



INNOVATIONS FOR SUCCESSFUL SOCIETIES

DECENTRALIZING AUTHORITY AFTER SUHARTO: INDONESIA'S 'BIG BANG,' 1998 - 2010

SYNOPSIS

When President Suharto's regime fell in 1998, reform leaders in Indonesia responded to public calls for democracy by implementing reforms in the structure of government, decentralizing authority to the country's districts. This transformation altered the relationship between the Indonesian people and the state, granting greater autonomy to local leaders. In theory, decentralizing to the district level would reduce demands for separatism in the provinces while strengthening the accountability of local governments to their constituents. However, the new structures also risked empowering local politicians who might be inexperienced, corrupt or interested in secession, triggering the very disintegration of the country that the reformers sought to prevent. This case study outlines the ways in which Indonesia implemented sweeping reforms—consolidating regional and central government services and empowering local governments—while avoiding this governance trap. It also traces the process by which the government incrementally revised the initial laws and policies as it encountered challenges.

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INTRODUCTION

In late 1998, just months after the fall of President Suharto, Ryaas Rasyid convened a team of political scientists to draft legislation that would fundamentally rework the political landscape of Indonesia by decentralizing authority to local leaders. Rasyid, a U.S.-educated professor at the government's Institute for the Science of Government, had advocated decentralization in Indonesia since the early 1990s, but the lack of political will from Suharto's regime had limited any chance of meaningful reform. However, in 1997-98, a

financial crisis hit Asia and sharply reduced standards of living. Indonesians spilled out into the streets to demand more of a say in policy, and some of the country's long-vested regional leaders called for greater self-governance.

Suharto's successor, President B.J. Habibie, appointed Hartarto Sastrosoenarto, a former general, to lead the newly created Coordinating Ministry for Development Supervision and Administrative Reform. Habibie also chose Rasyid and a team of fellow academics to formulate the government's response. The team first overhauled the country's election laws.

Then, as 1998 waned, they turned to decentralization, fearing that the window of opportunity for enacting significant reform would close as the next year's parliamentary elections approached. In order to keep Indonesia together, the government needed to answer the regions' demands for increased self-governance.

From 1967 until 1998, Suharto had sought to exercise power through a centralized government bureaucracy dominated by the military and the Golkar party. This centralization strategy followed the abortive coup and subsequent anti-communist purge that brought Suharto to power. During his tenure, Suharto eliminated much of the autonomy that Indonesia's regional governments had enjoyed under Dutch colonial rule.

Although the constitution called for democratically elected local governments, and a 1974 law on regional autonomy provided for devolution of power to local levels, the legal structure bore little resemblance to the actual responsibilities of the provinces and districts under Suharto's rule. The army-backed Golkar party controlled the local and provincial legislative assemblies, and all candidates for the position of chief executive in the regions required clearance from the central authorities in Jakarta to ensure allegiance to Suharto and his government. Presidential decrees often set policy and ignored the variation in regional needs and resources. Districts controlled primary education and agricultural issues, but even in these areas the central government maintained some influence.

Central government actions accentuated disparities between regions. Local leaders faced a difficult combination of central interference in some areas and deliberate neglect in others.

Beginning in the late 1980s, decentralization had crept onto the policy agenda, but its advocates never made much progress. "Decentralization was a very, very

suspicious idea during the Suharto time," Rasyid remembered. The minister of home affairs, retired General Rudini (who, like many Indonesians, uses only one name), had proposed the idea in 1988. Suharto's government launched a limited pilot decentralization program but, worried about empowering regional strongmen, did not take the steps necessary to implement any significant changes. In the 1990s, a group of academics and central government officials proposed expanded devolution of decision-making to the provinces and districts to improve service delivery outside the capital.

The moment of opportunity came with the Asian financial crisis of 1997-98. Indonesia's currency dropped to approximately 20% of its previous value, debt soared and standards of living fell. With Indonesia reeling from the crisis, its economy in tatters, and the Golkar party straining to maintain its relevance and legitimacy in the new political climate, the moment was ripe for reform. As Suharto succumbed to political pressure to step down, calls for greater regional autonomy forced his successor, Habibie, to acknowledge that political survival in the upcoming elections would depend on his responsiveness to the public demands. The Ministry of Home Affairs issued a decree to have Rasyid form a team to prepare laws that dealt with reform of political parties, elections, and regional autonomy. The team began with elections, then turned to decentralization.

The program the Rasyid team put in motion was notable for its size, speed and scope—and the "big bang" model it projected. Reformers pushed sweeping legislation through the Parliament in a remarkably short period. Beyond the initial political hurdles, the central government also had to figure out how to implement the proposals. The resulting decentralization would transfer authority for approximately 2.4 million civil servants and more than 40% of government expenditures

from the center to local authorities. After the initial transfer of civil servants and finances, the central government continuously revised and adjusted the program by imposing new regulations. These measures shaped the successes and shortcomings of Indonesia's new, decentralized system of government.

THE CHALLENGE

Rasyid faced three difficult political and logistical tasks. The first had to do with the design of the decentralization program. Policy makers looked for ways to defuse the increasing calls for autonomy and keep the country's many distinctive regions tied to the center. They had to walk a thin line between enhancing the capacity of sub-national governments to offer services suited to local needs, on the one hand, and empowering and enabling those leaders who might seek independence, on the other.

The second challenge was how to win passage of legislation that would enable the program to proceed. Holdovers from the Suharto era dominated the political arena. Political parties and the army had significant interests in maintaining the status quo wherein they controlled the power and dictated policy to the provinces. Many sought the mere appearance of reform in the hope that they could participate in the new political order. The political will came from the regions. In November 1998, Parliament passed a resolution that appealed for a reform of central-local relations. The holdovers from the Suharto era calculated that participation in reform would be more politically expedient than opposition.

Finally, the government needed to prepare all of these reforms—elections, political parties, and the nature of regional autonomy—in a matter of months due to the political pressure for reform and the anticipation of parliamentary elections in May 1999. "It was a very, very tough job at the time, because we were out of time," Rasyid said. "We had to take the

momentum; we could not postpone. We had to do it at that time."

Rasyid's first step was to recruit a number of academics to be on the team, following a simple principle: "These people had been talking about [decentralization]. Why don't we invite them to come discuss about these issues?" The universities in Jakarta functioned as an informal network of like-minded thinkers. Rasyid's team included senior officials from the Ministry of Home Affairs and hosted a number of external experts.

To boost the chances of winning passage of the legislation, Rasyid also insisted that the group have the backing of the executive. Given the temper of the public demands at the time, Habibie embraced democracy and regional autonomy reforms.

FRAMING A RESPONSE

In March 1998, just weeks before his resignation, Suharto had instructed Hartarto, the head of the Coordinating Ministry for Development Supervision and Administrative Reform, to oversee the revisions Rudini had hoped for when he was the minister of home affairs in the late 1980s and early 1990s. When Habibie was sworn into office in May 1998, Hartarto pushed forward proposals for the revision of the 1974 law, preparing his own proposal but also appointing Rasyid as director-general for general governance and regional autonomy, and charging him with rewriting the draft legislation.

The Habibie administration had several options and variations to choose from. The design considerations included clarifying the kinds of powers each unit of government would exercise and the various oversight and review powers the central government might maintain.

The three basic levels of government in Indonesia were the central government; the provinces; and the local or district-level governments, which were composed of

municipalities and cities (*kota*), and districts (*kabupaten*), sometimes called regencies. One option was to extend autonomy at the provincial level. A second was to eliminate provincial governments and devolve authority to the local level. Under a third option, the local governments would win full autonomy, and the provincial governors would have limited autonomy.

The Hartarto proposal stripped autonomy from the provincial level of government, bypassing the governors in favor of district and municipal leaders. President Habibie, however, favored sweeping decentralization to the local level, eliminating all autonomy at the provincial level.

The Rasyid team urged adoption of the compromise option. Made Suwandi, the director of regional government of affairs in the Ministry of Home Affairs in 2010 and a leading internal reviewer and adviser on the revisions that took place in 2004, noted that worry about the risk of separatism was a theme in the discussions. He observed that “they put the emphasis [on autonomy] in the districts and the city so it’s impossible for these entities to split from the country.” However, Rasyid suggested to the president that some role for the provinces was important. “I said, if you take the governor as a pure representative of the central government, you will abolish 27 provincial legislatures, and this will create a lot of political tension and opposition to you,” he recalled.

In its final form, the team’s proposal focused on the lowest levels of governance, the districts, or *kabupaten*. The proposal called for significant financial transfers that would allow the districts to cope with their responsibilities. It transferred civil servants in order to expand the capacity of local governments to provide services to their constituents. It included incentives for the civil servants that would preserve their jobs and raise their wages in exchange for their participation. And it

promulgated special dispensations and terms of agreement with the restless territories of Papua and Aceh to help bind them to the center.

The language in the draft legislation eliminated the supervisory role the provinces had once exercised over local governments. It contained little substantive description of the place of the provincial governor and assemblies within the hierarchy of government relations, however, and the strength of the province’s coordinating role would remain in question until revisions that took place in 2004.

By effectively skipping over the provincial level of governance, the drafters were able to limit the strength of those provinces that might seek separatism in the future. They assumed that any form of collective action on the part of potential separatists would be far more difficult to coordinate if power was diffused among approximately 300 mayors and regents at the district level rather than 28 provincial governors. Local councils, known as Regional People’s Representative Assemblies, chose the mayors and regents in the initial iteration of the reform. The proposal also respected public opinion. Many Indonesians still harbored negative views of provincial authority, a system that carried vestiges of the federalism associated with Dutch colonialism that had predated the move to a unitary constitution and independence in 1950.

Rasyid’s next task was to navigate the proposed law through the legislature, where many Suharto supporters still held office. He hoped the compromise would help win passage but his team also added a review point, giving politicians the option to reconsider several years later. Rasyid recalled that when he brought forward the initial draft, he told Parliament, “I’m aware this will make it difficult to consolidate resources for development, to make the decision-making process efficient. ... But please give this system time to work, and then make an evaluation and review after 10 years.”

Timing was on his side. The economic

crisis, Suharto's resignation, and the spirit of democratization all helped create the political space necessary to enact these reforms. As Rasyid noted, "It was fortunate that the Parliament itself was not so interested in talking about local government reform. Their main concern was political reform, especially the change of the electoral system. So, when the time came to discuss this local government reform, which is decentralization, most of the members of the Parliament in Jakarta were already exhausted. ... So, that was a very fast discussion to pass the law; it took only three months."

The fast pace left little time for public consultation. Rasyid said, "I didn't go around the country because we did not have enough time. It was a very, very intensive socialization, asking people's support for political reform, for local government reform." Rasyid used television appearances to inform and persuade.

In May, the House of Representatives passed Laws 22 and 25 of 1999 without significant opposition. Law 22 on regional government decentralized authority to the districts and delineated the scaled-down responsibilities of the central and provisional governments. The law's primary objectives, as outlined in the preamble, included "democracy, community participation, equitable distribution and justice, as well as to take into account the Regions' potential and diversity." Law 25 authorized financial support for the reform. Notable was a clear mismatch between the two laws, wherein Law 22 assigned authorities without any concept of costing, and Law 25 assigned resources without any relation to need.¹

Parliament set the first day of 2001 as the date for the implementation of the reforms, giving the government less than five months to plan the transition, and only a year to offer any necessary regulations to accompany the legislation. In reality the process of drafting regulations would take much longer.

GETTING DOWN TO WORK

As the coordinating minister for development supervision and administrative reform, Hartarto set up interdepartmental teams to formulate the regulations that would make the new legislation operational. He designated Siti Nurbaya, then head of the bureau of planning at the Ministry of Home Affairs, to act as the secretary for this process. Abdurrahman Wahid, elected president in October 1999, appointed Rasyid to head a new State Ministry for Regional Autonomy.

The first task was to clarify the responsibilities of the different levels of government. "There are some obligations from the central government to the regions," Nurbaya explained, "and also there are some obligations from the regions to the central." Under the 1974 law on regional autonomy, ministries had exercised broad control over a range of governmental responsibilities. By contrast, Law 22 of 1999 defined the responsibilities of the central government and left the regencies and cities with substantial yet ambiguous residual powers. The ministries and their representatives were reluctant to cede authority, however, leading Rasyid to privately question their commitment to reform. In this early stage, Nurbaya and her team members spent far more time debating where particular functions should lie than developing the administrative processes needed for service delivery.

A year after the landmark legislation was passed, the team had managed to navigate the ministries and promulgate the first regulations to implement the decentralization program. In some instances, the planners retained regulatory roles for ministries. In the closing months of 2000, the president signed several additional sets of rules concerning the details of personnel and financial management, budgeting, the roles of representative councils and the accountability of heads of regions, among others. Meanwhile, Rasyid worked to assemble an interministerial

team to coordinate the transfer of staff and facilities, capacity building for local governments, and allocation of funds.

In August 2000, the team began to encounter resistance. The president reshuffled his cabinet and appointed Rasyid as the head of the Ministry of Administrative Reform. He disbanded the State Ministry for Regional Autonomy, which had exercised overall control of the program, combining it with the Ministry of Home Affairs. He appointed Surjadi Soedirdja, a former general and governor of Jakarta, to head the new agency.

Rasyid resigned the following February, frustrated with what he saw as a lack of dedication to reform. “I was not happy with the president, the late Abdurrahman Wahid, because I had so many ideas of reform, and he did not give me the way to realize the ideas,” Rasyid said. Before he resigned, he sent a memorandum to the president outlining the government regulations and presidential decrees needed in order to ensure minimum service standards for the local governments. “You know what happened? They didn’t make [the regulations and decrees]. So if the decentralization were to fail, I would not be surprised,” he said.

Surjadi, the head of the new Ministry of Home Affairs and Regional Autonomy, moved forward with preparations to transfer 2.4 million civil servants and the accompanying fixed assets on 1 January 2001, the scheduled date for the transfer of authority. Formerly distinct central government agencies with their own regional offices were consolidated into offices run by the regional governments. What was once a centrally controlled civil service—accompanied by over 20,000 facilities, and associated equipment—was distributed among approximately 4,000 department offices across the archipelago.

Information had to follow people and assets. The Civil Service Board lacked the

capacity to make such a sizable transfer of records effectively and to coordinate the necessary logistics. Acknowledging the lack of capacity, the board arranged the inventory of the personnel transfer but left the inventories of the equipment and facilities to the Ministry of Finance and the Government Auditor.²

In many countries, central government civil servants might have resisted the change in their status, worried about the capacity of local governments to manage payroll or about reduced opportunities for transfers. However, most civil servants, including teachers and health-care workers, proved willing to accept the new, decentralized arrangement. Civil servants could remain in the districts in which they were employed at the end of 2000, taking direction from a new organizational structure operated at the district level. Alternatively, they had the option of moving back to their home provinces, and those on central government duty in the regions had the option of returning to serve in Jakarta. Only a small proportion of government employees chose to move.

The transition strategy minimized civil service resistance but it also replicated existing imbalances. Law 22 did not outline minimum service standards, and the planners found it difficult to adequately assess the human resource needs of each district. Although the relatively small number of personnel transfers simplified the process, it resulted in uneven distribution of resources, with some regions experiencing a shortage of civil servants needed to carry out new responsibilities while others had too many people on the payroll.

In the short term, other problems proved more pressing. First, a significant challenge arose from the amalgamation of central and regional agencies. Especially in senior-level positions, the merger of regional and central government offices created overlap. For example, would the new agencies be directed by the officeholder from the former central

government service or by the person previously employed by the regional service?

Consolidating personnel records also posed an immediate difficulty, as officials struggled to reconcile discrepancies between the central government's records and those of the district offices. By the end of 2000 the government and the district offices had settled on a total list of 2.44 million personnel, including 1.6 million from the Ministry of National Education and more than 250,000 health officials, to be transferred to regional control. Each civil servant needed to receive transfer papers, and each region required records of entitlements for each of their new employees. This process stretched the capacity of the Civil Service Board. Although about 90,000 individuals did not receive transfer papers in time because of incomplete data, the overwhelming majority received documentation without significant complications.³

Although the transfer of authority proceeded uneventfully, the implementation process was far from over. The reform process continued in the months and years to follow, as local governments sought to foster norms of democracy and accountability, improve their relations with the central government, and build their capacity to deliver services to their constituents.

OVERCOMING OBSTACLES

Several impediments to effective operation emerged during the implementation process. The ambiguity in allocation of responsibility between levels of government in Law 22 immediately created confusion. It also placed provincial governments in a bind. Provincial officers lacked the authority over local leaders to carry out even their pared-down, basic coordinating roles. The government realized that by devolving so much authority to the district level, it had made the provincial assemblies and the governors superfluous.

The new law created a system of central-government grants to the districts. Fiscal transfers from the *Dana Alokasi Umum* (DAU, or General Allocation Grant) began in December 2001. Although most districts received funds exceeding their overhead and personnel costs, some struggled to fulfill their newly expanded responsibilities. The government calculated needs using measures of population, area, income, poverty levels and inflation. However, the initial formula did not weight these factors, and the grants transferred did not match needs as closely as anticipated. Moreover, by setting the salaries and wages for civil servants, the government retained control over elements of the district budgets, requiring underfunded districts to allocate extra resources to cover civil service pay increases. The central government had to provide contingency funds to make up for shortfalls.

The DAU formula underwent constant revision in the first few years of implementation. The government charged a regional autonomy advisory board with the task of finding ways to alleviate some of the revenue-sharing inequalities. Indonesia's diversity of resources from region to region prevented any attempt at effective fiscal equalization, however. Legislative representatives from the wealthier regions also stymied any reduction in their DAU funds, further complicating the efforts to develop a workable financial arrangement.⁴

The size of the fiscal transfers, coupled with the need for new organizational routines, increased the risk of corruption. The DAU lacked robust accountability mechanisms, and regional governments received their revenue-sharing allotments regardless of performance. In the initial debates over decentralization, Rasyid acknowledged the potential problems this incentive structure could create but insisted the government could improve the system of accountability incrementally, after the transfer of authority. Corruption at the local level "is just

normal,” Rasyid said. “You have to accept that reality. We cannot avoid that. What we need to do is improve over time. You have more money, more opportunity to corrupt, more opportunity to manipulate. ... We have to strengthen our management system, strengthen especially our supervision system, controlling system, monitoring system.”

The risk was not only that politicians or civil servants might divert funds before accountability systems were fully in place, but also that aspiring politicians or local strongmen and their communities could start to lobby for creation of new districts so that they could claim a share of the action. New districts translated directly to additional elections, which were lucrative sources of revenue for the major political parties, as candidates would pay for party affiliation and backing. The first decade of the reform era saw 191 newly autonomous entities, including 7 provinces, 153 districts and 31 cities and municipalities.

The newly autonomous districts and cities vastly underperformed compared with existing entities. Sofian Effendi, the chairman of the National Civil Service Agency from 1999 to 2000, noted that, “New local governments spend less and less of their money for public services because they have to use [the small amount of money they have] for management and operations of their organization. That’s the negative aspect of decentralization.” In 2008, the government of President Susilo Bambang Yudhoyono recognized the problem of proliferation and placed strict regulations on the creation of new districts and provinces.

Human resource management also remained a source of difficulty. Regions lacked the capacity to train new workers adequately, particularly in skilled occupations like health care. Central government regulations and guidance attempted to standardize some of these procedures, but uneven and often inadequate training plagued many regional governments.

Particularly in personnel matters, the relationship between the central and local governments evolved over time, as plans for the initial transfer provided little guidance. As problems emerged, the central government offered additional regulations on personnel management.

MID-COURSE CORRECTIONS

In response to some of these problems, in 2002 the government of President Megawati Sukarnoputri set up internal and external evaluation teams to gauge the opinion of the public as well as civil servants, and to assess potential areas of improvement. Coming into office from the vice presidency after Wahid’s impeachment, Megawati pulled back on the reins of decentralization. The government took several steps to strengthen accountability, improve district government performance and take back some of the powers initially delegated. Indeed, both the political discourse and new laws began to stress the delegation of authority rather than the transfer of power.

The most significant change was the introduction of direct elections for the positions of regent, mayor and governor. Under Law 22/1999, the Regional People’s Representative Assemblies were responsible for choosing local leaders. Law 32/2004 expanded the numbers of elected offices, theoretically enhancing the ability of the public to shape policy and performance. By doing so, Law 32/2004 also sought to mitigate the influence of money on politics, as it minimized the influence of the regional people’s representative assemblies that had previously chosen the local leaders.

Law 32/2004 gave the central government greater powers to influence policy at the local level through direct spending and the creation of accountability mechanisms to monitor local government spending, as Law 22/1999 had termed it. The law also strengthened and specified the role of the provincial governor in

the hierarchy vis-à-vis the district leaders.

In the years that followed Law 32/2004, the government made strides to improve the monitoring of district level performance, not only to better allocate fiscal transfers but also to address concerns about local capacity. Increased capacity largely depended on the strength of local leadership, which varied from district to district. Although the original decentralization law had delineated 11 mandatory fields of services, it had offered no minimum standards for the services that local governments provided to their constituents. Beginning in 2000, through a series of regulations, the central government began to establish guidelines.

ASSESSING RESULTS

The hope for decentralization in Indonesia was that with greater autonomy at the local level, constituents could increase the accountability of their local leaders. Although the quality of local governance was as diverse as the country itself, certain success stories resonated with the intentions of Rasyid and his team.

In 2005, Joko Widodo, a furniture maker and antiques dealer with no previous political experience, won the first direct mayoral election in the city of Surakarta, carrying 36% of the vote. Surakarta—known as Solo—had been the scene of intense rioting in 1998 and in subsequent years had languished. Widodo, popularly known as Jokowi, set out on a path of municipal reform that responded to public calls for improved services. In the past, a variety of agencies ran numerous small development projects without any coordination. Jokowi consulted with local business leaders and ordinary citizens about changes that they considered the most pressing, then consolidated the funding to support fewer projects on a much larger scale.

In consultation with working groups of ordinary citizens, Jokowi upgraded the slums, moving squatters from flood-prone locations to

drier areas with planned community housing and plumbing. He reduced the processing times for identity cards from more than a month to less than an hour, and business permits that could have taken four to eight months to process took a maximum of six days after his reforms. In addition, he used taxes collected from local business to free up capital for loans to families and small businesses. He formalized the status of street vendors, renovated the traditional markets, and encouraged legally sanctioned business that was at once far more lucrative to the vendors and also taxable to the city. With the increase in revenue he created parks and river walks and improved sanitation across large swaths of the city. “Always there is a discussion with the people,” Jokowi said. “We have moved from top-down to participatory, from bureaucratic to entrepreneurial, from a procedural attitude to an end-results orientation, and from partial handling to an integrated solution.”

Solo’s successes point to the potential benefits that decentralization in Indonesia can have, with effective local leadership addressing the people’s needs as they arise, then partnering with them to formulate solutions. Jokowi was reelected in May 2010 with 91% of the vote.

Overall, decentralization resulted in generally positive popular opinion of local leaders. A 2008 survey funded by the U.S. Agency for International Development found that trust in local officials grew from 42% in 2006 to 55% in 2008. And 70% said that local government executives were accountable to the people of their area, an increase from 61% in 2006.⁵

Decentralization did not go smoothly in all regions, however. Because of the size and influence of their separatist movements and the existing tensions with the national government, both Aceh and Papua negotiated for special autonomy status. The details of this status remained contentious in 2010, but the broad

outline for Papua included the establishment of an upper legislative house with extensive political power and control of up to 80% of tax revenues—significant given Papua’s natural resources of gold and copper.

The central government’s concessions on governance issues were accompanied by contradictory actions, such as the presence of troops and efforts to weaken the Papuan government by attempting to subdivide the territory. In Aceh, where insurgents continued to wage an independence movement for the first five years after Suharto’s fall, negotiations stalled until the devastating tsunami of 2004 forced both parties settle the details of the special autonomy status. International aid and engagement, along with greater professionalism on the part of the Indonesian military, were instrumental in the settlement.

Still, support for democracy remained low in Aceh and Papua (28% and 32%, respectively in 2008) compared with areas such as Central Java and DKI Jakarta (60% for each).⁶ Indonesia’s reforms and corrective measures continued in the decade that followed the initial transfer of authority, and despite the rapid nature of the initial transfer, line ministries, led by the Ministry of Home Affairs, continued to play a significant role by drafting implementation regulations. The legislation passed in 2000 left out the details of implementation, deferring to regulatory mechanisms that would be named in the future.

Thus the patronage structure of center-periphery relations from the Suharto era remained intact as regional leaders looked to the central government for guidance in most matters.

REFLECTIONS

Indonesia’s “big bang” model of decentralization was remarkable in its magnitude, but in many ways Indonesia’s story was also a portrait of fixing the machine as it was running.

With a mandate from the president and the Parliament, Ryaas Rasyid and his team captured the political will of reform in the post-Suharto era and managed to pass legislation that transferred authority to local governments. In doing so, they also shifted responsibility for governance to the regions, many of which lacked the capacity to effectively deliver services in the wake of an economic crisis.

Despite the public calls for democracy, the central government largely imposed the process of decentralization from above, without extensive consultation with the districts. As Indonesia struggled with implementation in the years that followed, the central and regional governments attempted to improve their coordination and close the gap between public needs and government capacity. Though their efforts met mixed results, decentralization expanded the capacity for the public to hold local leaders accountable, thereby opening the door for future local reformers.

¹ Turner, Mark and Owen Podger. *Decentralisation in Indonesia: Redesigning the State*. Canberra: Asia Pacific Press (2003), p. 16.

² Ibid, pp. 36-37.

³ Ibid, pp. 100-103, 110.

⁴ Ibid, p. 41.

⁵ United States Agency for International Development. “Indonesia: Annual Public Opinion Surveys, 2008 Report.” <http://www.democracyinternational.com/wp-content/uploads/docs/2008-DI-Indonesia-Survey-Report-Public.pdf>

⁶ Ibid.

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