

Regional Autonomy; Proliferation of the Region, and Pseudo Local Government in Indonesia

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The real impact of the implementation of decentralization policies in Indonesia is the spirit formation of a new area called the regional proliferation that is very prevalent throughout Indonesia. On one side, proliferation policy as part of the autonomous region itself is expected to be able to overcome the coordination control range is very long and local government closer to the community in improving public services and local development interests. But, on the other hand, proliferation policy has spawned varieties of inequality is in fact greatly impede the ideal of autonomy itself.

As known, the proliferation policy has spawned hundreds of new areas throughout Indonesia. Of course, these areas have the same status and rights with autonomous regions other such broad authority to manage his household affairs including the directly election of regional head. The pros and cons of proliferation policies occur throughout the country go side by side the various negative impacts of the implementation of this policy, look at the riots that occurred in different areas are caused from seizing regional boundaries, seizing of local assets, even caused riots between pro and contra with the establishment of a new area. Apparently Government Act No. 78 year 2007 to regulate the division of territory is still not yet given a clear referral system.

This paper discusses the other side of the potential negative effects, even the failure of the implementation of the decentralization policy in Indonesia. According to Fitriani (2005) and Tanje (2007) that one cause of the demands to establish a new area is rent seeking, where local elites and local politicians try to regain power through the formation of new regions. This condition cannot be denied that almost occurred in all regions. But one thing is overlooked by scholars that are the existence of a local businessman who also played in the formation of new regions. Their presence did not look so real compared to the presence of local elites and party elites, because they take a role behind the scenes as lenders, the group was later referred to as the "Black Market". The existence of black market in the regional area is always needed by local elites and political elites as one force to regain power. And such a practice would continue and even be more developed role as a legislative elections or direct election of regional head executed. Generally, local leaders or local politicians who get back his powers are sustained by the presence of many black markets. This condition then which formed a cartel of power among the regional head, the political elite and businessman that will eventually lead to "Pseudo Democratic Government" in the local government, because the deviation of power through political barter and business interests.

Keywords: *Regional Autonomy, Proliferation of the Region, Direct Election of Regional Head, Black Market, Rent Seeking, Pseudo Democratic Government.*

A. Introduction

The spirit of the Indonesian people to make a state more democratic, fair and prosperous is the basic spirit of the proclamation which was declared by the founders. But for the long time, that spirit was far from complete, it would not be surprised when the spirit was increasingly denied the rulers, public uprising could not be stopped. The reform initiated in 1998 actually represents the culmination of the community's disappointment against the denial of the ideals of the nation. The spirit of reform is really based on the spirit to achieve the ideals of the goal of proclamation above. In order to achieve the goal of proclamation, Indonesia has been developed fundamental changes in many aspects of life such as economy, social, cultural and politics.

One of the failures during the old order and the new order in politics is the failure to implement decentralization since Indonesia's independence until the collapse of the New Order regime. Decentralization was limited to the political promise that was never seriously implemented. As a result many local government feel colonized by the central government, are increasingly apparent discrepancy between central and local.

The most fundamental political reform is the implementation of decentralization as a substitute of centralization system constitutes an evidence of a stronger democracy system in Indonesia, and as an effect of major political change in Indonesia. The implementation of decentralization was based on Indonesia Law No. 22 year 1999 which later amended by the Law No. 32 year 2004.

Regional autonomy also making new region to what was then called the proliferation of the regional or catchment area (pemekaran wilayah). Basically proliferation of the region is something very common in the capacity of regional autonomy because autonomous regions should be as much as possible for efficient and effective in delivering public services. While the real condition in Indonesia either region or city is not considered effective and efficient in providing services or the area due to the excessive population. It is therefore logical that proliferation of the region as an integral part of regional autonomy within the framework of government services closer to the community.

Implementation of regional autonomy to give positive and negative impacts Along with the passage of time, the policy of regional autonomy that was born after the reform showed many problems, among others, such as coordination problems between local government districts with the provincial governments. The emergence of "little kings" in an area that tends to make abuse of power that ignores the values of ethics in politics, the widespread practice of corruption, transparency and accountability in governance is low, increases in taxes and levies that burden the public and business, as well as increasing various forms of conflict. There is some problem areas are the talk of many parties related to the implementation of regional autonomy. The problems that occur cannot be separated from Law No. 22 of the year 1999 regarding local government is still in the process of transition towards the ideal of regional autonomy. Based on various problems which often occur as a result of implementation of Law No. 22 of the year 1999, the government has change two important laws relating to the implementation of regional autonomy; the first is Law No. 22 of the year 1999 which later amended by the Law No. 32 of the year 2004 regarding local government; the second is Law No. 25 of the year 1999 which later amended by the Law No. 33 of the year 2004 regarding

financial balance between Central Government and Local Government. Improvement of legislation intended to reduce negative impacts and increase the value of local autonomy. However, in reality, still cannot answer the issues raised in the area. Direct election of regional head (Pilkadal), new products from Law No. 32 year 2004, is the concrete form of political decentralization. Spirit direct elections as an attempt to create a better leadership in the area, more often turns into a new field of political conflict and often lead to social conflicts. Not many areas are able to conduct elections in a peaceful and dignified.

On the other hand, decentralization within catchment area/proliferation concept is able to provide separatism in Indonesia. Early catchment area/proliferation hold by 1999, many areas in Indonesia need separated from Indonesia, like Aceh, Maluku, Papua and the last is Kepulauan Riau. However, the concept of catchment area/ actually aimed to get strong unification and will developed region by own resources.

Catchment area/proliferation policy has led to various cases of horizontal conflicts in various regions. proliferation cases same time became anarchic issues, for instance in province of North Sumatra is a portrait of the problems surrounding the catchment area/proliferation, where a demonstration demanding the formation of Tapanuli province on February 3, 2009 has turned into a demonstration of anarchists and culminate is the killing chairman of Regional House of Representatives (DPRD) North Sumatra (Surya, February 3, 2009). Aftermath of this incident, finally the President issued an instruction to temporarily stopping proliferation policy in Indonesia. According to the President, proliferation policy should not be used for the benefit of the elites or other political motivations (Batam Pos, February 7, 2009). Actually, create of Tapanuli province has planned since the year 2005 until early 2009 but had not yet been realized. It is then triggered demonstrations demanding the establishment of provincial Tapanuli. The idea of catchment area/proliferation is to accelerate the development area, but if the idea was later achieved in ways that anarchists and criminal course this will makes things a counter-productive to the original purpose. Preparing to realize that local governments have the freedom to develop its potential for the welfare of society cannot be sporadic. The Government should draw lessons from various cases of new regions to make an evaluation which was subsequently made a clear blueprint for future implementation of catchment area/ proliferation policy, so proliferation policy can produce and ensure the achievement of predetermined objectives and synergies with the central government's measures to realize the Millennium Development Goals.

Based on the data of the Indonesian Ministry of Home Affairs since 1999 up to present, Indonesia has already passed 205 new districts which consist of 7 provinces, 164 regencies, and 34 cities. Thus, currently the total of regions in Indonesia is 524 regions which consist of 33 provinces, 398 regencies, and 34 cities. On September 21st, 2010, the government through the Ministry of Home Affairs has submitted the Grand Design of Region Settlement (Desartada) until 2025. As stated Indonesian Minister of Home Affairs in front of Parliament that until 2025 the number of provincial and city / region will be increased each 11 new provinces, and 54 City / County. This shows how still the community demands for proliferation of the region in Indonesia.

With existing data, this paper tries to analyze the other side of the negative side proliferation of the region (pemekaran wilayah) policy in Indonesia as well as direct

election of regional head (pilkadal) as an integral part in the implementation of decentralization in Indonesia.

B. Discussion

1. Decentralization and Regional Autonomy

It is undeniable that any authoritarian and centralist governmental systems cannot bring people into a better life. The systems have been proven to be failed in many developing countries including in Indonesia. Decentralization has become an imperative matter in the democracy process of a country. In fact, those countries with a strong authoritarian governmental system currently have been trying so hard to design their political governance heading for a decentralization basis so that they seem to be democratic countries.

Indonesia under Soeharto's New Order era had also done the same way. Beside decentralization system was also introduced within existing centralist governmental system. It was an imitation of pseudo-decentralization, meaning that only to covered up the real authoritarian system so that it seemed to be a democratic one.

The basic idea of decentralization itself is a division of authority in the decision making in organizations with lower levels. This understanding is based on the assumption that government organizations at the lower level more aware of actual conditions and needs of local communities, and impossible for central government might be able to serve and take care of the interests of complex society. Decentralization is also seen as an answer to the demands of democratization is so large that local governments are expected to be more responsive than the central government to the various needs of local communities (Steven Leach, et. al. 1994).

In terms of economy, decentralization is considered to improve the efficiency by asking for public to provide fasten service and product needed by local people, lessening the costs, increasing the outputs and more effectively using human resources. Politically, decentralization is said to strengthen responsibility, political ability and national integration which brings government to be closer to its people. This will also bring an implication to a better service and create a freedom, equality and prosperity (B.C. Smith, 1985).

The objective of decentralization by Kammeier (2002), can be classified into 4 categories; The first, is political decentralization which aims to improve democracy and justice in politics; Secondly, is the administrative decentralization which aims to improve the efficiency of public services; Third, fiscal decentralization aims to improve financial performance through increased capacity of local financial resources to explore and create a rational regional budgeting; and the fourth is economic decentralization that aims to create a conducive investment environment for private enterprise and the fulfillment of responsibilities to local needs.

In the context of Indonesia, decentralization has the purpose, there are: (1) to reduce of central government interference of a small problem at the local level, (2) to increase the understanding and support of the people in socio-economic development activities, (3) to compile a program of social improvement in the economy in a more

realistic regional level, and (4) to train people to manage their own affairs and fostering national unity (Tjokroamidjojo, 2000).

Referring to the above goals of decentralization, for Indonesian context that decentralization has spawned regional autonomy, which then impact on the concept of autonomous regions. This was confirmed by Tjokroamidjojo (1976) who argue that decentralization is often referred to the granting of autonomy. In the future, implementation of decentralization in Indonesia has always been associated with patterns of division of powers between central and local governments, because in the implementation of decentralization is always contained two important elements, namely the establishment of an autonomous region and the handover of power by law from the central government to local governments to administer and manage certain parts of government affairs.

A national objective of the establishment of government is to protect the people, to promote the general welfare, the intellectual life of the nation, and joined implement world order. Independence that has been achieved must be maintained and filled with a just and democratic development and implemented gradually and continuously. The other policy taken by the government in order to realize the ideals and national purpose is to implement decentralization and regional autonomy. In the context of local governance, decentralization must be actualized components together and to one another should be mutually supportive. The objective of decentralization is to provide better public services and creating public decision making process more democratic.

Based on the principle of decentralization, the division of the territory of the Republic of Indonesia will form the Autonomous Region. It is the unity of the people who have the authority to regulate and manage the interests of local people own initiative based on community aspirations within the bounds of the Unitary Republic of Indonesia (Law No. 32/2004).

2. Regional Autonomy: The Model of Decentralization in Indonesia

Indonesia have implemented autonomy policy effectively since January 2001, provides a valuable learning process, especially the essence in the life of building democracy, solidarity, justice, equality, and regional diversity in unity through government encouragement to grow and the development of the early initiatives (regional and community) to welfare of the community. The basic principle of regional autonomy within the framework the regional administrations in conceptions are: delegation authority, the distribution of income (income sharing), power (discretion), diversity in unity (uniformity in unity) local self-reliance, development of local capacity (capacity building). Thus there has been a very fundamental change in the Indonesian system of government from a very centralized government toward a decentralized model of governance.

The regional autonomy has the two big jobs for the implementation of the decentralized system and democratic governance. The great works there are; first is the proliferation of the region / catchment area (pemekaran wilayah), and the second is direct election of regional head (pilkadal). Two major works have been recorded as a major revolution in the government of Indonesia. It is expected that with real autonomy and mandated by law. No. 32 of 2004 and supported by local democratic leadership model for

directly elected will provide real impact to the autonomous region to be closer with communities to implement development and improve the welfare of the community.

Indeed, when viewed from the historical side, Indonesia has adopted a model of regional autonomy, look at how the founders of the Indonesian state have been thinking about decentralization, as stated Bung Hatta (1967): according to the basis of popular sovereignty, the right of peoples to self-determination does not only exist on central of government, but also in everywhere in town, in the village, and the area with that case, then each section or class of people gain autonomy (to create and run their own regulations) and *Zelfbestur* (run-rule regulations made by the council is higher) ... such circumstances it is very important, because for each place in one country is not the same, but different (Hatta, 1967).

Bung Hatta argument's is very clear, that Indonesia is basically also built within the frame of democracy that later in the implementation of the government system adopted the system of decentralization. This is evident with the making of the Regional Autonomy Law No. 01 year 1945 as the first law of autonomy, but the application of this law could not maximum because of many interests of the central government. Then Soekarno was release Penpres No. 06 Year 1959, which changed the pattern of central and regional relations became centralized and with a very narrow scope. Penpres was later replaced by Law No 18 year 1965 which it is also almost exactly the same can be said Penpres No. 06 In 1959 that centralistic and authoritarian.

During the New Order regime under Soeharto, the condition not really different from the Old Order, although in fact the stream of society to gain flexibility in managing the region has responded by MPRS by Decree No. XXI / MPRS / 1966 regarding the real autonomy. But in the fact, MPRS Decree cannot be done, because the Suharto regime with his power have canceled by MPR Decree No. IV/MPR/1973 with change the "real autonomy and responsibility." The principle of real autonomy and responsible then elaborated in the Law no. 5 year 1974 regarding Regional Government, which obviously form a pattern of relationships that are not democratic. The ground of national stability and integration that must be kept firmly has become an excuse for the construction of a centralized power in the hands of the president so that autonomy is believed to be an important issue in democracy was abolished. In this context it can be said that the New Order for reasons of national integration has been eliminating local autonomy and decentralization in a substantive and practical. Although formally it is in the sound of the Law but elaborated in the pattern of relationships that occur in fact centralized government.

When the transition to democracy began, following the collapse of the New Order, the spirit of decentralization and local democracy had an awakening. The former law abolished and then replaced by Law no. 22 year 1999, and last amended by Law no. 32 year 2004 the more "concrete" and have the spirit of decentralization and local democracy. Decentralization in the context of Indonesia is believed to be a way to build effective governance, develop democratic governance, respect for the various local diversity, respect and develop the potential of local livelihoods, and maintain national integration.

3. Proliferation of the region in Indonesia

There are many experts on political science stated that by implementing decentralization system, Indonesia has been included into “Big-Bang Theory” (quoting a term of Astronomic Theory). Decentralization to be said as big-bang decentralization (Pranab:2006), because it brings an extraordinary impact on system of governance in Indonesia along with any radical shifts concerning authority and responsibility from central government down to local government both city and regency governments as autonomous areas. Other than that, big-bang decentralization has stimulated the existence of new districts all over Indonesia, well known as catchment area / territorial reform. It also brings an institutional change implication that is dividing/reforming one district into two or three new districts, however, decentralization also enables unification of two to become one; but this has not take place in Indonesia yet. Since the enactment of Law no. 22 and No. 25 of 1999, later replaced by Law no. 32 and No. 33 of 2004, Indonesia began to try a new form of governance that provides a greater role to local government. Therefore, the arrangement of the New Autonomous Region (DOB) has become one important issue, which until now still is the focus of the Government. Structuring DOB is still very synonymous with regional divisions; no one has led to the abolition and merger of the region. Look at the Grand Design of Regional Settlement (Desartada) was the government's attention remains focused on regional divisions that will be done until 2025.

The desire to carry out its mandate regarding the decentralization of power is also bringing a new approach called the catchment area/proliferation. Catchment area/proliferation is one of the most important *raison d'être* for acceleration of regional growth. Since, the first initiation in 1999 up to now there have been 524 new areas registered both for provincial and district levels. Based on the data of the Indonesian Ministry of Home Affairs since 1999 up to present, Indonesia has already passed 205 new districts which consist of 7 provinces, 164 regencies, and 34 cities. Thus, currently the total of regions in Indonesia is 524 regions which consist of 33 provinces, 398 regencies, and 34 cities. Although, in 2009 the President issued a moratorium policy, but the aspiration and desire of people to form new districts are not ended, especially those of outside of Java, such as Kalimantan and Sulawesi. It is noticeable that the enthusiasm to form new regions in Java Island area is not strong compared to that of areas outside of Java Island such as Sumatra, Kalimantan, Sulawesi and Papua.

Table:1. List of the New Regions in Indonesia 1999-2010

No	Provinces	Number of new autonomous regions			
		Provinces	Districts	Cities	Total
1	Sumatra	2	61	14	77
2	Java and Bali	1	1	8	10
3	Nusa Tenggara	0	10	1	11
4	Kalimantan	0	22	3	25
5	Sulawesi	2	29	4	34
6	Maluku	1	12	3	16
7	Papua	1	7	1	9
	Indonesia	7	164	34	205

Source: The Ministry of Home Affair, 2010

Table; 1 above can be seen that the Sumatra and Sulawesi, ranked first and second and was followed by Kalimantan in terms of the number of proliferations of the region. From a total of 205 new district until the early of 2010, demand of proliferation of region is still very high, although the President had issued a moratorium to stop temporary the proliferation of the region/ catchment area (pemekaran wilayah) policy because 80% of new areas considered to have failed (Suara Media;15/7/2010). But, of course the demands of forming a new region cannot simply be shut down by the government, therefore government through the Ministry of Home Affair tried to make mapping policy of catchment area (pemekaran wilayah) what was then called the grand design regional settlement (Desartada). This design is a breakthrough of government to create the ideal number for local governance in Indonesia, given the territory of the Unitary Republic of Indonesia, which has a vast territory. So with a total area proportional to the total area and population in Indonesia, the government through local governments can provide better public services to the community.

Table.2. List of New Region Planning 2010-2025

NO	KATEGORI	PROVINCES	DISTRICS/CITIES
1	Sumatera	2	10
2	Jawa	-	7
3	Kalimantan	2	10
4	Sulawesi	2	11
5	Bali-Nusa Tenggara	-	3
6	Maluku	-	4
7	Papua	2	9
TOTAL		8	54

Source: Ministry of Home Affair, 2010

Table 2 above shows that the still high public demands of proliferation of the region throughout the territory of Indonesia. Sulawesi and Kalimantan and Sumatra islands still dominate the highest rankings to create new region. In accordance with data of grand design of Regional Settlement has been issued by the Ministry of Home Affairs until the year 2025 there will be the addition of new areas including; Province will increase 8 new Provincial, district will increase 54 city/ region. Thus, until 2025 Indonesia will have 40 provinces and 545 cities/regencies.

Catchment area/proliferation (Pemekaran Wilayah) also meant to strengthen the base of the implementation of government tasks in the area. As intended that regional autonomy has willed to give management authority to local governments, proliferation has the goal of keeping the central area of authority is not located in places that are too far from the presence of base communities. Thus, catchment area/proliferation has meant that government's attention can be done more effectively, efficiently and with quality. Proliferation wish to cut the distance between the centers of power to the outermost point of the area included in the scope of its authority. Areas that are part of the country is the tip of the spear and a benchmark for changes in Indonesia, hence strengthening the bases in the region is the right strategy to pave the road to prosperity.

And one thing to be a consequence of the catchment area/proliferation is distribution of authority over natural resources, human resources and budget. The consequences of the division is often made the implementation of catchment area has a conflict of interest follow-up effects. Is very possible also that the expansion area is intended only for the benefit of the local elite, to take possession of power that cannot be obtained if the area is not separated.

Based on Government regulation No 78 of year 2007, the requirements of forming new territory/districts can be divided into the following three:

1. Technical Requirements: including specific factors such as administrative capability, accessibility to public service, economical capability and genuine acceptance potential, social cultural, socio-politics, territorial

width and geographical condition, security/defense and other factors that enable the implementation of regional autonomy.

2. Administrative Requirements: including approval of pertinent Regency/City Regional House of People's Representatives and Regent/Mayor, approval of Province Regional House of People's Representatives and Governor, and also recommendation of minister of Department of Internal Affairs.
3. Physical Requirements: including the availability of offices/facilities infrastructure for the government of new district's capital city, and the capital city of host district if the district reformed is the capital city of the host district; this includes area border.

If we observe carefully, Govt. Regulation no 78 of year 2007 is still similar to previously regulation that more oriented on quantitative consideration with less/no attention on capacity in various matter in order to form new districts. It has to be admitted that up to present, it is still not clear whether people/local constituency is truly a reflection of public desire on efforts to form new districts.

Out of the above issue, on the other side, within decentralization discourse, catchment area is regarded as one of important aspect of the implementation of regional autonomy. The purposes of forming new district itself refer to the existed Act, which can be classified as followings:

1. There is a desire to provide a better public service in a measureable/limited authority area. The service approach through a new district's government is assumed to be able to provide a better service.
2. Accelerating economic growth of local people through improvement on framework of economic growth of area with local potential base.
3. Absorbing more labor force into private sectors, government and power sharing in terms of politics and governance (Hermani, 2005).

From various public discourse and academic studies many described encouragement proliferation of the region came from the demand for more regional rather than central government initiatives. As revealed by Putra (2006) and Pratikno (2007) that the main reason for the proposed Proliferation of the region are:

1. The need for regional economic equality. According to IRDA data, the need for economic equality becomes the most popular excuse used to split a region. For example, the case of forming new region of North Minahasa in North Sulawesi Province. This reason is also widely used for proliferation of the region, especially outside Java Island that there were gaps in terms of its economy with the island of Java.
2. Geographical condition that is too broad. Many cases in Indonesia, public service delivery process was never implemented with optimal because inadequate infrastructure. As a result a very large area makes the management of government and public services are not effective as in the case splitting Bolango Bone in Gorontalo Province. Java Island is due to the existing wide area so that public services cannot be implemented optimally.
3. Differences Base Identity. The reason for the difference of identity (ethnicity, home of the offspring) also appears to be one reason for the proliferation. The demand of proliferation arises because usually the people who live in the area

to feel as separate cultural communities that are different from the main community of local culture. It can be seen in the case of the formation of South Solok regency in West Sumatra, Wakatobi in Southeast Sulawesi and the formation of Bharat Pakpak district in North Sumatra.

4. The failure of the management of communal conflict. Political turmoil cannot be resolved often creates demand for local separation as in the case of the proposed formation of West Sumbawa in West Nusa Tenggara and East Sulawesi province of discourse formation, and so forth.
5. The existence of fiscal incentives which are guaranteed by the Law to new areas where there results of proliferation the region policy through the General Allocation Fund (DAU), profit sharing of Natural Resources, Local Income.

Of the 5 main reasons for the demands of the forming new region, then the reason for economic equality, geographic and wants regions to obtain fiscal incentives through the General Allocation Fund (DAU), profit sharing and natural resource revenue is to be the main triggers of many regions wish to be divided.

In addition to objective reason for the public interest from the perspective of regions such as proposed earlier, were still a lot of other reasons that trigger the occurrence of catchment area. The desire for power among local elites both elite bureaucrats and political elite has given birth to what was then called political broker or rent seeking (Fitriani, 2005 and Tanje, 2007). In the last ten years almost all cases the formation of new autonomous regions throughout Indonesia cannot be separated from the motive of rent seeking. With the proliferation of the region, elite bureaucrats and political elites are always benefited by opening a new office items. For the bureaucrats of course with the new area will increase open the new campaign, new echelon structural positions and new opportunities. For the political elite will gain increased political resources in the form of a new political office, such as Regional Head, the Chairman and members of parliament. Another thing that is not less important is the reason for the splitting of gerrymandering. Gerrymandering motif is one of the goals of "hidden" from the political elite as a business division in the political area (Ikrar Nusa Bakti, in Ratnawati, Tri and Cahyo Pamungkas, 2007). In this new area intentionally formed with the purpose of providing benefits to a particular party or candidate. The principle used is the maximization of effective votes of supporters and opponents to minimize the effective voice by creating the boundaries of electoral districts.

Indeed, the layers are benefited by the establishment of new area is not just limited to political elites and elite local bureaucrats but also included business people or entrepreneurs regions. As Pratikno said (in Mubarak, 2006) that in the case of the formation of new autonomous regions who have never harmed by the expansion policy is a layer of elites in all components. In this case, the business also benefited from the increased circulation of money in line with the development of economic activities, such as the provision of physical infrastructure and other spending needs. Even the civil society organizations also obtain a new arena in bridging the relationship between communities and local governments. Hope there will be new posts and positions this new economic resources being pursued by the majority of politicians, bureaucrats, and businessmen to propose proliferation of the region.

4. Direct Election of Regional Head (Pilkadal)

The second largest job in the implementation of regional autonomy after proliferation of the region is the implementation of. It is new product from Law No. 32 year 2004, which is a concrete form of political decentralization. The spirit of direct election of regional head (Pilkadal) is a form of effort to create better leadership in an area that is more democratic because it is directly elected by the people so that it will create capable and accountable leader who have a high legitimacy that will further encourage the creation of good governance.

Pilkadal is the latest breakthrough in the system of governance in Indonesia. Since first enacted in 2005 up to now many positive things resulting from the implementation of the election. For example, the number of elected regional head is capable leaders have a clear vision and mission to develop their regions. Even many of them have innovative resources to develop their regions. For example, governor of Gorontalo Province with its innovation can improve the welfare of society and bring the region into area that is very advanced.

Paradox with success in some areas in the implementation of Pilkadal, many areas were not capable of conducting elections in a peaceful and dignified. Indeed, many occur is often transformed into a new political conflict and often lead to social conflict. Mass mobilization of each faction candidate is also a common sight if it was related to the capacity to support the candidate, even to the mobilization of the masses to reject the election results for example is the conflict in Maluku Province.

Pilkadal has given an anomaly in the practice of local democracy. The premise that democracy positively correlated with decreased levels of corruption which in fact does not apply in the context of Indonesia. Corruption is increasing even after the implementation of direct elections. As stated by Adnan Hurricane Husodo (Deputy Coordinator for ICW) based on Quantitative Data from Corruption Eradication Commission (KPK) shows that since 2005 there are 40 regional head, whether governors, mayors, and regents are to be convicted of corruption cases. While the Office of the State Secretariat reported, until 2010 President Yudhoyono has signed 150 license examinations for regional heads as a witness or suspect cases of corruption. (www.forumparlemen.or.id).

When analyzed, the increasing of corruption cases after pilkadal actually comes from the use of high cost and unmanageable. In various cases of pilkadal in several regions, money has become an important factor in supporting a wide range of activities ranging from nominating a candidate, campaign material procurement, logistics, and to finance campaign team could even say money is the driving force in the Pilkadal. Without money it is very difficult for a candidate to win the election. In a positive function, the money could help candidates reach the seat of power. In Pilkadal, the money political practices of the most traditional is buying and selling effort of political party support in the early nominating process. In the process of partner candidate region head selection, some political party turned into a money machine. As ever written in the "Perahu Pukat Harimau " (Kompas, 06/25/2007), so the nomination process was opened, the political party was making money for those interested. Similar to trawling (pukat harimau) the amount of got money also varied, ranging from the hundreds of millions of rupiahs to billions of rupiahs. When the practice of buying and selling boats so massive, many people believe that giving a space for individual candidates would reduce the

practice of money politics in the nomination process. In fact, after the individual candidate was accommodated, the practice of buying and selling boats does not necessarily stop. Moreover, with boundary conditions that do not support a light, a candidate for regional head through an individual path is not easy and inexpensive option. Because of the requirement that, although not necessarily free, "get support" from political parties remain attractive options.

Linier with opinion above, Ramlan Surbakti (the former of KPU member) have said that several potential political practices of money (money politics) in the administration of direct local election have to be identified; *First*, in order to become a candidate is required "rent a boat", whether paid before or after the establishment candidate, in part or entirely. The number of rental to be paid is estimated to far exceed the limits sizable campaign fund contributions stipulated in the Act, but it is not known with certainty because it took place behind the scenes. *Second*, the candidate who is expected to receive strong support, usually the incumbent, will receive huge funds from businessmen who have economic interests in the area. The amount of money is also far exceed the contribution limits established by law. Since going on behind the screen, then difficult to know who is giving to whom and how much the funds received. *Third*, to districts which number about 10,000 voters and 100,000 voters, but the territory has a high economic potential, entrepreneurs who have economic interests in the area can even determine who will be elected to head region. With the amount of funds that are not too large, the entrepreneur can influence the voters choose the candidate who wants through "political intermediaries" who was appointed in each village. *Fourth*, to areas with three or more candidates compete, vote by more than 25 percent to deliver a pair of candidates to be regional head and deputy head of the selected areas. In this situation, use the money influence the voters through "intermediaries politics" in every village may be the "rational" for the pair of candidates (www.mpr.org.id).

In terms of high costs as paradox to build good governance in Indonesia, should the cost of providing large, increasingly justify the demands of good governance. Large costs incurred will bring substantial benefits if able to bring about good governance. That is not likely acceptable, ignore the intent to build good governance as the reason many funds expended regional head candidate.

The phenomenon of the high cost politics of pilkadal have been agreed by Minister of Home Affair Gamawan Fauzi. He said a paradox between the high costs of pilkadal and demands a government free from corruption, collusion and nepotism. He also said, to become a governor, need funding of about Rp 100 billion, while the governor's salary amounting to Rp 8.7 million per month (Kompas, 23/7/2010).

Indeed, what is conveyed by the Minister of Home Affair is not something surprising, because it was not a secret anymore when to became a candidate of both the Governor and Regent/Mayor need of the high cost. As ever published in the Kompas, that the implementation of pilkadal in Bandung Regency is expected to cost hundreds of billions of rupiah. Not only Rp 48 billion from the budget of Bandung regency issued for the holding of local elections of 2010, tens of billions of rupiah from the pockets of the candidates for regent and deputy regent was pouring. It was like told by the Chairman of the award of the National Mandate Party (PAN) Mukhlis Anwar Bandung regency, on Monday in Bandung (Kompas; 27/7/2010).

The high cost is certainly not all come from private pockets, but many of them come from contributions of businessman both local and national level as Sebastian Salang Said (Coordinator of Community Care Forum Indonesian Parliament) that some employers still support the candidate whose orientation is materialistic and not rely the power of ideas. This is because some businessman that has economic interests if elected the candidate it supports. (Kompas, 07/24/2010).

5. Appearance of Pseudo Democratic Governance

The rise of demands for make new region is a logical demand if it is related in order to improve public services and welfare of the community. However, if examined from the other side as in the theory of rent seeking and gerrymandering, the demand for proliferation of the region as big question mark, is it true that all who want a society? Or just the opposite that which wants it just a bunch of local elites and political elites and entrepreneurs who want to get the benefits of either position or material gain. One thing to be a consequence of proliferation of the region is the division of authority over natural resources, human resources and budget. The consequences of the division often make the implementation of proliferation of the region have follow-up impact of conflict of interest. It is possible also that proliferation is only for a group of elite interests in the region including entrepreneurs, to take possession of power that cannot be obtained if the area is not divided.

With the formation of new autonomous regions (DOB), the next will bring up new political entrepreneurs who cannot be separated from the proliferation process of DOB. At the beginning of the proliferation process, the group fighting about new region requires for greater financial support for the proliferation costs, as well as for other costs. For that is usually a group of "fighters splitting" will attract several businessmen. Perhaps businessmen are political leaders, local elites, but it could be the businessman's really a pure businessman.

After the area that they fight to be formed, for these entrepreneurs will emerge as contractors in construction projects DOB indeed have the physical development program that very much. In addition, these entrepreneurs began to continue the "dominance" in the area of politics and government. From here began to appear a number of new political entrepreneurs. The emergences of new political entrepreneurs create a different impact depending on the position he held. On the one hand, new political entrepreneurs to strengthen civil society but on the other hand can actually weaken the position and role of civil society to criticize government policies in the DOB (Dimples, 2009).

The role of businessman will continue when the results of the proliferation of the region has developed. As known in accordance with the mandate of Law no. 32 year 2004, regional autonomy should hold direct election of regional head (pilkada), this is where their role re-calculated.

The existence of businessman as provider of funds (black market) in the political area cannot be avoided. This is due to the occurrence of very high political costs both in direct election of regional head (pilkadal) or election of members of the legislature. In the practice of the use of political funds in the form of money politics into something that is hard to avoid because of many factors, of which there are many gaps that facilitate the practice of money politics. Conscious or not, campaign finance regulation is one of the substance of the laws that are not worked seriously. As we know, almost in every

discussion of the draft electoral law (whether legislative, presidential, and regional heads) legislators never seriously and are reluctant to explore crucial problems that led to the rise of money politics. Moreover, the act was not easily categorized as a crime. This is related to the difficulty of physical evidence obtained as well as the weakness of the existing rules.

This conditions which the next will bring up political deals between the political elite with black market and then the next would call Quasi-Government (Pseudo Government) because of activities occurring in tug of interests between the government and the businessman. On one side, regional head has the task of public welfare, by black market on the other side that has the objective to achieve profitability. As a result we see now a lot of the policies adopted by many local governments are not siding with people, which was more beneficial to the entrepreneurs or businessman. This matter as according to what told by Sri Mulyani (the former of minster of finance) that within the political system in Indonesia now, there has been a kind of marriage or in other term is called a cartel that has spawned the barter of interests between businessman and the government (Kompas: 19/05/2010).

In addition, money politics and interests that cover for regional autonomy policy has emerged "little kings" in local government that tends to engage in abuse of power that ignores the values of ethics in politics, the widespread practice of corruption, transparency and accountability in low level governance. As a concrete example is the occurrence of a similar form of local government in which the tiny kingdom from the Regents, the Chairman of Parliament and at the level of strategic structural positions as Head of Department filled by his family, like what happened in Buol regency of Central Sulawesi Province. As a result local government system is no more as a form of government-controlled dynasty ruling family.

6. Closing

The desire to carry out the mandate of political decentralization has brought a new approach called proliferation of the region (pemekaran wilayah) and direct election of regional head (pilkadal). Proliferation of the region is one of the bright ideas to speed up the growth of the region. Since first implementation in 1999 up to now that 504 new regions are formed, either in the form of provincial and district / city, in hopes of drastic changes to the welfare of society. So there is no excuse for the government to escape responsibility for the welfare of society. Similarly, the direct election of regional head had given birth to a legitimate leader by directly elected by the people so hopefully will be able to prosper the people who voted.

However, in practice, it turns out great hope of proliferation policy is precisely the region and local elections gave birth to the so-called quasi-democratic governance (Democratic Pseudo Government) which gave emerge to political cartels and the creation of entrepreneurs towards government control. Also Pseudo Democratic Government also gave birth to the system of government more like Dynasty. All this really started from the rampant practice of money politics that actually has attacked the foundations of democracy, destroy the political ethics, and to improve the behavior of the corrupt.

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