

**THE TRANSFORMATION
OF LOCAL GOVERNANCE
AND PUBLIC PARTICIPATION
A STUDY OF FOUR VILLAGES IN JAVA
AFTER THE *REFORMASI***

by

DYAH MUTIARIN

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**TRANSFORMASI URUSTADBIR KERAJAAN TEMPATAN
DAN PARTISIPASI AWAM
SATU KAJIAN EMPAT DESA DI JAWA
SETELAH REFORMASI**

ABSTRAK

Gerakan reformasi telah membawa perubahan hampir di segala aspek kehidupan sosial di Indonesia. Seiring dengan tuntutan ke arah demokrasi, Undang-Undang No.22/1999 mengenai Pemerintahan Daerah telah menciptakan dasar hukum bagi terbentuknya urustadbir tempatan yang baik dan lebih banyak partisipasi awam dalam proses pembuatan keputusan negara. Undang-Undang ini memberikan kekuatan politik yang lebih besar bagi parlimen tempatan (Dewan Perwakilan Rakyat Daerah/DPRD) dan membentuk parlimen peringkat desa (Badan Perwakilan Desa/BPD) di desa-desa.

Kajian ini memfokuskan pada transformasi urustadbir pada peringkat desa setelah reformasi. Hujahnya adalah bahawa sekarang hubungan antara bupati dan DPRD di peringkat kabupaten berbeda dengan hubungan antara lurah dan BPD di desa. Di peringkat kabupaten ditemukan bahawa kekuasaan yang diberikan DPRD secara awam telah disalahgunakan untuk kepentingan peribadi. Di peringkat desa ditemukan bahawa BPD melakukan peranan penting dalam urustadbir peringkat desa. Kenyataannya, kekuasaan terbagi antara BPD dan urustadbir peringkat desa. Mekanisme kawal dan imbang semakin dapat dilakukan sehingga proses pembuatan keputusan di peringkat desa menjadi lebih telus dan bertanggungjawab. Kajian membuktikan bahawa perubahan-perubahan penting telah berlaku dalam urustadbir peringkat desa, khasnya dalam BPD, di kalangan pegawai pentadbiran peringkat desa, Lembaga Ketahanan Masyarakat Desa/LKMD, Pembinaan Kesejahteraan Keluarga/PKK dan badan yang lain.

Sementara itu, suasana politik yang lebih terbuka setelah reformasi telah memberi dorongan kepada masyarakat desa untuk mengorganisasi dan mengkonsolidasikan diri mereka melalui inisiatif lembaga tempatan. Pegawai pentadbiran peringkat desa bukan lagi aktor utama dalam proses pembuatan keputusan di desa-desa. BPD sekarang juga terlibat, meskipun peranannya sebagai wakil masyarakat desa masih belum dapat terpenuhi. Juga, perempuan menjadi lebih terlibat dalam lembaga politik desa. Selama ini, belum ada NGO yang berbasis di desa, namun masyarakat desa sudah mulai bekerjasama dengan NGO yang berbasis di kecamatan dan desa-desa. Semua ini merupakan tanda-tanda menuju ke arah demokrasi di desa.

Bagaimanapun, aktor utama di lembaga lama yang telah didirikan pada waktu Orde Baru juga masih mempertahankan kedudukan mereka dalam keadaan politik baru ini. Konflik kepentingan antara pemain lama dan elit politik baru di dalam BPD sering berlaku juga. Kajian ini menunjukkan bahawa penyelesaian konflik semacam itu dipengaruhi oleh nilai-nilai budaya, adat tempatan, keperibadian pemimpin dan komposisi plural dari setiap desa.

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ABSTRACT

The *reformasi* movement brought about changes in nearly all aspects of social life in Indonesia. Along with the thrust toward democracy, Law No.22/1999 on regional administration has established the legal foundation for local good governance and more public participation in the country's decision making process. This law grants more political power to the district parliament (*Dewan Perwakilan Rakyat Daerah*, DPRD) and provides for the formation of the local council (*Badan Perwakilan Desa*, BPD) in the villages.

This study focuses on the transformation of village governance after reformasi. It argues that the current relationship between the Bupati and the DPRD in the district level is different from that between the Lurah and the BPD in the village. At the district level, it is found that the power that was given to the DPRD has been generally misused for personal narrow interests. At the village level, it is found out that the BPD has been taking up an important role in village governance. In fact, power is shared between the BPD and the village government. A check and balance mechanism is being put into place so that the decision-making process at the village level is becoming more transparent and accountable. This study documents important changes that have occurred in village administration, particularly in the BPD, the village government officials, LKMD, PKK, and other institutions.

At the same time, the more open political atmosphere after reformasi has given impetus to the villagers to organise and consolidate themselves via locally initiated institutions. Village government is no longer the sole actor in the decision-making process in the villages. The BPD is now involved too, though its role as the representative of the villagers remains unfulfilled. Also, women are becoming more involved in village-level political institutions. As yet, no NGOs are based in the villages, but villagers are starting to work with NGOs based in the sub-districts and the towns. All these are signs pointing towards democratisation in the villages.

However, the key actors in the old institutions that were established during the New Order have also reconstituted their positions in the new political setting in the villages. Conflicts of interests between the old players and the new political elites in the BPD are also common. This study shows that the process of settling such conflicts is influenced by cultural values, local customs, personality of leaders and the pluralist composition of each village.

CHAPTER 1

INTRODUCTION

1.1 Local Government And Politics

1.1.1 Decentralisation and Local Governance in Indonesia

Decentralization – especially democratic decentralization – has become something of a trend in recent years in less developed countries. Compared to Africa and Latin America, however, decentralization has progressed slower in Southeast Asia. This is so because senior bureaucrats and especially politicians in Southeast Asia have been less inclined to devolve powers and resources onto institutions, especially elected institutions, than in other two regions.

All sorts of governments -leftist, rightist and centrist- have experimented with one or another form of decentralization, usually including some democratic content. The autocratic governments often see decentralization as a substitute for democracy at the top. While democratic governments see it as a means of deepening democracy¹.

Together with the wave of democratization over the Southeast Asia region, a reform movement emerged in Indonesia after the devastating economic crisis and political turmoil of 1997-1998. The *reformasi* (lit.reform movement) which led to the demise of the New Order regime, have introduced important changes within

¹ James Manor, “*Decentralization and Local Governance: Opportunities and Challenges*” Institute of Development Studies University of Sussex, UK, 2003.

Indonesian politics permitting significant reforms in local politics and village government too.

The new democratic system is characterized by the introduction of multiparty competitive elections, checks and balances between the executive, the legislative and the judicial, a free press and guarantees of civil liberties. The government also drafted a legal framework for new centre-regional relations, as codified in the Law 22 of 1999 on Regional Governance and Law No.25/1999 on Financial Balance between the Central and Regional Governments.

Law 22 of 1999 on Regional Governance introduced two important features, first, devolving authorities, functions and services to districts and municipalities; second, a separation of powers. This law is a framework that acknowledged regional and local needs for autonomy and identity within the constitutional provisions of a unitary state.

Law 22/1999 replaced two previous laws, namely; Law 5/1974 which provided for a uniform and centralized system of governance, and Law 5 /1979 on village governance. Accordingly, Law 22 /1999 on Regional Governance was expected to accelerate democratisation and ensure good governance at all levels of administration in Indonesia.

There is particular concern whether the moves will result in genuine local autonomy given the fact that “the (decentralisation) policy had always been defined from the top and is seen as one form of implementing national development policy”² rather than facilitating democratisation.

² Widodo Yusuf & Christoph Beier, *The Indonesian Decentralisation Policy and the District Autonomy Pilot Programme* (Rome: FAO, mimeo, 1997).

Moreover, changing the mindset of public officials who had been accustomed to centralised administration is not that easy. After three decades of New Order rule, there still exists a strong tradition of centralised bureaucracy³. The law on decentralisation has only laid out the basic guidelines for power devolution. The actual governmental functions can only be devolved through more detailed supplementary regulations, presidential instructions, and provincial and local government regulations. They also have to be accompanied by staff transfers, financial devolution to the lower tiers of government, and local capacity building that have been neglected for a long time.

All of these processes are daunting work for public officials at the centre as well as at the local level. In fact, soon after the law was implemented in early 2001, many decision makers became frustrated with the decentralisation efforts. Moreover, much conflict has emerged along the way to the extent that the central government has even thought about revising the law⁴.

Although Laws No. 22 of 1999 and No. 25 of 1999 were hastily enacted and there were loopholes in the stipulations, nonetheless, they were generally welcomed because the people desired greater autonomy⁵. There have been many

³ Hirotsune Kimura, "Decentralisation: A New Type of National Integration?", *Jurnal Ketahanan Nasional*, Gadjah Mada University, 4(3), December, 1999.

⁴ "Pemerintah akan Evaluasi UU No.22 dan No.25 1999", *Kompas*, 24 August 2001.

⁵ Although there are still many flaws in the two laws on decentralisation, their immediate implementation with minimum modification have been welcomed by the local governments. This attitude stems from "an embedded distrust of the central government that has accumulated over a long period" because there had been many unimplemented regulations during the New Order administration. See Widjajanti I. Suharyo, *Voices from the Regions: A Participatory Assessment of the New Decentralisation Laws in Indonesia* (Jakarta: UNSFIR, 2000), p.34.

breakthroughs stipulated in laws and governmental regulations. The emphasis for autonomy, for example, has been given to the district level assuming that this will ensure better governance including better delivery of public services to the people. Previously, the candidates for *bupati* (district head / regency) and *walikota* (mayor) were proposed by the *Dewan Perwakilan Rakyat Daerah / DPRD* (local house of representatives), but the final decision was virtually made by the Ministry of Home Affairs. The new law clarifies the separation of powers between the executive and legislative branches of government in the regions and requires that the *Bupati* and *Walikota* be elected through the *DPRD*. In the previous system, the paradigm for public policy makers and governance was based on rigid instruments of authority, regulation and fund provision controlled from the top. On the other hand, the new paradigm is to be based on competence, flexible funding, de-regulation and market mechanisms⁶. This implies that the central government will no longer be acting as a prominent actor in local government. Instead, it will assume the role of setting standards of governance and facilitating those who provide public services.

The law has been passed, but all the good intentions have not been realised yet. Instead, many complex problems have arisen during implementation. It turned out that the elected local legislatures, the DPRD members, do not owe their position to their special knowledge of local affairs or their technical skills. Many

⁶ AB Syahrir, *Otonomi Daerah: Implementasi dan Masalahnya* (Jakarta: Dewan Pertimbangan Otonomi Daerah, 2001).

were simply proposed as candidates by those parties who secured a sufficient number of electoral votes⁷.

This is partly due to the proportional representation system that is used to elect members of both the national and regional constituent assemblies. People do not directly elect their local legislators but simply vote for political parties. As a result, many of the elected local legislators appear to be lacking in education, political experience and technical skills. Not surprisingly, they tend to be more accountable to the political parties rather than to their constituents⁸. Since the implementation of the decentralisation policy, “money politics” involving local legislators have become rampant. This problem is frequently reported in the local and national press⁹.

Nonetheless, many local politicians, the press and some academics still believe that decentralisation is the only way to ensure local democracy and to make local executives accountable to the people. Over the course of the decentralisation policy in the last five years, people are witnessing many new developments, both negative and positive. On the one hand, there have been many reports that decentralisation has created tensions and conflicts, not only between the central government and provincial or local government but also between provincial and district/local government, between municipal government

⁷ Syaikhul Usman, *Indonesia's Decentralisation Policy: Initial Experiences and Emerging Problems* (London: SMERU Working Paper, 2001), p.17.

⁸ Pratikno, *Permasalahan Baru Pengembangan Otonomi Daerah* (Yogyakarta: Gadjah Mada University, mimeo, 2000); Shahrir, *Otonomi Daerah*, p.5.

⁹ See, for example, *Tempo*, 25 December 2000.

and business associations, and other forms of horizontal conflict¹⁰. On the other hand, people are now becoming more excited about local governance because of greater freedom at that level. They see that their voices are heeded by the local officials to some extent, including during elections. This is unlike in the past when a *bupati* (district head) could easily manipulate village elections¹¹. Whether a more open political process will usher in better policies and good governance, however, remains to be seen.

Some measures have been taken to lessen the negative impact of the decentralisation policy. This was on account of the fact that many DPRD members have been overly critical and counter-productive in their appraisal of the accountability reports of the *bupati*. The national government has introduced Government Regulation No.108 of 2000 on the Form of Accountability of the Head of Region. However, many believe that this new regulation is against the intention of Law No.22 of 1999 as it limits democratic procedures, is inconsistent with financial regulations on accountability, and does not provide for public disclosure of accountability reports¹².

Yet other new government regulations aimed at overcoming the weaknesses in the decentralisation policy have also been introduced. Some of these regulations are helpful since they offer more details on the policy, but some

¹⁰ *Tempo*, 12 November 2001.

¹¹ Selosoemardjan, *Social Changes in Jogjakarta* (New York: Cornell University Press, 1962), p.149; Colin MacAndrews (ed.), *Central Government and Local Government in Indonesia* (Singapore: East Asian Social Science Monographs, Oxford University Press, 1986), p.32.

¹² Owen Podger, *Comments on Government Regulation 108/2000 on the Form of Accountability of the Head of Region*, (Jakarta, CBSDAS, Asian Development Bank, 2000), p.7.

others have been counter-productive. It would be a mistake to assume that the decentralisation policy resolves all problems in the regions, including threats of separatism or some regional under-development, especially since the legal infrastructure remains weak. During the Abdurrahman Wahid presidency, for example, at least 20 government decrees, 13 presidential instructions, 6 ministerial decrees as well as dozens of regional decrees on regional autonomy, many of which contradicted one another, were passed¹³. Hence, there is an urgent need to synchronise the many new laws if the decentralisation policy is to succeed.

Also, the problem of institutional building – an important element of administrative reform that has been long overdue – has become another hurdle for implementing a decentralised governance. The government has set guidelines to organise the local apparatus to be managed in a decentralised system through Government Regulation (*Peraturan Pemerintah*) No.84 of 2000. However, progress has been slow either because of a lack of political commitment or because of the bureaucratic inertia among the local authorities. In some districts, the organisational structures have become excessively large so that the budget for the staff has become overly burdensome. In some other districts, however, such organisational structures are too small resulting in a local bureaucracy that is under-staffed and with a poor record in the delivery of services¹⁴. Success of the decentralisation policy also depends on whether the necessary changes in the role of the Development Planning Boards (*Badan Perencanaan Pembangunan*

¹³ *Jakarta Post*, 31 December 2001.

¹⁴ Syahrir, *Otonomi Daerah*, p.7.

Daerah/Bappeda) that were set up at the provincial (1976) and district (1981) levels occur. Unlike the previous role of the Bappeda that was essentially to administer, manage and implement a centrally determined set of policies and to coordinate them with the local agencies, the new role of Bappeda requires it to deal with political issues too, especially in terms of its relation to the local DPRD, and also with the local development-oriented agencies.

Hence, there is conflicting evidence with regards to the impact of the new decentralisation policy in Indonesia. The local political issues that have arisen in recent years harken back to the phenomena of over-politicking at the local level in the 1960s associated with the introduction of too many political parties. That politicking had a destructive impact on the unity of communities both in the cities and in the rural areas¹⁵. Moreover, the opening up of politics under *reformasi* might not present equal opportunities for all. This is to say that “those with money or are capable of deploying the apparatus of violence might emerge stronger than the others under the current more democratic arrangements”¹⁶. There are also signs that the current policy on decentralisation might move Indonesians to a more democratic and responsible system of governance. Some have argued that the current dynamics in local politics are good signs for better governance¹⁷. Others see the re-emergence of “everyday level of low politics” in the villages as a

¹⁵ Selosoemardjan, *The Social Changes in Jogjakarta*, p.202.

¹⁶ Vedi R. Hadiz, “Power and Politics in North Sumatra: The Uncompleted *Reformasi*” in Edward Aspinall and Greg Fealy (eds.), *Local Power and Politics in Indonesia: Decentralisation and Democratisation* (Singapore: Institute of Southeast Asian Studies, 2003), p.130.

¹⁷ Indra J. Pilliang, “Mencermati Demokrasi Lokal”, *Kompas*, 23 July 2002; Harun Husein, “Menyongsong Pilkada Langsung”, *Republika*, 23 September 2003.

revitalisation of democracy¹⁸. There is a lot of excitement about the new possibilities allowed by regional autonomy and democratisation, and people are seizing these new opportunities¹⁹. An important feature of the current situation is that the people desire responsive governance. As long as the people do not resort to the use of violence, these developments amount to a good start. It is also more likely that public participation at the local level would not only be limited to the electoral process, but also extend to involvement in decisions taken by public agencies and officials. Therefore, it is interesting to investigate whether political reforms at the local level will result in destructive politicking in the community or in the strengthening of local democracy and improved public policies at that level.

1.1. 2 Current Issues in the Villages

In Indonesia, the national government is divided into provinces and subsequently districts. Districts are further divided into sub-districts (*kecamatan*) headed by a sub-district officer (*camat*) who represents the district head. Each *kecamatan* office has a number of state employees (*pegawai negeri*), usually between 10 to 20, who assist the *camat* with his duties. According to Law No.5 of 1974, *kecamatan*s were supposed to carry out “de-concentration tasks” and other supporting activities to the district government such as collecting statistics, co-ordinating health services, administering the issuance of identity cards, distributing

¹⁸ Hans Antlöv, “Not Enough Politics! Power, Participation and the New Democratic Polity in Indonesia” in Aspinall & Fealy, *Local Power and Politics in Indonesia*, p.85.

¹⁹ Hans Antlöv, *The Making of Democratic Local Governance in Indonesia*, (Jakarta: Ford Foundation, mimeo, 2002).

voluntary workers, etc. The new law (No.22 of 1999) has revoked the basic principles and many articles in Law No.5 of 1974 on Regional Administration and Law No.5 of 1979 on Village Administration. However, with regards to the *kecamatan*, there are no substantial changes in the new law – the only article which refers to the *kecamatan* in the new law states that the *kecamatan* is a local agency (*perangkat daerah*), and that it should be given more roles in order to coordinate development activities more effectively at the village level.

Below the *kecamatan* is the level of village government. There are more than 67.000 villages in Indonesia. According to the current legal system, there are two kinds of village government, *desa* and *kelurahan*. *Desa* is the lowest level of government with the rights to manage its own affairs. The *desa* elects its own village head (*Kepala Desa*) who may be granted the use of village land called *tanah bengkok* (or appanage) in lieu of salary. The system of *tanah bengkok*, however, generally applies in parts of Java and only rarely elsewhere in Indonesia. The *Kelurahan* do not have rights to manage their own affairs. They are staffed by a head (the *Lurah*) and a secretariat, all of whom are salaried state employees assigned by the *Bupati*. Most *kelurahan* are in urban areas where there is little or no possibility of providing land to village officials in lieu of salary. Besides Law No.22 of 1999, further regulations for village administration are to be found in several Ministry of Home Affairs decrees: No.63 of 1999 on the Implementation of *Desa* and *Kelurahan* Administration; No.64 of 1999 on *Desa* Administration; and No.65 of 1999 on *Kelurahan* Formation and Administration.

The substantive change in the new law is in relation to the position, role, and membership of village councils. Previously, according to Law No.5 of 1979, the

desa government consisted of the village head assisted by a village secretary and other appointed officials including hamlet heads and a *Lembaga Musyawarah Desa* (LMD) – a consultative council consisting of village officials and other appointed village notables. The village head was also *ex officio* chairman of the LMD and the *Lembaga Ketahanan Masyarakat Desa* (LKMD), the village government's vehicle for developmental planning. This arrangement indicates that neither the LMD nor the LKMD were really independent from the executive²⁰. With the introduction of Law No.22 of 1999, an independent council called *Badan Perwakilan Desa* (BPD) has been established “to protect the local norms, to draft village regulations, to articulate people's aspiration, and to supervise *desa* administration”²¹. The BPD members, ranging between 9 to 13 depending on the size of the village, are to be selected by the people. The BPD is a legislative body and is separated from the village executives.

As a legislative body, BPD has the right to monitor the *kepala desa*, to approve the village budget, and even the right to propose to the *bupati* that the *kepala desa* be removed from his post²², although the final decision is left in the hands of the *bupati*. Local regulations and budgets are decided by the BPD and the village government while higher authorities need only to be informed about the decisions. Therefore, it is implicit in the new law that the *kepala desa* have triple

²⁰ Mubyarto & Loekman Soetrisno, *Integrated Rural Development in Indonesia* (New Delhi: CIRDAP Report Series, Sterling Publishers, 1989), p.114. It is reported in this study that LKMD was inactive in promoting community participation and co-ordinating development. This was because it was dominated by the village bureaucracy, particularly the village head.

²¹ Article 104, Law No.22 of 1999.

²² Article No.17 *Keputusan Menteri Dalam Negeri No.63, 1999*.

accountability: they are subject to village elections every five years; they are responsible to the village population through the BPD, and they must also provide a yearly accountability report to the *bupati*²³. The new law has strengthened village autonomy considerably, and the separation of powers in village administration will be more conducive for democratic checks and balances. Another important feature of the new law on village administration is that the nomenclature for *desa* can be adjusted to the local custom, for example it can be called a *banjar* in Bali, a *nagari* in Minang, or a *lembang* in Toraja. Accordingly, local elements have been incorporated into the new law on village administration.

Villages throughout Indonesia have begun to form their BPDs. In some villages, people still doubt the capability of the newly appointed BPD members to draft village development projects, to monitor and to control the policies of the village headman and his officials, as was the case with the former LMD where the village council members were simply co-opted by the village's executives. Other cases show the emerging issues of village "political instability" and changes that might be forthcoming²⁴.

In Klaten, one of the districts in Central Java, there are cases where the relationships between the BPD and the *kepala desa* have become rather strained. In the village of Tumpukan, the BPD's wish to reduce the appanage or *tanah bengkok* in order to increase the village's revenues, has been strongly opposed by the *kepala desa*. In the villages of Bero and Kanoman, the BPDs have rejected the

²³ Antlöv, *The Making of Democratic Local Governance in Indonesia*, p.8.

²⁴ Francis Wahono, "Kendala-kendala dalam Demokrasi Desa", *Jendela Forum*, April, 2001.

bupati's decision to re-activate the *kepala desa* and do not acknowledge his administration²⁵. One might still argue, however, that these tensions are part of the democratisation process. The fact is that such kinds of discords have intensified in villages since the enactment of new regulations on BPD. These cases also reflect that there are still loopholes in Law No.22 of 1999 and Ministry of Home Affairs Decree No.64 of 1999 concerning the BPD, given the fact that insofar there are no clear guidelines yet on how to control the BPD members, and to whom they are supposed to be responsible.

Deviations have also occurred in the implementation of village autonomy by the district government. In the district of Sumedang, West Java, for example, the local government ruled that the BPD Election Commission has the right to “administratively select” who can be a BPD candidate. If this be the case, the legal framework might allow a village headmen to single-handedly appoint his loyal followers to the Commission, which then decides who is allowed to contest for BPD seats²⁶. The distortions, and the practices they allow, have been recognized by the Ministry of Home Affairs, and Ordinance No.64/1999 has since been revised. In November 2001, it was replaced by Presidential Decree No.76/2001 on General Guidelines for Village Regulations. However, only some details have been

²⁵ Nur Tjahjono, “*BPD Momok bagi Kades dan Perangkatnya*”, *Suara Merdeka*, 27 September 2001.

²⁶ Hans Antlöv, *Village Governance and Local-Level Autonomy in Indonesia* (Jakarta: Ford Foundation, mimeo, 2002). Other forms of deviations in the BPD member elections were also found in a study of five villages in the provinces of Jogjakarta and Central Java. See AA. Ari Dwipayana & Sutoro Eko (eds.), *Membangun Good Governance di Desa*, (Jogjakarta: IRE, 2003), p.83.

changed. The basic distortions remain as many of the *Peraturan Daerah* (District Regulations) stipulated under the previous regulations are still maintained.

Another interesting case concerns the BPD in the village of “Sariendah” of Bandung district, West Java. The BPD members in this village have been very enthusiastic and active while their relationships with the *kepala desa* have been fairly good. All the budget allocations in the village were intensively discussed between the BPD and the *kepala desa*, including the road and irrigation projects, social safety net funds, and so on. However, it appears that the BPD’s sense of priorities might be misplaced for they were also enthusiastic about building an office for the BPD, the first in the sub-district, and even building a swimming pool²⁷-surely an unnecessary and extravagant project at the village level. Fortunately, not every member agreed to the building projects. This case illustrates that some of the BPD in the villages have been too ambitious and that their proposed projects may not benefit the common people. Additionally, conflicts with the *kepala desa* can also jeopardize the developmental goals of the village.

²⁷ Antlöv, *The Making of Democratic Local Governance in Indonesia*, p.10.

Table 1.1. Village governance in the 1979 and 1999 laws

	Law 5/79	Law 22/1999
Definition of village	A territorial entity	A legal community
Name of village and headman	Mandatory <i>desa</i> and <i>kepala desa</i> all over Indonesia	Districts can legislate for the use of traditional names for “village” and “headman’
Establishment of new village	Initiated by sub-district, approved by district chairman	Initiated by villagers, approved by district government and parliament
Village institutions	Appointed Village Assembly (LMD) and Village Community Resilience Board (LKMD) under the authority of the headman. No other institutions permitted	Elected village council (BPD) with far-reaching rights and autonomy, plus other institutions that the village sees fit to establish
Village government	Headman	Headman and village council
Village headman	Appointed by and accountable to the district government, maximum term of office of 16 years	Appointed by and accountable to village council, after approval from district government, maximum term of office of 10 years
Dismissal of headman	Proposed by sub-district, approved by district	Proposed by village council, approved by district government
Village budget	Drafted by headman and LMD, approved by district government	Drafted and approved by village council together with headman
Village funding	Block grant from above	Block grant and local sources
Village-owned enterprises	Not allowed	Allowed
Indices of Autonomy	None. Villages strictly under the authority of the sub-district	Villagers have the right to reject governmental programs not accompanied by funds, personnel or infrastructure, and to draft regulations
Implementation and oversight	Ministry of Home Affairs	District government

Source: Adapted from Antlöv, 2002

Nonetheless, there are some discernible changes in the villages after these political reforms. First, the power that was concentrated in the hands of the formal bureaucracy and some informal leaders in the village has shifted to new actors, including those who were previously considered “the opposition”. These opposition groups -- the political party activists, the youth representatives and village ‘interest groups’ -- are now increasingly included in decision-making. Sometimes, conflicts between village officials and these former opposition elements have led to the use of coercion, strikes, and physical violence. Second, the idea of granting local autonomy to the village has significantly ruled out the upward accountability of the village political elites. Unfortunately, such a leeway can be manipulated or be misused by village political elites to restore “feudal” practices and smaller scale authoritarianism. Third, the multi-party system that has been adopted together with the political reform may bring about factionalism at the village level based on party affiliation, religion, and communalism. As the restrictive doctrine of ‘floating mass’ is lifted and political parties are allowed to penetrate into the village, ideological conflicts at the village level might result due to lack of understanding of democracy²⁸.

However, some positive aspects of political reform are also visible. In line with the new policy that the nomenclature for village can be adjusted to coincide with traditional village institutions and local customs²⁹, village development might become more participatory. A change in nomenclature for villages might seem to

²⁸ Cornelis Lay, *Central-Regional Relations in Indonesia: Problems and Prospects* (Jakarta: LIPI, 1998); Kutut Suwondo, *Otonomi dan Partisipasi Masyarakat Desa* (Yogyakarta: FPPM & Ford Foundation, 2000).

²⁹ Article 4, *Keputusan Menteri Dalam Negeri No.64 of 1999*.

be trivial. But, in the Indonesian context, it conveys an important message because the previous regulation (Law No.5 of 1974) imposed the *desa* as the uniformed nomenclature for villages and standardized organisational structure in the villages. This stipulation was interpreted by most local authorities as centralised and simply concerned with regulation. Recent studies have revealed that a dialogue between local customs and modernity has characterised development in many Indonesian villages³⁰ and encouraged political participation at the local level.

Following such fundamental changes in the relationships between village executives and legislators, communities at the village level are becoming aware of how their villages are being administered, particularly on how the village resources and other acquired resources are being used by the village executives. The BPD, for example, may not represent all the groups in the community. However, as it becomes more independent of the executives, it is likely to encourage public participation, not only in the elections for the village headman but also in the day-to-day workings of village administration. It is within the context of these fundamental changes that we ask these research questions :

1. What are the patterns of political changes at the village level?
2. What are the factors determining political changes at the village level?
3. Are there changes in the decision-making process at the villages?
4. Is there a shift from the 'private politics' of individual bureaucrats' to the 'public politics' of village decision-making involving other institutions?

³⁰ P.M. Laksono, "Perception of Volcanic Hazards: Villagers Versus Government Officials in Central Java" in Dove, Michael R. (ed.), *The Real and Imagined Role of Culture in Development: Case Studies from Indonesia* (Honolulu: University of Hawaii Press, 1988), p.272.

These are among the important questions to be answered in this study. The focus of the study is on village politics, on the grounds that the village constitutes the smallest unit of governance, which reflects general political characteristics in Indonesia. However, it is also expected that the village's relationships with institutions, personnel and processes at the district level, will also be explored and explained.

1.2. The Theoretical Framework

1.2.1 Good Local Governance

As the problems of development in the new global economy become more complex, the continuing effort of national governments to search for solutions requires more ingenious and vibrant strategies. Among the facts that have to be faced is that the dimensions of dynamic development are not necessarily dependent upon the traditional apparatus of the state. Current debates on development questions are encompassing elements of civil society with all the institutions, organisations and structures outside the state and increasingly focused on the question of governance involving the civil society. At the same time, strict economic parameters that have been dominating many discussions on development in the past are no longer suitable for dealing with development issues nowadays. Leaders, policy makers, civil society groups and the private sector currently have to be more familiar with non-economic issues such as democratisation, civil society, governance, decentralisation, transparency and accountability.

A common way to understand transformation toward democracy is to observe the interaction between the state and civil society. This conceptual framework is based on the assumption that when civil society is relatively strong vis-à-vis the state, democracy prevails. However, when the state is strong and

civil society weak, democracy fails³¹. Therefore, democratisation is understood as a process of strengthening civil society. The concept of civil society is inextricably related to the question of human rights and civil liberties. Civil society's power is conceived in opposition to the state's power.

Another concept of civil society, however, argues that the state and civil society do not always oppose each other. Civil society can be thought of as one of the two fundamental elements of contemporary governance³². One element is represented by the basic institutions of governance, which include the executive, legislative, judicial and regulatory agencies at all levels of governments. These institutions, which are in essence the principal organs of government, are responsible for the making of public policy, its implementation and its monitoring. The other element is the environment within which these organisations function, referred to as civil society. It includes all forms of citizen initiated political action, from the individual local residents to the organising of large numbers of individual citizens into mass organisations of modern society – political parties, associations of business people and workers, various single and multiple issue focused groups and other organisations and agencies which exist in between and seek to influence political and policy-making processes. Therefore, civil society includes the news media, unions, local neighbourhood organisations, parent-teacher associations, private sector bodies and an endless array of formal

³¹ Arief Budiman (ed.), *State and Civil Society in Indonesia* (Clayton: Centre of Southeast Asian Studies, Monash University, 1990), p.3.

³² United Nations Development Programme, *Local Governance: Report of the United Nations Global Forum on Innovative Policies and Practices in Local Governance* (Gothenburg: UNDP, 1996), Ch.3.

and informal organisations outside the public realm, including the so-called non-governmental organisations (NGOs).

Nevertheless, whichever conceptual term is used for civil society, one thing is common: strengthening civil society is understood as a prerequisite for political development or for the quest toward democracy. A vibrant civil society is a critical precondition for more equitable, democratic, pluralistic and humane governance. In modern life where the people's needs have become varied and complex, it is almost impossible to think of the option to place all public affairs in the hands of the state. Reinforcing and empowering civil society has become a common strategy for democratisation in many countries. In the context of political transition in Asia, it is also believed that empowering civil society is an important condition in consolidating democracy³³.

“Governance” is a key concept in discussions about the relationship between the state and civil society. The term “governance” is intended to overcome the drawbacks of the use of the term “government” which essentially refers to political functions and “public administration” generally viewed in terms of more technocratic pursuits³⁴. Since governance is also a term widely used in connection with private sector management, it reminds us of the fact that there are commonalities between the two sectors in this respect. In addition, governance is also a more neutral concept comprising the complex mechanisms,

³³ Juan J. Linz & Alfred Stepan, “*Towards Consolidated Democracies*”, *Journal of Democracy*, 7(2), April 1996; Umaruddin Masdar, “*Transisi Demokrasi Indonesia: Peluang Konsolidasi, Pembedakan Institusi dan Ancaman Demiliterisasi*”, *Masyarakat Indonesia*, 29(2), 2002.

³⁴ Anonymous, *Habitat Professional Forum on Discussion of the Global Campaign for Urban Governance* (New York: Habitat Forum, mimeo, 2001).

processes, relationships and institutions through which citizens and groups articulate their interests, exercise their rights and obligations and mediate their differences. The fundamental argument for using this concept of governance derives from the idea that the political system in modern societies “can no longer be conceived in terms of external governmental control of society but emerges from a plurality of governing actors”³⁵. There are two possible consequences for the application of this concept as has been identified by Kooiman³⁶:

“1) the pattern of governance is not only the unintended outcome of social interaction but also the mechanism through which the actors have the capability to act and to govern, hence governing and governance are subjected to a permanent process of mutual interactions; 2) as governance is strongly linked to the concepts of interaction and system, governance is system specific. The interactional arrangement can be primarily based on cooperation, trust and mutual understanding, but it can also be based on conflict, power, and contention”.

The moral ground for governance is laden in the concept of “good governance”. This concept perhaps appeared first in the World Bank vocabulary and was mainly defined as: “the manner in which power is exercised in the management of a country’s economic and social resources for development”³⁷.

³⁵ Bryan Marin & R. Mayntz (eds.), *Policy Network* (Boulder: Westview, 1991), backflap.

³⁶ Jan Kooiman (ed.), *Modern Governance: New Government-Society Interactions* (London: Sage Publications, 1993), p.258.

³⁷ World Bank, “*Governance and Development*”, Washington D.C., 1992 as quoted by Francois Dreyfus, “What Kind of a Citizen for What Kind of State?” in Luc Rouben (ed.), *Citizens and the New Governance: Beyond the New Public Management* (Amsterdam: IOS Press, 1999), p.8.

Good governance is reflected in the “effective, efficient, honest, equitable, transparent and accountable performance of governing”³⁸. It is obvious in these definitions that good governance implies the conduct of behaviour that must be upheld by actors in the social interactions that involve state and civil society institutions. Since good governance is definitely in line with democratic principles, it is understandable that international organisations are currently urging on the imposition of good governance principles in those countries where authoritarian regimes have been replaced by more democratic ones. But the principle of good governance is not only an issue for developing countries. The importance of accountability, for example, is also recognised in developed countries. Many of the “administrative pathologies in the countries do not stem from management problems. Instead, they arise from governance problems”³⁹.

Good governance defines the norms in the processes and structures that guide political and socio-economic relationships. For the UNDP, therefore, good governance has three fundamental elements: political, economic and administrative.

“It is *political* because of its relevance to the process of democratic policy formulation that will affect the whole society. It is *economic* because it implies a country’s economic activities which impact upon issues of equity, poverty, and quality of life. And good governance is certainly *administrative* because of its relevance to the system of policy implementation. Encompassing all the three fundamentals, the UNDP defines good governance as a relationship between the state

³⁸ Andi Faisal Bakti (ed.), *Good Governance and Conflict Resolution in Indonesia: From Authoritarian Government to Civil Society* (Jakarta: IAIN Jakarta Press, 2000), p.3.

³⁹ James Q. Wilson, “*Bureaucracy: What Government Agencies Do and Why They Do It*” as also quoted in Ronald B. Cullen & Donald P. Cushman, *Transitions to Competitive Government: Speed, Consensus, and Performance* (Albany: State University of New York Press, 2000), p.271.

and the society that are characterised by: participation, rule of law, transparency, responsiveness, consensus orientation, equity, effectiveness and efficiency, accountability, and strategic vision”⁴⁰.

The word “local” In “Local Governance” usually refers to the level of the village, town or city – and to events that occur just above that level. This may seem obvious, but in the literature on some countries – for example, on China – analysts of all nationalities tend to use the word “local” to refer to anything below the national level. It is more precise (and less confusing) to use a more limited definition – referring to villages, towns and cities. The word “governance” usually refers not just to the actions of governments – although that is very important – but to the sum total of arrangements, processes, habits and patterns that we find when we ask how a particular society conducts public business.

Accordingly, the term “decentralization” refers to the transfer of powers and resources from higher levels in political systems to lower levels. Most analysts concentrate on three types of decentralization. *Administrative decentralization* or *deconcentration*: the transfer of administrative personnel and resources from higher to lower levels *Fiscal decentralization*: the transfer of financial resources, and authority over their use, from higher to lower levels *Political* or *democratic decentralization* (sometimes called *devolution*): the

⁴⁰ United Nations Development Programme, *UNDP and Governance for Sustainable Human Development* (New York: UNDP policy paper, 2002). See also Goh Ban Lee, *Non-Compliance: A Neglected Agenda in Urban Governance* (Kuala Lumpur: Institute Sultan Iskandar, 2002), pp.218-27.