

SIGNIFICANCE OF DECENTRALIZATION FRAMEWORK IN CONSTRUCTING A MODEL OF DEMOCRATIC DEVELOPMENTAL REGIME AT LOCAL LEVEL (CASE STUDY OF BANDUNG CITY GOVERNMENT)¹

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Abstract

Kebijakan desentralisasi luas yang digulirkan semenjak 1999 tidak saja dimaksudkan untuk memenuhi tuntutan reformasi, namun juga untuk mendorong terwujudnya pemerintahan yang demokratis dan berkinerja tinggi. Dalam tataran akademik, wacana tentang hubungan antara rezim demokratis dengan rezim pembangunan belum menemui titik temu. Sebagian berpendapat bahwa demokrasi merupakan produk dari proses pembangunan yang berhasil, sementara sebagian lain berargumen bahwa demokrasi merupakan prasyarat untuk dapat berjalannya pembangunan di suatu negara/daerah. Dalam upaya mewujudkan kondisi pemerintahan lokal yang demokratis sekaligus berkinerja tinggi, kebijakan otonomi luas diyakini merupakan strategi yang tepat, sebagaimana ditunjukkan oleh contoh di negara-negara yang menerapkan kebijakan serupa. Meskipun demikian, desentralisasi juga dapat mengalami kegagalan jika tidak dikelola dengan baik. Untuk itu, desentralisasi perlu diikuti dengan upaya membangun kapasitas daerah serta sinkronisasi tiga pilar kekuatan lokal menuju konsep pembangunan yang terintegrasi. Tulisan ini mencoba mengevaluasi implementasi desentralisasi di Kota Bandung. Hasil analisis mengindikasikan bahwa desentralisasi di Kota Bandung berdampak lebih signifikan terhadap penguatan demokrasi lokal dibanding terhadap peningkatan pembangunan sosial ekonomi. Meskipun demikian, untuk jangka panjang desentralisasi menumbuhkan harapan besar terwujudnya rezim pembangunan yang demokratis.

A. Preface

Following the fall of President Soeharto in May 1998, Indonesia has entered into an era of *Reformasi* or total reform. One of outstanding outcomes of such reform is the implementation of new decentralization laws (Law No. 22 and 25 of 1999)³, which dramatically change the pattern of relationship between central and local government.

¹ This paper is mostly excerpted from my Thesis titled *Decentralization and Capacity Building in Indonesia Local Administration: A Long Journey for Discovering A Model of Democratic Developmental Regime (Case Study of Bandung City)*, Graduate School of International Development (GSID), Nagoya University, Japan, 2004a.

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³ These decentralization laws had been amended. The new decentralization policies (Law No. 33 and 34 year 2004) deliver the wider authority of provincial government, especially in terms of coordination and monitoring of developmental and governmental programs among district and city government in the region. Nevertheless, the substance of autonomy is actually still in the hand of district/city government. According to the law, both provincial and district/city government have the same substance of authority (*absolute authority*). Geographical width and borders, however, illustrate the difference between provincial and district/city government with regard to spacial hegemony (*relative authority*). In this sense, province's authority covers everything that categorized as "cross-border" authorities.

According to the new laws, central government will only be responsible in judicial system, religious affairs, national defense and security, fiscal and monetary affairs, and international diplomatic relationship. Other than those five duties plus macroeconomic planning and standardization, all of government duties have to be handled by local governments, especially at districts and municipals/cities level. Hypothetically, the new framework of decentralization will accelerate not only the quality of public service and public welfare in a region, but also the improvement of grassroot democracy.

The expectation to obtain a better democracy and a higher social well being through decentralization is just a normal thing. Both theoretical sources and cross-country experiences show that policy on regional autonomy promises many significant improvements in varying sectors of development. McLean and King (1999), for example, finds out that decentralization to sub-national governments in some Latin countries such as El Salvador and Nicaragua, may increase autonomy for communities and school actors to improve school and learning. In other sectors, decentralization has increased the performance of health services (Kolehmainen Aitken, 1999) and infrastructure provision (Seddon, 1999). Work (2002) has also found similar benefits of decentralization on health services (Brazil and the Philippines), Municipal service delivery (Honduras), project management (India), education services (Jordan), settlements (Pakistan), local revenue generation (South Africa), and market partnership (Uganda).

It should be noticed, however, decentralization might also be failed since it is not a panacea for all problems encountered in the region by the local people. It is not a cure for all bureaucratic illnesses; it has its own share of disadvantages and misgivings. For example, a huge power shift away from central government to local institutions can result in losing control over scarce financial resources and may create friction in central-local relations. In other words, only when it is carefully planned, effectively implemented, and appropriately managed, that decentralized governance can lead to a notable improvement of development (UNDP, 2000).

To prevent from such failures, decentralization must be accompanied by a process of capacity building. It consists of three levels of development, i.e. individual level, institutional level and system level (UNDP, 1998; Kimura, 2001). By so doing, decentralization is expected to produce a 4E local government (effective, efficient, economic, and entrepreneurial) as well as an accountable and transparent system of decision-making. It means that when fittingly coalesced with capacity building, decentralization may produce good local governance.

In the case of Indonesia, there is no guarantee that either economic growth and people's welfare, or democratic local governance will be better after the implementation of decentralization. Achievement of decentralization purposes, surely, will depend strongly on the readiness and capability of local government in actuating their development policies. Thus, what local authorities should do is enhancing their capacity in all matter needed. Unfortunately, recently there is a tendency that most of local government institutions are lacking of capacity. Certainly, it will lead to a failure in accomplishing organization purposes. In turn, it implies not only the malfunction of decentralization, but also the failure to achieve better development and better democracy for the people. In this sense, there are two possibilities of the inability to produce significant progress. First, decentralization policy is incorrectly implemented and managed; or second, it is still a transition period from old system that was very centralized to new decentralized system of governance.

The following parts will highlight some dimensions regarding the impacts of decentralization in Bandung City, the concept of democratic regime and developmental

regime, and analysis on the construction of democratic developmental regime in the context of Bandung City Government. In this sense, democratic developmental regime can only be best achieved if supported by capacity building of the three local pillars i.e. local government, business sector, and civil society. In addition, systemic synchronization between the pillars plays a crucial role in keeping the local government democratic and developmental. Brief description on Bandung City will be served in advance.

B. Brief Description of Bandung City

Bandung City, located at and the capital of West Java Province, is around 200 km southeast of Jakarta. It is situated on the Parahyangan plateau 791 meters above sea level with a cooler climate throughout the year than the rest of the region. The average temperature of Bandung City is 23.1°C, while the average rainfall is 204.11 mm with 18 rainy days per month (Bandung City in Figure, 2001). The topography of the city is characterized by a combination of flat lands in the south and rolling hills in the north. The hilly parts, which generally are residential areas for high-income residents, provide some breathtaking scenery of the city and surrounding areas, while the densely populated southern parts are prone to flooding.

Viewed from communication aspect and economic activities, its location is very strategic due to two grounds:

1. It is located at West – East axis which connects Bandung City with Western part of Java Island such as Jakarta and Eastern big cities such as Semarang, Yogyakarta and Surabaya.
2. It is located at North – South axis which makes trade traffic especially plantation commodities easier between Northern area such as Subang and Southern area such as Pangalengan.

In the colonial era, Bandung was known as *Parijs van Java* of Indonesia (in 1920), due to its beautiful scene inside and out of the city. Divided into two parts, the northern part of the city is used for colonial residents and the southern part is used for the local residents. Many historical building with colonial type are located in the northern part of the city. As the first Bandung planner, Thomas Karsten implemented the concept of Garden City (firstly issued by Ebenizer Howard). Therefore, the city was also called as 'flower city', due to many open spaces created as public parks that filled by all kinds of flowers and plants (URDI, 2000: 2-2).

In addition, Bandung is the only city in Indonesia with so many citations such as *Paradise in Exile* (18th Century), *Bandung Excelsior* (1856), *The Sleeping Beauty* (1884), *De Bloem van Bersteden* (19th Century meaning of Mountainous Flowers), *Intellectuelle Centrum Van Indie* (1921), *Staatkundig Centrum Van Indie* (1923), *Europe in de Tropen* (1930), etc.⁴

Bandung is a vibrant city of 2.1 million inhabitants (estimation of the 2000 National Census). Throughout the 1990s, the average rate of population growth of the city seems low at 0.4% per annum, while population in the regencies of Bandung and Sumedang posted increases of 2.7% and 1.6%, respectively. In comparison with the growth rates in the 1980s, there has been a shift in the intensity of population growth from the City of Bandung to the surrounding regencies.⁵ With its 26 sub-districts and 139 urban villages (*kelurahans*), the City of Bandung covers an area of 167 square kilometers, and has a gross urban population density of 128 people per hectare, which is relatively high. The surrounding areas still have

⁴ See official website of Bappeda (Local Development Planning Board) at <http://www.bappeda-bandung.go.id/bdg.htm>

⁵ In the previous decade (1981-1990), the average population growth of the city was about 3.5%, while Bandung Regency and Sumedang Regency experienced a population growth of 1.8% and 1.4% respectively.

vast available land and as such, urban sprawl is evident with the increase in population.

C. The Impacts of Decentralization: Case of Bandung City

From the field research and data analysis, it can be shown that almost in all sectors, many policy changes in the regions (particularly Bandung City) have been accomplished, but such changes do not lead to substantial growth of socio-economic development. Therefore, we can compose an initial premise that “new decentralization framework is able to produce essential changes, but only little progress”. It can be said, therefore, that since the execution of massive decentralization in 2001, the developmental regime was disappeared while the democratic regime has not come yet.

But sluggishness in accelerating democratic local politics and advanced socio-economic growth is actually quite tolerable. The reason is that throughout the transition phase (1999-2004), many local governments are experiencing difficulties in executing new decentralization framework. At least, there are five structural and cultural obstacles during that period, which impede the optimal achievement of the reform agendas. Those five problems are:⁶

1. Gap of human and financial resources between different levels of government.
2. Exhaustion of accountability mechanisms and extension of local arrogances.
3. Quandaries due to *Echeloning* system and problems on personnel management.
4. Problems of institutionalization.
5. Highly politicized local governments.

The most important thing is that while dealing with such problems, local governments have continuously tried to carry out the best possible strategies in managing and developing their region. Therefore, however minor is the development progress, but still local governments may take benefits from the devolution process.

In the case of Bandung City government, decentralization has favored much more to democratization rather than to socio-economic development. It can be observed from the facts that decentralization is creating a vibrant breakthrough in some aspects such as empowerment of the lowest level of government level, i.e. sub-district and urban-village government. The most considerable progress is probably the promising phenomena of increasingly active public participation in the development process not only from ordinary people and community groups, but also from various organizations such as KADIN (local Chamber of Commerce and Industry), professional associations, NGOs, etc. In addition, neighborhood participation is also well-structured and implemented, so that people at grass root level can take an active and direct role either in supporting or controlling the process of local development. Such situation represents the emergence of vivid local democracy.

Unfortunately, even though there are little progress obtained, but the performance of some social development sectors are not so promising. The following are features of Bandung City's development performance in the era of wide autonomy.

1. Internal Affairs of Local Government Management.

In this field, the obvious progresses are expansion of regional development cooperation to refurbish city planning, improvement in the management of development planning, and formulation of new budgeting system. However, there is a tendency that internal coordination has slightly decreased due to

⁶ Concerning the problems of regional autonomy implementation, see Utomo, 2004b, “Myths of Decentralization and Obstacles in Implementing Regional Autonomy Law”, in *Jurnal Wacana Kinerja*, Vol. 7 No. 3 September, Bandung: PKP2A I LAN.

shrinking role of *Sekda* (City Secretary) and *Bappeda* (Local Development Planning Board). Additionally, attention must be paid more on the issue of budget transparency and people participation in the budgeting process.

2. Investment (Domestic and FDI).

There is no indication that decentralization leads to the refurbishment of investment climate in the region. On the contrary, it becomes public understanding that in the wide-autonomy era, local governments have promulgated many regulations, which are discouraging companies to invest and entrepreneurs to innovate.

3. Physical Infrastructure.

This is another suffering sector in the decentralization era. About half of road infrastructure and drainage networks are damaged. In addition, the budget provided for maintaining and constructing new infrastructure is far from sufficient.

4. Education and Human Development.

In this sector, decentralization framework does not produce significant progress in human development and education sector. The improvement in human development indicators is mainly because of recovery in macro economic aspects as well as political conditions. However, there are two delightful policies: *first*, education fee for elementary school is going to be erased starting from 2004, and *second*, the government commits to gradually increase the educational budget.

5. Environmental Protection.

The environmental quality has tended to decelerate in the decentralization era. In fact, many local officials tend to take shortcuts when drawing up new regulations and optimize their financial capacity through non-environment-friendly policies.

6. People Participation and Community Development.

There are many promising phenomena of increasingly active public participation in the development process in Bandung City. People tend to have a willingness to, directly or indirectly, involve in a small or larger scale developmental projects in their communities. The establishment of hundreds of social organizations as a basis for strengthening civil society may represent such phenomenon. But still, there is a case of "benign neglect", where local authorities view consultation forum as a formalized democratic mechanism of developmental decision-making process without any real follow-ups.

7. Public Service Delivery.

Recently, community members and groups are enthusiastic to directly participate in the basic service delivery particularly clean water. In this sense, people are not only seen as customers or users of government's services, but rather, they have potential to be public service provider as well as concern or pressure groups in monitoring the government policies and performances in providing public services

From the above explanation it becomes clear that in spite of the existing problems encountered, the development performance of Bandung City government in the era of wide autonomy has slightly improved. Moreover, the relationship between the government and the people is getting more egalitarian, indicated by enhancement of grass root participation in the development planning processes. For sure, such improvements are not solely caused by the implementation of new decentralization framework. Rather, there are many factors that reciprocally influence each other resulting in a certain degree of developmental performance.

Under such consideration, supporting Donors for decentralization in Indonesia appreciate for the government's continued commitment to the spirit of decentralization and its frank acknowledgement of problems that inevitably arise in the promulgation of such a fundamental reorientation of the governance system. The donors also compliment the many regional governments, which have utilized opportunities generated by the new paradigm to develop innovative approaches towards good governance and the efficient and effective delivery of public services (Joint Working Group on Decentralization, 2003).

We can withdraw a rough conclusion then, that decentralization has been able to endorse the construction of democratic developmental local governance when it is accurately planned, well managed, effectively implemented and carefully monitored. In other words, decentralization should theoretically create a set of condition for the emergence of democratic and capable state (i.e. local governance).

The following part will analyze the process of building democratic developmental regime of Bandung City in the era of wide autonomy. The analysis will mainly be based on Leftwich's conception. Furthermore, two variables will also be added, i.e. capacity building and systemic synchronization. These two variables are believed to be the determinant factors for any success or failure of decentralization in achieving development goals, i.e. democratic governance and prosperous society.

D. The Concept of Democratic Regime and Development Regime

Principally, developmental states concept, initially offered by Chalmers Johnson (1982) with specific reference to Japan, can be understood as a Weberian ideal type of an interventionist state that was neither socialist (described as 'plan irrational' state in which both ownership and management remained in the hands of state) nor free market (no plan, and where private control coincided with private ownership). Such state conjoining private ownership with state or administrative guidance (*gyōsei shidō*), so that it can be avowed as "plan-rational capitalist developmental state". This state form originated as the region's idiosyncratic response to a world dominated by the West. (Woo-Cumings, 1999: 1).

In similar way, Leftwich (1996: 284) defines developmental states as those states whose internal politics and external relations have served to concentrate sufficient power, authority, autonomy, competence and capacity at the center to shape, pursue and encourage the achievement of explicit developmental objectives, whether by establishing and promoting the conditions of economic growth, or by organizing it directly, or a varying combination of both.

According to Leftwich (2000: 132, 153-154; 1996: 280), the continuum of developmental states varies from Singapore, Malaysia, Botswana, Mauritius, Thailand, Indonesia, China, Taiwan, and South Korea as developmental states on the one hand; and Venezuela, Costa Rica, Jamaica, India, Gambia, South Africa, Zaire, Bolivia, Argentina, Peru, Haiti, Nigeria, Philippines, Pakistan as non-developmental states on the other hand. Schneider (1999: 278) includes Italy, Germany, France, Mexico, Brazil and Japan as developmental states.

East Asian Countries such as Japan, Korea, and Taiwan are the best examples of developmental states. They have been successful because governments there have acquired control over a variety of things presumed critical to economic success: they can extract capital; generate and implement national economic plans; manipulate private access to scarce resources; coordinate the efforts of individual business; target specific industrial projects; resist political pressures from popular forces such as consumer and organized labor; insulate their domestic economies from extensive foreign capital

penetration; and, most especially, carry through a sustained project of ever-improving productivity, technological sophistication, and increased world market shares (Pempel, 1999: 139).

Pempel (*ibid.*) and Johnson (1999: 44) provides further explanation that developmental state (*hatten-shiko-kata kokka*) is seen as one of ideal types of states beside regulatory state (*kisei-shiko-kata kokka*); all categorized by the state's relationship to the domestic economy. The US and Britain exemplify the regulatory state. Such states are organized for and defined as their principal mission the setting of basic 'fair' rules for economic competition and the umpiring of private market disputes. Most economic outcomes are the outgrowth of impersonal and short-term price variations. Developmental states, on the other hand, define their mission primary in terms of long-term national economic enhancement. They actively and regularly intervene in economic activities with the goal of improving the international competitiveness of their domestic economies. From the description above, it can be easily implied that the meaning of development is closely related to economic growths or performances.

In order to simplify the understanding of developmental state concept, it is useful to restrict the definition of development merely as economic growth. Without intention to neglect the other ideas of development, economic growth is the most universal indicator for development and it is relatively measurable.

Countries that are not met with the definition of developmental state, therefore, will be classified as non-developmental states. In practice, non-developmental states occur in diverse types or styles. The concepts of predatory state (Pareto, 1966; Evans, 1995), weak state (Joe Migdal, 1987, 1988, 1994), and soft state (Gunnar Myrdal, 1970) refer to or can be seen as a reflection of non-developmental states. All concepts are cited in Leftwich's book (1999).

Myrdal used the concept of soft state in an attempt to account for the slow pace of Indian development in the twenty years after independence (*ibid.*: 80). Here, the soft state is characterized by "*a general lack of social discipline* in underdeveloped countries, signified by *deficiencies in legislation* and, in particular, in law observance and enforcement, *lack of obedience to rules and directives* handed down to public officials on various level, often *collusion* of these officials with powerful persons or groups of persons whose conduct they should regulate, and, at bottom, a general inclination of people in all strata *to resist public controls* and their implementation. Within the concept of the soft state belongs also *corruption*. As a result, the soft state is incapable of promoting urgently needed development (*ibid.*).

The same as cited by Chang (1999: 183), Myrdal argued that a major reason for the economic stagnation of many developing countries was the absence of 'hard state' (or "institutionalization" in present term) that can override conservative interests in favor of social reform and economic transformation.

Likewise, Migdal proposes a concept of weak states, those are, states that have a low capability to penetrate society, regulate social relationship, extract resources and appropriate or use resources in determined ways (*ibid.*: 97-98). Finally, Pareto's account on predatory states means as appropriation of the goods of others by legal or illegal means. To this extent, the minority preys on the majority using the state as its engine of predation (*ibid.*: 100). Building on Pareto's early formulation, Evans defines predatory states as those that extract such large amounts of otherwise investable surplus while providing so little in the way of 'collective goods' in return that they do indeed impede economic transformation. Those who control these states plunder without any more regard for the welfare of the citizenry than a predator has for the welfare of its prey (*ibid.*). Both weak

states and predatory states have been used to explain the failures or relative slowness of development (ibid: 96).

In the current situation, the demand of good governance is getting higher to replace non-developmental state idea. Since 1990s, good governance and democracy (taken together as 'democratic good governance') dominate and become confident assertion of official Western aid policy (Leftwich, 2000:127). According to UN ESCAP (2002: 2), good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account, and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

It is important to note that although Indonesia is categorized as developmental state, some quandaries are still evidently prevailed such as corruption, social gaps, economic inequalities and regional disparities. Whenever such problems exist in a country, I would say, personally, that this country couldn't be judged to be a developmental state. Therefore, judging Indonesia as a developmental state is quite ambiguous. As Political and Economic Risk Consultancy (PERC, 2001) indicates, China, India, Indonesia, the Philippines, Thailand and Vietnam were perceived to be the most corrupt Asian nations. In line with PERC's study, Effendi, cited by Utomo (2002-b), reveals that corruption in Indonesia is transforming from oligarchic corruption to democratic corruption. Moreover, after the implementation of Law No. 22/1999, some provinces prefer to detach and build as independent state due to unequal development treatment from the central government. Again, these indicate that there is something wrong in Indonesian development process, so that the status of developmental state for Indonesia is not so truthful.

Nevertheless, the impetus of the formulation of Law No. 22/1999 and its implementation is to promote good governance, particularly in local level. There is a hope that when good governance can be realized massively, development performance and democratic regime will automatically occur. Certainly, it cannot be observed clearly now since Law No. 22/1999 just come into effect no more than three years. As mentioned above, governmental reform in Indonesia is in a phase of transition; hence it does not produce any real benefits yet.

However, new paradigms of governance implemented are in line with the characteristics of developmental democracies, so that it could be envisaged that Indonesia and local government there would represent the democratic developmental states, at least in the long-term.

E. An Analysis on the Construction of Democratic Developmental Regime in the Context of Bandung City Government

As Leftwich concludes (2000: 167), the developmental state (or developmental regime) is a state whose political and bureaucratic elites has generally achieved relative autonomy from socio-political forces in the society and has used this in order to promote a program of rapid economic growth with more or less rigor and ruthlessness. In other words, the developmental regime is typically driven by an urgent need to promote socio-economic development, and to win legitimacy by delivering steady improvement in the material and social well being of its citizens. He also proposes six major features of various developmental democratic states, i.e. a determined developmental elite; relative autonomy for the state apparatus; a competent and insulated economic bureaucracy; a weak and subordinated civil society; the capacity to manage effectively local and foreign economic interests; and a varying balance of repression, legitimacy and performance (p.

175-176).

In the context of Bandung City, it is true that the performance of socio-economic development was quite low some years before and after the implementation of decentralization framework. Seven development sectors examined in the earlier part have affirmed this statement. Without looking at other factors, it may lead to the construction of public opinion that Bandung City is representing a weak regime or weak state, as proposed by Migdal.⁷ However, the low performance of local development was mainly a result of general decline in economic growth nationwide, but some socio-economic indicators were getting increase starting from 2000/2001. Additionally, the intimacy of vertical relationship between government officials and social groups was also becoming intensive. Under such situation, it can improperly be said that there is “a general lack of social discipline”, one attribute of soft state⁸, in Bandung City.

Nevertheless, some features of soft state are clearly phenomenal. Financial inefficiency cases (not to say corruption⁹) occur occasionally, while legislative products often disserve local businessmen and hamper investment climate. In fact, developmental state requires relatively uncorrupt determined developmental elites as well as sound regulations. In this case, the growing public awareness and participation is trustworthy to reduce the incidence of corruption, unsound regulations, and collusion in many fields especially in the process of legal drafting.

Despite the fact that there are some cases of financial inefficiency, the commitment of new local regime of Bandung City to socio-economic development is quite promising. As elaborated in the previous part, Bandung City Government under the new Mayor has determined to renew its dedication in promoting socio-economic development of the region. Furthermore, local developmental elites have a relative autonomy, in which they have been able to achieve relative independence from the demanding clamor of special interest and that they can override these interests in the interest of local governance (local government and its multiple stakeholders). Utilizing Evan’s concept (Leftwich, 2000: 162), a harmonious relations between local elites (executive and legislative officials) and social / community groups in the process of development would generate s form of “embedded autonomy”.¹⁰

In Bandung City, such harmonious relations have been apparent little by little, where local autonomy is seen as effort of returning back the authorities of legal-and-political local communities (*kesatuan masyarakat hukum*) to arrange their household affairs independently. In this sense, the concept of “legal-and-political local communities” refers not only to local governments (districts/kabupaten and cities/kota), but substantially it should entail local business actors, NGOs, professional associations, as

⁷ The concept of weak states is defined as a state or regime that have a low capability to penetrate society, regulate social relationship, extract resources and appropriate or use resources in determined ways.

⁸ According to Myrdal, the concept of soft states is characterized by “a general lack of social discipline in underdeveloped countries, signified by *deficiencies in legislation* and, in particular, in law observance and enforcement, *lack of obedience to rules and directives* handed down to public officials on various level, often *collusion* of these officials with powerful persons or groups of persons whose conduct they should regulate, and, at bottom, a general inclination of people in all strata *to resist public controls* and their implementation. Within the concept of the soft state belongs also *corruption*.

⁹ Low level of corruption is actually tolerable in any societies. In this sense, Leftwich (2000: 161) argues that developmental states have not been immune of corruption. The reason is that in rapidly growing economies, sudden wealth and tidal flows of aid and investment can generate huge temptations, especially in cultures where patron-client relation are deeply embedded.

¹⁰ “Embedded autonomy” means that the autonomy of the bureaucracy has been embedded in a dense of ties with both non-state and other state actors (internal and external) who collectively help to define, redefine, and implement developmental objectives.

well as governmental units at the grass root level i.e. village government (*kelurahan* and/or *desa*), including two tiers of neighborhood association (*rukun tangga* and *rukun warga*).

This circumstance, if persistently maintained and improved, will become a strong foundation for achieving higher performance of local development. Until recently, unfortunately, autonomy and decentralization is largely perceived as a process of devolving functions and responsibilities and transferring resources from central to local government (with emphasis on district and city governments). Consequently, Law No. 22/1999 has frequently been considered as a regulation on “autonomy of local government units” rather than “autonomy of legal-and-political local communities”. Some phenomena disclosed in the previous part on field findings support this observation. Under such situation, pessimistic calculation takes place. Up to the third year of the implementation of wide-autonomy policy, many observers hesitate its efficacy in improving public welfare and public services.

That is why, developmental determination by the elite and embedded autonomy itself is not enough to accelerate development processes. Here, the other precondition for developmental state is required, i.e. the real power, authority and technical competence of local bureaucracy in shaping the fundamental thrusts of development policy. In this regard, capacity building is really a strategic option to leverage the power of bureaucracy and the competence of local apparatus. And providentially, Bandung City Government has engaged in regular programs of capacity building.

On the dimension of democratic state or democratic regime, Leftwich (2000: 173-174) defines democracy in its minimalist meaning to refer to a political system in which people, political parties and groups are free to pursue their interests according to peaceful, rule-based competition, negotiation and cooperation. In practice, this means free and regular election, plus peaceful succession where government change, low barriers to political participation, and the protection of civil and political liberties.

Concerning general election, since Indonesia is a unitary state, there is no general election in local level separated from national election. However, political parties have their own regional branches at province and district/city level. In the political arena, the branch offices have the same rights as those in central level. Therefore, even though local election is not known in Indonesian politics, but it does not lessen the process and the quality of democratic development in the region.

Unfortunately, the succession process of Bupati/Walikota (District/City Head) often produces political tension among factions in the parliament. It occurs particularly due to the fact that local bureaucracy is highly politicized and under the influence of legislative power. As revealed in the previous part, the process of succession has even escorted to practices of lobbying, bargaining, political barter, vote buying, and to some extent, corruption and collusion. The case of Bandung City also shows that prior to election of new mayor in October 2002, political situation in the city was becoming heated. In the framework of attaining a better local democracy, the existing system of Head of District/City election needs to be reviewed. In accordance with the change of presidential election system in the 2004, the election of Bupati/Walikota will also be modified, in which Bupati/Walikota will not be pointed by parliament members, but pointed directly by local constituents instead.

In terms of political participation of the city dwellers, there are no barriers for people to take active part directly or indirectly in the process of formulation and implementation of local development. Though there is a bit problem of incapability of local government officials to fully accommodate people’s aspiration and apply it into decision-making (benign neglect), but their willingness to create and provide a

consultancy forum is reflecting the needs to realize the principle of good local governance.

In the case of Bandung City, it cannot be confidentially said that the model of democratic developmental regime has materialized. But the most important thing is that policy efforts, political will and commitment from all local elements, both government and community, are relatively on the right track. Therefore, the achievement of democratic developmental regime in the future will depend highly on the ability of local elites and social organizations / community groups to manage and maintain a harmonious tie among them, and always to renew their developmental commitment towards a better society and better local government.

F. Capacity Building as A Solution: Bridge from *Democratic State to Developmental Democratic State*

The above description implies that Law No. 22/1999 has successfully brought local government to a right path to be democratic. Even though it does not reach an ideal stage of democracy yet, but local citizens' awareness to participate in the development process and local government's acquiesce to be more transparent and accountable are much better than those under centralized regime of New Order. It can be judged that the era of "nominal democracy" has steadily been passed through.

Nevertheless, it can also be implied from the previous parts that acceleration of development process and performance are still far from satisfactory. In other words, there is a slight gap between the rapidity of democratic movement and the velocity of development progress. In such circumstance, the role of capacity building is very essential to bridge and minimize the gap.

In the "National Framework for Capacity Building to Support Decentralization" published by MOHA, Bappenas and GTZ, (2003: 11), capacity building refers to the need for adjusting policies and regulations, institutional reforms, modification of work procedures and mechanism of coordination, improvement of human resources, skills and qualifications, change of the value system and attitudes, so that the needs of regional autonomy as a new approach towards governance, administration, and participatory mechanisms of development can be fulfilled in order to meet the demands for a more democratic system. This process includes three levels of intervention, i.e. system level, institutional or entity level, and individual level.

Subsequently, it is mentioned that there are four stages of general activities in building capacity, i.e. (1) identifying and formulating comprehensively the capacity building needs for central and regional governments, regional councils, support institutions and service providers, non-governmental organizations and other community organizations in the framework of accelerating regional autonomy implementation; (2) identifying and formulating priorities for capacity building initiatives; (3) determining comprehensive action plans for capacity building; and (4) providing reference for the central and regional governments in allocating activities and budgets to support the acceleration of the implementation of the regional autonomy.

Based on such framework, Bandung City Government has tried to improve its capacity through some actions. In general manner, the budget for education sector (both school education and apparatus education) is increased by 15-20% annually. Civil servants at all levels and all units are encouraged to upgrade their educational strata. The government even provides some amount of money to support its employees to participate in master program. Similarly, structural training for those who occupy structural position

are widely offered. About 85% of echelon II officers have completed Diklatpim¹¹ II and 100% of echelon III officers have finished Diklatpim III. Additionally, some programs such as discussion forum among different levels of position, workshops, seminar and other similar activities are also offered.¹²

One of the most important programs in which Bandung City officers engaged is the Partnership of USC-SPPD (School of Policy, Planning, and Development) and ITB-CURDS (Center for Urban and Regional Development Studies) on strengthening the capacity of local governments. There were four major activities undertaken during January 6-March 31, 2000, those are:

- Activity 1: Training Needs and Identification (TNI)
- Activity 2: Policy Dialogue Workshop (PDW)
- Activity 3: Technical Workshop (TW)
- Activity 4: Capacity Building Workshop (CBW).

In the first activity, “survey on knowledge and skills held by local government officials” was conducted. When asked about specific skills, local governments revealed weaknesses in several important areas. An overwhelming majority of local governments replied that they would like to have technical assistance in the following areas (USC and ITB, 2000):

Undertaking questionnaire surveys of consumers, privatizing certain types of publicly provided services, forecasting available financial resources, undertaking cost-benefit analysis, identifying basic needs and finding ways of meeting them, involving community in decision-making and implementation of infrastructure development and service provision, setting standards for service provision, planning for infrastructure development, setting price for publicly provided services, setting standards for infrastructure development, examining possible revenue increases from taxes, user charges, and rents, setting priorities among competing infrastructure projects and service provision.

That is why, an overwhelming majority of local governments replied that they would like to have technical assistance in these areas. This study is followed by Technical Workshop of Capacity Building on July 17-22, 2000, in Bandung. The workshop started with a keynote speech by Prof. Budhi Tjahjati of the Ministry of Settlements and Regional Development. Her speech was followed by a lecture by Mr. Nathaniel von Eisiedel of UNDP. He talked about lessons UNDP learned on decentralization from Asian experiences. The second day was spent for presentations by Bupati and Walikota. They spoke about the challenges they are faced with and main investment projects they are planning to undertake.

On the third day, each local government has completed *Technical Assistance Proposal* and *Terms of Reference*. The Technical Assistance Proposal defines the problem with which it would like to have technical assistance after the Capacity Building Workshop, and estimates the cost of the technical assistance and the sources of funds for it. Bandung City has proposed a project on “Economic Feasibility Study of Drainage and Road” at total amount of Rp.35 million.

During the week when the Technical Workshop was undertaken, the following teaching modules were delivered:

¹¹ Diklatpim stands for Pendidikan dan Latihan Kepemimpinan (Education and Training on Leadership). The number behind indicates the level of a given position. So, Diklatpim II is training program for Echelon II officers and Diklatpim III is training program for Echelon III officers, etc.

¹² Interview with Mr. Asep C. Cahyadi, Head of Local Autonomy Development Section, Division of Governmental and Local Autonomy Affairs, Bandung City Government, October 14, 2003.

- Introduction to Infrastructure Planning and Capital Budgeting
- Technical Standard Setting for Infrastructure and Services
- Cost-Benefit Analysis: Approach and Concepts
- Benefit Measurement
- Identifying Priority of Projects
- Data Collection Methods: Use of Available Data and Survey Techniques
- Community Participation: 1) Significance and Implications, 2) Alternative Approaches, and 3) Participation Processes
- Capital Budgeting: 1) Concepts and Approaches, and 2) Selection and Sequencing

However, it should be noticed that the main point actually is not the workshop or the project itself, but how local government officials can successfully make a priority of policy setting and design appropriate projects to satisfy the increasing public demands.

The other study on capacity building in West Java region was done by STPDN (2001). According to this study, among 22 local governments in West Java Province, Bandung City is the only one considered as “highly capable” in executing decentralization policy. There are 7 local governments categorized as “reasonably capable”, the rest of 14 regions are classified as “poorly capable”.

The detail rank and score of capacity in 22 regions in West Java can be seen in the following table.

Table 1
Capacity of City/District Governments in West Java Province
in Executing Decentralization Policy

Rank	City / District	Score	Capacity Level
1	City of Bandung	2975	Highly Capable
2	District of Ciamis	2685	Reasonably Capable
3	City of Sukabumi	2655	Reasonably Capable
4	District of Bekasi	2615	Reasonably Capable
5	City of Bogor	2600	Reasonably Capable
6	City of Cirebon	2565	Reasonably Capable
7	District of Karawang	2555	Reasonably Capable
8	District of Bandung	2550	Reasonably Capable
9	District of Majalengka	2500	Poorly Capable
10	District of Cianjur	2455	Poorly Capable
11	District of Subang	2430	Poorly Capable
12	District of Indramayu	2430	Poorly Capable
13	City of Bekasi	2405	Poorly Capable
14	District of Sumedang	2395	Poorly Capable
15	District of Sukabumi	2390	Poorly Capable
16	District of Kuningan	2385	Poorly Capable
17	District of Cirebon	2375	Poorly Capable
18	District of Bogor	2330	Poorly Capable
19	District of Purwakarta	2270	Poorly Capable
20	City of Depok	2260	Poorly Capable
21	District of Garut	2220	Poorly Capable

22	District of Tasikmalaya	2170	Poorly Capable
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Source: West Java Provincial Government and Center for Governance Studies STPDN, 2001, Local Government Capacity in Implementing Regional Autonomy in West Java Province, Research Report (Indonesian version), modified.

There are some criteria and indicators deployed in calculating or measuring local government capacity. In this case, the criteria of capacity are set up mainly on Government Regulation No. 129 / 2000 as follows:

1. Economic capacity: Gross Domestic Product and Local Revenues.
2. Regional potency:
 - Financial institution: ratio of bank and non-bank institution to 1000 people.
 - Economic infrastructure: ratio of kiosks and traditional markets to 1000 people.
 - Education facility: ratio of number of school and school age children.
 - Health facility: ratio of health facilities and medical staffs to 1000 people.
 - Transportation and communication facility: percentage of household owning motorbike, boat, or motorboat; percentage of line telephone and electricity customers; ratio of length of roads to number of motorbikes and automobiles.
 - Tourism facility: the number of hotel, restaurant and tourism sites.
 - Labor aspect: percentage of high school educated workers to 18 years up people.
 - Labor participation rate; percentage of civil servants to population.
3. Social and cultural aspect:
 - Religious facility: ratio of religious facilities per 10,000 people.
 - Social and cultural facility: ratio exhibition place and social party per 10,000 people.
 - Sport facility: ratio of sport facilities per 10,000 people.
4. Social and political aspect:
 - Political participation: ratio of people vote in the election to total population.
 - Number of social / mass organization.
5. Population: ratio urban population to total population.
6. Other considerations.
 - Security: criminality rate per 10,000 people.
 - Government's facilities.
 - Span of control: distance of Sub-district Head Quarters to District/City Head Quarters.

It can be implied that the focus of capacity building program conducted by USC and ITB is on the improvement of human resource quality through enhancement of development planning process. Meanwhile, STPDN has focused its study on the socio economic as well as geographical and population potency of the region. Apart of those, there are actually other "indirect" efforts of building capacity such as promoting people participation through stakeholder discussion forum or consultancy mechanism.

By building capacity, it is expected that Bandung City Government will be more capable to overcome the unsuccessful city management, to fasten the transition period, as well as to ensure the better implementation of decentralization policy.

G. Systemic Synchronization: Towards Integrated Local Development Program

As already discussed in the previous parts, Law No 22/1999 brings about a new paradigm to empower all social elements in order to accelerate good governance in the regions. Good governance in this sense means a harmonious interaction and cooperation among governmental elements and citizens in the region in order to build up participatory, transparent, and sustainable regional development programs. The interaction among those socio-politic elements evolves in three dimensions: synergy among sectors (public, private/business, and community groups), integration among different level of governmental administration (districts, sub-districts, and villages), and internal consolidation/coordination. From the fieldwork, it is revealed that, despite existing obstacles, there have been efforts to materialize inter-sector and inter-actor networking in the regional development process.

In the first dimension, synergy among sectors, for example, Bandung City government has frequently involved NGOs, community groups, Chamber of Commerce and Industry (KADIN), high education institutions (academy and university), professional organizations, mass media, and local business actors in formulating a particular policy. There have been tendency that certain groups' interests might not have been fully accommodated but the most important thing is that there has been a consultancy mechanism between policy authority and their stakeholders.

The existence of consultation forum for regional development policy is crucial viewed from three aspects. *First*, this forum may function as the media for the society to express their ideas and expectations about the future of their regions. It can be stated that this forum functions as a medium to democratize the decision process making in the region. *Second*, the forum may function as a center for various community groups with different interests. This forum is expected to be able to produce a dynamic compromise on development planning agenda in accordance with the needs of the local community. *Third*, the two-way relations between local government and society members will indirectly create a mechanism of check and balance. This inevitably encourages government to improve its public accountability.

In the second dimension, the integration among different levels of governmental administration, can be seen from the efforts of Bandung City government to empower the sub-district governments through Mayor Decree No 1342/2001 about the delegation of 96 responsibilities to sub-district government.

The demand for empowering the sub-district governments has become a necessity because since the implementation of Law No 22/1999, there have been significant changes regarding status, functions, and roles of sub-district government. At the moment, sub-district government is no more an institutional regional apparatus to perform deconcentration and co-administration functions. It has become an autonomous local apparatus. This is stated in article 66 'Camat (Head of sub-district government) receives the transfer of some of Bupati/Mayor's authorities'. This article implies that sub-district government functions and takes the role in implementing some of the decentralized authorities. In the meantime, article 67 regulates that village administration is the sub-district apparatus. Thus, the Head of Village government should automatically receive some authorities from the Head of Sub-district government.

From the perspective of public administration, the transfer of authority from Bupati/Mayor to Head of Sub-district government, and from Head of sub-district government to village headman is not only a necessity but also a must to create effective and efficient government management system, as well as to improve public service quality

in the region. If the authorities accumulate at the district/city government, there will be at least two consequences that may come up. *First*, District/city government will be burdened by overloaded work, which will in turn negatively affect its capability to provide quality public service. *Second*, Sub-district as the district/city apparatus and village as the sub-district apparatus will be organizations with minimal functions.

Something to note is that, although there are a lot of obstacles to overcome, empowerment to sub-district and village through the transfer of authority including their advocating resources represents the best approach to achieve the main goals of regional autonomy, i.e. improving the welfare and public service, and creating a more democratic society in the region.

Finally, the third dimension, internal consolidation and coordination, is the worst dimension compared with the two previous ones. Some facts advocate this phenomenon: regional bureaucracy is generally co-opted by legislative power, while Regional Development Planning Board (Bappeda) cannot appropriately function as the “think-tank” in formulating development policy in the region. In addition, policy institutionalization does not work properly. However, these conditions are expected to get better in accordance with the revisions of some articles of Law No. 22/1999.

H. Concluding Remarks

From the above explanation it can be roughly implied that the vision to construct a democratic developmental regime in local level is really a long and complicated process. It becomes trickier since they must satisfy two sets of independent criteria to qualify as being both *developmental* and *democratic*. In addition, the transformation process (from less to more developmental, and from less to more democratic) can't be achieved easily since in fact, there is no obvious classification of states/regime. In other words, the permutation of “developmental and democratic” is not “black and white”; it is a “gray area” instead. And the gradation of “gray” is very much varied among countries and regions.

In spite of the existing problems encountered, decentralization has been able to endorse the construction of democratic developmental local governance, however trifling it is. In other words, strong local bureaucracy and dense of ties with both non-state and other state actors is extremely needed to accelerate the creation of developmental regime in Bandung City.

The most important thing is to be aware that even though the search for new democratic local governance is critical, far more needs to be learned about how they work, for whom, and with what social justice outcomes. In general, while there is some evidence of positive progress, there is less evidence about the pro-poor development outcomes of participatory governance. In this sense, successful decentralization requires strong capacity of central and local government, strong and well-developed civil society, as well as strong power from pressure or interest groups. The interrelation among those three pillars should be maintained in a balanced way to draw a synergic effect and mutual benefit for the favor of local democracy and economic prosperity.

Sekilas tentang Penulis

Tri Widodo Wahyu Utomo, SH, MA adalah peneliti pada Pusat Kajian dan Pendidikan dan Pelatihan Aparatur III Lembaga Administrasi Negara di Samarinda, Kalimantan Timur.

Selain itu, penulis adalah dosen di Sekolah Tinggi Ilmu Administrasi Lembaga

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