

MYTHS OF DECENTRALIZATION AND OBSTACLES IN IMPLEMENTING REGIONAL AUTONOMY LAW¹⁾

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Banyak pihak berharap secara berlebihan terhadap kemampuan UU Nomor 22 Tahun 1999 dalam membentuk figur pemerintahan daerah yang berkinerja tinggi, efektif dan efisien, bersih sekaligus demokratis. Kenyataannya, hingga memasuki tahun ke-4 implementasinya secara penuh, banyak permasalahan ditemukan ditingkat lokal. Hal ini mengantarkan pada pemikiran perlunya revisi UU Nomor 22 Tahun 1999 secara total. Namun perlu disadari bahwa sebagai suatu produk hukum di era reformasi, UU pengganti UU Nomor 5 Tahun 1974 ini cukup radikal dan berani untuk mengganti tatanan pemerintahan yang sentralistik menjadi desentralistik. Dengan kata lain, munculnya banyak persoalan pada tataran empiris bukan semata-mat disebabkan oleh buruknya pengaturan dalam UU Nomor 22 Tahun 1999, namun juga karen

Prologue

SINCE its effective implementation on January 1, 2001, the decentralization law of 1999 has erected many hopes in realizing more democratic local governance and improving public welfare. Unfortunately, such expectations have not clearly materialized when Law 22/1999 is entering the fourth year of implementation. On the contrary, some negative practices of government management are perceived to be the direct impact of the law. Passing of many new local regulations on fee and tariff that generates high-cost economy, growing tension between local and central government concerning management of certain sectors such as natural resources and sea harbor, wide spread corruption by parliament members, predicament in electing Head of Regions (*Kepala Daerah*), and embezzlement

of budget allocation are some phenomena that can easily be found in the last 3 years. Those guide to the need to revise the regional autonomy law.

However, it is fair enough to notice that 3 years or even 5 years is impractical to fully execute such fundamental policy. In other words, it should be considered the first 5 years of implementation of a basic law as a transition period. In the case of Law 22/1999, it is quite natural that during transition time local governments undergo some difficulties in executing new decentralization framework. Such situation should not necessarily lead to a conclusion of the significance of law amendment. The most important thing is how to avoid the false myths of decentralization and to recognize the obstacles and to consider the counter efforts in order to minimize the negative impact of such situation.

1) The content of this paper is partly excerpted from my Master's Thesis titled *Decentralization and Capacity Building in Indonesian Local Administration: A Long Journey for Discovering A Model of Democratic Developmental Regime (Case Study of Bandung City Government)*, Graduate School of International Development, Nagoya University, 2004. See the detail at <http://www.geocities.com/triwidodowu/thesis>

The Myths of Decentralization²

As Law No 22/1999 comes into effect, false myths are emerging very suddenly among local government officials. Decentralization is believed to be the best remedy for overcoming developmental problems such as economic disparity among regions, inequality issue between local and central government, poverty, as well as political and racial conflict, separatism, and so forth. Indeed, such perception is misleading.

From cross-country study, it becomes obvious that decentralization may produce unexpected outcomes. This phenomenon has also taken place in Indonesia. The decentralization process that was started since January 2001, in fact, does not generate real benefits yet for the people. Instead, the basic concept of decentralization is not optimally implemented, indicated by increasing conflicts among government bodies, lack of implementing regulation spelling out articles of Law No. 22/1999, uncertainty in the direction of revising Law No. 22/1999, etc.

The "failure" of Law No. 22/1999 in promoting social welfare and democratic local governance is not caused by the nature of the law itself. Rather, there are false myths and obstacles that should be lessened first if decentralization framework is to be successfully accomplished. In this sense, there are at least four myths of decentralization:

Myth of Authority

The transfer of authority from central government is often perceived as an absolute power of local government. To some extent, the role of central government has been neglected. This situation leads to the appearance of local arrogances. For example, Cilacap and Indramayu District Government have demanded Pertamina to present gas and natural oil tax annually.³ This regulation (*Peraturan Daerah*), of course, is violating Article 2 Law No. 34/2000 concerning Tax and Levies, as well as Law No. 25/1999 concerning Center-Regional Fiscal Balance. According to the laws, district's taxes do not cover gas and natural oil tax. In addition, the Perdas both in Cilacap and Indramayu has been abandoned by Minister of Home Affairs.

In other sector such as sea harbor management, quarrel among government bodies is also quite apparent. For example, Gresik, Cilacap, and Cilegon District involve in a conflict with Ministry of Transportation regarding management of sea harbor. Those three local governments have kicked out PT Pelindo, and took over the management of sea harbor in their own territory. This is ironic since sea harbor management is not embraced in the 11 mandatory authorities of local government (see Article 11 Law No. 22/1999).⁴

1) The main idea in this part is derived from interview program (Indonesian version) in Tokyo, December 24, 2003. The topic of discussion was about "2003 Flashback on Regional Autonomy". See the detail at <http://www.geocities.com/kaniatri1/interview.html>

2) Pertamina is State Owned Enterprises in the field of natural gas and oil. For more detail description of the conflict, see the following news: *Pikiran Rakyat*, 24/10/03. Available online at <http://www.pikiran-rakyat.com/cetak/1003/24/0501.htm>.

4) PT. Pelindo is State Owned Enterprises in the field of sea harbor management. For more detail description of the conflict, see the following news: *Suara Pembaruan* (12/07/03 at <http://www.suarapembaruan.com/News/2003/07/12/index.html>

Again, such kind of "mal-administration" has taken place due to misperception of local government that decentralization policy justifies local administrators to do whatever they want. Yet it is important to notice that Law No. 22/1999 does not automatically annul sectoral regulation. It also means that regulations on in any other sectors such as sea harbor, forestry, agrarian or land-use, etc. is still legally binding, as long as no single rule provided conversely.

Myth of Prosperity

Decentralization is also observed to be pro-poor policy and able to generate people's welfare in the region. It is reasonable since transfer of authority requires transfer of development funds (known as "balance fund" or *dana perimbangan*) from central to local government. The flow of money, normatively, can be utilized to stimulate development process and empower local people. Unfortunately, such situation is only reflecting a daydream.

Decentralization, in reality, does not lead to the improvement of people's living standard yet. It is true as there are so many factors affecting the degree of social prosperity. Therefore, decentralization is not the only variable of increasing socio-economic development. It would be working well with full support of other variables, such as income per capita, investment and business climate, improvement in human development index, etc.

Myth of Regional Expansion

As Law No. 22/1999 comes into effect, many LGUs (local government units) have been established. Up to December 2003, new 110 District / City has been formed, so that the total number of local government in Indonesia is 434 units⁵

The argument in setting up new local government is that the smaller the administrative area of a local government is, the higher the affluence of local people will be. Nevertheless, such assumption seems to be unacceptable. When new government unit has been instigated, most of government resources, particularly financial sources, are allocated to finance routine activities such as employment salary, maintenance costs, official trip costs (*biaya perjalanan dinas*), etc. In addition, many structural positions would also be formed to support the new government. Consequently, the new local administrators have tended to be failed in concentrating their energy for refurbishing public service and accelerating public welfare.

The other reason is that Law No. 22/1999 gives rights to local people to manage and create their own territory by creating new government separated from previous district. In fact, the law just stipulates general requirements for creating new local government (Article 5), and provision that the status of Administrative City (*Kota Administratif*) might be upgraded to be autonomous region (Article 125).

5) For the detail calculation, see Kompas, November 21, 2003 at http://www.kompas.com/kompas_cetak/03/11/21/utama.704377.htm and also http://72.erp.vahcofi.com/v1/0NTsOHic5te/y/6kSU8bO9L75d4Eaidl_0THHQQFny6L_ow3fGmt/EbSwJz5an/1FGGKTIKapiDsaosv_04YXQJumlah9%20Daerah%20Otonom%20di%20Indonesia.doc

Myth of Spreading Corruption

It is widely observed that the spreading of corruption is becoming worse during the decentralization era. Many medias report the incidence of corruption among local government bodies, particularly legislative branch. As a result, there is a common belief that corruption in the central level (during New Order terms) has been shifted to the local level. It is also understood as "decentralized corruption".⁶ Expert such as Prof. Sofian Effendi say that it reflects a picture of "democratic corruption".⁷

However, "decentralized corruption" is merely an indirect impact of decentralization. But the real and direct cause of corruption is lack of effective control in spite of depleting human morality. By giving bigger power to local authority, corruption ought to be diminishing both in quantity and quality. In this sense, decentralization is supposed to result in a more empowered society. This could be a good precondition to construct a *check and balance* mechanism in local level, where people play a crucial role in assessing and controlling the government. In addition, the upcoming decentralization concept may grant people with the rights to elect their Head of Region directly, so that "good local governance" could be achieved more significantly.

Main Obstacles in Implementing Decentralization Framework

The following are five major obstacles occurred in implementing decentralization law of 1999. The revision of the law does not guarantee at all that such obstacles would automatically disappear in the future. Therefore, considering the existing problems will probably be beneficial to design the new provisions on local governance affairs.

Human and financial resources gap between District/City and Sub-District / Village Government.

After the enactment of financial balance law of 25/1999, financial resources in district/city government are quite affluent. In addition, decentralization policy leads to transfer of personnel from central to local government. It seems that the number of local employees is overwhelming the main tasks of the organizations. It implies the demand to redistribute the huge amount of personnel to other institutions. Ironically, prosperous resources in district/city are not shared with the lower government, i.e. sub-district and village governments. It is the fact that sub-district and village governments are often complaining about lack of human and financial resources. As a result, complain on the low performance of public services are rather pervasive.

6) The relation between corruption and decentralization can also be scrutinized from cross-country evidence. Therefore, Indonesia is not a unique case of corrupted country under the system of decentralized governance. For the detail discussion on this issue, see Raymond Fisman and Roberta Gatti, *Decentralization and Corruption: Evidence Across Countries*, World Bank, available online at <http://www.worldbank.org/wbi/governance/pdf/wps2290.pdf>.

7) See, Tri Widodo W. Utomo, *Mencermati Gejala Demokrasi Korupsi*, in *Kompas*, September 10, 2002.

In the near future, sharing of power and resources between district/city and sub-district/village (including other social components) should be accommodated in the policy agenda. Yet it is important to bear in mind that redistribution of human resource to sub-district/village may have to be performed hand in hand with other policy adjustment such as increasing echelon level.

Accountability Mechanisms and Local Arrangances.

Decentralization has basically minimized, not to say eliminated, the vertical accountability mechanism in which the local governments do not have to report their policy and budget process and implementation to the central government. Law 22/1999 does not require local regulations to be approved or acknowledged by central government or superior local government.

In addition, concerning financial accountability system, Brodjonegoro⁸ prevails that the state internal auditor cannot audit local governments anymore. Every local government now has their internal auditor. Among local revenues, only on specific allocation grant central government has some authority to do monitoring and evaluation. The local governments that receive this type of grant have to report to respective ministries and ministry of finance. Other types of revenue are local governments'

full authority in allocating the spending needs, while central government has obligation to allocate the money but not to monitor or evaluate the use of the money. Horizontal accountability mechanism now plays an important role in monitoring and evaluation process. Local Representatives (DPRD) is now the institution that has rights to monitor and evaluate the budgeting process and budget implementation.

Having huge power, unfortunately, often leads local governments to be arrogant. It might be the reason why from the beginning, expert such as Kimura⁹ warns that regional autonomy may result in the expansion of "local kingdom". In this case, there are two types of local egoism, upward and downward egoism.

Upward egoism can be observed from the unwillingness of many district/city governments to comply with national and superior rules. For instance, Indramayu and Cilacap District persists to implement *Perda* on oil processing tax even though Ministry of Home Affairs (MOHA) has canceled it. Similarly, Cilacap, Gresik, and Cilegon District involve in a conflict with Ministry of Transportation and MOHA regarding management of sea harbor.

Meanwhile, downward arrogances are quite noticeable from the unwillingness of many district/city to share their power/resources to other local organizations or local components.

8) Bambang Brodjonegoro, 2002, *Fiscal Decentralization in Indonesia (Indonesian version)*, unpublished paper, The Institute of Economics and Social Research and The Graduate Program of Economics (LPEM), University of Indonesia.

9) Hirotsune Kimura, December 1999, "Desentralisasi: Bentuk Baru Integrasi Nasional?", *Jurnal Ketahanan Nasional*, No. IV (3), Yogyakarta.

Although there is emerging positive awareness from local people, the role of local government is still much more dominant than that of private and community sectors. As a result, public participation never emerges as real participation of individuals; but merely as institutional participation or mobilization.

One of the consequences of local arrogance is the difficulty to build a harmonious coordination among different level of government, not to say conflict among them. In fact, according to Hadiz¹⁰ there is a tension between provincial level authorities and sub-provincial authorities that no longer believe that they should be accountable to those at the provincial level. The governors of North Sumatra and Yogyakarta, for example, have lamented how the *bupati* under them have been increasingly inclined to defy their authority. This condition, indeed, complicates not only the relationship among governmental units, but also hamper the local development processes.

Considering such situation, the amendment of Law 22/1999 is unavoidable. One focuses of amendment is on the new relationship and distribution of functions between levels of government. Besides, there are some

crucial issues such as the direct election of the Heads of Region, the relationship between DPRD and Heads of Region, and financial and personnel issues.

Quandaries due to Echelonering system.

According to Wasistiono¹¹, the echelonering policy was initially implemented in 1977 in accordance with the execution of the army dual function policy. The system ran quite well with the adoption of *integrated-personnel system* through Law 8/1974 jo. Law 43/1999. However, with the implementation of Law 22/1999 (see article 76), the personnel system is altered to a *separated system* in which local governments acquire the full rights over the personnel but the source of personnel financing still depends on the central government. In this separated system, job rotation exists only within the local government (internal rotation). Simultaneously, horizontal (inter-regional) and vertical mutation has become very difficult to be instigated. The highest echelon in District/City is only II-a so that it is hard for a local government official to acquire a higher post.

In other cases, echelonering becomes an obstacle for organization development in the sub-district and village levels.

10) Vedi R. Hadiz, 2003, *Decentralization and Democracy in Indonesia: A Critique of Neo-Institutionalist Perspectives*, Working Papers Series No. 47, City University of Hong Kong: Southeast Asia Research Center Available online at

http://www.gtzsfm.or.id/documents/doc_indo/pa/doc/Hadiz_Decentralization_May2003.pdf

11) See Sadu Wasistiono, 2003, *Analisis Sistem Kepegawaian Dalam Rangka Otonomi Daerah Berdasarkan Perspektif Kebijakan dan Sistem Pemerintahan Daerah (An Analysis on Personnel Management of Local Government: A Policy Perspective)*, paper presented at "Workshop on Apparatus Empowerment: Implementing Regional Autonomy", LAN, Bandung, October 2, Tri Widodo W. Utomo, *Mencermati Gejala Demokrasi Korupsi*, in *Kompas*, September 10, 2002.

As widely known, decentralization policy triggers massive transfer of employees from the central to the local institutions. As a result, district/city encounters surpluses of employees. Concurrently, sub-districts and villages still undergo personnel deficits both quantitatively and qualitatively. Having known this, some part of personnel and hierarchical posts of the district/city should be distributed to the sub-district and village institutions. This way also bears another problem, i.e. the low level of echelon posts at the sub-district and village administration. Consequently, the personnel structures cannot be equally distributed. This might even cause the swelling of organizations at the district/city.

In particular cases, echelonering instigates unharmonious relationships among institutions at the district/city. This may happen between District/City Secretary Assistant and Heads of Service Departments (Dinas). In this circumstance, it becomes difficult for the District/City Secretary Assistant to coordinate with Heads of Dinas to perform his/her duties because they have equal rank echelon, II-b.

Having recognized the three obstacles above, it is necessary to eliminate the echelonering system. In addition, the personnel authority should be assigned to the provincial level so that it opens wider opportunity for mutations to take place within the regional scope. If the personnel state of affairs fails to improve,

this will not only de-optimize human resource potency in the region but this may also become a latent problem for the region to implement wide and continuous regional autonomy.

Another problem concerning personnel management is about transfer of employee from central to local government. It is really a dilemmatic situation. On the one hand, the number of local employees has increased very suddenly, so that local government looses its capability even for paying salary. That is the reason why local governments are still depending highly on subsidy (*general allocation fund*) from central government. Furthermore, the policies on personnel management are still in the hand of central government (i.e. President).¹² In other words, there is no real decentralization on personnel matters. It merely constitutes a semi-decentralized personnel management system instead.

On the other hand, disregarding the process of employment transfer, the total amount of central government officials is still quite high. Around 1.6 million public servants (*PNS-Pegawai Negeri Sipil*) remains at the central government excluding military and national policy members as well as those who serve in SOEs or State Owned Enterprises (*BUMN-Badan Usaha Milik Negara*). It also means that the employment structure between central and local level may have to be readjusted in the future.

12) Article 13 Law No. 43/1999 concerning Amendment of Law No. 8/1974 on the Ordinance of the Civil Service stipulates that the Civil Service management policies encompass the decision on the norms, standards, procedures, formations, appointments, civil service resources quality development, transfer, salary, allowance, welfare, discharge, rights, obligations, and legal status. The Civil Service management policies referred to in clause (1) are in the hand of the President as the head of the Government.

In consequence of such transfer, problems are now beginning to emerge. Discrepancies have been found between the number of employees counted in the inventories, and the figures released by the National Agency of Civil Service Administration (BKN). A study conducted by SMERU (Newsletter No. 1/2001) in several provinces such as West Sumatra, Central Java, East Java and West Kalimantan discovered that the data from the BKN reported a higher number of employees, compared with the data from the regional Bureaus. It can be found, therefore, that policy on employees transfer has, to some extent, provoked the shape of *phantom officials* or disguise unemployment (*pegawai siluman*) in the regions. Surely, this will obstruct the efforts of improving local governments' productivity.

Problems of Institutionalization.

Local development policy often endures changes, especially after the new Head of Region is elected. Personal interest or vision of the newly elected official frequently negates the already planned development document and process. As a result, the development program does not run on the clear base of blueprint or grand strategy. In other words, development process proceeds partially and periodically (5 years), and there is no continuity between one period of development programs and the following one. This phenomenon indicates the weak role and position of bureaucracy including stakeholders in the process of development planning.

In the future, the institutionalization of development policy should become the main agenda for local governments by generating the potency of and empowering all stakeholders such as high education institutions, local business actors, forums for social matters, NGOs, professionals' organizations, mass-media, Chamber of Commerce and Industry and cooperatives, and semi-governmental organizations in the process of development planning. Middle-ranked staffs need to be involved in the consultation mechanism as parts of the stakeholders as well.

The advantage of policy institutionalization is that a less-and-cheap government may emerge to reduce the cost in making a new development planning. At the same time, consultation mechanism may become the seedbed to raise local democracy in the context of stimulating a democratic infrastructure of local governance.

Highly politicized Local Government.

Since the implementation of Law 22/1999, symptoms of politicized local governments have become more and more evident. Head of Region that used to be called 'public officers', has become 'political officers'. Head of Region during the implementation of Law 5/1974 was appointed by central government. This official was chosen among three candidates proposed by DPRD. This means there was an effort to integrate the local and central interests.

In the meantime, based on Law 22/1999, Head of Region is appointed by DPRD.

With the new system, the real political authority moves from central government to political parties through their representatives in DPRD. Political parties hold influential roles in the process of the appointment of the Head of Region. Therefore, it is common that during the vote for a new Head of Region, practices of lobbying, bargaining, political barter, and vote buying might occur. These may become the root of corruption and money politics practices in the region.

Moreover, the position of the Regional Secretary is not aside from particular political interests because referring to article 61 Law 22/1999, the Regional Secretary is appointed by the Head of Region with the consent of DPRD. In other words, one cannot hold the position of Regional Secretary without the endorsement of DPRD. This indicates that DPRD has a vital role in the regional bureaucratic system. In fact, the Regional Secretary is a purely career job position, so that it should be free from political fights among fractions in DPRD. Unconsciously, this leads bureaucracy to political subordination (*legislative ascendancy*).

In the democratic regimes, political parties indeed play important roles as a medium for political education as well as medium for catering public aspirations. It would even be better if they do not deeply intervene executive affairs and could maintain bureaucratic neutrality in running the government management. This has to be carefully noted for the future revision of Law 22/1999

Concluding Remarks

It is true that to some extent, government policy on regional autonomy produces negative impacts, but it is also correct that local government problem during decentralization period are not simply the result of this policy. In such a case, revising law is actually an attempt to avoid the same problems in the future. In other words, it is a problem-based legal activity. Legal drafters must comprehend the real situation and dynamics of local government in the grass root level. They also must clearly understand people's hopes as well as elites' visions of building democratic and capable local government. Lacking of such requirements will only set local government and its citizens as a political game and administrative experiment of certain interest groups. The revision of Law 22/1999 is indeed essential, but the capacity and dedication of the legal drafters to revise it truthfully is much more imperative

KERANGKA KONSEP PENGALAMAN PEKERJAAN

Dr. H. H. H. H.

Abstrak: Penelitian ini bertujuan untuk mengetahui bagaimana pengalaman kerja yang dialami oleh pekerja di perusahaan X. Penelitian ini menggunakan pendekatan kualitatif dengan metode wawancara mendalam. Hasil penelitian menunjukkan bahwa pengalaman kerja yang dialami oleh pekerja di perusahaan X dapat dikelompokkan menjadi tiga jenis, yaitu pengalaman kerja yang positif, pengalaman kerja yang negatif, dan pengalaman kerja yang netral. Pengalaman kerja yang positif dialami oleh pekerja yang merasa puas dengan pekerjaannya, sedangkan pengalaman kerja yang negatif dialami oleh pekerja yang merasa tidak puas dengan pekerjaannya. Pengalaman kerja yang netral dialami oleh pekerja yang merasa biasa-biasa saja dengan pekerjaannya.

1. PENDAHULUAN

1.1. Latar Belakang

1.2. Tujuan Penelitian

1.3. Manfaat Penelitian

2. METODE PENELITIAN

2.1. Pendekatan Penelitian

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3. HASIL PENELITIAN

3.1. Deskripsi Data

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4. PEMBAHASAN

4.1. Kesimpulan

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5. PENUTUP

5.1. Kesimpulan

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