

## **The Effectiveness of Decentralization Policy in Local Government Administration**

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**Abstract.** *Article 18 paragraph (2) and paragraph (5) of the 1945 Constitution stipulates that the Regional Government is authorized to regulate and manage its own government affairs according to the principles of autonomy and co-administration and is granted the widest possible autonomy. The granting of the widest possible autonomy to regions is directed at accelerating the realization of community welfare through service improvement, empowerment, and community participation. Regional formation is basically intended to improve public services in order to accelerate the realization of community welfare as well as as a means of political education at the local level. For this reason, the formation of a region must take into account various factors such as economic capacity, regional potential, area, population, and considerations from socio-political, socio-cultural, defense and security aspects, as well as other considerations and conditions that enable the region to organize and realize the objectives of the establishment. By using descriptive analytical research method the results of this research are decentralization is the delegation of government power from the central government to regions to manage their own households, or regions are given autonomy to become autonomous regions. Decentralization is intended to give authority from the state government to local governments to regulate and manage certain affairs as their own household affairs. Therefore, the birth of Act No. 23 of 2014 concerning Regional Government, especially the essence of decentralization, is basically in the framework of accelerating the distribution of community welfare, especially in the regions.*

*Keywords: Decentralization; Effectiveness; Government; Policy; Regional.*

## 1. INTRODUCTION

The existence of a local government shows that Indonesia as a unitary state has a decentralized style. This pattern is a form of development efforts in Indonesia.<sup>1</sup> Decentralization is the authority of the central government to hand over some of its power to the regions.<sup>2</sup>

The organizational structure of the state with a decentralized pattern and using decentralization as the basis for the organizational structure as adopted by 1945 Constitution of the Republic of Indonesia (UUD 1945). Provisions regarding decentralization are then formulated further in Act No. 22 of 1999 which was later replaced by Act No. 32 of 2004 and then replaced by Act No. 12 of 2008, and finally Act No. 23 of 2014 concerning Regional Government (Act No. 23 of 2004).<sup>3</sup> The state administration with a decentralized style was formed to realize a decent public service delivery system in accordance with the principles of good governance.<sup>4</sup>

However, the problem that arises is the pattern of relations between the Center and the Regions in the state with a decentralized organizational structure, if the implementation of the powers, duties and responsibilities of the state government is not only carried out by one central government. The pattern of this relationship is influenced by several principles, namely uniformity and equity of justice and welfare, the tendency towards centralized administration of government, and the interest to find a fair balance point in building the relationship between the Center and the Regions.

The principle of uniformity is a principle that exists in a unitary state and the principle of equitable distribution of justice and welfare adopted by the 1945 Constitution. The principle of uniformity means that the Center is responsible for the integrity of the unitary state, guarantees the same service for all people, guarantees equality of action and regulation in certain fields. This condition will tend to a centralized government administration. Meanwhile, the principle of equitable distribution of justice and welfare is strongly influenced by the pattern of community structure. The way to realize justice and welfare in a homogeneous society will be different from that of a pluralistic society. In a pluralistic society, efforts to realize justice and welfare must pay attention to the pattern of composition of the local community, differences in cultural and belief systems,

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<sup>1</sup>Bemmelen, Sita van & Raben, Remco. (2011). *Between Region and State: Indonesia in the 1950s: Unpacking the Great Narrative of National Integration*, Jakarta: Indonesia Torch Foundation, p. 165

<sup>2</sup>Simandjuntak, Reynold, *Decentralization System in the Unitary State of the Republic of Indonesia Constitutional Juridical Perspective*, de JURE, JOURNAL OF SHARIA AND LAW: Vol. 7, No. 1, 58.

<sup>3</sup>Simanjuntak, Kardin M. (2015). *Implementation of Government Decentralization Policy in Indonesia*, JOURNAL OF BINA PRAJA: Vol. 7, No. 2, 111.

<sup>4</sup>Hakim, Abdul & Rochmah, Siti. *Implementation of the Public Service Law: Are Autonomous Regions Ready?*, in Muluk, Khairul. (2013) *Proceeding: The Role of Local Governments in Indonesia's Development*, Malang: UB Press, p. 24.

differences in the nature and geographical location, and differences in historical backgrounds. These differences and specificities further necessitate differences in services and ways of administering government.

There is a tendency towards centralized governance so that it will shift and eventually sacrifice the principle of decentralization. This trend of centralization is a concern of the Center over the management of economic resources in the Regions by the Regions, because it is feared that it will strengthen the position of the Regions and weaken the authority of the Center. This concern is understandable, because if the position of the Regions gets stronger, and if the Center cannot control it, it will facilitate the collapse of the principle of uniformity and the unitary state. Historically, this has happened when there were various rebellions by the Region, because they felt they were treated unfairly in the management and utilization of natural/economic resources in the Region.

The important to find a fair balance point in building the relationship between the Center and the Regions, with the aim of balancing the interests of the integrity of the unitary state and uniformity with equitable distribution of justice and welfare. For this reason, it is necessary to build the basics of a balance or harmonious relationship in the perspective of the relationship between the Center and the Region. The development of harmonious relations between the Center and the Regions is very important, because every regulation concerning the relationship between the Center and the Regions will be directly related to efforts to maintain the integrity of the unitary state, the provision of the same services, uniformity of action and uniformity of regulation in certain fields on the one hand, and the implementation of decentralization reasonable on the other hand.

As mandated by the 1945 Constitution, there are Government Affairs which are fully under the authority of the Central Government, known as absolute government affairs and there are concurrent government affairs. Concurrent government affairs consist of Mandatory Government Affairs and Optional Government Affairs which are divided between the Central Government, Provincial Regions, and Regency/Municipal Regions. Mandatory Government Affairs are divided into Mandatory Government Affairs related to Basic Services and Mandatory Government Affairs which are not related to Basic Services. For Mandatory Government Affairs related to Basic Services, Minimum Service Standards (SPM) are determined to guarantee the constitutional rights of the community.

Referring to the concept and policy of implementing regional government, the region is given considerable authority as the authority to administer the region and develop regional potential for the prosperity and welfare of the people in the region concerned.

## **2. RESEARCH METHODS**

The method uses of this research is qualitative methods with using descriptive qualitative approach. Descriptive qualitative approach shown to explain and explore phenomena in depth by collecting relevant data to the topic and object of research. This research also using literature study to collected the data to obtain an objective data. The secondary data was collected from book, journals, article (regulation) and other relevant source.

### **3. RESULTS AND DISCUSSION**

#### **3.1. State System**

Amendments to the 1945 Constitution have broad implications for changes in the state administration system. The implications of the state administration system have an impact on fundamental changes to state institutions/organs, how to manage the state, how to select state managers, ways of accountability and so on. As is the case with the translation of people's sovereignty, which was originally according to the 1945 Constitution (before the amendment), was fully implemented by the MPR, it was changed to "sovereignty is in the hands of the people and implemented according to the Constitution".<sup>5</sup> The formulation of Article 1 paragraph (2) of the 1945 Constitution which has been amended emphasizes that first, sovereignty resides and originates from the people; second, the sovereignty of the people is implemented in accordance with the provisions of the Constitution; and third, the institution appointed as the executor of people's sovereignty is not limited to the MPR, but all state institutions are direct or indirect actors of power that comes from the people.<sup>6</sup>

The change in the state administration system after the amendment to the 1945 Constitution as exemplified above involves several things, including in terms of substance and institutions. Changes in the substantive aspect are related to the principle of people's sovereignty, human rights, the principle of the rule of law, state power, restrictions on the positions of the President and Vice-president, and the testing of laws and regulations. The constitutional system contains 2 (two) aspects, namely, first, aspects relating to power state institutions and their relationship to one another among these state institutions, and secondly, the relationship between state institutions and citizens. These two aspects can actually be seen in a constitution of a country as stated by Philip and Jackson.<sup>7</sup>

Thus, a constitution is a system of laws, traditions and conventions which then form a system of constitution or state administration in a country. A constitutional system also reflects the functions contained in constitutional law. These functions include the establishment of institutional functions, division of authority and setting boundaries between positions with each other, as well as the relationship between

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<sup>5</sup>Article 1 paragraph (2) of the 1945 Constitution.

<sup>6</sup>Asshiddiqie, Jimly. (2005). *Constitutional Law and the Pillars of Democracy-Shards of Legal Thought, Media and Human Rights*, Jakarta: Constitution Press, p. 203 - 204.

<sup>7</sup>Philips, O Hood, & Jackson Paul. (1987). *Constitutional and Administrative Law*, London: Sweet Maxwell, p. 5.

positions and citizens.<sup>8</sup>The three functions, namely the function of formation, division, and regulation are functions that operate a constitutional system based on norms, constitutional rules and the principles of constitutionalism and the rule of law in a constitution.<sup>9</sup>

The concept of the state administration system is broader than the notion of a government system which includes the relationship between the legislative and executive institutions which in general gives birth to a presidential and parliamentary system. The concept of the state administration system is more like the notion of a government system in a broad sense which includes all government functions, namely the legislative, executive and judiciary, and is coupled with the relationship between the state and citizens. The authority to examine laws and regulations in the perspective of the constitutional system means placing them as part of the constitutional system, namely the operationalization of the judicial function.

In terms of institutions, there are fundamental changes, namely the equalization of the position of state institutions horizontally, and the abolition of state institutions based on the principle of vertical relations, namely, the level of state institutions from the positions of the highest institutions and high state institutions. State institutions according to the 1945 Constitution of the Republic of Indonesia are (1) the People's Representative Council (DPR),<sup>10</sup> (2) Regional Representative Council (DPD),<sup>11</sup> (3) People's Consultative Assembly (MPR),<sup>12</sup> (4) the Supreme Audit Agency (BPK),<sup>13</sup> (5) President and vice president,<sup>14</sup> (6) Supreme Court (MA),<sup>15</sup> (7) Constitutional Court (MK),<sup>16</sup> and (8) Judicial Commission.<sup>17</sup>

In the perspective of state institutions after the amendment to the 1945 Constitution, according to Jimly, there are 34 (thirty four) state institutions which are distinguished from the function and form of their institutions (organs) which are all regulated in the 1945 Constitution.<sup>18</sup> The distinction between the 34 state institutions is not solely based on the branches of legislative, executive, and judicial powers, but is based more on functions and hierarchies. In terms of function, it will be seen from the main characteristics and supporting characteristics, while the

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<sup>8</sup>Ibid, p. 6.

<sup>9</sup>Ibid, p. 28.

<sup>10</sup> Articles 19, 20, 20A, 21, 22, 22A and 22C in conjunction with Article 5 paragraph (1) of the 1945 Constitution.

<sup>11</sup> Articles 22C and 22D of the 1945 Constitution.

<sup>12</sup> Articles 2 and 3 of the 1945 Constitution.

<sup>13</sup> Articles 23E, 23F, and 23G of the 1945 Constitution.

<sup>14</sup> Articles 4, 5, 6, 6A, 7, 7A, 7B, 7C, 8, 9, 10, 11, 12, 13, 14, 15, and 16 of the 1945 Constitution.

<sup>15</sup> Articles 24, 24A, and 25 of the 1945 Constitution.

<sup>16</sup> Article 24C and 25 of the 1945 Constitution

<sup>17</sup> Article 24B of the 1945 Constitution

<sup>18</sup>Asshiddiqie, Jimly. (2006). Development and Consolidation of Post-Reform State Institutions, Jakarta: Secretariat General and Registrar of the Constitutional Court of the Republic of Indonesia, p. 98.

hierarchy is seen from the perspective of normative sources that determine its authority.<sup>19</sup>

### **3.2. Local Government as a State Institution in the Region**

In General, the theoretical understanding of state institutions or state organs can be traced to Hans Kelsen's opinion which states that state institutions/state organs are "Whoever fulfills a function determined by the legal order is an organ"<sup>20</sup> Hans Kelsen's statement implies that state institutions are not always organic, because apart from being organic, every position determined by law can also be called an institution/organ, as long as its functions are to create certain norms, in addition to carrying out a norm.

Therefore, state institutions can take the form of organs like an institution, and can take the form of public positions or public officials, such as the President, Governor, Regent and so on. In this sense, the state can only act through the organs/institutions it has formed which are run by a certain position which is given the authority and function by law.<sup>21</sup>In the perspective of the 1945 Constitution and other laws and regulations, the definition of state institutions in a broad sense is also adopted. Likewise, state organs/institutions in the area where their existence is determined by the 1945 Constitution and the laws and regulations as regional institutions.

When viewed from a regulatory perspective, Chapter III (Power of State Administration) and Chapter VI (Regional Government) of the 1945 Constitution are related as a family of state government powers and differ only in their scope and working area. Therefore, Chapter VI can be understood as a clump of Chapter III, so that there is no conflict between the two, it cannot even be separated, and is only limited to the division of government affairs in the presidential government system adopted by the 1945 Constitution. The existence of Regional Government is due to the existence of regions as a result, the Republic of Indonesia is divided into provinces, and provincial areas are divided into regencies and cities.<sup>22</sup>Each Province, Regency/Municipality has a regional government, and for its regulation, the Constitution orders the formation of a law.<sup>23</sup>

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<sup>19</sup> *Ibid*, p. viii – ix.

<sup>20</sup>Kelsen, Hans. (1961). *General Theory of Law and State*, New York : Russell & Russell, p. 192

<sup>21</sup>*Ibid*, p. 195

<sup>22</sup>Article 18 paragraph (1) of the 1945 Constitution

<sup>23</sup>Article 18 paragraph (3) of the 1945 Constitution

### **3.3. Decentralization and Regional Autonomy Policy**

#### Decentralization Policy

Decentralization is a term which consists of the words *de* meaning loose, and *centrum* meaning center, so that when interpreted, decentralization means breaking away from the center. The meaning of this understanding does not mean that regions can stand alone and break away from state ties, but from a constitutional point of view, decentralization means the delegation of government power from the central government to regions to manage their own households, in other words, regions are given autonomy to become autonomous regions. Related to the notion of decentralization, decentralization is defined as the power to act independently which is given to state units that govern their own regions, namely the power that is given and power based on its own initiative which is called autonomy. In this sense, decentralization means dividing and distributing, for example government administration, removing from the center or a place of concentration. Decentralization is intended to give authority from the state government to local governments to regulate and manage certain affairs as their own household affairs. It can also be interpreted as the delegation of government authority to other parties for implementation, or it is the delegation of powers by the central government to autonomous bodies located in the regions. Decentralization is intended to give authority from the state government to local governments to regulate and manage certain affairs as their own household affairs. It can also be interpreted as the delegation of government authority to other parties for implementation, or it is the delegation of powers by the central government to autonomous bodies located in the regions. Decentralization is intended to give authority from the state government to local governments to regulate and manage certain affairs as their own household affairs. It can also be interpreted as the delegation of government authority to other parties for implementation, or it is the delegation of powers by the central government to autonomous bodies located in the regions.

In the General Elucidation of Act No. 23 of 2014 it is stated that as a logical consequence as a unitary State is the establishment of the Government of the State of Indonesia as a national government for the first time and then it is the national government which then forms Regions in accordance with the provisions of laws and regulations. Then Article 18 paragraph (2) and paragraph (5) of the 1945 Constitution of the Republic of Indonesia states that Regional Governments are authorized to regulate and manage their own Government Affairs according to the Principles of Autonomy and Co-Administration and are granted the widest possible autonomy. The granting of the widest possible autonomy to regions is directed at accelerating the realization of community welfare through service improvement, empowerment, and community participation. In addition, through broad autonomy, in the strategic environment of globalization, regions are expected to be able to increase competitiveness by taking into account the principles of democracy, equity, justice, privileges and specificities as well as the potential and diversity of regions in the system of the Unitary State of the Republic of Indonesia.

In the idea of regional autonomy, there is an idea to take the initiative in making decisions based on the aspirations of the people who have autonomous status without direct control by the central government. Therefore, conceptually, regional autonomy has the same tendency as regional freedom in determining its own destiny or the same as regional democracy.<sup>24</sup>At the next level, even autonomy does not only mean implementing democracy, but also encouraging the development of own initiatives to make decisions regarding the interests of local communities. With the development of one's own initiative, then what is meant by democracy is achieved, namely government from, by, and for the people. In this context, the people not only determine their own destiny, but furthermore the people have the opportunity to improve their own destiny.

In developing countries, regional autonomy is understood as an integral part of the aspirations for freedom, the basis of the search for democracy, an important element for national stability, and an important element of defense. Thus, regional autonomy is considered as the implementation of the spirit of democracy as Robert Rienow assumed: "Handling their local affairs is regarded as good training for people charged with the central of democracy. It is more than training. It's the very essence of the popular system"<sup>25</sup>

Robert Rienow's statement outlines that the autonomous government unit is a democratic training ground, even more so as the essence of democracy. The presence of an autonomous region in relation to democracy will show the following things: in general, such an autonomous government will reflect more democratic ideals than centralization. Autonomous government units can be seen as the essence of democracy. An autonomous government unit is needed to realize the principle of freedom in the administration of government. An autonomous government unit was formed in order to provide the best possible service to people who have different needs and demands.<sup>26</sup>

Regional autonomy as a translation of local autonomy is essentially the autonomy of the local community. Through government institutions, civil society and the private sector, regional autonomy is managed synergistically for mutual prosperity. Through autonomy, local communities are expected to have the ability, freedom of initiative and independence in building themselves. In addition, the existence of local government is closely related to the view that there is strength in the diversity of responses and differences in the need for non-localities to be accommodated.<sup>27</sup>Therefore, the concept of regional autonomy described above

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<sup>24</sup>Muttalib, MA. & Ali Khan, Mohd Akbar. (1982) *Theory of Local Government*, New Delhi: Straling Publisher Private Limited, p. 5.

<sup>25</sup>Rieno, Robert. (1966). *Introduction to Government*, New York: Alfred A. Knopf, p. 573.

<sup>26</sup>Manan, Bagir. (1996). *Autonomy Legal Politics Throughout Local Government Legislation*, in Hutabarat, Martin, et. Al., (eds). (1996). *Indonesian Law and Politics: An Overview of Presidential Decrees and Regional Autonomy*, Cet. I, Jakarta: Sinar Harapan Library, p. 142.

<sup>27</sup>Hoessein, Benjamin. (2001). *Government Transparency: Finding Formats and Concepts of Transparency in Good Governance*, Innovation Forum, p. 37.



can revive community participation through 'participatory democracy' and 'representative democracy' approaches.<sup>28</sup> In this perspective, regional autonomy is also considered as the main instrument to support the approaches of 'participatory democracy' and 'representative democracy', because there are so many local and regional interests that should not be ignored. In line with this thought, BC Smith stated that: "Decentralization to culturally distinctive subgroups is regarded by many as necessary for the survival of socially heterogeneous states. Decentralization is seen as a countervailing force to the centrifugal forces that threaten political stability"<sup>29</sup>

In this connection, decentralization for a group that has cultural differences is very necessary to maintain the survival of a country that has high heterogeneity. Decentralization is also seen as a balancing force for centrifugal forces that can threaten political stability. The understanding of regional autonomy as community autonomy in the interests and affairs of local government is very conducive to the concept of local development. Local or regional development according to the participation of the wider community in determining goals and concrete steps to make them happen. Local development seeks community empowerment to gain the ability to solve problems and deal with government institutions and institutions that affect their lives.

Theoretically, development is a change effort planned by a certain agent of change. In developing countries, the government is generally the main agent in the planning, implementation and monitoring stages of development outcomes. In this connection, the ability of local governments to involve other stakeholders is needed to formulate development goals and steps. As an effort to mobilize participation and accommodation of growing interests, it is necessary to have leadership with high visionary power, skills (professionalism), integrity and sufficient legitimacy from the community. In this perspective, the mobilization of development must mean 'participatory democracy' and 'representative democracy' to realize mutual prosperity.

### **3.4. Developing Regional Potential for Community Welfare**

#### **Application of Good Governance Principles**

The concept of Good Governance, the process of implementing state power in implementing the provision of public goods and services is called governance (government or governance), while the best practice is called good governance. In order for "good governance" to become a reality and run well, it requires commitment and involvement of all parties, namely the government and the community. Effective good governance requires good alignment and integrity, professionalism, work ethic and high morale. Thus, the application of the concept of "good governance" in the administration of state government power is a

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<sup>28</sup>Goldsmith, Michael. (1980). *Politic, Planning, and City*, London: Hutchinson & Co. Publishers Ltd. p. 16

<sup>29</sup>Smith, BC. (1983). *Decentralization*, London: George Allen & Unwin, p. 49.

challenge in itself. The implementation of good governance is the main prerequisite for realizing the aspirations of the people in achieving the goals and ideals of the nation and state.

The general principles of state administration according to Act No. 28 of 1999 include the principle of legal certainty, the principle of proportionality, the principle of professionalism, and the principle of accountability. According to the explanation of the law, what is meant by the principle of accountability is the principle that determines that every activity and the final result of state administration activities must be accountable to the community or the people as the holder of the highest sovereignty of the state in accordance with the provisions of the applicable laws and regulations. Good governance is the most prominent central issue in the management of public administration today. The intense demands made by the community for the government to implement good governance are in line with the increasing level of knowledge and education of the community, apart from the effects of globalization. The old pattern of government administration is no longer in accordance with the changing social order. Therefore, this demand is a natural thing and the government should respond by making changes that are directed at the realization of good governance. From a functional point of view, the aspect of governance can be viewed from whether the government has functioned effectively and efficiently in an effort to achieve the goals that have been outlined, or on the contrary where the government is not functioning effectively and inefficiency occurs.

There are too many problems that have occurred in Indonesia. There are many bad statements stating that Indonesia is in a slump, especially with its laws. In the 1945 Constitution Article 1 paragraph (3), it is stated that "the State of Indonesia is a state of law". It becomes a very basic question why a country that claims to be a state of law can experience a decline in the law, especially in its enforcement. The existence of good government or what is often called good governance which has been hailed in fact is still a dream and is only a mere jargon. Revolutions in every field must be carried out because every product produced only accommodates the interests of political parties, factions and groups of people. Whereas good governance should be a serious concern. Transparency can indeed be a solution, but is it enough to achieve good governance? As a country that adheres to a form of democratic power. So "Sovereignty is in the hands of the people and implemented according to the Constitution" as stated in the 1945 Constitution Article 1 paragraph (2). The state should facilitate citizen involvement in the public policy process. Being a form of supervision of the people of the state in order to realize good governance. It will weaken the government's position. But it is better than the authoritarian and repressive treatment of the government. So "Sovereignty is in the hands of the people and implemented according to the Constitution" as stated in the 1945 Constitution Article 1 paragraph (2). The state should facilitate citizen involvement in the public policy process. Being a form of supervision of the people of the state in order to realize good governance. It will be weaken the government's position. But it is better than the authoritarian and repressive treatment of the government. So "Sovereignty is in the hands of the people and implemented according to the Constitution" as stated in the 1945

Constitution Article 1 paragraph (2). The state should facilitate citizen involvement in the public policy process. Being a form of supervision of the people of the state in order to realize good governance.

The magnetic disease of matter that currently infects every official in the government still cannot be cured. "Corruption" which even some circles as a living culture of government officials still exists and is even increasing. Then what about the existence of good governance in dealing with corruption. The principle of sovereignty is in the hands of the people as if it were only a black scratch on the constitutional paper. Many actions and steps taken by the government without considering the conditions and giving the people to participate. The assumption of democracy is that the authority lies in the hands of the people, so the people have the right to participate and know their goals. The product of law and law enforcement has not provided this right to date. It is necessary to establish a political structure that allows space for different groups in civil society to join in the public policy process. Good Governance is all efforts to be able to realize a good government. However, currently Indonesia's political problems are often an obstacle to the realization of good governance.

Supervision of the government in every policy and legal product that is produced plays an important role in creating a good government system. This is intended to improve public services and government performance in enforcing the law. Where the purpose of the law itself according to Gustav Radbruch is justice, expediency and legal certainty. So in order to ensure the existence of good governance in Indonesia, the government in running the government must be clean as has been embodied in Act No. 28 of 1999 concerning State Administration that is Clean and Free from Corruption, Collusion, and Nepotism (Act No. 28 of 1999 concerning State Administration). Clean and Free from Corruption, Collusion, and Nepotism). However, with the various steps that have been taken, the ideals of good governance have not yet been realized. So it is necessary to study more deeply the factors that underlie this can happen and find the right formula to solve the problem. Also as a form of preventive measures from problems that are more severe than the problems currently facing Indonesia.

*Good governance* related to good governance. Self-government can be interpreted narrowly and broadly. In a narrow sense, good governance is related to the implementation of state administration functions. In this regard, Bagir Manan explained that in the Netherlands, which was also followed by Indonesian State Administrative Law experts, there are known general principles or principles of good state administration (*algemene beginselven van behoorlijkbestuur general principles of good administration*), which contains guidelines that must be used by state administrations and also by judges to test the validity of legal acts (*rechtshandelingen*) of state administration.

These principles include: clear motivation, clear goals, not arbitrary (*willekeur*), prudence (*zorgvuldigheid*), legal certainty, equal treatment not to use authority

that deviates from the goal (*detournement de pouvoir, fairness*) and others.<sup>30</sup> Many opinions state that discussions about good and clean government in Indonesia have only started in recent years. But in fact, according to Saldi Isra, seen from the development of legislation, talks towards good and right government have started along with the strong desire to create a State Administrative Court (PTUN). This means that the discussion of good and clean government has at least begun since the early 1970s, namely with the publication of Kuntjoro Purbopranoto's book entitled *Several Records of Governance Law and State Administrative Courts* in 1978.

Then institutionally, this effort can be seen from the "Research Project on General Principles of Good Governance (AAUPB)" which was carried out by the National Legal Development Agency (BPHN) in 1989. The book and the results of the research succeeded in becoming a good governance doctrine<sup>31</sup>. Although efforts to create good and clean governance have been initiated since the 1970s, they have not been able to bring about changes in state administration practices. This is because according to Saldi Isra AAUPB does not have any coercive legal force. Therefore, violators cannot be penalized. The desire to convert good and clear government into legal norms only started after Indonesia experienced a crisis in 1997 which was followed by the fall of the New Order regime in May 1998. This effort can be seen in the MPR Decree No. XI/MPR/1998 concerning the Implementation of a Clean State and Free of Corruption, Collusion and Nepotism (KKN). This was followed by the issuance of Act No. 28 of 1999 concerning the Implementation of a Clean State of Corruption, Collusion and Nepotism (KKN).<sup>32</sup>

The enactment of Act No. 28 of 1999 concerning the Implementation of a Clean State of Corruption, Collusion and Nepotism (KKN) was then followed by four Government Regulations as its implementation, namely Government Regulation Number 65 of 1999 concerning Procedures for Examination of State Organizers, Government Regulation Number 66 of 1999 concerning Procedures for the Appointment and Dismissal of Members of the Investigating Commission, Government Number 67 of 1999 concerning Procedures for Monitoring and Evaluation of the Implementation of the Duties and Authorities of the Investigating Commission, and Government Regulation Number 68 of 1999 concerning Procedures for Implementing Community Participation in State Administration. The enactment of Act No. 22 of 1999 concerning Regional Government has brought about a very basic change in the system of government authority. Likewise, the enactment of Act No.

Autonomy also wants to change or reform the color of government which emphasizes on authority to governance which emphasizes on interactions between the government (public), community (community) and the private sector (profit and social). Within the framework of implementing regional autonomy, it must be

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<sup>30</sup>Manan, Bagir. (2004). *Good Governance, in Welcoming the Dawn of Regional Autonomy*, Jakarta: Center for Legal Studies UII, p.274.

<sup>31</sup>Isra, Saldi. (2006). *Constitutional Law Reform*, Padang: Andalas Univ. Press, p 220.

<sup>32</sup>Ibid., p. 221.

realized the meaning, philosophy or principles that must be applied are sharing of power, distribution of income and empowering of regional administration. And all of this is within the framework of achieving the ultimate goal of autonomy, namely regional independence, especially community independence. This means how the regions have the authority, not just the delegation of affairs to administer the regional government<sup>33</sup>.

There are three domains involved in good governance, namely government, private sector and civil society. To implement good governance, it is necessary to have a clear division of roles from each of these domains. If previously the sources of authority were centered on the government as the highest institution representing the state, then gradually the transfer of authority and responsibility has been carried out to institutions outside the central government. This transfer of authority and responsibility is carried out in the context of decentralization<sup>34</sup>. In this era of regional autonomy, with the shifting of power centers and increasing operationalization and various other activities in the regions, the logical consequences of this shift must be accompanied by increased good governance in the regions.<sup>35</sup>

#### Recognizing Regional Potential

Regional potential is a regional resource that can be developed through careful planning and can be implemented. From several experiences of local governments that have succeeded in improving the welfare of their people through the choice of development policies by developing regional potential, both human resources, natural resource potential through appropriate development planning and using appropriate technology. There are at least three things that need attention and consideration to become strategic policies, among others: First, the development of human resources into superior, creative and innovative resources. The demographic bonus that occurs is that the increasing number of productive age population must be empowered to become productive resources and must be educated and trained in accordance with the potential of available natural resources. An educated and trained workforce will be able to process and utilize natural resources as a source of energy for development for the welfare of the community. Therefore, the development of the world of education with an applied education model to master appropriate technology, will be very supportive for the development of the quality of life. This means that people who are educated and trained will be able to create their own jobs to become reliable entrepreneurs. Second, the potential of natural resources as a gift from God becomes strength and resources that can be processed and developed into productive and

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<sup>33</sup>Utomo, Warsito. (2006) *Indonesia's New Public Administration, (Paradigm change from State Administration to Public Administration*, Yogyakarta: Pustaka Pelajar, p. 46.

<sup>34</sup>Wasistiono, Sadu. (2005) *Decentralization, Democratization and the Formation of Good Governance in Haris, Syamsudin (Editor). 2005). Decentralization & Regional Autonomy*, Jakarta: LIPI Press, p. 61.

<sup>35</sup>Sedarmayanti. (2003) *Good Governance in the Context of Regional Autonomy*, Bandung: CV. Mandar Maju, p. 23.

economically valuable resources. The available human resources have high competence and skills, being natural resources that have a high value will become energy in developing community welfare.

Restoration of a high work culture and structure in development, especially the development of the quality of the population and economy (economic-political) requires several factors including honesty, openness and strong political will from the power holders. Opportunities to take advantage of opportunities fairly can only be done if public policy of the holder of power is directed at efforts to reduce inequality and backwardness as a consequence of unhealthy political-economic practices with the ability to create a number of instruments capable of driving growth, increasing investment, infrastructure procurement and bureaucratic reform. This requires strong leaders, especially regions who have a vision and mission for the progress of the region and its people. Besides that, able to formulate the concept of sustainable development that is welfare-oriented. In some areas, sustainable development has been practiced and has an impact on increasing people's income and has an impact on community welfare.

#### Participatory Development Model

In general, development is understood as a change effort planned by a certain agent of change. In developing countries, the government is generally the main agent in the planning, implementation and monitoring stages of development outcomes. According to the modernization paradigm, development is a progressive effort (going forward) by carrying out a total transformation from an agrarian-traditional society to a modern-industrial society by going through the stage of a transitional society. In the effort of total transformation towards a modern-industrial society, there have been fundamental changes both at the individual level, social groups, social institutions as well as in the overall structure of society. Changes at these four levels of analysis sometimes run in harmony so that an orderly and sustainable change occurs, but more often the opposite occurs. Therefore, a responsible social engineering endeavor requires the utmost care and planning. However, because the interrelationship between change at the individual level and change at the institutional level, and social change is so complex, the best level of careful planning will not be able to anticipate all the possibilities that can occur. Therefore, developing a modern and rational society is a total transformation effort so that fundamental changes occur both in the individual line, family, social group, and social institutions and the structure of society as a whole. Changes to the four lines must be carried out simultaneously and synergistically in order to create a harmonious and mutually influential relationship to the desired changes towards the realization of potential human resources. Efforts to prepare human resources to become potential human resources are important and necessary which must be carried out in a planned and sustainable manner and the level of development and success can be measured. Therefore, the development strategy in a democracy that is currently developing must be based on people/people (people centered development). This development strategy can be carried out, if the development planning pays attention to three convergent things, namely; first, community empowerment; second, human resource development,

and third, community-based development. These three strategic approaches are the most important part of a participatory community development approach.

To eliminate the failure of a community development or social engineering as part of development planning, one of the keys that must be considered is the involvement of the community itself which is placed not only as a development target, but also as a development actor. This means that the community must be given the widest possible access to participate in planning the development of their territory. This community involvement needs to be organized and dynamic so that they are able to actualize their various needs and interests in an actual and manageable idea and action plan. This community involvement will also have an influence on the value of collective responsibility for every movement of change. Positive attitude (positive thinking) towards change, is part of progress itself. Therefore, building as a means to direct the desired changes, so changing people's attitudes to have a positive attitude towards any change is an important part of development itself. Development as a process, its design and implementation must provide opportunities for community participation. Therefore, substantively the design must reflect and be adapted to social conditions and developments. The model of community development (community development) as part of development in general undergoes changes in line with changes in the pattern of public relations, from a humanistic relationship pattern to a mechanical relationship pattern. Patterns of humanist relationships that rely on a figurative approach will be abandoned by most people, because they are no longer able to accommodate and channel their aspirations. The pattern of mechanical relationships is based on rational relationships, both in terms of equality and freedom in choosing activities in order to meet needs and interests. The pattern of mechanical relationships by most people is considered ideal, because people are able to position themselves both as individuals and as communities in development.

Such social phenomena need to be observed by all parties, especially the designers and implementers of development. This means that every development that is designed must have a point of contact with social conditions and community needs (fulfilment demand). In addition, the community needs to be given the widest opportunity to participate in the development process, so that they can position themselves as part of the development process. The level of community participation in the development process will reflect the level of sustainability of the development itself. Likewise, community empowerment as an integral part of community development efforts, its design and implementation must not ignore the needs and interests of the community itself. Community empowerment is carried out in anticipation of developing social problems. The importance of community participation in building a social community is a part that has been abandoned by the government, has an impact on the public's ignorance of the social development of their environment so that they are not/less able to anticipate the changes that occur. Communities in the development process are placed in the second position (second line), and are less empowered in their bargaining power over development options. This condition will remain relevant if the government is run in an authoritarian political atmosphere, but not relevant to the democratic politics that is currently being developed. During the democratic transition period,

it needs to be developed gradually to position the community in a respectable position, has a high bargaining value in every policy making (development). In such an atmosphere, it is necessary to gradually emphasize the importance of the active role of the community in every policy-making that directs a change, starting from the stage of identifying needs, planning and implementing, to enjoying the results. Community participation is not just a tool, or a method, but is a part of development goals, because active and creative participation is the essence of human values as beings who have aspirations and self-esteem, and at the same time need to be improved in quality. The problems faced in society which are characterized by mechanics lie in the form of participation, organizing participation, means to access participation, and control over participation. But in principle, community participation needs to be developed in a synergistic way towards change, so that the community is mentally, intellectually and socially prepared for any changes that occur. It is necessary to avoid fencing and closing the door to participation, because mechanical society will form channels of participation which are sometimes not in line with the government. Therefore, the door of participation must be opened through continuous dialogue. Communities must be trained to find and answer problems that develop in their environment.

Changes designed in a development are part of the change itself, and if the change design is not/less adapted to its potential, it also becomes a threat to the desired change. Identification of potential, not only of natural resources, but also of the normative potential of society, namely the level of morality, intellectuality and social behavior that appears in social behavior. The dynamics of social change, the rate is predictable but sometimes difficult to predict. Control over any dynamics of change needs to continue to be carried out by involving the community, so that the community will be fully prepared for the changes that occur. One of the most important factors is trust in the power of society to direct and control change. Therefore, every development policy-making as part of planning to direct change must be carried out through a participatory approach. This approach allows the emergence of public confidence in the meaning of development. Civil society empowerment carried out simultaneously by the community and the government is a deliberate effort. To go in that direction, we need a social engineering that is able to mobilize community participation. If this is not done, the success rate of the program will be invisible or very slow. Civil society participation is considered important and has a major influence on community education so that they are able to see, utilize and develop their potential for mutual prosperity and in turn there will be an independent society. In this connection, the community through various existing institutions is expected to be used as an institution for the interaction of its members in developing their potential so that they have adequate intellectual competence, moral competence and professional competence. Therefore, every member of the community has the same opportunities and opportunities in developing their potential to become educated and trained personnel. Therefore, the idealism of development described above has become the determination of all levels of society as outlined in the principles and values in the basic law of the state, namely, the 1945 Constitution.



#### **4. CONCLUSION**

National Long-Term Development in 2005 – 2025 as enshrined in Act No. 17 of 2007 concerning the National Long-Term Development Plan for 2005-2025. The national development vision for 2005-2025 that is set is an Indonesia that is independent, advanced, just and prosperous. To realize this vision, eight national development missions are pursued, namely: 1) Creating a society with noble character, morality, ethics, culture, and civility based on the Pancasila philosophy; 2). Creating a competitive nation; 3). Realizing a democratic society based on law; 4). Realizing a safe, peaceful, and united Indonesia; 5). Realizing equitable and equitable development; 6). Realizing a beautiful and sustainable Indonesia; 7) Realizing Indonesia as an archipelagic country that is independent, advanced, strong, and based on national interests.

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