important economic resources. This diverse mass forms the structure of society, which is generally controlled by an elite group. Pareto's contribution separates elites into two categories: governing and non-governing elites. After taking into account the abilities of individuals, Pareto developed a ten-point scale to assess the rank of individuals within society in general (non-elite vs. elite) or within elite circles in particular (governing elite vs. non-governing elite), (Delaney, Sister Joan, no.3, 1971 40). The presence of these economic elites has a huge impact on local communities. They not only control employment and economic resources in a particular area, but also have a strong influence in determining economic and social policies that affect the daily lives of local people. Mills recognizes that this concentrated economic power often creates significant inequalities in society. Economic policies made by economic elites tend to favor themselves over the interests of the wider community. This can result in restricted access to economic opportunities and resources for local communities, as well as creating large social disparities.

4. Economic Structure and Interconnections Between Economic Rulers

One of the concerns that occurs in Indonesia is the way the elite network works in organizing the economic structure. Why is this said? Because in reviewing the phenomena that occur in Indonesia today, the dominance of the elite in the economy will be seen, namely by looking at the elite structure and the interconnection of economic rulers. Mills explicitly states in his work "The Power Elite" the economic structure as one of the three dominant domains of power, along with politics and the military. Mills explains economic structure as a series of interconnected relationships between various individuals and economic entities that have power and control over important economic resources. This means that there are certain elite networks that control or dominate certain local economic structures. In Marihot's article in Budget Journal Vol. 7 Edition 2, 2022 Center for Budget Studies page 8, Nasution explains that estimates from the OECD show that in 2015, the ocean-based sector contributed around USD31.7 billion (at constant 2010 prices) to Indonesia's global value added. These estimates are based on an internationally comparable framework and focus on six key ocean-derived sectors. The bulk of this contribution came from marine fisheries, aquaculture, and fish processing, which together accounted for 83 percent of the total value added of the six sectors that year (Agnelli & Tortora, 2021).

In the same year, Indonesia also generated 67 percent of the total value added in all six sectors across ASEAN members. Specifically, in 2015, 84 percent of the value-added of marine fish processing in ASEAN countries came from Indonesia, as did 73 percent of the value-added of marine fisheries, and 54 percent of the value-added of mariculture. In addition, Indonesia also recorded the largest value added in sea freight (USD2.6 billion) and sea passenger transport (USD2.2 billion) among ASEAN countries in the same year (Agnelli & Tortora, 2021). Mills elaborates that in modern societies, economic power tends to be concentrated in a small number of individuals or large companies that dominate economic sectors. This economic elite has control over the production, distribution and consumption of goods and services, and regulates the flow of capital and other economic resources.

Energy comes in many forms in coastal and marine areas. Aside from hydrocarbon reserves on the seafloor, the ocean offers a variety of renewable energy sources such as waves, tides, currents, temperature differences, wind and biomass. As global demand for energy continues to rise, and industries seek alternatives to conventional fossil fuels, the potential of ocean-based renewable energy sources may exceed current global energy needs (Bappenas, 2021).

This economic structure involves large corporations, financial institutions and wealthy individuals who are interconnected through networks of interests and business relationships. Mills highlights how the interconnections between these economic powerhouses allow them to strengthen their dominance in making economic decisions that have far-reaching impacts on society. (cf. Mills, 1956).

5. Alfamart Profile and Its Current Presence in Indonesia

Alfamart is a retail company that has grown to become one of the leading in Southeast Asia since it was founded in 1989 by Djoko Susanto Budhi Santoso

(Wikipedia:<https://en.m.wikipedia.org/wiki/Alfamart>,22.23.). The company's vision is to be the leading minimarket chain in the region with a primary focus on customer satisfaction and responsible business practices. Alfamart itself actually stands for PT Sumber Alfaria Trijaya Tbk. which is better known as Alfamart. Alfamart's head office is located in Tangerang, Indonesia. Kesuksesan perusahaan ini bermula ketika Djoko Susanto dan keluarganya berdagang aneka produk barang kebutuhan sehari-hari pada tahun 1989. Peradagangan kecil-kecilan tersebut kemudian berubah menjadi suatu jaringan minimarket yang luas sehingga pada tahun 2002, Melakukan akuisisi terhadap 141 gerai Alfa Minimart dan mengubah namanya menjadi Alfamart. Pada tahun 2016, perusahaan ini mulai menghadirkan AlfaMind, virtual store pertama di Indonesia yang menggunakan teknologi Augmented Reality. Kemudian di tahun 2021, Alfamart mulai beroperasi di pasar Papua dengan membuka 22 gerai. Selain itu, Alfamart juga mengelola 1.945 Toko SAPA (Siap Antar Pesanan Anda) (Wikipedia: <https://en.m.wikipedia.org/wiki/Alfamart>, diakses pada Rabu 1 Mei, 22.23.).

In 2022 Alfamart widened its market reach by entering Aceh and Bintan for Western Indonesia. The number of Alfamart outlets reached 17,813. Until now, Alfamart has managed to enter almost every remote area in Indonesia. To give an overview of all the products and the purpose of procuring the product, Alfamart also displays an Alfamart Logo depicting an employee who is friendly and ready to help, there is also a picture of Albi Mascot which is a friendly bee, symbolizing the spirit of Alfamart employees in serving customers sincerely. Albi emphasizes the importance of shared life and common goals, avoids conflict, and is always responsive to changes around him. To be successful, the Alfamart Company uses various marketing strategies to expand its reach and increase its brand presence, including an extensive network of outlets, promotional and discount programs, strategic partnerships, and good customer service. In addition, Alfamart has programs such as a customer loyalty program known as Alfamart Loyalty Card.

Through this program, customers can collect points every time they shop at Alfamart and exchange them for various exclusive prizes or discounts. This program is designed to strengthen the relationship between Alfamart and its customers and provide additional incentives for customers to shop regularly at Alfamart outlets. The Alfamart company is committed to paying more attention to customer satisfaction, product innovation, and effective marketing strategies, Alfamart continues to be one of the leaders in the retail industry in Indonesia and the Southeast Asia region. For the efforts and hard work carried out by Djoko Susanto and Budhi Santoso, finally brought the alfamart company to success and can also be called a major player in the world of the retail industry in Indonesia. Alfamart achieved a superior position because it was strengthened by several factors such as market share, number of outlets, growth and innovation, and so on.

Comparing Alfamart with other players in the retail industry, the results are also very impressive. In 2021, Alfamart ranked second in terms of sales value in Indonesia (Wikipedia: <https://en.m.wikipedia.org/wiki/Alfamart>, accessed on Wednesday May 1, 22.23). Meanwhile, Alfamidi, which is also part of the Sumber Alfaria Trijaya group, ranked third in the list of top-selling modern retail stores in Indonesia. This shows the steady dominance of the Alfamart group in the modern retail market in Indonesia.

With an unwavering commitment to continuous improvement in customer service and a continued focus on innovative technology development, Alfamart is not only a leader in the retail industry in Indonesia, but also plays an important role in driving the country's economic growth and development. Through well-planned strategies and a strong commitment to excellence in service, Alfamart has proven itself as one of the major forces in the retail industry in the country.

Alfamart's big role is clearly visible from several aspects such as Job Creation with thousands of outlets present in all corners of Indonesia, providing daily necessities by selling various products that are needed by the local community, linking with local suppliers, helping the local economy by buying local goods, merchandising and product development, in charge of determining the goods to be sold, product development and so on, Efficient distribution, namely goods purchased from suppliers, some of which are centralized in the distribution center before being distributed to outlets, operating outlets by considering various aspects aimed at developing alfamart capital, competition with Indomaret.

6. Alfamart's Position in the Economic Elite Network

The economic world in Indonesia is dominated by economic elites such as company owners, shareholders who certainly cooperate with the Government with regard to development permits, legalization, and operation of companies and various other interests to facilitate the business of these companies. In Indonesia itself there are many companies that then compete to get a leading position in the world of the National economy. In this context, Alfamart is present as one of the largest minimarket networks in Indonesia, continuing to be at the forefront in meeting the daily needs of the community (Arvinia Herawati, et al 2013, 2-3). A dimension that is quite certain to determine the position or position of Alfamart in the retail economy in Indonesia is the number of Alfamart outlets that exist almost in all corners of the regions in the country of Indonesia. Alfamart's operations are so neat in terms of outlet construction, market systems, procurement of goods and services that make it superior to other markets. Alfamart's progress is inversely proportional to other markets. This can be seen from the electability or electability of customers who tend to choose Alfamart as a favorite shopping place. This can only happen because Alfamart always prioritizes customer needs while maintaining the trust given by customers to their services (Rizka Nuri Puspita, 2012, pp. 62-63).

Of the many market rulers, those who are able to compete with Alfamart are Indomaret, which more or less has a similar marketing system so that it can compete in the national economy in Indonesia (Rizka Nuri Puspita, 2012, pp. 62-63). Other competitors also exist but are not enough or can be said to be unable to keep up with Alfamart besides Indomaret. Many companies and markets exist in this country but they mostly operate in limited areas and prepare limited types of merchandise. In contrast to Alfamart and its rival, Indomaret, both hold goods in accordance with the needs of daily life so that they can serve and meet the needs of the people who are their customers. However, Alfamart's presence is not all positive. There is one thing that is a shortcoming that must be considered is that its presence can also weaken small traders (Purnomo, 2017 pp. 84-85).

The question that arises is why is this the case? Because its presence makes customers more interested in shopping at Alfamart than shopping at markets processed by small traders. This means

that with the presence of Alfamart and its partners such as Indomaret, the small merchant market is neglected by customers. Here are some case quotes that illustrate the impact of Alfamart's presence on small merchants: "This situation is getting worse when Indomaret and Alfamart outlets are close to the businesses of traditional traders, making the businesses of traditional traders even more sluggish" This is a statement from Tini Kartini who conducted research on Alfamart and Indomaret in the city of Bogor. She found a negative impact on small traders although on the other hand there is also a positive impact (Tini Kartini, 2016, 23-24).

Anisa and her friend Jamal "The establishment of Alfamart outlets is a big threat to traders in traditional markets because of the servicing of goods at lower prices" (Annisa Hadif, Abd.Jamal, 2018, 61). This statement is not just thrown out there but is the result of their research which illustrates the inequality between large entrepreneurs, in this case Alfamart, and small entrepreneurs. From the two examples shown here we can see the reality of unbalanced business power between Alfamart and other small traders. Therefore, at this point the government has an important role and has the authority to overcome this problem. This is what the state must pay attention to in the economic world so that there is no business inequality and so that relations between business people remain harmonious.

7. Case Study or Supporting Data

The emergence of Alfamart in Indonesia is a result of the evolution of the retail market in the country. Since the beginning of the 21st century, with strong economic growth and changes in people's lifestyles, there has been an increasing demand for ease of shopping and accessibility of everyday products. Alfamart, with its business model of offering daily necessities at affordable prices and a wide network of outlets, has successfully met these needs (Ong & Saluy, 2020). With an aggressive expansion strategy and careful market penetration, Alfamart has managed to become one of the retail giants in Indonesia. Alfamart's success is also reflected in its role in advancing the local economy, including creating jobs and supporting small and medium enterprises through its franchise partnership program. By continuously adapting to market dynamics and consumer needs, Alfamart remains one of the major players in Indonesia's modern retail industry. Alfamart retail was established on June 22, 1999 under the name Alfa Minimart and on January 1, 2003 changed its name to Alfamart (Puspita, 2013).

These developments and changes are certainly not done without cause but rather illustrate a strategic move in consolidating their identity and business expansion. This move not only reflects the company's vision to become a leader in the retail industry, but also reflects their ability to adapt to changing market dynamics. With various innovations in services and product offerings, Alfamart continues to position itself as one of the most reliable convenience stores in Indonesia, serving customers' daily needs with efficiency and quality. Alfamart has successfully maintained its position as the leading convenience store in Indonesia through innovative breakthroughs in its services and products.

By providing a wide selection of high-quality products and services, Alfamart has become the first choice for customers to fulfill their daily needs. Alfamart's advantage lies in its high operational efficiency, ensuring that customers can easily and quickly find what they are looking for without having to sacrifice

quality. Thus, Alfamart not only meets customer needs, but also prioritizes consistent service quality, building trust and reliability in the eyes of consumers. In a competitive retail environment, Alfamart's ability to continuously innovate and offer relevant solutions to customers is one of the key success factors in maintaining its leading position in the industry. The rapid growth of Alfamart and Indomaret has raised concerns about the surrounding medium, small and micro enterprises (MSMEs). One example is in East Lombok Regency. This phenomenon is often attributed to unbalanced competition due to the large scale of the two franchises, which are able to offer lower prices, various promotions, and other benefits that are difficult for local MSMEs to follow (Muhzinat & Achiria, 2019).

The impact is the displacement of local MSMEs from the market, even bankruptcy for some business actors who are unable to compete. In addition, the presence of Alfamart and Indomaret can also change people's consumption patterns, causing their preferences to shift from local products to products offered by the two franchises. However, it is important to remember that the presence of Alfamart and Indomaret also brings benefits, such as increased accessibility of daily necessities, improved service quality, and job creation. Therefore, balancing between strengthening local MSMEs and accommodating consumers' needs for easier access to daily goods needs to be a common concern in economic development. Balancing between strengthening local Micro, Small and Medium Enterprises (MSMEs) and meeting consumer needs for easier access to everyday goods is an important aspect of regional economic development. Strengthening local MSMEs is key to promoting inclusive and sustainable economic growth (Mariska et. all, 2023).

MSMEs contribute significantly to job creation, poverty alleviation, and income distribution. Therefore, government and community support in this regard is crucial, both through the provision of training, access to capital, and supportive infrastructure. However, in the context of globalization and technological development, consumers' needs for easier access to everyday goods cannot be ignored. Providing easy and efficient access to everyday consumer goods can improve people's welfare and increase local purchasing power. Therefore, it is important for the government and other stakeholders to find the right balance between strengthening local MSMEs and accommodating consumer needs. Thus, regional economic development can run in a balanced and sustainable manner, enabling inclusive growth and empowering the community at large. Research conducted by Miranti in 2019 revealed that the presence of modern retail, such as supermarkets and minimarkets, has a detrimental impact on small and medium enterprises in the grocery stall sector in Makassar (Miranti, 2019).

The findings highlight the complexity of changes in local market structure when modern retail enters an economic environment previously dominated by small businesses. This may be due to factors such as greater consumer attraction to modern retail that offers a range of conveniences and a wider selection of products, thus shifting shoppers' preferences away from traditional grocery stalls. Thus, these findings emphasize the need for appropriate strategies for small and medium business owners to compete in an era of ever-changing and competitive markets. Preliminary survey results on the presence of Alfamart and Indomaret in East Lombok revealed field data through four indicators covering various aspects (Tohri et. all, 2023).

From the survey, 60% of respondents stated that the products offered by the two retailers were of good quality, while 55% of respondents stated that the services provided were also of good quality. In addition, 74% of respondents stated that access to Alfamart and Indomaret in the area was easy to reach. Interestingly, 60% of respondents also revealed that the presence of Alfamart and Indomaret had influenced the consumption behavior of the local community (Tohri et. all, 2023). This data illustrates the positive impact of the presence of these modern retailers on consumption patterns in East Lombok, showing a significant change in shopping preferences and the way local people shop. This is confirmed that modern retailers such as Alfamart and Indomaret have an important role in changing the economic dynamics and consumption culture in the region. The initial survey results show some interesting things about the presence of Alfamart and Indomaret in East Lombok. In general, the majority of respondents stated that the products and services offered by the two retailers were of good quality. In addition, most respondents also considered that access to Alfamart and Indomaret was relatively easy in the region. Interestingly enough, most respondents also stated that the presence of these two retailers has influenced the consumption behavior of the local community. This suggests that these retailers not only act as a place to purchase goods and services, but also have a significant impact on the purchasing patterns and consumption habits of the surrounding community. However, it is important to remember that this survey is only a snapshot and may need to be followed up with further research to understand in depth how the presence of Alfamart and Indomaret specifically affects the local economy, consumption habits and social dynamics in East Lombok.

The growth of modern franchises such as Indomaret and Alfamart, which are rapidly penetrating into various regions in Indonesia, reflects the dynamics of retail business development in this country (Nurlisa & Ismaulana, 2021). This reflects the interesting dynamics of the development of the retail business in the country. The two brands are symbolic of the transformation in Indonesians' shopping patterns, which increasingly lead to a preference for convenient, affordable, and reliable stores. Their ubiquitous presence in various regions, from urban areas to remote villages, demonstrates their adaptability to local needs and existing infrastructure. This not only brings convenience to consumers, but also creates new economic opportunities, both in terms of job creation and support for local supply chains.

The growth of retail franchises such as Indomaret and Alfamart not only reflects the success of individual companies, but also shows a broader picture of the evolution and modernization of the retail sector in Indonesia. The growth of retail franchises such as Indomaret and Alfamart reflect more than just the success of individual companies; they demonstrate the evolution and modernization of the retail sector in Indonesia as a whole. These two companies, with their rapid expansion and market penetration, have changed the retail landscape across the country, expanding the accessibility of basic products and services for the people (Hartatik et. all, 2023).

This phenomenon highlights a paradigm shift in consumer behavior, with an increasing demand for convenience, practicality and efficiency in everyday shopping. Retail franchises also create economic opportunities for many through business models that allow local entrepreneurs to participate in established franchise networks. As such, the growth of retail franchises not only marks

individual success, but also represents the adaptation of Indonesia's retail sector to evolving market demands and illustrates significant socio-economic changes in society. The presence of these modern stores provides easy access to daily goods for the community, as well as being a significant source of employment.

While the data shows an increase in the number of outlets each year, it should be noted that most of these outlets are owned by franchisees. This suggests that while the franchise business model has been a successful strategy in expanding market reach, it also raises questions regarding the control and independence of the business. While franchising provides an opportunity for individuals or groups to invest in an established brand, (Wiratmo, 2024), it is also necessary to consider the relationship between the parent company and franchisees to ensure a fair and sustainable balance in the franchise business ecosystem.

CONCLUSION

With concern and at the same time criticism of the phenomenon of the local economic elite network, Charles Wright Mills' thinking will be clearly visible in Indonesia today. Through this discourse, it can be said that five elite groups, namely the political elite, economic elite, democratic elite military elite, and government elite, control most of the circulation of the Indonesian government today. Local communities are subjected to manipulation and camouflage by distorting normative truths or even evaluative truths that have been legitimized by the authorities in the government. The most exploited groups are local people who do not have education and this is an opportunity for the elites to develop strategies to seize power including the local economy in Indonesia. The existence of local communities related to the economy also has the full right to be in a fair economic scene in a government, not distorting or camouflaging small traders.

Mills reviews the existence of a small number of individuals who have the freedom to control and limit the majority. The fate of the majority of individuals is determined by the limited actions of this elite group. This does not reflect an objective history, where the majority of people do not act on reason. This is an issue that needs to be explored wisely, so as not to favor the elite alone who have full power in a country. The local economy loses its essence because of a group of elites who have power in a country. The phenomenon that occurs in Indonesia in relation to injustice is the power of the elite to determine policy. The case of elite domination that occurs in Indonesia is increasingly visible. It is commonplace in Indonesian society and even feared by Mills in developed countries such as the United States. This can only happen if the social reality to be constructed truly emerges from the imagination or rational thinking involved. With this kind of approach, the use of all positivistic approaches in social science will generalize the way of thinking of all individuals.

However, it is important to remember that this article is only a preliminary overview and may need to be followed up with further research to understand in depth how the presence of Alfamart and Indomaret specifically affects the local economy, consumption habits and social dynamics in Indonesia. Therefore, at this point the government has an important role to play and has the power to address this issue. This is something that the state must pay attention to in the economic world so that there is no business inequality and so that relations between business people remain harmonious.

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