

The Changing Face of Global Capitalism

Sharing Economy and Digital Society in Indonesia

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Abstract: Globalisation has an impact in almost every part of the world. Indonesia is one of the highest users of the internet and social media platforms yet there is a huge gap in inequality in terms of internet access throughout the country. The digital market in Indonesia presents new challenges for current competition, such as Grab, Gojek, AirBnB, etc. In order to meet rising demand, the market place has attempted to adapt itself to the new changes and challenges. This is a face of global capitalism that is very old but, at the same time, fundamentally new. It is considered old because of its objective towards relentless competition in the pursuit of profit, and the pursuit of individual satisfaction (deferred or immediate) is its driving engine. But it is fundamentally new because it is driven by technologies in information and communication that are at the root of new productivity sources, new organisational forms, and the construction of a global economy. Social development today is determined by the ability to establish a synergistic interaction between technological innovation and human values, leading to a new set of organisations and institutions that create positive feedback loops between productivity, flexibility, solidarity, safety, participation and accountability, in a new model of development that could be socially and environmentally sustainable in a mostly digital era. The emergence of a digital society represents part of the consequences of this new form of global capitalism. This study analyses how new global capitalism and the emergence of a digital society are manifested in a vulnerable era of globalisation with asymmetric information dissemination in Indonesia. The concept of a Transnational Capitalist Class (TCC) explained by Leslie Sklair is used to explain the phenomenon of global capitalism in the digital era, particularly in Indonesia. This study argues that global capitalism in a digital society era is an innovation of the old version of global capitalism. However, the use of technology particularly in the information, communication and transportation sectors is an inevitable phenomenon yet not everybody can get access into the internet generally

1 INTRODUCTION

The public perception of global corporations has changed substantially in the past few years. Globalisation and the massive progress of a digital-based business model has triggered the shifting of corporations. An emerging digital platform economy is increasing significantly. The massive development of technology and information over the last few decades has made many changes in industry and corporations. While it has changed the assets-based model into capability-based models, the system and the user have also changed rapidly. There are many business startup lines based on technology. MNC no longer appears in a conventional form, but has a new face in the form of technological innovation. The emergence of startup companies e.g., Uber, Grab, AirBnB, Gojek and others and the wish for them to

be on demand is just now beginning to gain widespread popularity and generate huge incomes. Shared mobility business models are considered more effective and could unveil the optimal relationship between corporations and the customer to achieve the common objective of sustainable business (Cohen, 2014). The massive development of technology and the high use of the internet has shifted almost all of the business models as well as the trajectory and long-term orientation of those start-up companies. The market place attempts to adapt itself in the new digital era and for digital literacy. These new values are causing people to be up to date and to update these technological changes. These global phenomena are all over the world. It has virtually triumphed and reigned everywhere (Wolf, 2018). Such a sophisticated market is the most just and humane economic system yet

conceived but is also a challenging system that has triggered the shifting of global capitalism. It creates innovations, developments and breakthroughs in as many ways as we could possibly imagine. But on the other hand, these massive changes are unequal especially in the developing countries.

As a developing country, Indonesia is one of the highest users of the internet and any kind of social media platforms because of its huge number of citizen. The technology shift of business models as well as the daily lifestyle make this inevitable. While the virtual amount is most likely high, the impact is consider low. The gap between the city people and the rural people is quite high. The widening inequality in accessing these technological improvements is a real deal. The law and regulation system need to be changed in regard to these matters. It is easy to accept and blame the desirability of government to provide these within manageable bounds. And because information is widely disseminated in a free society, companies must adhere to environmental standards if they hope to maintain their reputation (Wolf, 2018). It segregates society in the most casual way between people who are well informed and people who are less knowledgeable about technology. A subtle critique has emerged among scholars themselves, some of whom even decry capitalism as inherently inhumane and in need of a human face, and some of whom foster and prosper the new form of digital-based capitalism. These inequalities can lead to so many possible problems and conflicts of interest. There are pros and cons over this change. How could this changing system and trajectory of this system in the future affect our daily lives, in terms of whether this new era will become much more beneficial for people or the other way around.

2 METHODS

This paper uses a qualitative explanatory research method as well as literature review. This study refers to some of the previous studies that address the issues and related phenomena. The data obtained will be sorted out to be classified in accordance with the materials needed in the research, then in-depth analysis will be conducted and associated with the concept that has been prepared to further draw conclusions in order to answer the formulation of the research problems. In this study, the research conducted is deductive qualitative. Referring to Pupu Saeful Rahmat's opinion, qualitative research is research conducted with observations on the

behaviour of the related actors. This research is intended to observe the life of a historical society, the behaviour, the functional organisation, and social activities that cannot be obtained through statistical procedures (Rahmat, 2009). Based on Bogdan & Biklen (in Grace, 2009), qualitative research is useful for generating descriptive data on human or organisational behaviour in certain context settings. This research is used by the author because it is considered able to provide a descriptive explanation of the behaviour of actors, formulated in the formulation of research problems.

In addition, the author uses the concept of a Transnational Capitalist Class (TCC) which is argued by Leslie Sklair (2002). Sklair (2002) argues that some treasons which affect states and global corporations cannot necessarily stop the pattern of consumerism happening at the global level because they are part of them. The author uses literature review to compare and deepen the data and the facts with regard to this research.

3 RESULTS

This concept is a newly categorised concept in various literatures. In its implementation also still biased globally. The sharing economy has grown rapidly throughout the world since 2012. However, researchers from various organisations are still not much to analyse the business model of the sharing economy in terms of its implications for companies, cities and the environment. Despite the massive and rapid development of this new business model, there is no universal definition of the concept of an "economy", "collaborative economy", "ride-sharing", "peer-to-peer economy" model, etc. The concept of this business model has grown rapidly thanks to information and communication technology in different parts of the world so that the sharing economy is defined as any market space that unifies an individually distributed network to share or exchange underutilised assets. This includes all types of goods and services distributed or exchanged for monetary and non-monetary benefits (Koopman, Mitchell, and Thierer, 2014). This concept is more focused on cooperation and not on ownership of assets to reduce the costs incurred. In the case of Uber, Lyft, AirBnB and various other startup platforms, these companies use third parties to run their businesses. A conventional taxi company must have assets in the form of a fleet of cars, professional drivers, parking lots and licenses for the company's operations. However, non-conventional

taxi firms based on technology do not need the assets. Uber can work with car rental companies or individuals who have vehicles and the ability to drive. The principle of sharing the role and then sharing the results is the main mode in running a business of this model. The sharing economy is an attitude of participation in economic activities that creates value, independence, and well-being (CNN, 2016).

In line with Martin (2016), the phenomenon of the sharing economy can be conceived as being made up of six things: (1) economic opportunity; (2) more sustainable forms of consumption; (3) a road to a decentralised, fair, and sustainable decree; (4) creating unregulated markets; (5) strengthening the neoliberal paradigm; (6) an incoherent business innovation opportunity. There are many critics, but not a few who consider the business model as a practice of sustainable promotion of consumption in the long run. For the Uber case, its existence can reduce the use of private cars on the highway. Uber is also a disruption for existing taxi businesses or any other conventional transportation. There are so many countries and companies that have adopted the concept. The digital society could simultaneously adapt these changes in their lives. The impact of widespread technology and internet make it easier and convenient. In the next few decades, at this rate, the data shown predict that more people will use the internet in their daily core lives. The trajectory of the digital economic business platform simultaneously has potential.

4 DISCUSSION

The concept of a Transnational Capitalist Class (TCC) by Sklair (2005) explains that consumerist culture is not necessarily made by corporations and that is why it is their fault. But, consumers also play a big role in captivating and prosecuting demand for certain products. As long as the demand is higher, the corporations will likely use this opportunity to gain more profit and revenue to keep running their businesses. The higher the profit, the higher the economic growth in the business sector. This will benefit the country in some ways not to mention the degradation effect in other sectors. This cycle has been a vicious cycle over time that make it even more complicated at the national level. The government is in a bind situation. Members of this new class have connections with each other that have become more significant than their ties to their home nations and governments (theconversation.com, 2017).

However, awareness is needed not only at the government level, but also at the individual level. Quite apart from this, every individual is responsible for this happening. TCC works in global politics in terms of the role of globalising professionals, scientists and technologists on whom the whole activity is said to rest (Sklair, 2002). Besides, there are four overlapping factions in the transnational capitalist class: TNC executives, globalising bureaucrats, politicians and professionals, consumerist elites (merchants and media) (Sklair, 2011). For instance, the corporations which have a palm oil business will likely promote and engage methods and ways to prolong the business in the long term (Saadah, 2018). Consequently, practices such as land clearing, including forest fires is considered a necessary thing and that is why it is important to keep this situation. In terms of startups, the corporations which focus on the transportation business such as Gojek, Uber, Grab, etc will likely expand their businesses if the demand is high and sponsored by the internet accessibility as well as media marketing. Globalisation allows the extensive spread of this new form of global corporation, thanks to the internet which make it easier for the four factions to operate comprehensively.

However, the dynamic of the global corporation is a constant phenomenon. Like it or not, we cannot stop the wheel from spinning. The global corporations which always improve the dynamic around us always change every single second without our concern. Change is constant and inevitable. In the modern era, with the high influence of internet usage, global corporations have shifted their business models. Even setting aside the internet, the demand for the customer and society is likely to be high. In terms of convenience and simplicity, the internet makes life easier both for companies and customer. For instance, startup companies provide easy access to almost everything the customer needs in one click. This shifting lifestyle is considered a global phenomenon.

The sharing economy concept is then to be the most popular business model (Kenney & Zysman, 2015). This concept has been simultaneously growing but at the same time, this business model also disrupts existing businesses. In the midst of the shifting of global capitalism, there have been several attempts to resist this activity. Indeed, the appropriate market rules for competition/antitrust, labour market, and intellectual property among many others are becoming increasingly difficult to specify and legislate for (Kenney & Zysman, 2016).

Moreover, this phenomenon doesn't seem to be about to stop in the near future but is rapidly growing. Digital platforms are the base upon which an increasing number of connection-based activities—marketplace, social, and political—are being organised (Kenney & Zysman, 2015). The substance choice of a digital platform is to be as adaptive as possible.

Indeed, the enormous spread of the internet is inevitable and is called the third globalisation wave. But at the same time, this rapid growth is unequal. This inequality and the gap is huge. In several developing countries, not all of this concept applies coherently. Similarly, in the discussion of the Internet of Things, or the digital-based business model, we find significant differences between social emphasis and economic impact. It is most likely like two sides of a coin which walk hand in hand.

5 CONCLUSIONS

It is clear that digital technologies have had a major impact on social, political and economic sectors. This creates a new type of global corporation and new method of capitalism. Digital technologies have progressively made digital society and the new business model unavoidable. Over the past decades, this has become a reality and yet the most successful business model has integrated, at least to some extent, Uber technology and the sharing economy. It is not necessarily the best formula, however, because of the unstoppable changes which have occurred. However, this phenomenon is proof that customers are playing a big role in determining the shifting way global corporations operate. This platform digital era generates a changing and emerging new phenomenon in so many ways. But, how can these changes in the business sector affect the changes in the social sector such as income inequality, poverty, and inhabited information? The changing face of global corporations has the same soul as the old form of global capitalism in the form of digital global capitalism. How we connect the enormous value of these socio-technical shifts into something more useful and adaptable remains a necessary question.

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