



## Pena International Journal of Modern Law, Policy and Governance

Journal homepage:  
<https://penacendekia.com.my/index.php/pijmlpg/index>  
ISSN: 3120-3124



# Wealth, Power, and Democracy: Explaining the Persistence of Oligarchic Structures

Bonifasius Santiko Parikesit<sup>1,\*</sup>, Nur Wahyu May Alfian<sup>2</sup>, Ikagami Putri<sup>1</sup>, Jamilah Turohmah<sup>1</sup>

<sup>1</sup> Department of Economics, Faculty of Economics & Business, University of Trisakti, Jakarta, Indonesia

<sup>2</sup> Department of Sociology, Faculty of Social Science & Political Science, University of Gadjah Mada, Yogyakarta, Indonesia

### ARTICLE INFO

#### Article history:

Received 9 August 2026

Received in revised form 1 September 2026

Accepted 28 September 2026

Available online 30 September 2026

#### Keywords:

Oligarchies; political impunity; inequality

### ABSTRACT

For centuries, oligarchies have been understood as groups that consolidate and sustain power through the accumulation of wealth and control over political and economic resources. In contemporary societies, wealth remains the primary mechanism through which oligarchic influence is reproduced, reinforcing persistent power asymmetries and limiting public accountability. Consequently, oligarchic structures often foster political impunity, enabling elites to pursue private interests at the expense of the public good. Existing scholarship suggests that democratization does not necessarily eliminate oligarchic influence; rather, democratic institutions frequently coexist with and accommodate oligarchic power. This phenomenon extends beyond developed economies, as reflected in the concerns expressed by former U.S. President Joe Biden regarding the concentration of economic and political power, and is similarly evident in developing democracies such as Indonesia and the Philippines. This study examines the emergence and evolution of oligarchic structures in the United States, Russia, Indonesia, and the Philippines through a comparative analysis of secondary data. It tests the hypothesis that oligarchic systems are associated with persistent social inequality, particularly widening income disparities and unequal access to economic and political opportunities. The findings indicate that entrenched oligarchic structures reinforce long-term inequality, underscoring the need for redistributive policies and sustained social stratification. Strengthening democratic institutions, promoting equitable wealth distribution, and enhancing public accountability are therefore essential to advancing inclusive development, social welfare, and democratic governance.

## 1. Introduction

In ancient societies, the prevailing belief was that the wealthy should govern. Oligarchic ideology held that wealthy individuals were generally diligent, morally upright, and capable, whereas the poor were often portrayed as lazy, prone to excessive drinking, and more likely to engage in criminal activity [1].

By the fourth century BCE, Plato's *Republic* provided one of the earliest systematic accounts of the degeneration of political regimes. Through Socrates, Plato described five successive forms of government, beginning with aristocracy and ultimately descending into tyranny [2]. Oligarchy

\* Corresponding author.

E-mail address: [bonifasius.parikesit@gmail.com](mailto:bonifasius.parikesit@gmail.com)

constituted one of these stages and was characterized as a form of government in which political power was concentrated in the hands of a small group of wealthy individuals who governed primarily in their own interests. Under an oligarchic system, a minimum wealth threshold could determine eligibility for political participation, excluding individuals whose wealth fell below that threshold from holding public office [3], [4]. Over time, however, the concept of oligarchy acquired increasingly negative connotations as its political and social consequences became more apparent.

Aristotle regarded oligarchy as a source of injustice and social division [2], reflecting his broader classification of oligarchy as a deviant form of government [5]. In his view, oligarchic rule occurs when political elites become detached from the common good and instead prioritize accumulating and protecting their private wealth. This pattern persisted into the nineteenth century, though it took new forms after the Industrial Revolution. The expansion of capitalism in Europe and the United States created new opportunities for wealthy economic elites to consolidate political influence [6]. In some contexts, this influence was reinforced through economic monopolies and political dynasties [7].

In the contemporary era, oligarchy has increasingly become a subject of critical political discourse. In his farewell address on January 15, 2025, then-President of the United States Joe Biden warned of an emerging oligarchy characterized by extreme wealth, power, and influence. He argued that concentrating power and wealth among a small number of ultra-wealthy individuals posed risks to democratic institutions, fundamental rights and freedoms, and equal opportunity. Biden further cautioned that concentrated economic and political power could weaken democratic institutions, including the separation of powers and the system of checks and balances [8].

The consolidation of oligarchic power has also been evident elsewhere. Following the dissolution of the Soviet Union in 1991, for example, the transition from a centrally planned economy to a market-oriented system created opportunities for a small group of individuals to acquire substantial control over strategic natural resources, including timber, diamonds, and oil. Oligarchic influence expanded as state institutions and regulatory capacity weakened [9;10]. During the 1990s, oligarchs increasingly sought to institutionalize their economic influence and enter politics [11]. Their political involvement became particularly visible during Boris Yeltsin's 1996 presidential campaign, when influential oligarchs feared that a victory by the communist opposition would threaten their economic and political interests. Through their control of major television networks and newspapers, they mobilized significant media resources to influence public support for Yeltsin [12].

Russia's political-economic landscape changed substantially following Vladimir Putin's rise to power in 1999. Putin adopted a more confrontational approach toward the oligarchs and sought to reassert state authority over politically influential business elites [13]. His administration initially signaled its intention to curtail oligarchs' political power. Nevertheless, by the fourth year of Putin's presidency, oligarchic influence had re-emerged, although the composition of the elite had changed. Rather than eliminating oligarchic structures, the transformation largely involved reconfiguring relationships between political authority and economic elites.

In Southeast Asia, the historical roots of oligarchy can likewise be traced to the colonial period [14]. In the Philippines, for instance, oligarchic structures developed during Spanish colonial rule, when local elites known as the *Principalia* were appointed to perform administrative functions, including tax collection. These responsibilities provided them with significant political authority and social status within local communities [15]. Over time, these elites consolidated their influence and established enduring political dynasties.

After Philippine independence in 1946, prominent families maintained close ties with political elites and continued to influence government institutions. Political resources, particularly financial support, helped secure the electoral success of preferred candidates. In return, victorious candidates

could provide political and economic benefits to the families and networks that supported them [16]. A comparable pattern appears in Indonesia. Following the end of colonial rule, the establishment of independence, and the collapse of the Suharto regime in 1998, scholars anticipated that Indonesia would enter a new era of democratic reform [17]. However, despite substantial institutional changes during the post-Reformasi period, oligarchic networks have remained influential. Rather than fundamentally transforming elite power, democratization has, in some respects, enabled existing economic and political elites to adapt to and operate within the new democratic institutional framework [18].

Against this historical and comparative background, this study examines how oligarchic networks have influenced social, economic, and political processes in the United States, Russia, the Philippines, and Indonesia. It further analyses how the concentration of economic and political power contributes to the reproduction of inequality, including extreme income inequality.

## **2. Methodology**

This study employs a comparative case study design to examine complex social phenomena within their real-world contexts. The study selected four countries—the United States, Indonesia, the Philippines, and Russia—for comparison. These countries were chosen for similarities in demographic characteristics, economic structures, and positive economic growth trajectories, while also offering variation in their political and institutional contexts.

The study collected data through a systematic review of relevant secondary sources, including official government reports, academic articles, news reports, and other credible publications. The study also employed retrospective analysis of selected historical and contemporary events to examine their consequences and identify similarities and differences across the four cases. This comparative approach enables the study to assess how oligarchic structures and elite influence have evolved across different national contexts.

## **3. Literature Review**

### **Oligarchy**

The term “oligarchy” derives from the Greek words *oligos*, meaning “few,” and *arkhein*, meaning “to rule.” It generally refers to a system in which a small group of individuals or families holds political power within a society [19]. In Ancient Greece, oligarchic systems were associated with the political dominance of individuals who controlled substantial landholdings and other forms of wealth, enabling them to exercise significant political influence.

Oligarchy can emerge as a way to preserve power and resources within a particular social group. Over time, such systems may become institutionalized through hereditary elites or families that maintain privileged access to political and economic resources. In certain contexts, oligarchic structures may also coexist with or contribute to authoritarian and dynastic forms of governance.

In Indonesia, oligarchic practices were particularly evident during the New Order era through concentrated control over strategic economic sectors, including coal, banking, and food commodities. A relatively small political elite established close relationships with business conglomerates, enabling them to maintain influence over strategic resources and economic activities [20], [21]. These networks did not disappear following the collapse of the New Order in 1998. Instead, oligarchic actors adapted to the post-Reformasi political environment and continued to participate actively in political institutions. By 2024, a substantial proportion of members of the House of

Representatives, cabinet ministers, and subnational political officials had business backgrounds, illustrating the continuing intersection between economic and political power.

In the United States, concerns regarding oligarchic influence have also emerged in academic and public discourse. [22], for example, examined how much economic elites and organized business interests influence public policy in the United States. Their findings suggested that economically advantaged groups and business-oriented interest groups have a substantially greater influence on government policy than average citizens. This raises important questions regarding the extent to which political decision-making reflects the preferences of the broader population.

The relationship between political leadership and wealthy business elites became particularly visible during Donald Trump's second presidential inauguration in January 2025. Prominent business leaders in attendance included Elon Musk, founder and CEO of SpaceX and Tesla; Mark Zuckerberg, co-founder and CEO of Meta; Jeff Bezos, founder of Amazon; and Sundar Pichai, CEO of Google [23]. Their proximity to the administration illustrates the increasingly visible intersection between political authority and concentrated private wealth in contemporary U.S. politics.

The relationship between government and wealthy business elites also became evident through policy and institutional changes during the early months of the Trump administration. Elon Musk, one of Trump's major political donors, was appointed to lead the Department of Government Efficiency (DOGE), an initiative aimed at reducing government expenditure and restructuring federal agencies. Measures associated with DOGE included substantial restructuring of the United States Agency for International Development (USAID), including significant reductions in its programs and personnel [24]. The administration presented these measures as part of a broader effort to reduce government spending and improve administrative efficiency [25]. These developments have generated debate concerning the relationship between concentrated private wealth, political influence, and the exercise of executive power.

Russia presents a different configuration of oligarchic power, in which political authority has been strongly centralized under a dominant political leader. The emergence of Russian oligarchs traces back to the large-scale privatization of state assets during the 1990s. A small number of individuals accumulated substantial wealth by acquiring state-owned enterprises and strategic assets during the transition to a market economy. In 1997, *Forbes* identified four Russian billionaires on its list of the world's richest individuals [26].

Vladimir Putin's rise to the presidency in 1999 did not eliminate oligarchic structures; instead, it reconfigured the relationship between political power and economic elites. The state increasingly asserted control over politically influential businesspeople, while oligarchs who adapted to the political system preserved significant economic power. This process contributed to the emergence of a new configuration of oligarchic power in which economic wealth remained concentrated among a small group of individuals closely connected to the political establishment. Of the Russian billionaires identified in the late 1990s, many continued to appear on *Forbes'* lists of the world's wealthiest individuals decades later. *Forbes* has also explicitly identified many of these individuals as oligarchs [27].

A comparable pattern of oligarchic influence also appears in the Philippines, where economic and political power has historically been concentrated among a relatively small number of families and business elites.

### **Plutocracy**

The concepts of oligarchy, plutocracy, and aristocracy are closely related but analytically distinct. Autocracy refers to a system in which a single ruler holds political authority. Plutocracy refers to a system in which individuals or groups with substantial wealth disproportionately exercise political

influence. Aristocracy, by contrast, traditionally refers to political and social systems in which authority is concentrated among hereditary or noble elites. Although these concepts differ, they may overlap when economic wealth, political authority, and inherited social status become concentrated within the same group.

In *Capital in the Twenty-First Century*, Piketty examined the tendency of capitalist economies to generate increasing wealth concentration when the rate of return on capital exceeds the rate of economic growth [28]. Such concentration can contribute to the emergence of an increasingly wealthy elite and the intergenerational reproduction of economic inequality. In the United States and Europe, this dynamic has raised concerns about the potential shift from representative democracy to plutocratic governance, in which political influence becomes increasingly tied to wealth [29].

The concentration of wealth can be illustrated by comparing individual fortunes with the economic output of entire countries. For example, Jeff Bezos' estimated wealth reached approximately US\$125.3 billion in 2020, an amount comparable to or greater than the GDP of several countries [30]. Similarly, at various points, the combined wealth of the world's ten richest individuals has exceeded the annual economic output of dozens of countries. Such comparisons illustrate the extraordinary concentration of material resources among a very small number of individuals.

However, wealth concentration alone does not necessarily establish a plutocracy. The concept becomes analytically relevant when substantial economic resources are converted into political influence, institutional access, or the capacity to shape public policy. Accordingly, the relationship between wealth concentration and political power requires examination beyond measures of income or wealth distribution alone.

### **Wealth Distribution: Gini Ratio/Coefficient**

The Gini coefficient is one of the most widely used indicators for measuring inequality in the distribution of income or wealth. The coefficient ranges from 0 to 1, where 0 represents perfect equality, and 1 represents perfect inequality. A higher Gini coefficient therefore indicates greater inequality within a population.

The Gini coefficient is more than a descriptive statistical measure; it can also indicate broader structural inequalities within society. High inequality has been associated with a range of social and economic challenges, including political and social instability, constraints on inclusive economic growth, and disparities in health and social well-being. Persistent inequality may weaken social cohesion and create conditions that increase tensions between different socioeconomic groups.

Consequently, the Gini coefficient is useful for assessing the overall distribution of income or wealth at the population level. Nevertheless, because it summarizes inequality across the entire distribution, it may not fully capture the extreme concentration of wealth among a very small group of individuals. Additional indicators are therefore required to examine the concentration of wealth at the upper end of the distribution.

### **Wealth Distribution: Material Power Index**

Economic inequality represents one of the major challenges in efforts to reduce poverty and promote inclusive development [14]. To examine the disproportionate concentration of material wealth among oligarchic elites, Winters introduced the Material Power Index (MPI) [31]. The MPI provides a comparative measure of the wealth held by an individual or family relative to the average economic resources available to the broader population, represented by GDP per capita.

The MPI is calculated as follows:

$$\text{MPI} = \text{Wealth of the wealthiest individual or family} / \text{GDP per capita}$$

A higher MPI indicates a larger disparity between the wealth of the wealthiest individual or family and the average economic resources available to the population. The index therefore illustrates the scale of material concentration and the relative economic power of elites within a national context. The MPI differs from conventional national-level inequality measures such as the Gini coefficient. Whereas the Gini coefficient captures inequality across the entire income or wealth distribution, the MPI focuses specifically on the relative position of an exceptionally wealthy individual or family compared with the average population. This makes the MPI particularly relevant for examining oligarchic wealth concentration.

Nevertheless, interpret the MPI with caution. It is an illustrative measure of relative material power, not a comprehensive measure of political influence or oligarchic control. High material wealth does not automatically translate into political power, and the relationship between economic resources and political influence depends on institutional, political, and social conditions. Therefore, the MPI is best used alongside other indicators when assessing the relationship between wealth concentration, political influence, and oligarchic power.

#### 4. Results

The Gini coefficient is a common measure of economic inequality within a population. In economic terms, inequality refers to disparities in the distribution of resources, income, and wealth among individuals or groups within a particular country or region.

Economic inequality can manifest in unequal access to economic opportunities, education, health care, and living standards. Such disparities may arise from structural factors, including unequal economic policies, limited access to productive resources, and differences in employment opportunities. Addressing these conditions requires policies that promote adequate wage standards, expand productive employment opportunities, and improve access to economic resources for the working-age population.

In addition, social protection measures, including universal or affordable health care, access to education, and targeted social assistance, can help reduce socioeconomic disparities and protect vulnerable groups. These measures are important for preventing persistent inequality and limiting the Gini coefficient from approaching 1, which represents a highly unequal distribution. Based on the four countries examined in this study, the corresponding Gini coefficients are presented in the following table 1, table 2, table 3, and table 4 [39], [40], [41], [42].

**Table 1**

Coefficient in the US based on World Bank in 2024

| Income year | Census report release year | Gini coefficient | Change from previous year |
|-------------|----------------------------|------------------|---------------------------|
| 2020        | 2021                       | 0.489            | +0.011 (from 2019)        |
| 2021        | 2022                       | 0.494            | +0.005                    |
| 2022        | 2023                       | 0.488            | -0.006                    |
| 2023        | 2024                       | 0.485            | -0.003                    |

**Table 2**

Coefficients in Russia based on Russian Federal State Statistics Service in 2024

| Income year | Census report release year | Gini coefficient | Change from previous year |
|-------------|----------------------------|------------------|---------------------------|
| 2020        | 2021                       | 0.403            | -0.007 (from 2019)        |
| 2021        | 2022                       | 0.409            | +0.006                    |
| 2022        | 2023                       | 0.410            | -0.001                    |
| 2023        | 2024                       | 0.402            | -0.008                    |

**Table 3**

Coefficients in the Philippines based on FRED in 2024

| Income year | Census report release year | Gini coefficient | Change from previous year |
|-------------|----------------------------|------------------|---------------------------|
| 2020        | 2021                       | 0.445 – 0.450    | No official data.         |
| 2021        | 2022                       | 0.444            | +0.006                    |
| 2022        | 2023                       | 0.445 – 0.448    | No official data.         |
| 2023        | 2024                       | 0.445 – 0.450    | No official data.         |

**Table 4**

Coefficients in Indonesia based on BPS in 2024

| Income year | Census report release year | Gini coefficient | Change from previous year |
|-------------|----------------------------|------------------|---------------------------|
| 2020        | 2021                       | 0.385            | +0.005                    |
| 2021        | 2022                       | 0.381            | +0.004                    |
| 2022        | 2023                       | 0.381            | -                         |
| 2023        | 2024                       | 0.386            | +0.007                    |

Based on the table above, the Gini coefficient fluctuated over the four-year observation period across the four countries examined. The United States recorded the highest level of inequality among the four cases. Although its Gini coefficient increased for two consecutive years before declining in the subsequent two years, it remained above its 2019 level. Indonesia exhibited a different pattern, with inequality generally increasing following the onset of the COVID-19 pandemic. Russia, by contrast, showed a relatively more stable trend in its Gini coefficient over the observation period. The Philippines was the only country in the study for which Gini coefficient data were not reported consistently across the observation period, limiting direct year-to-year comparison.

Although oligarchic systems may take different institutional and political forms, a common characteristic is the concentration and accumulation of economic resources among a relatively small group of individuals or families. Therefore, in addition to examining the Gini coefficient as a measure of overall inequality, this study analyses the Material Power Index (MPI) to assess the relative concentration of wealth among economic elites in the four countries.

The following table presents an overview of the MPI values calculated for the countries examined in this study [39;40;41;42]. The key findings can be summarized as follows:

**Table 5**

MPI per country of study based on Forbes Real-Time Billionaires List in 2023-24 & World Bank GDP per capita in 2023 [43], [44]

| Country       | Richest Person & Estimated Wealth (W)     | GDP per Capita (Nominal) | Material Power Index (MPI) |
|---------------|-------------------------------------------|--------------------------|----------------------------|
| United States | Elon Musk (~\$200 Billion)                | ~\$85,000                | ~2,350,000                 |
| Russia        | Alexey Mordashov & family (~\$25 Billion) | ~\$12,000                | ~2,080,000                 |
| Philippines   | Enrique Razon Jr. (~\$8.5 Billion)        | ~\$4,000                 | ~2,125,000                 |
| Indonesia     | R. Budi & Michael Hartono (~\$40 Billion) | ~\$5,000                 | ~8,000,000                 |

The MPI results indicate that the United States recorded the highest gross wealth (W) among the countries analyzed. The form of oligarchic influence observed in the United States appears to be closely associated with technology-based corporate elites. Political lobbying and campaign financing by ultra-wealthy individuals in the technology sector, including Elon Musk, illustrate the growing intersection between private wealth and political influence. Musk reportedly contributed approximately US\$70 million to Donald Trump's presidential campaign. Other ultra-wealthy

individuals also made substantial contributions during the campaign, including the Winklevoss twins, Tyler and Cameron, who reportedly contributed a combined US\$8.75 million. After Trump's electoral victory, Musk was appointed to a prominent government role, giving him substantial influence over federal administrative and policy processes. These developments illustrate how significant financial resources can facilitate access to political decision-making and public institutions.

In Russia, Alexei Mordashov's wealth, particularly in the mining and steel industries, traces back to the privatization process of the 1990s. The period's political and institutional instability, combined with weak regulatory capacity, enabled a small number of individuals to acquire substantial assets at relatively low prices. These individuals subsequently gained control over strategic industries while maintaining relationships with political authorities. Winters characterizes this type of arrangement as a form of "predatory oligarchy," in which elites use political connections and economic resources to acquire and protect wealth [31].

The political environment changed significantly following Vladimir Putin's rise to power. The Russian state reasserted its authority over strategic economic sectors and strengthened its control over politically influential business elites. Several prominent oligarchs who challenged the political establishment faced significant legal and economic consequences. One notable example is former oil tycoon Mikhail Khodorkovsky, who was convicted and imprisoned on charges including fraud and tax-related offenses. In contrast, Mordashov adapted to the new political environment and maintained his economic position. This case illustrates the transformation of Russian oligarchy from a relatively autonomous economic elite toward a system in which economic power is more closely aligned with state authority.

In the Philippines, oligarchic power has historically been concentrated among a small number of wealthy business families. One prominent example is Enrique K. Razon Jr., whose business empire has expanded across sectors including ports, infrastructure, and other strategic industries. Razon's economic influence has been supported by extensive involvement in sectors that depend on government regulation, concessions, and contracts. His relationship with the political establishment, including the administration of President Gloria Macapagal-Arroyo, illustrates the close interaction between business interests and political networks in the Philippines [32].

Razon's political involvement has also included participation in political organizations and financial support for political activities. He previously served as treasurer of the Lakas-Kampi-CMD party, which was associated with the Team Unity coalition. Following political realignments, he became associated with the National Unity Party [33]. His financial contributions to political parties illustrate the potential role of wealthy business elites in shaping political networks and electoral competition. At the same time, Razon's business activities have generated employment and economic activity, demonstrating that the relationship between oligarchic wealth and society is not necessarily limited to political extraction. The coexistence of economic benefits and concentrated political influence represents an important dimension of oligarchic structures.

Indonesia recorded the highest MPI among the four countries examined. This result reflects the exceptionally large wealth of Indonesia's richest business families relative to the country's GDP per capita. The Hartono family, for example, has accumulated substantial wealth through ownership and investment in strategic sectors, including tobacco, banking, and real estate.

However, caution is required when interpreting the Hartono family's MPI as evidence of oligarchic power. Extreme wealth concentration does not necessarily imply oligarchic control over political institutions. In the Indonesian context, oligarchic power has more commonly been associated with business elites operating in strategic sectors such as mining, palm oil, and natural resources. Furthermore, many privately controlled companies in these sectors are not publicly listed, making their ownership structures and valuations more difficult to assess accurately. Consequently,

estimates of oligarchic wealth based solely on publicly available data may underestimate or misrepresent the actual concentration of economic power.

Therefore, the MPI should be interpreted as an indicator of relative material wealth rather than as a direct measure of oligarchic political power. A comprehensive assessment of oligarchy requires considering the MPI alongside indicators of political influence, ownership concentration, institutional access, campaign financing, and control over strategic economic resources.

## **5. Discussion**

Economic growth is generally expected to reduce poverty and improve the welfare of a broader segment of the population. However, economic growth does not necessarily translate into an equitable distribution of its benefits. When a disproportionate share of growth gains accrues to individuals at the top of the economic distribution, the process may widen wealth inequality and increase socioeconomic insecurity among lower-income groups.

The findings suggest that although economic growth has reduced poverty in the countries examined, the benefits of economic expansion remain unevenly distributed. A substantial share of the gains has accrued to ultra-high-net-worth individuals and economically powerful groups. This pattern raises questions about how inclusive economic growth is and whether political institutions adequately prevent the concentration of economic and political power. The interaction between political influence and economic interests is therefore important for understanding the persistence of inequality.

In Indonesia, the wealth of ultra-high-net-worth individuals increased substantially between 2014 and 2024. During this period, Indonesia's GDP increased by approximately 57%, while GDP per capita increased by approximately 44%. In contrast, the combined wealth of the country's 40 richest individuals reportedly increased by approximately 163%. According to Knight Frank's *The Wealth Report: Segment Wealth Sizing Model 2024*, Indonesia experienced one of the fastest growth rates in the region in its population of ultra-high-net-worth individuals (UHNWIs). UHNWIs are generally defined as individuals with a net worth of at least US\$30 million. These figures suggest that wealth accumulation among the richest individuals has outpaced overall economic and per-capita income growth.

A similar pattern appears in the United States. Data reported by UBS in 2019 indicate that the number of billionaires in the United States more than doubled from 2008 to 2018, increasing from 267 to 607. However, billionaire wealth expanded alongside persistent economic hardship among lower-income households. Federal Reserve data indicate that wealth concentration among the richest households remained substantial, while millions of Americans still relied on government food assistance. This contrast illustrates the coexistence of substantial wealth accumulation at the top and continuing economic vulnerability among lower-income groups.

Russia provides another example of extreme wealth concentration. According to Credit Suisse, about 111 individuals controlled around 19% of total household wealth in Russia [34], meaning nearly one-fifth of household wealth was concentrated among a very small group [35]. Although Russia experienced rapid economic growth in the early 2000s, economic performance weakened from 2010 to 2020. The growth model that characterized the early years of Vladimir Putin's leadership, including tax reforms and regulatory measures intended to encourage investment and innovation, became increasingly difficult to sustain. In response to economic and social pressures, the government implemented various policy interventions, including measures designed to maintain social stability [36]. Some of these interventions were particularly prominent in the periods before elections and

targeted groups such as pensioners and public-sector employees, who represented important constituencies for political stability [37], [38].

The Philippines has also experienced persistent economic inequality associated with the interaction of political and economic structures. Concentration of political influence among established elites, low wages, employment insecurity, and limited economic opportunities have contributed to socioeconomic tensions and political instability. At various times, these conditions have helped bring to power political leaders who adopted populist or authoritarian approaches in response to public dissatisfaction. At the same time, demographic pressures and rising costs of basic necessities have further increased the economic burden on low- and middle-income households.

Governments have responded to these socioeconomic pressures through social protection programs and subsidies. In Indonesia, during President Susilo Bambang Yudhoyono's administration (2004–2014), major social assistance programs included *Beras untuk Keluarga Miskin* (Raskin), a subsidized rice program for low-income households, and *Bantuan Langsung Tunai* (BLT), or direct cash assistance. Under Presidential Decree No. 12 of 2005, the government assisted about 19.2 million poor households. These programs were implemented partly in response to economic pressures from rising global fuel prices. Similar forms of social assistance were subsequently expanded or reintroduced during the administration of President Joko Widodo, particularly in response to the socioeconomic consequences of the COVID-19 pandemic.

The Philippines implemented comparable social protection measures during the COVID-19 pandemic. Government assistance reached millions of low-income households through cash and non-cash support programs designed to offset income losses from business closures, employment disruptions, and mobility restrictions. These interventions were intended to prevent vulnerable households from falling deeper into poverty during the economic crisis.

Nevertheless, social assistance and subsidies should be understood primarily as short- to medium-term protection rather than substitutes for structural economic reform. When poorly designed or maintained indefinitely, subsidy programs may create fiscal pressures, weaken incentives for economic participation, or generate dependency. More sustainable approaches require policies that expand productive employment, improve wages and labor protections, strengthen access to education and health care, and broaden opportunities for wealth creation.

The findings also highlight the importance of institutional capacity and political accountability in addressing oligarchic concentration. A strong, capable state can play an important role in regulating economic power, enforcing competition, and ensuring that a narrow group of elites does not capture strategic resources. At the same time, democratic institutions—including competitive elections, transparency, accountability, and effective checks and balances—are essential for preventing the conversion of economic wealth into disproportionate political influence.

Electoral and political reforms may therefore be part of a broader strategy to reduce oligarchic influence. Simplifying electoral processes, increasing transparency in political financing, strengthening campaign-finance regulations, and improving institutional oversight could reduce opportunities for wealthy individuals and business groups to exert disproportionate influence over political decision-making. Ultimately, addressing inequality requires more than redistributive measures; it requires institutional arrangements that ensure economic growth generates broad-based benefits rather than reinforcing the concentration of wealth and political power among a small elite.

## 6. Conclusions

Inequality remains a global challenge that requires sustained policy attention and structural responses. Persistent and widening inequality not only limits the equitable distribution of the benefits of economic growth but may also intensify social discontent, increase political polarization, and undermine public trust in political and economic institutions. When wealth and political influence concentrate among a privileged minority, perceptions of unequal representation and institutional capture may strengthen, potentially weakening democratic governance. U.S. President Joe Biden's concerns toward the end of his presidency about the concentration of wealth and political influence further illustrate the broader significance of this issue.

The findings also indicate that economic growth alone is insufficient to ensure equitable improvements in welfare. Although economic expansion may reduce poverty, its benefits can remain unevenly distributed, particularly when wealth accumulation among economically powerful groups grows faster than overall income and economic output. The experiences of Indonesia, the United States, Russia, and the Philippines demonstrate that the relationship between economic growth and inequality is shaped by the interaction between economic structures, political institutions, and the distribution of political and economic power.

Social assistance and subsidies remain important instruments for protecting vulnerable populations, particularly during periods of economic crisis. However, these measures should be seen primarily as short- to medium-term protection rather than substitutes for structural reforms. Long-term reliance on unconditional assistance may create dependency and does not necessarily address the underlying causes of inequality. Sustainable poverty reduction therefore requires policies that expand productive employment, improve wages and labor protections, strengthen access to education and health care, and increase opportunities for broader participation in wealth creation.

Ultimately, addressing inequality requires more than redistributive policies. It requires institutional and economic reforms that ensure the benefits of growth are distributed more broadly and that economic wealth does not translate into disproportionate political influence. Strengthening institutional capacity, democratic accountability, transparency, competition, and effective checks and balances is therefore essential to preventing the concentration of economic and political power. A more inclusive development model should ensure that economic growth translates into broader opportunities, greater economic self-reliance, and improved welfare for society as a whole.

## Acknowledgement

This research was not funded by any grant.

## References

- [1] V. Shlapentokh, "The Oligarchic Ideology and Its Opposition to the Liberal and Totalitarian Ideologies," in *Contemporary Russia as a Feudal Society* (New York: Palgrave Macmillan, 2007). [https://doi.org/10.1057/9780230609693\\_6](https://doi.org/10.1057/9780230609693_6).
- [2] John Michael Moore, *Aristotle and Xenophon on Democracy and Oligarchy* (Berkeley: University of California Press, 1975).
- [3] Alan Bloom, *The Republic of Plato: Second Edition* (Chicago: Basic Books, 1991).
- [4] Christopher S. Mackay, *Breakdown of the Roman Republic: From Oligarchy to Empire* (New York: Cambridge University Press, 2012).
- [5] Sarah Broadie, *Ethics with Aristotle* (New York: Oxford University Press, 1991).
- [6] Geoffrey Holmes and D. Szechi, *The Age of Oligarchy: Pre-Industrial Britain 1722–1783* (London: Routledge, 1993).
- [7] William S. Smith, "Aristotle and Our American Oligarchy," 2024. [https://css.cua.edu/ideas\\_and\\_commentary/aristotle-and-our-american-oligarchy/](https://css.cua.edu/ideas_and_commentary/aristotle-and-our-american-oligarchy/). Accessed September 3, 2025.

- [8] Joe Biden, "Remarks by President Biden in a Farewell Address to the Nation," 2025. <https://bidenwhitehouse.archives.gov/briefing-room/speeches-remarks/2025/01/15/remarks-by-president-biden-in-a-farewell-address-to-the-nation/>. Accessed September 4, 2025.
- [9] S. A. Wengle, ed., *Russian Politics Today: Stability and Fragility* (Cambridge: Cambridge University Press, 2022).
- [10] S. Markus, "Russia's Oligarchs," in *Russian Politics Today: Stability and Fragility*, ed. S. A. Wengle (Cambridge: Cambridge University Press, 2022), 270–292.
- [11] C. Shinar, "The Russian Oligarchs, from Yeltsin to Putin," *European Review* 23, no. 4 (2015): 583–596. <https://doi.org/10.1017/S1062798715000319>.
- [12] Felicia Melander, "Transition and Oligarchy: The Role of the Russian Oligarchs during the Yeltsin Era," 2010. <https://www.lunduniversity.lu.se/lup/publication/1757341>. Accessed September 3, 2025.
- [13] Christopher Monday, "Privatization to Putinization: The Genesis of Russia's Hobbled Oligarchy," *Communist and Post-Communist Studies* 50, no. 4 (2017): 303–317. <https://doi.org/10.1016/j.postcomstud.2017.09.004>.
- [14] J. A. Winters and B. I. Page, "Oligarchy in the United States?" *Perspectives on Politics* 7, no. 4 (2009): 731–751. <https://doi.org/10.1017/S1537592709991770>.
- [15] Dante Simbulan, *The Modern Principalia: The Historical Evolution of the Philippine Ruling Oligarchy* (Quezon City: University of the Philippines Press, 2005).
- [16] John Robert Lee, Dustri Albert Sy, and Jezah Mae Bagsit, "Oligarchy in the PH: A Tale of Political and Economic Entrenchment," 2020. <https://thelasallian.com/2020/10/31/oligarchy-in-the-ph-a-tale-of-political-and-economic-entrenchment/>. Accessed September 3, 2025.
- [17] D. Acemoglu and J. Robinson, "A Theory of Political Transition," *American Economic Review* 91, no. 4 (2001): 938–963. <https://doi.org/10.1257/aer.91.4.938>.
- [18] E. Aspinall and W. Berenschot, *Democracy for Sale: Elections, Clientelism, and the State in Indonesia* (Ithaca, NY, and London: Cornell University Press, 2019).
- [19] Shear Julia, *Polis and Revolution: Responding to Oligarchy in Classical Athens* (New York: Cambridge University Press, 2011).
- [20] Viriya Singgih, "Exposing Indonesia's Coal Oligarchs," 2022. <https://projectmultatuli.org/en/exposing-indonesias-coal-oligarchs/>. Accessed August 20, 2025.
- [21] Ward Berenschot, Ahmad Dhiaulhaq, Otto Hospes, Afrizal, and Daniel Pranajaya, "Corporate Contentious Politics: Palm Oil Companies and Land Conflicts in Indonesia," *Political Geography* 114 (2024): 103166. <https://doi.org/10.1016/j.polgeo.2024.103166>.
- [22] Martin Gilens and Benjamin I. Page, "Gilens and Page: Average Citizens Have Little Impact on Public Policy," 2014. <https://pnhp.org/news/gilens-and-page-average-citizens-have-little-impact-on-public-policy/>. Accessed August 2, 2025.
- [23] Edward Helmore, "Trump Inauguration: Zuckerberg, Bezos and Musk Seated in Front of Cabinet Picks," 2025. <https://www.theguardian.com/us-news/2025/jan/20/trump-inauguration-tech-executives>. Accessed August 29, 2025.
- [24] Fatma Tanis, "USAID Terminates Nearly All Its Remaining Employees," 2025. <https://www.npr.org/sections/goats-and-soda/2025/03/28/g-s1-56968/usaid-terminates-nearly-all-its-remaining-employees>. Accessed August 28, 2025.
- [25] Departement of Government Efficiency, "Estimated Saving," 2025. <https://doge.gov/savings>. Accessed August 31, 2025.
- [26] Kaggle, "Forbes Billionaire Evolution (1997–2024)," 2024. <https://www.kaggle.com/datasets/guillemservera/forbes-billionaires-1997-2023>. Accessed August 31, 2025.
- [27] Giacomo Tognini and John Hyatt, "The Forbes Ultimate Guide to Russian Oligarch," 2022. <https://www.forbes.com/sites/giacomotognini/2022/04/07/the-forbes-ultimate-guide-to-russian-oligarchs/>. Accessed August 31, 2025.
- [28] Thomas Piketty, *Capital in the Twenty-First Century* (The Belknap Press of Harvard University Press, 2014).
- [29] Ronald P. Formisano, *Plutocracy in America: How Increasing Inequality Destroys the Middle Class and Exploits the Poor* (Baltimore: Johns Hopkins University Press, 2015).
- [30] The Brussels Times, "Ten Men Own More Wealth Than World's 85 Poorest Countries," 2020. <https://www.brusselstimes.com/94420/ten-men-own-more-wealth-than-worlds-85-poorest-countries>. Accessed September 3, 2025.
- [31] Jeffrey A. Winters, "Oligarchy and Democracy," 2011. <https://www.the-american-interest.com/2011/09/28/oligarchy-and-democracy/>. Accessed August 31, 2025.
- [32] Alvin Camba, "Sinews of Politics: State Grid Corporation, Investment Coalitions, and Embeddedness in the Philippines," *Energy Strategy Reviews* 35 (2021): 100640. <https://doi.org/10.1016/j.esr.2021.100640>.

- [33] Ang Bayan, "The Rise of Mega-Crony Enrique Razon Jr.," 2021. <https://philippinerevolution.nu/2021/05/21/the-rise-of-mega-crony-enrique-razon-jr/>. Accessed August 15, 2025.
- [34] Credit Suisse, *Global Wealth Report 2014* (Zurich: Credit Suisse, 2014).
- [35] Jason M. Breslow, "Inequality and the Putin Economy: Inside the Numbers," 2015. <https://www.pbs.org/wgbh/frontline/article/inequality-and-the-putin-economy-inside-the-numbers/>. Accessed August 23, 2025.
- [36] I. Matveev and A. Novkunskaya, "Welfare Restructuring in Russia since 2012: National Trends and Evidence from the Regions," *Europe-Asia Studies* 74, no. 1 (2022): 50–71. <https://doi.org/10.1080/09668136.2020.1826907>.
- [37] M. Kulmala, M. J. Kainu, J. Nikula, and M. Kivinen, "Paradoxes of Agency: Democracy and Welfare in Russia," *Demokratizatsiya* 22, no. 4 (2014): 523–552. <http://web.b.ebscohost.com/ehost/detail/detail?vid=2&sid=6d60a3c3-3427-49ff-9902-25a265f9c454%40sessionmgr114&hid=128&bdata=JnNpdGU9ZWhvc3QtbGl2ZSdzY29wZT1zaXRl#db=a9h&AN=100856358>. Accessed August 31, 2025.
- [38] Jeffrey A. Winters, "Oligarchs and Oligarchy in Southeast Asia," in *Routledge Handbook of Southeast Asian Politics* (Taylor and Francis: Routledge, 2012).
- [39] BPS, "GINI Rasio September 2024 Tercatat Sebesar 0,381," 2024. <https://www.bps.go.id/id/pressrelease/2025/01/15/2399/gini-ratio-september-2024-tercatat-sebesar-0-381.html>. Accessed August 27, 2025.
- [40] FRED, "GINI Index for the Philippines," 2024. <https://fred.stlouisfed.org/series/SIPOVGINIPHL>. Accessed August 27, 2025.
- [41] Rosstat, "Gini Ratio," 2024. <https://eng.rosstat.gov.ru/>. Accessed August 27, 2025.
- [42] World Bank, "Gini Index – United States," 2024. <https://data.worldbank.org/indicator/SI.POV.GINI?locations=US>. Accessed August 28, 2025.
- [43] Forbes, "The World's: Real-Time Billionaires," 2026. <https://www.forbes.com/real-time-billionaires/>. Accessed August 16, 2026.
- [44] World Bank, "GDP per Capita (Current US\$)," 2026. <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD>. Accessed August 16, 2026.