

**ASSESSING DYNAMICS OF DECENTRALIZATION IN INDONESIA
WHY PRO-DECENTRALIZATION DEMOCRACY
MARGINALIZED?:
INDONESIA CASE**

Dyah Estu Kurniawati

Faculty of Social and Political Sciences, Universitas Gadjah Mada

Email: dyahestu@gmail.com

ABSTRACT

Why pro-decentralization advocacy coalition who support decentralization democracy discourse after big bang decentralization marginalized to transform their policy belief to gain influence in the governance system? This is the central question to answer in this short paper.

To find answers, there are at least two things in the background. Firstly, in the process of transformation of Indonesia from centralized to be decentralized there is a process of debates among three of transnational advocacy coalition.¹ They have different bases of policy beliefs, namely administrative discourse that promotes regularity and public services, economic discourse that promotes efficiency and market economy, and political discourse that closer to democratic principles such as democratic representation through parties and elections, human rights, citizens' democratic self-organising, etc, so that named pro-democracy decentralization. Each discourse supported by epistemic communities that have activities based on research and publications in the universities or institutions of think tanks (Haas, 1992). They also supported by institutions both domestically and internationally who have the resources and funding sources. NGO's like SMERU, and donor organisations like SfDM (Support for Decentralisation Measures), the Ford Foundation, Asia Foundation and financial giants like the World Bank actively support decentralisation and proclaim a firm ideological belief in its success. In the SMERU report, decentralisation is seen as a big administrative operation in which possible weaknesses can be improved (Syaikhu Usman, 2002). The World Bank sees it as a huge financial operation – with the ominous title 'Big Bang' – which can be successfully managed (Hofman and Kaiser, 2002; World Bank, 2003). The Asia Foundation and the Ford Foundation support decentralisation because it is supposed to strengthen democracy and civil society.

Second, the importance of the role of pro-decentralization of democracy in the transformation of decentralization in Indonesia in 1999. This group is getting a special place because it is mandated by Presiden Habibie to design governance and post-New Order Indonesia politics through the formation of Team 7, which consists of Ryaas Rasyid, Andi Mallarangeng, Afan Gaffar, Eef Saifullah Fatah, Djohermansyah Djohan, Anas Urbaningrum and Ramlan Surbakti. According to Andi Mallarangeng, in the transformation process of

¹ Transnational advocacy coalition is a transnational network of actors who have similarity of policy beliefs. It is a modification of advocacy coalition framework from Paul Sabatier and Jenkins-Smith (1993) that describe about policy learning and change process.

decentralization there are phases that will be passed, namely administrative decentralization, democratic decentralization, and the achievement of decentralization of democracy.² However, in the development of Indonesian decentralization practices are not as they had hoped, even proponents of decentralization of democracy tend to be marginalized.

This paper will based its narrative on information based on library research and interviews that the authors do in the process of preparing a dissertation. Transformative politics framework was used to analyse the case. Although this framework usually used for analysing the democratization process, but efforts at crafting liberal democracy have increasingly tended to emphasize decentralization and local democracy (Haris, et al, 2004). So, decentralization can be assessed as one of feature of decentralization process.

In critical assessments of democratization (dus decentralization), there are four dimensions that must be considered: the institutional means of democracy (the rule of the game), the most important actors relation to the intitutions, the actors' political capacity (power), and the dynamics of democratic politics (Olle Törnquist, 2013). This paper will be more focus on the actors' role in the decentralization process in Indonesia. The key questions is how do (international and domestic) actors' strategies and related government policies affect critical aspects of decentralization and vice versa.³

Description of this paper will be divided into several sections. Firstly, the process of fundamental change in the policy of decentralization in Indonesia. Secondly, an important role of a coalition of pro-decentralization of democracy in the transformation of decentralization. And thirdly, a turning point, marginalization discourse and decentralization pro-democracy groups along with the analysis of the cause.

INTRODUCTION

The Policy Change Process of Decentralization

In Indonesia, centralization or administrative decentralization vs political decentralization is the one of great debates since colonial era. Belanda has introduced decentralization idea in 1903 and 1922. Since independence era, although the character of governance policy is decentralization, but in its implementation the portion of the decentralization policy has never been greater than centralization (Maryanov, 2009). Moreover in the New Order, although the idea of governance as outlined in Law No. 5 of 1974 is intended to accommodate the principal of democracy for development as a global trending idea in the 1970s, but practically the central and local government relations are very centralistic because the priority only in administrative decentralization.

In the New Order era, the position of the central government is very strong. The cause is not only the government has been succeed to quell sparatism movements in some regions that arised but also the oil boom that strengthen the financial resources of the State. So, the central government role in the development was not only as a facilitator of development, even organize, finance and control throughout the planning and implementation of development in the national and regional levels. The central government

² Based on interview with Andi Mallarangeng, Ph.D.

³ Indonesia's experience just like in Kerala, decentralization and "formal" space survived but not dynamics to reinvent social democratic development (Harris, J., and Törnquist, O, 2015).

seemed to be "Santa Claus" for the regions because the regions can only meet 30% -40% of the overall expenditure needs of local or regional routine (Rasyid, 2007). According to the pro-decentralization of economy it's very inefficient because subsidies larger center than the region's own local revenues and the area became more helpless.

In the late 1980s, decentralization became a hot issue back because although political stability can be maintained by the central government but the stability of the economy began to falter due to falling oil and gas prices on the international market. This phenomenon end the oil boom that affect the modality of development process in Indonesia. Therefore, the idea on the need for decentralization in the management of national development amid global changes that reduce the sources of state revenue from oil and gas sector while the debt burden increased sharply (Nasution, 1989). All transnational advocacy coalitions, either individually or through their professional organization such as ISEI, PERSADI, MIPI, GTZ, etc, pushed the New Oder government to implement the decentralization policy. They arranged debates and sharing idea through seminars, workshops, and assistancies to the governments until the mid of 1990s. Moreover there was a global trend idea about reinventing governmnet from the new of public manajement (David Osborne and Peter Plastrik, 1997). So, because of declining government revenues from the oil sector affect the government's ability to finance the development and the the popularity idea of reinventing government in that time make the government began to accept the idea of economist technocratic groups about the participation of the private sectors in the development process and the idea of administrative scholars about entrepreneural bureaucracy.

At the same time donors provide aid and funds directly to INGOs/NGOs in Indonesia as well as promoting the involvement of NGOs in the implementation of development, particularly programs aimed at the poor. As a result, hundreds of NGO-oriented development in the 1980s was formed, not only in Jakarta but also in the provincial capital and district (Ibrahim, 1991). It is called as the "decade of advocacy and networking" (Mahasin, 1989). The NGOs in the 1980s also did intensive interaction with the international NGO to form networks and advocacy coalitions to improve the bargaining position of the government. The networks formed at the national or local level, even internationally as INGI (International NGO Forum on Indonesian) which in 1992 was changed to INFID (International NGO Form on Indonesian Development), and PDF (Participatori Development Forum) (Suharko, 2005).

In 1997, Indonesia hit by economic and political crisis. The crisis dropped the New Order regime and presented the reform regime with all its fundamental changes, including the decentralization policy in 1999. Decentralization law No. 22/1999 contains 134 articles and replaced the previous Law No. 5/1974 was found no longer suitable for the present situation. It is also includes 19 articles regarding village government regulation as an amandement to village law No. 5/1979. The government also established Law No. 25/1999 on Fiscal Balance contains 33 articles dealing with the fundaentals of new local government financing. In 2000 the central government set up four stages of the implementation of decentralization, such as initiation stage in 1999-2001; installation stage in 2001-2003; consolidation stage 2003-2007; and application stage on 2007-onward.

The Role of Pro-Decentralization Democracy in Transformative Politics

The economic crisis has marked unpopularity longer the prescription of New Order economic technocrats of development, because the economic growth priority has produced the phenomenon of "bubble economy". The impact is not only economic, but also social and political then causing multidimensional crisis. President Suharto, who has been in power for more than three decades in the end have to accept demands for reform and even revolution waged by groups of students and pro-democracy movements. At the end of centralism fell replaced by the euphoria of political democratic discourse that emphasizes freedom, participation, and human rights. President Habibie who led in the era of transition also accommodate the various demands of the time by pointing Team 7 to make political policy package, which consists of the Election Law, the Law on the Structure and Status of DPR / MPR, as well as the Law on Local Government.⁴

Composed of experts Political science graduate predominantly American, Team 7 had a major role in the political transformation process Post New Order Indonesia. In less than a year they have laid the foundation of democratization with the principles of participation and representation. In the system of government, the legislature turned into a heavy executive heavy reflecting the reduced role of government in managing the country.

The derivation of ideas in the policy process certainly cannot be interpreted only in a matter of months because basically have no idea deposition obtained through the learning process better when they study in abroad as well as the networking process involving donors, national and international think tanks, and some campuses. Activities of the Forum for Democratic Reform facilitated by International IDEA stipulates that decentralization is a core indicator for measuring democratization, as well as assistance from USAID, Ford Foundation, AUSAID, NORAD, SIDA, IRISH, etc. also play an important role in strengthening the democratic discourse in the transformation process of decentralization after the New Order era.

Decentralization pro-democracy movement is like to be an alternative group that offers fresh ideas that are in line with the reform process. Even though they have been there since the New Order era, but its movement becomes increasingly loose when President Suharto stepped down. In addition to moving the policy line they also have to multiply strategies democrat institutions either through the formulation of laws which they set and through the power of their networks. For example, the formation of associations of local governments, such as the Association of District Government (APKASI), the Association of City Government (APEKSI), the Association of Provincial Government of Indonesia (APPSI), the Association of Indonesian City Council (ADEKSI), etc. Another strategy is to establish programs of studies or research projects on campuses with the theme of democratization and local politics, such as PLOD in University of Gadjah Mada (UGM)⁵ and Research Centre of Public Policy and Region in the University of Padjajaran (UNPAD)⁶, as well as the establishment of independent institutions or think tanks are concerned with

⁴ Based on interview with Prof. Ryaas Rasyid, MA.

⁵ Based on interview with Prof. Purwo Santoso, MA.

⁶ Based on interview with Prof. Dede Mariana, MA.

the discourse of democracy and decentralization as Smeru, DEMOS, Partnership, etc. (Santoso, 2002).

However, the implementation of decentralization faced many problems. Because of the euphoria of the local governments so that decentralization become “kebablasan” (uncertainty), the supporter groups that assesses the administrative discourse want to revise the decentralization policy. Ministry of Home Affairs (MOHA) assisted by academicians of administrative sciences from UGM, UI, IIP, etc. started designing the revised Law on Local Government Act, although it’s not yet implemented.

The supporters of economic discourse is also concerned that too much local freedom, potentially out of control. For example the phenomenon of the proliferation of new laws that it is not conducive to economic development because of the difficulty of permits for investment. Therefore, the IMF through the Ministry of Finance which is supported by the Chamber of Commerce (KADIN) recommended the cancellation of about 1000 local legislation and partly approved.

Marginalization of Pro-Decentralization Democracy and The Learning Process

“Desentralisasi setengah hati” and “desentralisasi kebablasan” were the main theme of the debate between the pro-decentralization democracy advocacy coalition with the pro-decentralization of administrative and economic discourse of the post-change "Big Bang". The views pro-democracy decentralization about the importance of reducing the role of the center for more open space for public participation was responded negatively because of the euphoria of local government and society to show their existence. The direct investment permission and flows to the region in fact had to face the challenges of the power of the local elite profiteering on behalf of local people. Hence came the idea to reduce the dosage of regional autonomy for the sake of administrative efficiency and economy. Thus discourse broad autonomy marginalized.

Pro-decentralization of democracy actually has four sources of power, namely the economic resources in the form of support funding in each program works, sources of non-economic example, the global trend of decentralization of the third wave that hit almost all countries in the world and the momentum to change, contacts and social networks advantageous to form the Democratic Political Blocks (Willy Purna Samadhi and Waraouw, eds., 2008) even to the transnational level, as well as the acquisition of knowledge and information that is supported by the liberal epistemic.

Nevertheless, the strong centralization discourse longstanding in Indonesia has made the most of the central and regional elites stutter in the face of major changes in decentralization and democracy. If it has emerged public awareness of democratic values, but the pattern of long domination can not be replaced completely and become a challenge for the pro- decentralization democracy groups in the process of transformative politics. Moreover, globally there are waves of The Post Washington Consensus led by Stiglitz and others who want the return of the state's role in controlling the development process.

Armed with four sources of power they have as described previously, the pro- decentralization democracy actually did not stay silent. They keep doing the movement to fight for the democratic values that the model of the

New Order authoritarianism will not recur. The result despite a tendency recentralisation system of government through the process of revision of the Law System of Regional Government in 2004, but there is still room for the development of democratic values through a system of direct election of Regional Head. Therefore, even if there is a pessimistic view of the weakening of the pro-democracy decentralization actually not completely true. Indeed, there is a process of marginalization through exclusion of the discourse of decentralization - democracy and the actors and the characters of the strategic position of policy making because of strong retaliation from the camp discourse has long existed previously. But what happened was not a conflictual relationship but the learning process among camps competing to win beliefnya policy in the policy process and its revision.

Conclusion

An analysis of the dynamics of domestic politics can not be separated from the influence of the dynamics of global politics as interrelated. Thus the analysis of the political dynamics of decentralization in Indonesia needs related to the trend of the global issues of decentralization and democratization (Kurniawati, 2014). The economic crisis and the reform movement against the New Order were the important factors too. It's the momentum of strengthening the dominance of pro-decentralization of democracy even had the opportunity to make structural changes to the regulatory and institutional formations in the country through a transitional President Habibie permission.

But when the political configuration of domestic and global change with the strengthening of the discourse of administrative and economic decentralization because decentralization has been considered "excessive", it appears the tendency of marginalization process of discourse and groups of pro-decentralization democracy. Although still there was a chance to exist through shades policy democratic, including the President and the head of the immediate area as a manifestation of the strengthening of civil society.

Thus, the marginalization of pro-decentralization of democracy is not only caused by the dynamics of domestic politics but also because of the influence of the global discourse because they exist within the government line. Only the seizure of the momentum for change by supporting advocacy coalition of administrative decentralization and economic discourse has produced a policy is patterned recentralisation although there is a chance of developing democratic values through democratic practices substansiaal nor representative.

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