



Decentralization and Democratization in Southeast Asia

June 15-17, 2011
University of Freiburg

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Conference Guide

Decentralization and Democratization in Southeast Asia

- with a special section on 10 years of decentralization
in Indonesia -

CONFERENCE PROGRAM

June 15-17, 2011 in Freiburg / Germany

organized by the Freiburg Southeast Asia Study Group,
University of Freiburg

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Organizing Committee

Prof. Dr. Günther G. Schulze (chair)

Prof. Dr. Jürgen Rüländ

Prof. Dr. Judith Schlehe

The conference has been sponsored by the German Federal Ministry of Education and Research (BMBF) under grant No. 01UC0906

We are also grateful to the University of Freiburg and to the International Office of the University of Freiburg for their support.

Dear conference participants,

A warm welcome to all of you! I hope you will enjoy the conference and find it a fruitful and rewarding experience.

The conference “Decentralization and Democratization in Southeast Asia” is devoted to the analysis of the far reaching policy changes in one of the world’s most dynamically evolving regions: Southeast Asia has been the location for some of the boldest experiments with decentralization. Both, Indonesia as well as the Philippines have initiated “big bang” decentralization reforms which have dramatically altered relations between the central government and local authorities. Other countries have implemented only incremental reforms towards a more decentralized system. Often decentralization reforms were coupled or preceded by a move to more democracy and attempts to improve governance quality. Recent scholarship has started to assess the achievements of these reforms from a theoretical as well as empirical perspective: to what extent have they fostered political empowerment of local people, democratization and elite circulation? Have fundamental reforms of decentralization markedly contributed to better public services and improved resource allocation, poverty alleviation, reduced corruption, greater social justice, and a decline of regional disparities? Or are they equivalent to decentralization of corruption, accelerating resource depletion, deteriorating local investment climate, local elite capture, intensifying contests over the appropriateness of political legitimacy and increasing ethnic and religious violence? How has societal dynamics changed? For instance, did these changes affect gender relations and the role of religion? These questions are controversially discussed in Indonesia in particular, where decentralization reforms are now concluding their first decade of implementation. A major objective of this conference is thus commemorating the tenth anniversary of Indonesia’s “big bang” decentralization and taking stock of its achievements.

The conference is organized by the Southeast Asian Studies Group at the University of Freiburg, which is an interdisciplinary group of scholars from economics, political science, anthropology, and history. Our guiding premise is that complex and multilevel changes such as democratization and decentralization affect the political, economic and societal subsystems simultaneously and interdependently and thus should be analyzed from multi- and interdisciplinary perspectives. As a consequence, our conference brings together scholars from all social sciences and humanities as well as decision-makers and civil servants in an attempt to better understand ongoing changes.

Once again a very warm welcome to Freiburg!

On behalf of the organizing committee,

Günther G. Schulze

Professor of Economics

Organization and Registration

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REGISTRATION OFFICE:

You receive the conference documentation when registering at the registration office, where you can also pay the conference fee of 50 € (in cash). The fee is waived for students, including PhD students, provided that they can prove their student status.

You find the registration office here:

Wednesday: City Hall

Thursday: Morning: KG I, Entrance Hall
Afternoon: Peterhof, Conference Office

Friday: Peterhof, Conference Office

CONFERENCE OFFICE:

If you require any information on the conference (program updates, directions etc) or your stay in Freiburg (e.g. places of interest, restaurants), you will find it at the conference office.

Thursday: Morning: KG I, Entrance Hall

Afternoon: Peterhof, Room 2

Friday: Peterhof, Room 2

For further information on the program and conference updates, please visit: www.decentralizationconference.de

INTERNET

In the area of the conference, you have wireless access to the internet.

User name: Decentralization

Password: DDSEAFR1517

MEALS:

The conference fee includes the following meals:

Wednesday:

19.00 A snack will be offered after the welcome reception at the city hall

Thursday:

12.45 Lunch at the University canteen

We will leave to the University canteen after the plenary session

20.00 Dinner at Restaurant Dattler

Restaurant Dattler is situated on Schloßberg, the local mountain of Freiburg. It's a nice walk of 20 minutes to the restaurant, or, alternatively, you can take the cablecar. For both, we will meet after the parallel sessions block on the green area between Peterhof and KG 3.

If you wish to go by taxi, please inform us at the conference office until lunchtime.

Friday:

1.30 Lunch at the University canteen

We will leave to the University canteen after the Round Table

Please notice that the coffee and cake during the excursion is on your charge (€ 5)

Conference Program

WEDNESDAY, 15. JUNE 2011

- 18.30 Welcome Reception in the City Hall
Welcoming addresses by :
. Dr. Dieter Wörner, Representative of the City of Freiburg, Director of the Environmental Agency of the City of Freiburg
. Prof. Jürgen Rüländ, Speaker of the Southeast-Asian Studies Group Freiburg

THURSDAY, 16. JUNE 2011

- 8.00 Registration (Entrance Hall KG 1)
- 9.00 Opening of the Conference: Günther Schulze (KG 1, HS 1010)
- 9.15 Ten Years of Indonesia's Decentralization: Trends, Achievements and Shortcomings
First Plenary (KG 1, HS 1010)
Henk Schulte-Nordholt: Decentralization and Democracy in Indonesia: Strengthening Citizenship or Regional Elites?
Chair: Judith Schlehe
- 10.15 Coffee break
- 10.30 Second Plenary (KG 1, HS 1010)
Marcus Mietzner: Indonesia ten years after decentralization: local identity and the survival of the nation-state
Chair: Jürgen Rüländ
- 11.30 Third Plenary (KG 1, HS 1010)
Neil McCulloch (with Edmund Malesky): Does Better Local Governance Improve District Growth Performance in Indonesia?
- 12.30 Lunch break
- 13.30 Parallel Sessions A
A1: Decentralization in Comparative Perspective (KG 3, HS 3044)
A2: Issues of Fiscal Decentralization I (KG 3, HS 3042)
A3: Decentralization and Governance I (KG 3, HS 3043)
A4: Decentralization and Economic Growth (Peterhof, HS 4)
A5: Decentralization and Local Identity (Peterhof, HS 3)
A6: Decentralization and Non-traditional Security Problems (Peterhof, HS 1)

- 16.00 Coffee break
- 16.30 Parallel Sessions B
 B1: The Political Discourse around Decentralization and Democratization (KG 3, HS 3044)
 B2: Issues of Fiscal Decentralization II (KG 3, HS 3043)
 B3: Decentralization and Public Service Delivery I (KG 3, HS 3042)
 B4: Decentralization, Governance and Corruption (Peterhof, HS 4)
 B5: Decentralization and Religion (Peterhof, HS 3)
 B6: Decentralization and Forest Usage (Peterhof, HS 1)
- 20.00 Conference Dinner (Restaurant Dattler)
 Dinner speech: The Ambassador of Indonesia to Germany, his Excellency Dr. Eddy Pratomo

FRIDAY, 17. JUNE 2011

- 8.30 Parallel Sessions C
 C1: Decentralization and Local Elites (KG 1, HS 1009)
 C2: Decentralization and Public Service Delivery II (KG 1, HS 1015)
 C3: The Design of Decentralization and the Role of Development Cooperation (Peterhof, HS 4)
 C4: The Role of Civil Society (KG 3, HS 3044)
 C5: Proliferation of Local Governments in Indonesia (KG 3, HS 3043)
 C6: Elections (KG 3, HS 3042)
 C7: Culture and Media (Peterhof, HS 1)
- 11.00 Coffee break
- 11.30 Round table: Past Experiences and the Future of Democratization and Decentralization in Indonesia (KG 1, HS 1010)
 Panelists:
 . Jörg-Werner Haas, GIZ Indonesia
 . Heru Subyantoro, Ministry of Finance, Government of Indonesia
 . William Wallace, Chief economist WB Indonesia (ret.)
 . Andy Yentriyani, National Commission on Violence Against Women, Indonesia
 Moderation: Günther Schulze
- 13.00 Conference Closing: Judith Schlehe
- 13.30 Lunch
- 14.30 Departure for trip to the Black Forest
 St. Peter, visit of the monastery and the old library, coffee and cake, short walk in the Black Forest
- 20.30 Arrival in Freiburg

Parallel Sessions

A1: DECENTRALIZATION IN COMPARATIVE PERSPECTIVE

Chair: Jürgen Rüländ

Marco BÜNTE: Decentralization and Democratic Local Governance: Experiences from Southeast Asia

Franziska SINGER / Antonia STAATS: Decentralisation and local sustainable development – an enabling relationship? A look at Indonesian and Philippine policy and practice

Patrick ZIEGENHAIN: Decentralization and the Quality of Democracy in Thailand, Indonesia, and the Philippines

A2: ISSUES OF FISCAL DECENTRALIZATION I

Chair: William Wallace

Bambang SJAHRIR / Krisztina Kis-Katos: Does Local Governments' Responsiveness Increase with Decentralization and Democratization? Evidence from Sub-national Budget Allocation in Indonesia

Ross MCLEOD and Fadliya: Fiscal Transfers to Regional Governments in Indonesia

Made SUWANDI: 10 Years of Decentralization in Indonesia

A3: DECENTRALIZATION AND GOVERNANCE

Chair: Bernhard May

Christian VON LÜBKE: Democratic Reforms and Resistance: The Politics of Decentralization in Post-Suharto Indonesia

Gabriel LELE: The Paradox of Distance in Decentralized Indonesia

Martina NEUNECKER: Participatory Budgeting in Indonesia – Enhancing Accountability at the Local Level?

Deasy SIMANDJUNTA: "Beyond banknotes and t-shirts": Patronage Democracy in a decentralized Indonesia

A4: DECENTRALIZATION AND ECONOMIC GROWTH

Chair: Robert Sparrow

Blanc D. LEWIS: Sub-national Capital Spending, Urbanization, and Economic Growth: Evidence from Indonesia

Tom PEPINSKY / Wihardja: Decentralization and Economic Performance in Indonesia

Edo MAHENDRA: How do institutional factors at the provincial level affect firm growth and innovation in Indonesia?"

A5: DECENTRALIZATION AND LOCAL IDENTITY

Chair: Judith Schlehe

Franz and Keebet VON BENDA-BECKMANN: Decentralization in Minangkabau, West Sumatra

Wilfried Wagner: Quo Vadis Daerah?

Sjafri SAIRIN: Decentralization in Indonesia: Intensification of Regionalism and Kin-based Networking

Martin RAMSTEDT: Decentralization and the „Revitalization“ of Balinese Village Autonomy: A Reflection on the Social Costs of „Democratization“ in Bali

A6: DECENTRALIZATION AND (NON-TRADITIONAL) SECURITY ISSUES

Chair: Julia Alexa Barde

Raphael ANINDITO: Decentralized Disaster Risk Management in Indonesia

Hans Ferdinand ILLY: Conflict-resolution, Political Decentralization and Disaster Risk Management: The Case of Aceh

Eric HAANSTAD: Decentralized Urban Security, Insecurity and Performance in Bangkok

Makmur KELIAT: Security Problem and Security Sector Reform in Indonesia

* * *

B1: THE POLITICAL DISCOURSE AROUND DECENTRALIZATION AND DEMOCRATIZATION

Chair: Marcus Mietzner

Anne BOOTH: Before the Big Bang: Decentralization Debates in Indonesia from 1949 to 1999

Chaiwatt MANSRISUK: Decentralization and Democracy in Thailand: Moving on a Rocky Road

Chulanee THIANTHAI: Perceptions of Democracy among Thai Adolescents

B2: ISSUES OF FISCAL DECENTRALIZATION II

Chair: Krisztina Kis-Katos

Deden ISKANDAR: Fiscal Response Approach to Decentralization in Indonesia: A New Perspective of Fiscal Decentralization?

Sarah Jane MUNIZ: Inter-Governmental Allocations & Fiscal Autonomy in the Philippines

Sarmistha PAL: Fiscal Decentralization and Development: How Crucial is Local Politics?

B3 DECENTRALIZATION AND PUBLIC SERVICE DELIVERY I

Chair: Menno Pradhan

Emmanuel SKOUFIAS: Electoral Accountability, Fiscal Decentralization and Service Delivery in Indonesia

Desy HARIYATI / Eflina Pehulita SINULINGGA: Decentralization and Improving the Quality of Education in Indonesia

Robert SPARROW / Menno PRADHAN / Ioana Kruse: Marginal Benefit Incidence of Public Health Spending: Evidence from Indonesian Sub-national Data

B4 DECENTRALIZATION, GOVERNANCE AND CORRUPTION

Chair: Christian von Lübke

Erman RAHMAN / Agung PAMBUDHI: How Private Sector Views Local Economic Governance?

Teguh KURNIAWAN: Why Decentralization has Caused Head of Regions to be Affected by Corruption Cases

Emma MASTERSON: Actors Matter: Theoretical Considerations on Decentralization, Patronage and PowerNetwork Interactions in Thailand

B5: DECENTRALIZATION AND RELIGION

Chair: Sabine Dabringhaus

Bernard ADENEY-RISAKOTTA: Negotiating Power and Religious Pluralism in Post-Reformation Indonesia

Syafiq HASYIM: The Council of Indonesian Ulama and the Islamisation of Indonesia's State Law: A Case Study of Shari'a-based Local Regulation in Aceh, South Sulawesi and West Jawa

Andy YENTRIYANI: Rescuing Indonesia's Democracy: Responding to Discriminatory Policies Against Women

Zaenal Abidin Ekoputro / Abdil MUGHIS MUDHOFFIR: Marginalizing Religious Minority Groups: the Pitfall of Decentralization in Indonesia

B6: DECENTRALIZATION AND FOREST USAGE

Chair: Keebet von Benda-Beckmann

Stefan SEITZ: The Effects of the Decentralization in the Philippines on the Indigenous Peoples and their Forest Resources Management: The case of the Province of Palawan

Michaela HAUG: High Hopes, Poor People and Fading Forests – Local Dynamics of Decentralization in East Kalimantan, Indonesia

Paruedee NGUITRAGOOL: Forest Governance in Democratic and Decentralized Indonesia: Between State, Family and Conservation

C1: DECENTRALIZATION AND LOCAL ELITES

Chair: Antonio Farfán Vallespín

Andi RAHMAN ALAMSYAH: The Power Dynamics of Local Strongmen in the Decentralization

Joseph CAPUNO / Maria Melody Garcia: Do Performance Ratings Build Trust in Local Elected Officials? Evidence from the Philippines

Daniel BUMKE: Incumbents in Indonesia's Local Elections: Local Power 10 Years On

C2: DECENTRALIZATION AND PUBLIC SERVICE DELIVERY II

Chair: Emmanuel Skoufias

Roger CHAO Jr.: Democracy, Decentralization and Higher Education: The Philippine Case

Dame SIAHAAN / Taru Wisnu: Study of Efficiency and Effectiveness of Democratization in Poverty Reduction in the Era of Decentralization in Bandung

Benjamin HODICK: Shaping Local Planning in Vietnam – Pitfalls and Solutions for Incremental Decentralization Reforms in Centralist Environments

C3: THE DESIGN OF DECENTRALIZATION AND THE ROLE OF DEVELOPMENT COOPERATION

Chair: Bernhard May

Rainer ROHDEWOHL / Gabriele FERRAZZI: Decentralization Reforms and Development Cooperation - Reflections on the Impact of German Technical Cooperation supporting Decentralization Reforms in Indonesia (1992-2010)

Cecep EFFENDI: Reforming the Regulatory Framework a Decade after Decentralization – an Insider's View

C4: THE ROLE OF CIVIL SOCIETY IN THE PROCESS OF DECENTRALIZATION AND DEMOCRATIZATION

Chair: Eric Haanstad

Michele FORD: Towards Issue-Based Politics: Trade Union Responses to Decentralization, 2005-2009

Dhanaraj KHEOKAO: No Decentralization without Democratization and Participation: The Role of Free Speech in the Democratizing Thai Society

Elok PAKARYANINGSIH: The Impact of Decentralization Policy on Microfinance Institution Performance and Local Economic Growth

C5: THE PROLIFERATION OF LOCAL GOVERNMENTS IN INDONESIA

Chair: Neil McCulloch

Eko PRASOJO: The Problem of Regional Proliferation In Decentralization in Indonesia

Krisztina Kis-Katos/ Günther Schulze / Bambang Sjahrir: Spending on us or spending for them? – The Creation of Local Governments and the Amount of Administrative Spending

Jan Henryk PIERSKALLA: Decentralization from Below: Political Determinants of District Creation in Indonesia

Stephan KITZBICHLER: Provincial Division of Aceh Province: A Way to Development or to Conflict?

C6: ELECTIONS

Chair: Anne Booth

Michele VALSECCHI: Direct Democracy and Leaders' Selection: Evidence from Indonesia

Andreas UFEN: Decentralization and New Forms of Electoral Campaigning in Post-Suharto Indonesia

Agus TRIHARTONO: A Two-Edge Sword: The Emerging Role of Public Opinion Polling in the Local Politics of Indonesia's Post Suharto Era

C7: CULTURE AND MEDIA

Chair: Emma Masterson

Bram HENDRAWAN: Televising the 'Local': It's all about the Money. An analysis of the Production Process of Programs at Jogja TV and TATV Solo

Tamara ABERLE: The Contemporary Indonesian Theatre Stage and the Process of Strengthening Civil Society Structures

Erna Ermawati CHOTIM / Raphaela Dewantari Dwianto: Transformation of Urban Economies in the Context of Decentralization: a Study of the Informal Sector in Bandung, Bogor, Solo and Yogyakarta

Abstracts

Tamara Aberle: The contemporary Indonesian theatre stage and the process of strengthening civil society structures

Looking back at 10 years of democratization and decentralization in Indonesia, the past decade has not only been extremely challenging and relevant for Indonesian politics but also for the arts, especially contemporary theatre. Whereas under the Suharto regime modern theatre was almost exclusively limited to the island of Java, decentralization developed a new self-esteem for contemporary theatre groups from other islands of this vast archipelago. The last decade witnessed the growth of theatre communities in Sumatra, Sulawesi and Bali which enrich the Indonesian theatre scene to some extent.

Arguably, this went hand in hand with a new form of politicization that can be discovered in theatre practitioners' engagement with the processes of building up and strengthening civil society structures in Indonesia. Whereas in the 1980s and 90s modern theatre performances often took on the role of an oppositional against the increasing political and social tension, the following troubled route to democracy saw a shifting in this political involvement.

Since reformasi and the following post-Suharto period, contemporary theatre groups such as Yogyakarta-based Teater Garasi or Bandar Lampung -based Teater Satu, express their hopes to be part of the process of building up an Indonesian civil society that is more mature, open and conscious towards itself and its environment by engaging the citizens in theatrical activity. Their efforts are by no means limited to performances, but also involve the society in workshops and discussions. Limitations to this process such as the problem of an exclusive audience have recently been tried to overcome by trying to bring the art to the people.

Arguing that modern theatre reflects and mirrors the contemporary reality, it becomes necessary to also evaluate and assess these recent developments on the modern theatre stage in the context of democratization and decentralization.

Bernard Adeney-Risakotta: Negotiating Power and Religious Pluralism in Post-Reformation

Since Independence, Indonesia has managed religious pluralism through a process of negotiation between different stake holders. The role of religion in Indonesian politics and social life is determined by negotiations of power. Through negotiation, in 1945, seven words were removed from the first principle of the national ideology (Pancasila) that established Indonesia as a monotheistic rather than an Islamic state. When negotiations failed, religious believers cooperated in eliminating communism from Indonesia. Negotiation of power led Soeharto to ban Islamicists from influence. Power negotiations also led to his growing support for Islamic causes after 1985. Negotiations between religious groups, symbolized by the meeting of Abdurrahman Wahid (Gus Dur), Amien Rais, Sri Sultan, and Megawati, helped to lead to the ouster of Soeharto in 1998. Negotiations between different religious interests led to the election of Gus Dur to the Presidency, and also to his ouster.

This paper examines how negotiations between different religious interest groups have been affected by decentralization of power in the post reformation period. The basic thesis is that in the real world of Indonesia, the role of religions is not determined by idealistic principles such as freedom of religion, multiculturalism, unity in diversity, religious purity or liberal constitutionalism, but rather by negotiations of power. In the post-Soeharto period negotiations between religious groups are occurring more and more at local levels, leading to very different practices of pluralism in different parts of the country.

Andi Rahman Alamsyah: The Power Dynamics of Local Strongmen in the Decentralization Era

The power of local strongmen in the decentralised period is complex, dynamic and has a non-material (symbolic) aspect. It cannot be separated from post-Soeharto decentralization and political reforms that gave rise to new institutions, actors, ways of thinking and habits. It is also related to the emergence of new arenas for contestation and negotiation between elites and the masses. The ability to make use of these open arenas, using contextually-appropriate strategies, is important for the successful pursuit of a range of interests, including toppling despotic tyrants, gaining and consolidating support and power and weakening or even eliminating political opponents. The analysis of such factors is not readily apparent in the conceptions of 'local strongman', 'shadow state', 'bossism' and 'oligarchy'. This essay intends to explain the power of local strongmen during the decentralization era by placing them at the centre of analysis.

Raphae Aninditol: Decentralized Disaster Risk Management in Indonesia

Disasters are a major development constraint in Indonesia. Disasters also jeopardise the attainment of the Millennium Development Goals. Indonesia has many types of natural hazards, like volcanoes, earthquakes, floods or tsunamis. Disaster Risk Management (DRM) is not only about emergency response and rehabilitation, but also includes mitigation and preparedness. DRM as a comprehensive approach is something new for Indonesia. With more than 13.000 islands spread over 5000 km and over two hundred million people, Indonesia clearly needs a decentralized DRM. The new disaster management law in Indonesia (Law number 24-2006) stipulates that the responsibility of DRM is with the central and local government, concurrently. DRM has become an obligatory function for local governments in Indonesia. This study will examine the progress that has been already made in decentralization of DRM in Indonesia and the gaps that still exist.

Commitment and Capacity Building at the local government level has just started since the DRM Law enactment in 2006. Government of Indonesia with the support of international agencies including GIZ is encouraging the provincial and district governments to adopt local government regulation on DRM, to set up local DRM Bodies, and design local action plans for disaster risk reduction. Formally, many changes have taken place, but the implementation in terms of risk reduction is still low. There is still no clear distribution of functions among different levels of government, no Minimum Service Standard (MSS) for disaster risk reduction, no financing mechanism for the MSS, and no monitoring and evaluation systems. The recommendations proposed are: to setup a working group of all stakeholders and draft a distribution of functions, to draft a MSS, to consult local governments for the institutional implications and costing, and to setup a monitoring system for DRM. These recommendations are coherent with the Indonesian National Action Plan for DRR 2010-2012.

Anne Booth: Before the Big Bang: Decentralization Debates in Indonesia from 1949 to 1999

The Indonesian „Big Bang“ decentralization programme has already generated a considerable literature, although few of the published studies examine the post-2001 changes in the light of previous debates on central-regional political and economic relations in Indonesia. A common assumption appears to be that the system was highly centralized from the transfer of power from the Dutch in 1949 until the end of the Soeharto era in 1998. The paper reviews the changes in the structure and role of provincial and sub-provincial governments in Indonesia since independence, and examines the debates of the 1950s, the policies of the Guided Democracy era, and the reforms introduced by Soeharto, particularly the INPRES grants. The debates in the early 1950s culminated in the Nasrun proposals, which had they been implemented would have made a considerable difference to the future course of central-regional relations in Indonesia.

After Soekarno returned the country to the 1945 constitution, the move towards reform of central-regional relations was stopped. But as inflation mounted in the early 1960s many export-producing regions outside Java seceded from the centre, in both an economic and

political sense. A system of „de facto federalism “emerged. After Soeharto took power, a process of fiscal re-centralization took place, but at the same time Soeharto and his key advisors realized that more resources would have to be given to provinces and sub-provincial levels of government to rehabilitate and extend infrastructure. The INPRES system of grants to provincial and sub-provincial levels of government emerged. The paper also argues that the process of dividing both provinces and sub-provincial governments has been going on since the 1950s, although it has accelerated in the post-Soeharto era. The paper examines the reasons for these divisions and their impact on the average population size of districts both in Java and in other parts of the country. Post-1999 the process of dividing provinces and kabupaten/kota has further accentuated the differences between Java and the rest of the country, which were already obvious in the early post-independence era.

Daniel Bumke: Incumbents in Indonesia’s Local Elections: Local Power 10 Years On

The twin reforms of decentralization and democratization implemented in Indonesia after 1999 have fundamentally changed the nature of local power. Decentralization has greatly increased the resources and power available to regional heads, making it an attractive position in local politics. Simultaneously, the indirect election of regional heads by regional parliaments until 2005, and their direct election since then, has completely altered the methods used by those seeking local power. The aim of the reforms was not only to break up the authoritarian structures of the New Order, but also to firmly establish democracy at the local level and increase the quality of governance through better accountability, legitimacy, and responsiveness, as well as to avoid corrupt and undemocratic practices.

Based on recent fieldwork in West Java and Bengkulu, this paper argues that the changes seen have not been those that reformers may have hoped. ‘Money politics’ continues to be central to local elections, and has intensified with the introduction of direct elections, as political actors have become more adept in the application of their strategies. Initially the competition for political office was more open, as anyone with adequate resources and strategy was able to provide a credible challenge. However, recent evidence indicates that incumbents that captured political office in the first round of direct elections are benefiting from the clustering of business interests and their funds, the use of regional development funds in campaigns, and the support of the civil service and lower-level political actors, made possible in part by decentralization and democratization. This provides those that already hold political office with a strong advantage in the competition for votes that, combined with experience in campaigning and the distribution of resources, have considerably strengthened the local power of incumbents in Indonesia.

Marco Bunte: Decentralization and Democratic local governance: Experiences from Southeast Asia

In the last two decades, many developing and transitional countries have experimented with decentralization reforms. This wave of decentralization, which has now reached most of the countries in Latin America, Africa, Asia and Eastern Europe, began in the 1970s, picked up momentum in the 1980s and accelerated in the 1990s. Much of Southeast Asia stood in contrast to this trend for a long time; before the 1990s, most countries had highly centralized polities. This slowly changed with the decentralization in the Philippines and in Indonesia. Today, even non-democratic states such as Vietnam are experimenting with the reformation of their central-local relations in order to enhance the legitimacy and effectiveness of their political systems.

The aim of this paper is to give an overview of recent decentralization reforms and explore whether and how decentralization impacts on democratic governance in the region. I argue that the relationship between decentralization and democratization is problematic at best in most of democratic Southeast Asia. Decentralization reforms have succeeded in those cases where the bureaucracies have been seriously weakened in the regime coalition due to democratizing pressure from below. In contrast, decentralization has failed in those cases where strong bureaucracies exist in the regime coalition. Decentralization was only able to succeed where conservative status quo forces could be engaged in reform. The impact of

decentralization on democratic governance is far from clear, however. Since decentralization in the region has often been accompanied by elite capture, growing corruption, limited political participation and violent contestation, the promises mentioned in the discourse on democratic governance have so far not become reality. The Southeast Asian cases echo the pessimism outlined in the literature on decentralization.

Joseph Capuno and Maria Melody Garcia: Do performance ratings build trust in local elected officials? Evidence from the Philippines

As a component of social capital, trust is deemed critical to growth and thus must be cultivated. This paper investigates whether the public announcement of local government performance ratings results in greater trust in local elected officials. The results are based on the estimates of the intent-to-treat effects using three rounds of household survey dataset, collected in pilot projects in 12 local governments in Philippines in 2001-2003. The estimates show that public announcements have a marginal impact on the level of trust which varies with the initial level of trust (i.e., initially high or low), the agent that makes the announcement (whether the local government itself or a civil society organization), and time. Some policy implications are drawn.

Roger Chao Jr.: Democracy, Decentralization and Higher Education: The Philippine Case

With the Philippines as a case study, the country's definition, policy and practice of democracy and its decentralization initiatives are reviewed and analyzed towards its contribution to the demise of Philippine Higher Education, which used to be one of South East Asia's most admired higher education systems. Democratization and decentralization in the Philippines have influenced governance and power structures, funding mechanisms, and quality of the public sector, its public service delivery including that of higher education.

Questions raised in this paper include: How does decentralization empower the local government and how did this affect the Philippines higher education sector? Did decentralization play a role in the demise of Philippine's higher education system?

A documentary review of the 1973 Philippine Constitution, which mandates the promotion of local government autonomy and its eventual self reliance as a community will be conducted. Additionally, the 1991 local government code, which systematized power allocation and responsibilities between national and local governments including fiscal autonomy and the ability to support and operate higher education institutions, will also be reviewed in this paper. Philippine's higher education reforms and a brief historical overview of the demise of the country's higher education sector will be presented and studied especially from a decentralization perspective. The interrelationship between Philippine's democracy and its ongoing decentralization process will be linked with higher education reforms along with some key socio-economic factors towards explaining their role and contribution (if any) to the demise of the once well established and acclaimed higher education system in the South East Asian region.

Erna Ermawati Chotim and Raphaela Dewantari Dwianto: Transformation of Urban Economies in the Context of Decentralization: a Study of the informal sector in Bandung, Bogor, Solo and Yogyakarta

The informal economy in some Asian countries has been significantly increasing. Similar trends occurred in Indonesia with growth of up to 70% in 2007 (Bappenas Report). Our research findings of four cities in Indonesia show that the growth of the informal economy constitutes a complex and dynamic process of social transformation. The study seeks to answer three questions; 1) whether decentralization policy which has been underway for 10 years contributes significantly to the process of marginalization and social exclusion towards the informal sector or whether it opens up new spaces for dialogue as part of a process of social inclusion that strengthens the social and economic power of those engaged in the informal sector of the economy ; 2) whether decentralization policy facilitates the process of creating synergies between informal and formal sector policies or whether it

induces contestation between the two fields of policy that result in norms of opposition among economic groups; 3) the extent to which decentralization policy supports or constrains the forging of organizations and collective action by informal economic actors. These central questions are answered by qualitative research conducted in the cities of Bogor, Bandung, Solo and Yogyakarta which have different economic growth in the context of decentralization.

Decentralization enables local government to have greater power and authority to manage their own region. Such change pushes more massive gentrification and results in models of relational linkage, synergy, and various conflicts between local state, larger capitalists, and informal economies as part of the whole society. The power relations and contestation produce at least three models of relations; relations between state and capital, relations between state and social interests, and a complex relation between local state, capital and society. The emerging model results into diverse motifs and socio-cultural characteristics that create different impacts on the interest of informal economies as part of the urban marginalized group. This study also describes how the structures of incentive and disincentive have been formed and employed between macro policies and micro dynamics within the process of gentrification that yields cooperations, resistances and conflicts at the local level.

Cecep Effendi: Reforming the Regulatory Framework a Decade After Decentralization – an Insider's View

The collapse of the New Order regime brought about a fundamental change in the process of designing a regulatory framework. The state finds it difficult to simply ignore demands for public participation in the designing of the regulatory framework. The challenge of designing a better regulatory framework comes from within the central government bureaucracy. The bureaucracy does not have the tradition of engaging outsider in the process of designing regulatory framework. Bureaucracy gradually starts engaging academicians from universities. Participation from civil society organizations remains limited.

The government has to deal with the fact that it is difficult to get support from its own coalition in the Parliament. Relation between the government and political parties in the Parliament is difficult to define in terms of government parties and opposition parties. Even the party led by the President can challenge the government draft of regulatory framework simply because the party perceives that the interest of the party is different from the interest of the government. From the government's point of view, drafting a regulatory framework is perceived as technocratic matters which mostly engage bureaucrats, with little or no political considerations.

This paper attempts to understand dynamics of drafting a new regulatory framework in the Ministry of Home Affairs. It deals with the issue as to how the Ministry builds its connection with other ministries in order to a better the new draft of government regulatory framework. It describes the process the government has to undertake in its attempt to get support from the members of parliament before the government and the parliament approves a new government law.

Zaenal Abidin Ekoputro and Abdil Mughis Mudhoffir: Marginalizing Religious Minority Group: the Pitfall of Decentralization in Indonesia

Religious issues, which were deeply rooted in the second half of Soeharto era, cannot be transferred to the local governments, according to the decentralization law in Indonesia. However, religious minority groups have suffered for at least a decade after decentralization. As a result, a number of religious minority groups are being threatened, like some Christian churches, Ahmadi's mosque, and other religious groups have also been the target of persecutions.

This paper discusses the dynamics of religious group relations in the context of decentralization in Bogor and Surakarta, West Java. These regions are known to have the highest escalation of religious conflicts in the regions. This paper also tries to uncover the problems of marginalization of minority religious group in both regions.

Michele Ford: Towards Issue-Based Politics: Trade Union Responses to Decentralization, 2005-2009

Academic studies of local politics following decentralization focus on the emergence of coalitions between parties and candidates, the entrenched and dominant role of political elites and concerns about money politics. A key problem identified in this literature is the short-term, utilitarian nature of coalition-building, void of a shared political philosophy, values or policy agendas. As Mietzner (2008: 130) has noted with respect to the 2005 North Sulawesi gubernatorial elections, 'political parties at the grassroots lacked the resources, institutional stability, and programmatic coherence to act as effective vehicles of political aggregation and popular representation'.

The question is, then, given these very real and serious obstacles, if there is any possibility that a programmatic approach to local politics can emerge. Although this outcome appears unlikely, there have been a number of attempts by NGOs and other civil society groups to promote a more issue-based approach to politics. One example of such an attempt is the efforts of the Batam branch of the Federation of Indonesian Metalworkers Unions (Federasi Pekerja Metal Indonesia, FSPMI) to encourage candidates to adopt a pro-worker platform. This paper documents the evolution of FSPMI Batam's political wing and its various attempts to influence and engage in local electoral politics between 2004 and 2009. It argues that despite the very particular conditions in which this initiative has emerged, the many flaws in FSPMI Batam's strategy and its limited success, the very existence of an organizationally-based campaign over a period of several years is grounds for cautious optimism about the potential for a more issue-based approach to local politics in the medium term.

Eric Haanstad: Decentralized Urban Security, Insecurity and Performance in Bangkok

Iconic images of the charred remains of Central World's Zen department store continue to symbolize recent urban unrest in Thailand. Yet sites of arson and bombing near Ratchaprasong intersection and elsewhere in Bangkok are not merely zones of violence and insecurity, they also serve as new spaces for street vending, sidewalk performance and political vitality. This paper analyzes these conflicted urban spaces as emergent areas of decentralized entrepreneurship, democratic performance, and cultural generativity. I illustrate how former sites of violence, arson and bombings are temporarily transformed into decentralized spaces of economic and political expression. As such, they lie on fault lines that represent the paradoxes of decentralization: on one hand, they are traumatic zones where a wounded state and cultural order generates processes of hyper-vigilance and surveillance. These processes of social control manifest new cameras, the increased presence of state agents, and intensified citizen surveillance. On the other hand, they are also spaces of localized entrepreneurial capitalism, street performance, and ongoing protest commemorating moments of political suppression and expression. Though paradoxical, these decentered and performative spaces are nevertheless intertwined, embedded in state security operations and government-sanctioned profiteering. Thus, the burned buildings and reconstruction zones are cultural crucibles, where both neoliberal statecraft and its potentially revolutionary counterparts are forged.

Desy Hariyati and Eflina Pehulita Sinulingga: Decentralization and Improving the Quality of Education in Indonesia

Indonesia's ambitious decentralization program is transforming the nature and level of public service delivery, including education. How decentralization applies to the education system has been defined in Education Law 20/2003, which has transferred the principal responsibilities, authority, and resources for the delivery of education to lower levels of government, while some decision making power is transferred to schools themselves. By distributing power and responsibility more widely throughout the education sector, decentralization has the potential to increase the efficiency of the system and its responsiveness to the needs of its constituencies. The freedom to experiment is another potential benefit from decentralization, and locally generated innovations can stimulate continuing im-

provements in education if a region can learn from the experiments carried out in other regions.

At the other hand, many local governments were not fully prepared to manage schools and other formerly centralized services. Conflicts and inefficiencies can sometimes arise when the goals of the different levels of governments contradict each other. Thus, there are still some unresolved problems regarding decentralization of education in Indonesia until now.

This paper will try to answer the question on the impact of decentralization of education toward quality of education in Indonesia. Decentralization of education will be measured by its programs, namely Bantuan Operasional Sekolah (BOS), School-Based Management, e-Book program, etc and how they contribute to improve the quality of education. Another critical point from this paper is that how to redefine the so-called quality of education because it does not only mean quantitative measurement of school enrollment, grades but also process and interaction. There will be quantitative and qualitative data as well as analysis. The research will be conducted by desk research and also in-depth interviews with related actors. To have a more complete picture and comparison, some of the primary data will be gathered directly from 9 schools, ranging from primary, junior and senior high schools in 3 provinces of Indonesia.

Syafiq Hasyim: The council of Indonesian ulama and the Islamisation of Indonesia's state law: A case study of shari'a- based local regulation in Aceh, South Sulawesi and West Java

This proposed paper will look at the increasing role of the council of Indonesian ulama (MUI: Majelis Ulama Indonesia) in shaping influence on the process of Islamisation of Indonesia's state law by using the loopholes and weaknesses of Indonesia's state law on decentralization. The Islamisation of Indonesia's state law refers to all initiatives which aim to ideologise the aspects of Indonesia's state law by revitalizing and imposing the values and doctrines of Islam on them. This phenomenon can also be called the shari'atisation of Indonesia's state-law. This paper will begin by giving an account of the historical, political and theological position of MUI and the internal dynamism of this ulama organization from its inception in 1975 in the Suharto regime as a "big tent" (Indonesian: tenda besar) of various mass-based Islamic organizations and as the mouth-piece of the government of Indonesia to promote the specific characteristics of an inclusive and moderate Indonesian Islam, till the change of MUI's orientation towards advocating Islamisation of Indonesia's state law in the last ten years (1998-2011). For this regard, this paper will take three provinces of Indonesia Aceh (the whole province of it), South Sulawesi (district Bulukumba) and West Java (district Cianjur) as a case study. It will describe how fatwa is issued and what strategies and actions are taken by MUI in order to drive the Islamisation of state law in the form of enforcing and pressing for legislation of shari'a-inspired local regulations (Peraturan Daerah Syari'ah) in the three regions. Various actors, affiliations and perceptions whose positions are different from MUI are also taken into account in this presentation. Last but not the least, this paper will also try to reflect compatibility between the role of MUI in promoting the Islamisation of Indonesia's state law and democracy on one hand and the impact of this on the future of nation-state of Indonesia on the other.

Michaela Haug: High Hopes, Poor People and Fading Forests – Local Dynamics of Decentralization in East Kalimantan, Indonesia

The rigorous decentralization reforms, Indonesia embarked upon ten years ago, were linked with high hopes of not only enhancing the quality of local administration, but also promoting sustainable resource management and improving poverty alleviation. However, the initially very enthusiastic view has meanwhile been followed by a more critical one. It has become evident that decentralization creates opportunities that can be realised for the benefit of the poor but the actual impacts depend very much on the specific context. Taking the relatively young and resource rich district of West Kutai in East Kalimantan as an example, I want to show what impact regional autonomy has had on local livelihoods and which factors shaped the actual outcomes of decentralization.

Regional autonomy had various positive and negative impacts in West Kutai. Infrastructure and government services improved and new economic opportunities opened up. However, these opportunities were not enjoyed by everyone. Official poverty data shows an increase in the level of poverty as compared to the period before decentralization, and my research findings indicate that inequality within the villages increased dramatically as a result of uneven distribution of benefits. The impact of the reforms was felt most negatively in the natural environment due to the logging boom and an increase in coal mining that followed decentralization. These outcomes of decentralization were influenced by a number of key factors, which include the distribution of new income sources, the availability and quality of natural resources, knowledge and skills, the distance from the district capital, social structures, personal strategies, private sector and NGO activities and last but not the least the respective bargaining power of the involved actors. The example further shows that regional autonomy is intertwined with other processes of change, such as inspired by the general era of Reformasi, cultural change and temporarily adaptations to market opportunities.

Bram Hendrawan: Televising the 'local': It's all about the money. An analysis of the production process of programs at Jogja TV and TATV Solo

The implementation of regional autonomy and deregulation of the media following the fall of President Suharto in 1998 has given rise to the florescence of local media enterprises. Nevertheless, studies on the decentralization and democratization process in Indonesia have neglected the role of local media, local television in particular. Since the implementation of the new Broadcasting Law in 2002, which allows the establishment of local commercial television, there are now 274 local television stations established throughout different regions in Indonesia. In this paper, I want to investigate the decentralization of Indonesian television by analyzing the development of two local stations: Jogja TV in Yogyakarta and TATV in Surakarta. The analysis is based on data obtained from a three-month fieldwork carried out in the second half of 2010 (This paper is part of a PhD research project on Indonesian local television funded by the Mosaic Program of the Netherlands Organization for Scientific Research-NWO).

The proponents of the new broadcasting law argue that the decentralization of television will lead to a pluralist and democratic television system, characterized by diversity of ownership and content which acknowledges the ethnic and religious diversity of Indonesia. This should replace the centralized television system maintained by the Suharto regime. After almost 10 years of the implementation of the new broadcasting law, in this paper, I ask how much of this desire to create a democratic television has been realized. I argue that local television has become an important agent to mediate 'local culture' and 'local issues' by providing a platform for different local stakeholders (local government, business sector, universities, local artists/musicians) to speak. Nevertheless, the logic that lies behind such mediation process is not necessarily democratic ideals. The relationship between local television and other stakeholders in society is based on market logic: those who can pay will have a place in the programming. I will show this by analyzing the production process of programs at Jogja TV and TATV.

Benjamin Hodick: Shaping Local Planning in Vietnam – Pitfalls and Solutions for Incremental Decentralization Reforms in Centralist Environments

Within the Southeast Asian decentralization context, countries such as Indonesia and the Philippines have drawn much more attention than Vietnam. This has been true, not only in the field of academics, but also within the international bi- and multilateral donor community. Though, still highly centralized, the Socialist Republic of Vietnam and its ruling communist party have embraced far reaching economic and political reforms since Vietnam's renovation process (*doi moi*) in 1986. While in much of Southeast Asia democratization has driven decentralization, in Vietnam global competition has demanded more efficient and effective governance, also leading to significant national support for decentralization reforms.

This study has been partly conducted within the context of the GIZ project for Environmental Protection and Management of Natural Resources (EPMNR) in Vietnam's Central

Highland Province of Dak Nong. The study's main question how to shape a sound communal planning process to enable the empowerment of local citizens and to ensure a more effective demand driven public service provision stems from the project's first component on Decentralized Planning.

Evidence from other centralized countries reveals intrinsic pitfalls in decentralization reforms. i) There are tendencies to only deconcentrate central government functions with insufficient financial resource allocation, and ii) centralist countries are prone to principal-agent (delegation) constraints, even culminating in so-called elite local capture, featuring non-responsive, non-transparent and non-accountable local governments.

Efforts to reverse those shortcomings in various Vietnamese provinces – mostly donor driven – however, show that isolated considerations, emphasizing development planning with more direct participation, are time consuming, expensive, often lead to the elaboration of a wish-list phenomenon, and thus tend to fail. Instead, the study suggests that an incremental – slim planning process can be sequenced at the communal level to foster a linkage between planning and budgeting. This approach puts elements of Medium Term Expenditure Frameworks (MTEF), namely budget forecasting (mainly fiscal allocations from higher government tiers), performance-orientation, and a more realistic demand reflection in the limelight. The study will prove that a realistic understanding of local budgets provides a more efficient framework for participation in the planning process, and can match demands with available financial resources.

Hans Ferdinand Ily: Conflict-resolution, political decentralization and disaster risk management: The case of Aceh

"The Aceh peace process was kick-started by the tsunami of December 26, 2004." This is a frequently found assumption, but it is one which definitely requires further scrutiny. Could it be that a natural disaster has the capacity to bring about something positive, in this case sustainable conflict-resolution and the forging of a viable socio-political system? Perhaps, this is true for Aceh, the northernmost province of Indonesia, though the reality of today is both multi-dimensional and irritating to both observers and analysts.

This paper will explore several intertwining levels of activities and delve into their respective lines of interaction:

1. The emergence of the special political status of Aceh which is utterly asymmetric to the general Indonesian constitutional order and decentralization policy. Nevertheless, does this status guarantee to preserve national order in the long run?
2. The (relatively) successful transformation of GAM, a rebel movement striving for independence, into a responsible key political player.
3. Considering the case of the Aceh tsunami and the subsequent considerable efforts in relief and reconstruction, the question will be explored as to what is the optimal system of disaster and risk management which strikes the right balance between community-based and central government support.
4. The irritating factor is the (re-)introduction of sharia law in Aceh during the last decade which runs against the national ideology of panca sila: Who wanted it? (definitely not GAM) what is its impact upon society? Does it risk to isolate Aceh again?

Deden Iskandar: Fiscal Response Approach to Decentralization in Indonesia: Is New Perspective of Fiscal Decentralization Held?

From the economics perspective, discussion of decentralization in Indonesia mainly focuses on the topic of fiscal disparity among local governments, and the impact of decentralization on poverty and human development indicators. This study goes deeper by investigating the impact of central government transfer on fiscal behavior of local governments in Indonesia, concerning the behavior in governments spending, revenue generation, and borrowing. The fiscal behavior of local governments is significant since any alleged impact of central government transfer on economic development is mediated through government fiscal behavior.

In general, this study is motivated to test whether the new perspective of fiscal decentralization is applicable in the case of Indonesia. The new perspective stresses the sole impor-

tance of restricting central government transfer. De-linking local expenditures and their revenue generation, as a consequence of large fiscal transfer delivered by central government, will stimulate the fiscal imprudence and ignorance on financial consequences of fiscal decision in local level. The new perspective argues that central government transfer will be harmful, since it degrades the motivation of local governments to enhance their own revenue and attract more investment by market friendly decision-making. Central government transfer could stimulate fiscal dependency, creating less incentive to build local own revenue resources and more incentive to overspend the revenue.

The fiscal response model is employed in this research. It is designed to investigate the fiscal behavior regarding government expenditure and government revenue in the presence of external aid. The model could exclusively demonstrate how the impact of aid is channeled by government fiscal behavior.

Makmur Keliat: Security Problem and Security Sector Reform in Indonesia

The paper primarily would like to address the following question: why does the security problem, conceptualized as the problem of violence, remain highly critical in Indonesia? The paper argues that the problem indicates the weakening authority of the state, particularly in its monopoly on the use of force. Just like decentralization, policy measures taken in the security sector reform have played a significant role in eroding the authority of the state. Security sector reforms in Indonesia have displayed two distinct features. First, they have been deliberately made to strengthen the process of democratic consolidation in the sense that democratization should be irreversible mainly by eliminating the role of security actors in politics, particularly military (TNI), police (POLRI) and intelligence. Second, the reform, however, has a greater tendency to make security actors ineffective in coping with non-traditional issues of security. During the New Order regime, security approach had become the “commander” and the key instrument of political control to the effect that all political forces were put under the tight control of security actors. The opposite situation seems to have taken place under the period of the Reformasi regime. To support the argument, the analysis made in the paper is based on the study of the following aspects: (1) the deficiencies of the existing regulatory framework for security actors (2) the absence of institutional coordination mechanism between security actors and (3) the reluctance of all democratic political actors to make amendment and introduce new laws necessary to strengthen the effectiveness of security actors in dealing with non-traditional security issues.

Dhanaraj Kheokao: No Decentralization without Democratization and Participation: The Role of Free Speech in the Democratizing Thai Society

Decentralization and regionalization are all over the world and especially in SEA seen as a means of democratization and participation. However, decentralization in the recent Thai context has overemphasized form while neglecting content. Decentralization should theoretically be about bringing government closer to the people and opening opportunities for citizens to participate in decisions that affect their daily lives. But the MPs usually only pay lip service for decentralization, because it limits their power. If decentralization is not a tool to achieve community empowerment and a deeper level of democracy, what essentially also means decentralized basic participation, then what purpose does it serve? At the moment, various governmental offices and organizations have been set up to decentralize several administrative powers and functions, but progressives in Thailand have failed to convince society that the real and honest decentralization must go together with basic rights at the grassroots. The most important of them in a political context is free speech as fundamental means of political communication, if decentralization is understood as implying democratization and not only administrative reforms. What is necessary is to make the rural population in the provinces stand up, assemble and demonstrate for their interests without being forced to travel to the capital to make their voices heard. It emphasizes the opportunities of active participation of Thai citizens in constituting themselves in an ongoing process of disagreement, dialogue and compromise.

This paper aims to explore the notion of free speech in the democratizing and decentralizing process in Thailand. It will include an analysis of the actual state of decentralization on

the one hand and free speech in terms of constitutional law and constitutional reality on the other. When and if the liberty to express oneself is not highly valued on a decentralized basic level, as has often been the case, there is no problem: freedom of expression is simply curtailed in favor of other values. Free speech becomes a volatile issue when it is highly valued because only then do the limitations placed upon it become controversial. The first thing to note in any sensible discussion of freedom of speech is that there has to be limitations and a need for balancing this with other constitutional values. Finally, this paper tries to advocate a functioning and effective mechanism for provincial and local participation in the decentralized Thai society.

Krisztina Kis-Katos, Günther G. Schulze and Bambang Sjahrir: Spending on us or Spending for them? The Creation of Local Governments and the Amount of Administrative Spending

We investigate the determinants of increasing local governments' administrative spending after decentralization. In 2006, six years after decentralization, Indonesia's local governments on average spent four percent of their budget on government administration. The variation, however, is huge: while some local governments spent as little as two percent others spent as much as 30 percent of their budget on government administration. We analyze the determinants of administrative spending and study in particular how the creation of new local governments and local political structure contribute to the size of administrative spending over time.

We base our analysis on a unique dataset that contains public expenditures by 309 Indonesian local governments for seven years. We explain the variations of government administrative spending by panel models that control for geographical and topographical conditions of the districts, district GRDP, urbanization and population. We create a set of dummies to capture the time profile of administrative spending of splitting districts. Our central explanatory variables are indicators for splitting districts, ethnic and political composition.

Our findings indicate that newly created local governments spend more on government administration and ethnic and political composition significantly affect the administrative spending. After splitting local governments spent more on administrative spending relative to those which do not split, but the impact gradually decreases and becomes insignificant after three years. We also find that districts in which ethnic and political concentration is high tend to spend more on administrative spending. If one or a few political parties or ethnic groups dominate a district, checks and balances in local decision making process might be weaker, providing the opportunity for local governments to excessively spend on themselves.

Stephan Kitzbichler: Provincial division of Aceh province: A way to development or to conflict?

The government structure of Indonesia has been extensively decentralized since the onset of reformation era. This governance reform was prompted by issues as to improve services, accelerate development, decrease interregional disparities and prevent national disintegration. Part of the government's efforts to pursue these objectives has been an extensive territorial restructuring program. The applied policy has resulted in the creation of numerous new administrative units by division of existing regions, primary on the district level, which has been geographically concentrated to the outer islands. The driving forces behind this development range from fiscal incentives over political advantages and elite interests to territorial adjustments to the ethnic, economic or geographic formations.

Despite remarkable success in achieving the desired objectives, there appear also some drawbacks. The increased number of administrative units causes higher per-capita government costs and improvement of services in newly established regions is unlikely during the first years into existence, as the best part of available resources are absorbed by the construction of the administrative infrastructure. Besides does the territorial reform involve an increased conflict potential. Issues like the asset transfer from the original to the new region, the location of the new capital, the alteration of boundaries and the creation of

new minorities can easily spark or reinforce tensions. Especially the mobilization for new provinces in the just recently pacified Aceh province raises concerns that possibly emerging tensions between proponents and opponents have the potential to endanger stability and may even derail the still fragile peace process.

Accordingly does the paper address the following issues: To which degree are the claims for accelerated development through territorial division valid? Which motives are behind the aspiration for the creation of new administrative units? Are there alternatives to achieve the desired objectives without the price of deteriorated efficiency and increased conflict potential?

Teguh Kurniawan: Democratic Decentralization and Corruption in Indonesia: Why Decentralization has Caused Head of Regions to be Affected by Corruption Cases

James Manor (1999, 101-102) stressed that democratic decentralization is always attended by an increase in the number of persons who are involved in acts of corruption. According to Manor, such a situation can be prevented if strong, democratic, decentralized institutions are allowed to function for extended periods through a combination of processes: with democratic institutions stimulating (as they do) the development of civil society; while organized interests, the press, and others acquire skills and the inclination to make the system work well. In the context of Indonesia, the latest developments indicate that so far there were 17 governors (of 33) and 138 regents/mayors (of 497) who became suspects in corruption cases. There are at least two main causes why these Heads of Regions enter into the trap of corruption: the process of procurement of goods and services through a kick-back, mark up, bribery and embezzlement; and the abuse of social assistance funds through a fictitious proposal, embezzlement and enriching others parties. Contextually, this situation occurs due to a very large discretion of the Head of Regions in the management of local budgets ranging from the budgeting process, utilization and accountability that are laden with his or her political interests. Corruption occurs commonly in association with leakage in the use of the budget, particularly from the revenue and spending. This paper tries to discuss, analyze and give an answer to why it has happened and the various efforts that can be made to fix it. With the help of literature study, this paper will attempt to describe the current condition of a number of corruption cases involving the Head of Regions in Indonesia.

Gabriel Lele: The Paradox of Distance in Decentralized Indonesia

Decentralization carries with it many promises of improving public service delivery to the local people. With subsidiarity principle at hand, decentralization is assumed to bring government closer to the people. This seems not the case for contemporary Indonesia. While many authorities and functions have been decentralized, there is widespread concern on the growing distance between local government and its people. Decentralization seems to serve the interests of the national government and political elites more than the interests of the local people. This paradox deserves deep investigation.

This paper argues that the paradox of distance in decentralized Indonesia is due to at least two factors. The first one refers to the politics of functional assignment between central and local governments. Along with the decentralization of authorities to the local government, the central government applies various policy and regulatory instruments to ensure that what it wants is what the local governments really do. Despite their importance, those instruments have only put more constraints on the already limited capacity of the local governments to respond to local concerns. The second factor is the macro institutional arrangements on the relationships between local government and local people. Under existing arrangements, there is almost no way for local people to hold their government accountable or punish an underperforming local government. Even the local election arrangements provide only weak incentive for local political elites to become more responsive and accountable to their constituents.

Drawing on these factors, the paper proposes two policy recommendations. First, there needs to be a significant transformation in the way the central government manages functional assignment, to enable local governments to be more responsive to local people.

Second, key political arrangements also require further reform to make them more responsive and accountable to local people.

Blane D. Lewis, Sub-national Government Capital Spending, Urbanization, and Economic Growth: Evidence from Indonesia

In recent years Indonesian sub-national governments have spent about 1.5 percent of GDP on capital acquisitions. An analysis of audited local government operating statements and balance sheets suggests that, under plausible assumptions, this level of capital expenditure is barely sufficient to keep up with asset depreciation. Perhaps surprisingly, urbanized local governments spend even less on capital than rural places. This is largely because the former receive fewer intergovernmental transfers than the latter. However, the examination of local government spending using a simple econometric budget model implies that increased urbanization leads to reduced local capital spending, even holding the level of central-local grants constant. Finally, the estimation of a co-integration model for Indonesia suggests that while economic growth is positively associated with the level of urbanization, increases in the rate of urbanization negatively affect growth. In fact, the negative rate-effects may well overwhelm the positive level-effects. Overall, the analysis demonstrates that the government of Indonesia must rethink its approach to supporting urban subnationals and the urbanization process, more generally, with a view to realizing the potential agglomeration economies that have apparently accrued to other countries during the course of economic development.

Edo Mahendra: How do institutional factors at the provincial level affect firm growth and innovation in Indonesia?

This paper tries to unravel the impact of institutional factors on firm growth and innovation in Indonesia. More specifically, we focus on the effect of formal institutions i.e. regulations, as defined by North (1991) on firm performance indicators. Likewise, this paper uses local regulation quality index produced by the Indonesia's Regional Autonomy Watch (KPPOD) as a proxy for measuring the quality of institution at the sub-national level.

The empirical findings of this paper denote the significance of the positive impact stemming from better local regulation quality on firm growth. We also find that firm growth and firm age are independent. However, this paper detects the negative relationship between firm growth and firm size albeit the impact is much less prevalent once we employ multilevel models –thus it indicates the rejection of Gibrat's law. Finally, this paper learns that firms with better quality management systems as measured by the possession of ISO certificates have stronger growth. Our firm growth regressions also entail the superiority of multilevel models over traditional non-clustered regression models.

As for firm innovation analysis, this paper also observes the positive impact of better local regulation quality. However, the estimated effect is not as significant as the one found in the firm growth models. For other factors, we discover that firms with more educated managers i.e. university-level education or with more technically-trained managers i.e. vocational training, are more likely to innovate. In addition, this paper finds that firms with more educated production workers –that is, more than 9 years of education- tend to innovate more. Regarding firm size, this paper confirms Schumpeter's argument in which larger firms are more likely to engage in innovative activities as opposed to smaller ones. Finally, model wise, we argue that given our data set, multilevel model adds little for firm innovation regressions.

Chaiwatt Mansrisuk: Decentralization and Democracy in Thailand: Moving on a Rocky Road

In Thailand, democratization process in the 1990s resulted in the promulgation of the 1997 constitution. This newly enacted constitution, popularly dubbed "People's Constitution," contained several innovations which sought to restructure state-society relations, develop democracy, assure and protect people's rights, as well as promote the principle of good governance. It also encompassed a number of provisions which aimed to promote decen-

tralization. For liberal advocates, decentralization was expected to enhance local autonomy and increase the efficiency of the state to meet authentic demands of local inhabitants. Meanwhile, democratic proponents regarded it as a means to develop local democracy through the expansion of public participation at local level together with the direct elections of local authorities' executives and councilors.

With preliminary assessment, this paper argues that the process of decentralization in Thailand has moved ahead on a rocky road with some positive and negative impacts. Decentralization was supposed to affect the existing imbalanced power structure and vested interests of centralized ministries. Thus, when the decentralization policy was put into practice, its process had been resisted and delayed primarily by centralized bureaucracies, principally the Ministry of Interior. Moreover, the progress of decentralization was also politically interrupted by a re-centralization policy scheme during the Thaksin government (2001-2006).

From administrative point of view, efficient delivery of public services to the residents of local administrative organizations (LAOs), particularly most of small LAOs in rural areas, have been questioned due to LAOs' structural constraints. Amid such anxiety, there are positive evidences signaling the gradual improvement of the administrative capacities of LAOs, and their responsiveness to local demands as expected by liberalists. However, the impact of decentralization on democracy, though potentially great, has not yet fully realized as democratic advocates assumed.

Emma Masterson: Actors Matter: Theoretical Considerations on Decentralization, Patronage and Power

This paper examines the link between decentralization and corruption in Thailand using an actor-centered institutionalist approach to explain the puzzle of why decentralization, contrary to theory, has not always achieved lower levels of corruption.

Looking at the time-period from 1997 to 2011, it is shown how political elites will strategically interact and manipulate the formal and informal institutions around them to maximize their own political gain from decentralization reforms. Game-theoretical analysis based on the neo-institutionalist ideas of the 'access orders' shows that decentralization in Thailand can be conceptualized as a game played out between 'network monarchy' and the 'new capitalist economy,' spearheaded by Thaksin Shinawatra, whose game changing actions to the existing equilibrium demonstrate that in the Thai polity, actors matter. A high level process-tracing approach shows for the time period from 1997 to today that decentralization has strengthened patronage networks along party lines and that loyalty to cliques still matter more than the ideals of decentralization.

Neil McCulloch and Edmund Malesky: Does better local governance improve district growth performance in Indonesia?

A large literature suggests that countries with better governance have higher growth rates. We explore whether this is also true at the sub-national level in Indonesia. We exploit a new dataset of firm perceptions of the quality of economic governance in 243 districts across Indonesia to estimate the impact of nine different dimensions of governance on district growth. Surprisingly, we find relatively little evidence of a robust relationship between the quality of governance and economic performance. However, we do find support for the idea that structural variables, such as economic size, natural resource endowments and population, have a direct influence on the quality of local governance as well as on economic growth. This suggests that efforts to improve local governance should pay greater attention to understanding how such structural characteristics shape the local political economy and how this in turn influences economic performance.

Ross McLeod and Fadliya: Fiscal Transfers to Regional Governments in Indonesia

This paper examines the design of the fiscal „equalisation“, or „balancing“, arrangements introduced in Indonesia in 2001, when many functions were devolved from the central to regional governments. This system of fiscal transfers was introduced hurriedly, and lacked

clarity as to the objectives it was intended to serve; it has therefore been modified significantly during the last decade. But the current design generated by this trial and error process is needlessly complex--and results in a number of unexpected, mainly undesirable, outcomes. By translating the regulations into their simple algebraic equivalent we are able to demonstrate that although the system purports to return a significant portion of natural resource revenues to the source regions (an outcome we argue would in fact be unconstitutional), in reality it does so for hardly any regions. We provide new evidence that the system encourages fragmentation of the Indonesian polity through widespread splitting of provinces and districts. We show that there are huge and unjustifiable differences among jurisdictions in the levels of per capita transfers, implying that recipient governments end up with vastly differing capacities to provide services, such as education and health, to their citizens. These differences mainly reflect huge differences in population between regions, but they are also perversely related to both the human development index and regional output, such that the transfers appear to exacerbate income inequality across regions. Although the relevant law and regulations have already been modified, the changes fall well short of the far-reaching adjustments needed if the scheme is to serve Indonesia's needs into the future. A key issue to be resolved before the system can properly be redesigned is whether it should aim to equalise the fiscal condition of the regional governments in question, or to reduce the dispersion of per capita incomes across jurisdictions.

Sarah Jane Muniz: Inter-Governmental Allocations & Fiscal Autonomy in the Philippines

In 1991 the Philippine Local Government Code (LGC) was enacted and became the first milestone of decentralization in Southeast Asia. The LGC was a major step forward in bringing about local autonomy, the statute has remained unchanged, and its implementation failed in some areas. The complex legal structure turned the Code into a compound difficult to access for the lower, less resourced tiers of government, and overlapping mandates of different tiers cause conflict. Indeed, there are certain aspects of local governance, such as fiscal policy-making, that remain widely captured by the central government and, therefore, reproduce dependency of local governments.

These shortcomings generate a growing debate. Some call for amendments of the LGC, and to incorporate the lessons learned into the law. Other, more radical ideas in this discourse revolve around suggestions to recentralize, or to move towards federalism by amending the Constitution. This paper argues that limiting the legislative amendment to those provisions of the LGC that impede the full implementation of local autonomy is sufficient to target some major shortcomings of the legislation. It is further argued that such pragmatic measures are politically more feasible, and thus more likely to be implemented and enforced, than reverting to constitutional changes or recentralization. This paper will focus on LGC provisions that limit local fiscal autonomy. One of the most critical issues faced by local governments is their lack of revenue generating capacity and resource mobilization. As a result, local governments are often highly dependent on national internal revenue tax allotments (IRA) making them susceptible to national government fiscal constraints. Section 284 of the LGC determines the formula by which the IRA is allocated, and it is widely argued to be inappropriate and out-of-date. This section and the surrounding debate will be used to illustrate the argument of this paper.

Martina Neunecker: Participatory Budgeting in Indonesia – Enhancing Accountability at the Local Level?

Indonesia's extensive democratization and decentralization experience during the last decade has involved the introduction of a number of innovations in local governance that strive to engage "ordinary citizens" in public decision-making. One of the most promising tools is the approach of participatory budgeting (PB), as it attempts to deepen democracy by opening core activities of the state to the citizenry. Originally invented in Brazil in the late 1980s, PB soon spread throughout Latin America, Europe, Africa and Asia. Whereas decentralization is a crucial precondition for the functioning of PB, the overall effects of this tool in Indonesian municipalities are far from clear. The hopes generally attached to PB are various: they range from an expected increase in governmental efficiency, better

policy outcomes, and the inclusion of marginalized groups to an improvement of the quality of democracy in general. Central to these issues is the idea that participation can contribute fundamentally to foster meaningful accountability structures – especially at the local level. Accountability is strongly linked to legitimacy, which is in turn a fundamental condition for the survival of the Indonesian democracy. So far, little research on PB in Indonesia has been done on the issue of accountability. Therefore, within these debates, the proposed paper focuses on one specific question on “deepening democracy”: is PB an effective tool to realize accountability at the Indonesian local level?

The paper comprises of three main steps. First, it will point at central gaps in previous research on the effects of participatory budgeting at the Indonesian local level, especially with regard to accountability. Second, the paper aims at presenting an analytical framework for empirical studies in selected municipalities on the question in how far PB-processes are able to enhance accountability structures. For this purpose, the notion of accountability is conceptualized as comprising four building blocks: transparency, answerability, responsiveness and enforceability. It is expected that PB's contribution to those four elements differs heavily. And third, the paper will discuss tentatively several factors that could be either beneficial or obstructive to foster accountability through participatory budgeting-processes.

Paruedee Nguitragool: Forest Governance in Democratic and Decentralized Indonesia: Between State, Family and Conservation

Decentralization, which began with the introduction of the laws on regional government and fiscal balance in 1999, has had a positive impact on democratization in Indonesia. Within the new local political order, local governments and communities have arguably been empowered and become more autonomous in public policymaking. This, at least in principle, should lead to a greater bureaucratic efficiency, an improved delivery of public services, and consequently good governance in general. Indonesia's experience over the past decade, however, does not support this idea. Environmental governance in Indonesia has faced a number of problems, including patronage politics, corruption, and unsustainable resource management, which continue to persist despite increased public participation, freer press and more autonomy of the regional governments.

By reviewing the politics of forest in decentralized Indonesia, the paper examines the various faces and impacts of decentralization on democratization and power relations among key actors in forest-related issues. Relevant are also the questions regarding political culture, social norms and values, which have been discussed elsewhere, but inadequately explained in most decentralization literature. The main argument of the paper is twofold. First, it holds that forest governance in Indonesia has suffered largely from the weaknesses of both the conservation norms and the advocates of forest governance. And although the society has been empowered, collusion and unsustainable exploitation of forests are made possible through the conventional form of alliance encourage by the value of family and social ties.

Elok Pakaryaningsih: The Impact of Decentralization Policy on Microfinance Institution Performance and Local Economic Growth

One of the objectives of decentralization policy in Indonesia is to enhance local economic growth. It gives more authorities to local government to empower local potentials such as microenterprises, which have become a major contributor to the local economic growth. For this purpose, Microfinance Institutions (MFIs) play important role as an agent of growth.

Within the scheme of decentralization, MFIs have gained more authority from the Bank Indonesia to enhance their services especially in providing micro loan with reference to four specific tasks. Firstly, they should be able to create an extensive, fair, and easy micro-loan access for microenterprises. Secondly, along with the wider outreach of services mainly in the rural area, MFIs should encourage the balance of economic growth between rural and urban area. Thirdly, MFIs are obliged to enhance the growth of microenterprises in term of quantity hence improve rural economic performance. Lastly, MFIs should lessen

the rate of capital outflow from rural to urban areas. Given these prevailing authority, there should be evidence on MFIs' enhanced performance after decentralization. Despite this new stronger arrangement, the question as to the effectiveness of this initiative remains unanswered.

This research aims to examine the performance of MFI in the era of decentralization. For this purpose, a two-stage analysis is applied. Using data on the numbers of microenterprises, microloan application, income per capita, and of rural saving as a measurement of performance and growth, this research will firstly examine the impact of decentralization policy on MFI performance and local economic growth. After that, it will examine MFIs performance and economic growth before and after the decentralization policy. It is hypothesized that there is an enhanced performance and growth after the implementation of decentralization. Policy implications will also be developed based on this finding to make MFIs more effective.

Sarmistha Pal and Jaideep Roy: Fiscal Decentralization and Development: How Crucial is Local Politics?

Does fiscal decentralization in a politically decentralized less developed country help strengthen democratic institutions at the grass root level? And is the impact of such decentralization on local politics important in determining local development? Our study on Indonesia suggests that fiscal decentralization enhanced free and fair local elections, though the incidence of elite capture, and the consequent breakdown of local democracy, was also present in significant proportions. Fiscal decentralization promoted development mostly in communities which transitioned out from elite capture to embrace free and fair elections. This was followed by communities that experienced the emergence of elite capture. Communities that continued to remain under either elite capture or free and fair elections did the worst. These findings suggest that while the emergence of elite capture exists, it may not necessarily be the most harmful. Instead, and surprisingly so, stability of local polity hurts development the most.

Tom Pepinsky and Wihardja: Decentralization and Economic Performance in Indonesia

Indonesia's 1999 decentralization law has been heralded as a landmark policy for advancing Indonesian development. While decentralization empowers local governments, it is nevertheless understood as a national development policy that can yield national development outcomes—in the words of one Indonesian observer, “through decentralization various national problems will be solved at the regional level by using local means to cope with local challenges.” After ten years of Indonesian decentralization, we ask in this paper whether decentralization has in fact generated improved economic performance in Indonesia. We argue that it has not.

The challenge in measuring the effects of decentralization is that decentralization occurred amidst a number of other important changes in Indonesia's economy, including democratization and the painful aftermath of a severe financial crisis. To separate the effect of decentralization from these and other factors, we adopt a synthetic case-control methodology to construct a baseline estimate of what Indonesia's development trajectory would have been absent decentralization. Comparing that estimate to Indonesia's actual economic trajectory, we find that decentralization had no effect on Indonesia's national economic performance.

To explain these results, we use sub-national data (quantitative data from all kabupaten, and qualitative data from five carefully selected field sites) to probe two political economy mechanisms - interjurisdictional competition and democratic accountability - that underlie all theories linking decentralization to better economic outcomes. Extreme heterogeneity in endowments, factor immobility, and the endogenous deterioration of local political institutions can each undermine the supposed development-enhancing promises of decentralization. While decentralization has certainly helped certain regions to adopt welfare-enhancing pro-development policies, it also allowed other regions to adopt welfare-corroding policies that hinder development. These findings have important implications

for institutional theories of economic performance and for development policy, as well as for students of Indonesia's post-New Order political economy.

Jan Henryk Pierskalla: Decentralization from below: Political Determinants of District Creation in Indonesia

Research on institutional choice and the territorial structure of the state is often hampered by a lack of sufficient frequency of events. Constitutions and the territorial structure of the state change rarely and hardly ever through participatory processes. We use a unique feature of Indonesia's decentralization process to assess the political factors that lead to institutional change, originating at the local level. Starting in 2001, local agents could petition for the creation of new provinces and districts. This pemekaran process has led to a virtual explosion of new districts, creating well over 100 new districts and three provinces. Building on results by Fitriani, Hofman and Kaiser (2005), we use data for the period 2001-2009 to analyze the political determinants underlying district creation. Using new Bayesian spatial estimation techniques to account for the geographic clustering of new districts, we investigate the role of political monopolies and access to rents for district splitting. We relate our findings to the existing literature on decentralization and federalism. In the second part of the paper, after having accounted for the selection effect of district splitting, we evaluate the consequences of district creation for local expenditures and governance outcomes. We contrast our findings with classic public finance and political economy theories.

Eko Prasjo: The Problem of Regional Proliferation In Decentralization in Indonesia

Big bang decentralization that has taken place in Indonesia since 1999 has brought about implications of tremendous importance to the development of democracy and government in Indonesia. Among the developments is the increasing demand for the formation of new autonomous region a.k.a. regional proliferation or regional division. During the last nine years, 7 provinces, 164 regencies and 34 cities have been established. However, the evaluation conducted by the Ministry of Home Affairs in 2010 shows that many of the targets of the new autonomous region formation remain unmet. There are only 2 out of 198 regencies/cities that reached 75% of the set target indicators. Meanwhile, the results of the study conducted by the author in 2010 also indicate some issues and phenomena in the implementation of new autonomous region formation, e.g. the lacking of human resources quality of the apparatus, unclear border between regions, unfinished asset transfer, indecent government infrastructures and facilities, and the increasing power of certain ethnics in politics and government. Regional division is facing problems not only in its implementation, but also during the approval process to such a demand. Partial political interest remains prevalent within the political process in the House of Representatives (DPR), leaving the government 'stuck and kept hostage' by those political interests. The formation of new local Government has become the symbol of local autonomy, as it will create new authority, new posts, fund allocation (DAU), new balance fund, deconcentration fund, and other things as its consequence. This paper thus will provide description on (1) how the political and bureaucratic process unfolds in regional division in Indonesia, (2) what are the problems of the regional division in its implementation, and (3) what are the future regional division strategies to be implemented in Indonesia.

Erman Rahman and Agung Pambudhi: How Private Sector Views Local Economic Governance?

Decentralization has brought the authority to promote economic activities to the local (kabupaten or district/regency and kota or municipality) level. Local government (LG) has most of the authorities to promote private investment and development, through infrastructure development, provision of business licenses, implementing business development programs, and issuing local regulations that are conducive to businesses. The Asia Foundation and the Regional Autonomy Watch (KPPOD) have been monitoring the local investment climate through surveys since the beginning of decentralization. The survey methodology was significantly revised in 2007 and has been used to measure the local

economic governance performance in all districts/municipalities in Indonesia (except the Special Region of Jakarta) since 2007. Through the surveys, around 50 local business owners or operators are interviewed about eight aspects of local economic governance, which include the areas mentioned above, plus access to land, interaction between local government and businesses, capacity and integrity of mayor/regent and transaction costs. In addition, all local regulations that are relevant to businesses are reviewed by KPPOD. The paper will present the results of the surveys in various years and show the changes of local economic governance in districts/ municipalities in four provinces – Aceh, East Java, West Nusa Tenggara and East Nusa Tenggara – where the surveys were implemented two times. In addition to quantitative data collected through the survey, qualitative data and information are collected in various 15 districts in East Java, West and East Nusa Tenggara and will enrich the analyses.

Martin Ramstedt: Decentralization and the „Revitalization“ of Balinese Village Autonomy: A Reflection on the Social Costs of „Democratization“ in Bali

Indonesia's longstanding, inefficient and expensive centralism rapidly collapsed with the meltdown of the Indonesian economy under the impact of the Asia Crisis, causing the downfall of President Suharto's New Order regime that had stifled democratization for more than thirty years. In order to stimulate local resource mobilization, Suharto's successor, B.J. Habibie, initiated a governance reform that entailed the devolution of fiscal, administrative and legislative power to the regencies and municipalities as well as the electoral empowerment of the people.

While decentralization did indeed bring about a more balanced relationship between the center and the regions and eventually did end central government intervention into the elections of local executives, the resultant democratization process quickly accrued other social costs due to the escalation of local identity politics that frequently precipitated the outbreak of violence.

If we examine the escalation of local identity politics, it becomes obvious that the laws on regional autonomy that have underpinned the decentralization process since 2004 have encouraged a transposition of local identity claims from political to legal arenas. While rendering identity politics less visible, this transposition has recast ethnic and / or religious identity as conceptual frameworks for claiming privileged access to local resources. In the process these identities have become themselves juridified. Their juridification has in turn challenged and modified extant legal definitions of citizenship.

A case in point is Bali where decentralization has facilitated the issuance of a provincial regulation which redefines traditional Balinese villages as autonomous local law communities. Privileging local Balinese Hindu residents over other non-Balinese Indonesian citizens in terms of access to land and participation in local decision making, this regulation has prompted a whole range of new disputes not only between locals and non-Balinese Indonesian newcomers but also among different segments of the local population as well as between villages.

Rainer Rohdewohld and Gabriele Ferrazzi: Decentralization Reforms and Development Cooperation - Reflections on the Impact of German Technical Cooperation supporting Decentralization Reforms in Indonesia (1992-2010)

Building upon interventions in the field of integrated rural development of the 1980's, support to decentralization reforms has been a key area of German Development Cooperation in Indonesia, with technical cooperation (TC) being the preferred aid modality. In the early 1990's, TC sought to maximize the scope for decentralization within the restrictive legal framework for regional government set by Law No. 5/1974. The challenges met forced the TC advisory team to re-define and expand the traditional understanding of TC, thus laying the conceptual foundations for many of the current decentralization support activities of German development aid. With the Big Bang“ decentralization of 1999, the team of German and Indonesian advisors found itself in the middle of a fast-paced transformation process, with demands for support outstripping available resources. Coordination and cooperation with other development partners became indispensable. Germany

played a leading role in this effort for a time, and lessons were learned regarding the possibilities of and limits to coordination, and reform in general, in a complex and changing political context with diverse institutional agendas and poorly aligned formal and informal incentive systems.

The paper examines the conceptual understanding of German TC in supporting decentralization in Indonesia over the last two decades, describing the evolving adaptation of TC approaches to the ever-shifting reform agenda and political dynamics. Over the last half decade, adaptation was also prompted by the global development aid agenda as expressed in the 2005 Paris Declaration on Aid Effectiveness. Looking at selected work streams of German TC, the paper identifies underlying factors for success or failure, and assesses the overall contribution made by German TC to decentralization reforms in Indonesia. Finally, it situates lessons learnt from the Indonesian case in the context of the ongoing debate on development aid post-Paris/Accra.

Sjafri Sairin: Decentralization in Indonesia: Intensification of Regionalism and Kin-based Networking

Decentralization in Indonesia which was adopted by the so called Reformation government in the beginning of the 21st century has changed the socio-political and cultural life of the country. New phenomena have emerged, such as the dynamics of regionalism and intensification of kin-based networking. As a result, a number of new provinces as well as new districts were created. Some local leaders tend to apply kin-based networking by strongly encouraging their spouses, children and other family members to hold positions in the local governments. This paper will discuss these phenomena by describing some relevant cases.

Henk Schulte-Nordholt: Decentralization and democracy in Indonesia: strengthening citizenship or regional elites?

In my contribution to the conference I will give a brief overview of the main developments of administrative decentralization in Indonesia since 1999. These developments are situated within a broader international context in which the role of the strong centralized state is diminished according to neo-liberal principles while decentralization was expected to stimulate good governance and strengthen civil society. In practice however, we witness in Indonesia processes of state formation at the regional level. Decentralization is also seen against the backdrop of a reconfiguration of political relationships in Indonesia after the demise of the New Order, which involved tragic confrontations in various regions and a rise of identity politics all over the country (which, in terms of format, turn out to be more Indonesian than local supporters are ready to admit). In this context we see a strengthening and realignment of regional elites consisting of alliances between bureaucrats and businessmen. The second part of the presentation focuses on the impact of electoral democracy on regional power structures. As a result of direct elections leadership is contested while elections became personalized because of the weakened role of political parties at the regional level. I conclude with the observation that notions of national citizenship are weak due to the regionalization of politics and that the outcome of recent changes can best be characterized as ds 'patronage democracy'.

Stefan Seitz: The effects of the decentralization in the Philippines on the indigenous peoples and their forest resources management: The case of the Province of Palawan

The Local Government Code of the Philippines in 1991 decentralized resource management and shifted responsibility for the protection of natural resources from the Department of Environment and Natural Resources (DENR) to the Local Government Units. This change had an essential effect on the indigenous peoples and upland farmers, an estimated up to 10 million Filipinos, depending on forestland for farming, often with slash and burn agriculture techniques. The Local Government Code transferred through the Local Government Units a direct participation for the people in the planning and imple-

mentation. But for the indigenous peoples problems arise to manage the access to the new rights without experience in administration tasks. Moreover the municipal governments exercise management functions concerning the land of the tribal minorities, strengthens the dominance of the majority of Christian Filipinos over the minorities.

For the indigenous peoples of Palawan, an island well known for its biodiversity, a unique situation was given through the fact that since 1992, a special law to conserve the ecosystems of this province brought the imposition of a total commercial logging ban in areas of maximum protection. In 1997 the Indigenous Peoples Right Act recognised the indigenous peoples (IP) rights to their ancestral domain. This not only granted their cultural tradition and their land, but also strengthened their position on managing their own resources. Even though the implementation of the Local Government Units has caused problems for the Indigenous Peoples because of lack of understanding and unclear interpretations of the regulations, on the other side it also provides positive effects and there are examples, were indigenous communities under the new regulation could find a better life than before.

Dame Siahaan and Taru Wisnu: Study of Efficiency and Effectiveness of Democratization in Poverty Reduction in the Era of Decentralization in Bandung

The severe economic crisis that wiped out Indonesia Economy in 1997 forced Suharto to relinquish power. From then on, Indonesia embarked on a more liberal and participatory form of democracy through decentralization. Since the decentralization, local government is able to create their own poverty alleviation programs and responsible in selecting beneficiaries of such programs. It is assumed that local governments understand better the poverty problems within their area. Nevertheless, the socio-political environment within the area may influence decisions over targeting and allocation of budget for poverty alleviation programs. The success of decentralization in formulating and distributing poverty alleviation programs widely depends on the extent the disadvantaged groups can participate in local politics and whether such democratic process can enhance “the accountability of the programs” (Sato, 2010).

This paper focuses on local government’s poverty alleviation programs in Bandung, West-Java. Increase in number of population and density of population that interact with the city’s system of economy and education have made Bandung a metropolitan city. People from different ethnic background reside in the city. While the city is known to have many established Civil Society Organizations, which is known to be one of the pillars for democracy and poverty reduction, the heterogeneity of the city is likely to add the complexity of democratization process on grassroots level.

The paper examines the local government’s programs and budget allocation for those poverty reduction programs then analyzes to what extent the programs and budget have accommodated the demand side, in this case: the poor people. Using quantitative and qualitative method, the paper also explores and examines the process and outcomes of poverty alleviation programs in several slum areas in Bandung. In examining the process of poverty alleviation programs, the paper focuses on three principles of democratization as mentioned in Katsiouni (2003), they are: civil society’s participation, consumer sovereignty and communities’ rights to be consulted.

Deasy Simandjuntak: "Beyond banknotes and t-shirts": Patronage Democracy in a decentralized Indonesia

Following the demise of the Cold War, centralised, state-led, governance was seen as the cause of ineffective redistribution policies. Authoritarian states were forced to adopt decentralization. Such allocation of policy-making autonomy to lower level governments is believed to produce efficiency in state administration, encourage greater accountability, enhance popular participation and contribute to the strengthening of civil society.

In Indonesia, decades of being mere executors of central policies have left the local governments with a lack of policy-making experience. This situation, combined with a limited role of civil society, allows local elites to compete for political power by reinforcing identity politics. Mobilizing ethno-religious cleavages and money politics, the elites compete in local elections.

Taking the example of district-head elections in North Sumatra, my paper explores the mobilization of ethno-religious identity and money politics in the elections. It portrays the patron-client relations that beget “patronage democracy” at the local level. Money-politics exists in various stages: from the initial process when parties decided which candidates to endorse, until the final stage of open rallies in which banknotes and gifts were distributed among supporters.

Interestingly, the elites engaging in money-politics would still utilize the rhetoric of good governance: the eradication of corruption and the strengthening of the rule of law, in their campaign. At the receiving end, the constituents cheered the rhetoric while at the same time waiting for gifts from their candidate “patrons”. I argue therefore, that treating local elections as a yardstick of democracy is complicated. There is a dichotomy between the virtuous image of the state pursuing good governance and the mundane corruption of (state) elites. This dichotomy also exists in the everyday bureaucratic practices, where the idea of clean government exists together with the culture of corruption. The desire to benefit from the corruption is what keeps people aspiring to get into the civil service.

Franziska Singer and Antonia Staats: Decentralization and local sustainable development – an enabling relationship? A look at Indonesian and Philippine policy and practice

This paper looks at the relationship between decentralization and sustainable development (SD) in Indonesia and the Philippines. SD initiatives use different entry points – from national plans driven by external donors, to local authorities, large NGOs or localised groups dealing with specific concerns. Local governments can be highly effective, as they have the power to implement certain strategies and are able to communicate closely with the population, but at the same time retain more flexibility than state or national governments. Increased power and responsibilities at the sub-national level under decentralization should therefore be expected to serve as a driver for such initiatives. At the same time, research during the past two decades has shown that significant challenges for example with regards to local accountability, participation and sustainability remain, pointing towards a not quite so straightforward relationship between decentralization and SD.

We compare and contrast the decentralization legal and policy frameworks of both countries, as well as initiatives taken and results achieved in the field of local Sustainable Development to date, examining where the countries’ trajectories are similar and where they diverge. Examining local SD allows for an analysis of policy and practice entwined. This analysis will be juxtaposed with voices from field. Looking ahead, we further offer thoughts on what the different situations in Indonesia and the Philippines can tell us about the future of decentralization and local SD in Southeast Asia.

Bambang Sjahrir Putra and Krisztina Kis-Katos: Does local governments’ responsiveness increase with decentralization and democratization? Evidence from sub-national budget allocation in Indonesia

We investigate the effects of Indonesian decentralization and democratization on budget allocation at the sub-national level. The effects of the decentralization and democratization processes can be distinguished due to differences in their timing: while the “big-bang” of fiscal and administrative decentralization took place in all districts at once (in 2001), the timing of the first democratic and direct elections of local government heads was determined fairly exogenously (due to term limitations) and varied considerably across the districts.

We base our analysis on a uniquely rich dataset that contains consistent time series for 13 years of public investment expenditures by 271 Indonesian districts in three major sectors, education, health and infrastructure. We explain the evolution of these investment expenditures by panel models including district and time fixed effects, while also controlling for the level of public service delivery in the previous period, district revenues, district GRDP, and urbanization. Our central explanatory variables consist of indicators for decentralization and the timing of first democratic as well as first direct elections.

Our main findings document that following decentralization local governments indeed became more responsive to local gaps in public service delivery. Local public expenditures in all three sectors increased due to increasing local fiscal size (fiscal decentralization). More importantly, after decentralization education and health investment expenditures increased by more in those districts where the level of public service delivery was originally lower which we interpret as increasing responsiveness of local governments. However we also find that directly elected local heads are relatively less responsive which might reflect the relative weakness of a newly established local direct democracy, which enables local capture and decreases the local government heads' responsiveness to local needs. In our ongoing work we plan to elaborate further the driving mechanisms of the effects of different forms of democratization

Emmanuel Skoufias: Electoral Accountability, Fiscal Decentralization and Service Delivery in Indonesia

The paper analyzes the impact of different forms of electoral accountability institutions for government leaders -- notably de facto autocratic appointment, indirect democratic elections, and direct elections -- on government spending choices. We leverage a unique "natural experiment" in Indonesia in the decade after 1999 which saw the differential exogenous phasing in of the way in which several hundred local government heads were selected in the context of significant fiscal decentralization and autonomy. We take advantage of the exogenous phasing of direct elections in districts and apply the double difference estimator to: (i) measure impacts on the pattern of public spending and revenue generation at the district level; and (ii) investigate the heterogeneity of the impacts on public spending. We confirm that the 2004 electoral reforms had positive effects on the district expenditures and our analysis shows that these effects are mainly due to (i) the increases in expenditures in the districts outside Java and Bali and (ii) to the changes in expenditures brought about by the non-incumbents elected in the districts. We find some weak evidence that the changes in expenditures are responsive to the (measurable) needs of the district, and that in anticipation of the forthcoming direct elections district government tend to have higher current expenditures on public works and a higher deficit.

Robert Sparrow, Menno Pradhan and Ioana Kruse: Marginal Benefit Incidence of Public Health Spending: Evidence from Indonesian sub-national data

In recent years, many developing countries have introduced decentralization policies which, to varying degrees, delegate the provision of local services to sub-national governments. Given the significance of this trend and of the new responsibilities vested in local administrations, it is particularly important to understand how sub-national government revenues translate into health spending and this in turn translates into benefits for their populations.

This paper examines the marginal benefit incidence of decentralized public health spending in Indonesia. In particular, this paper provides three novel contributions to the empirical literature on the effectiveness of public health spending and benefit incidence analysis. First, we analyze sub-national public health care spending, its determinants and impacts. We look at mechanisms through which local governments' resources affect district level public spending on health. Second, we develop a method to analyze the marginal benefit incidence of public health spending that takes account of behavioural responses to changes in public spending, thus avoiding arbitrary assumptions used in earlier studies. Finally, we explicitly test whether increases in public spending crowd out private health care services, as well as out-of-pocket health expenditures by households.

We show that district public health spending is largely driven by central government transfers, with an elasticity of public health spending with respect to district revenues of around 0.9. We find a positive effect of public health spending on utilization of outpatient care in the public sector for the poorest two quartiles. We find no evidence that public expenditures crowd out utilization of private services or household health spending. Our analysis suggests that increased public health spending improves targeting to the poor, as behavioural changes in public health care utilization are pro-poor. Nonetheless, most of the

benefits of the additional spending accrued to existing users of services, as initial utilization shares outweigh the behavioural responses.

Made Suwandi: 10 Years of Decentralization in Indonesia

The Asian economic crises which occurred in 1997 spread to Indonesia causing the fall of Suharto's regime after almost 32 years in power. Since then, there was a great change in the government system which became more democratic following the demand of the people to get more freedom and a decentralized government.

more freedom and a decentralized government. In the decentralization policy, there is a kind of so called "big bang" policy marked by the adoption of a broad autonomy granted to the local government. There is a significant change in the devolution of power which was highly centralized in the past. Local government is devolved almost of all government's powers except defense, police, foreign affairs, monetary, justice and religion affairs. After more than one decade, the implementation of broad autonomy has proved to be both beneficial and at the same time caused some problems. Apart from the benefit of giving more power, discretion and money to local government in handling of local affairs, there are also various problems which have arisen. Some of the salient problems are difficulty in distributing functions among tiers of government, problems of organizational structure which tends to inflate, problems of personnel which has caused local governments to be overburdened with personnel of low quality and placed regardless of their competence, problem of backlog in public services, problems in harmonious relations between executive and legislative at the local level, problems in local election and so on. It seems that when local democracy is measured from the criterion of freedom to choose; the freedom to act and to decide; the freedom to promote local voice and local choice, the Indonesian local government has performed very well. But when it comes to the issue of promoting local prosperity, it has still a long way to go. It means that the Indonesian should fight much more to relate democracy with prosperity.

Chulanee Thianthai: Perceptions of Democracy among Thai Adolescents

This paper aims at gathering insightful data on what Thai adolescents perceive and define democracy to be; in what way they view Thai democracy to be different from other democratic countries; and how decentralization and democracy should be taught for their generation. The research data derived from free listing techniques and in-depth interviews of 87 Bangkok males and females, aged 15-23 years old, who came from seven different public high schools and students who enrolled in the Faculty of Political Science in five well-known universities. Research results have shown how these students associate democracy with tangible objects namely the Thai constitution, the Thai Democracy Monument, politicians and define democracy through concepts such as majority vote, majority rules, power of the people, open-mindedness, governing power, liberty, rights, election, participation, justice, equality, the people, and social stability. In addition, the adolescents highlighted how Thai democracy is different from other democratic countries due the incorporation of the Thai characteristics of valuing the patronage system; rejecting military interference; shifting value of private interest versus public benefits; deflating social stratification; educating the under-educated on democracy; flexibility of rules and regulations; showing rights, liberty, and participation that is appropriate in Thai view; having a moral leader that is capable of creating a Thai constructive society and honoring the Monarchy. The aforementioned uniqueness of Thai democracy is suitable for its people and crucial for its existence, allowing it to be passed from generation to generation. Lastly, these adolescents believe that the most effective way of teaching their generation about democracy and decentralization is through actual practice at home and in schools, changing school/text curriculum and teaching style and make it more exciting by utilizing different types of teaching media/techniques such as using role play, prints, presenters, movie series, games, internet and social networking (i.e. facebook, YouTube).. In conclusion, this research paper has contributed to a more in-depth understanding of how the young Thai generation views current Thai democracy as well as how it should take form in the future.

Agus Trihartono: A Two-Edge Sword: The Emerging Role of Public Opinion Polling in the Local Politics of Indonesia's Post Suharto Era

This paper discusses the increasing role of public opinion polling in the local politics of Indonesia's post Suharto era. Public opinion polling has been prominent following the wave of local elections (Pilkada or Pemilukada) starting from 2005. The application of the polling has essentially increased to the level of influential since Golkar Party in 2005 declared to rely on polling outcome as the foremost aspect for candidacy in the local contestations (Juklak 2/2005). The Golkar Way of poll-based candidacy shaped a domino effect to other political parties to follow the Golkar Path utilizing pollsters as a new instrument in both renovating the selection process of political recruitment, improving the strategies to win the local elections, and even to minimize money politics. National Mandate Party (PAN, Partai Amanat Nasional) in 2006, Democratic Party (PD, Partai Demokrat) in 2007, and Indonesian Democratic Party of Struggle (PDIP, Partai Demokrasi Indonesia Perjuangan) in 2009 decided to exploit public opinion polling as political parties' tool to deal with the dynamics of local elections. Consequently, local candidates mostly use public opinion polling result as a political bargaining tool for the political vessel and as a rationale for seeking funds. Therefore, mushrooming of local pollsters and Jakarta-based pollsters to fulfill the high demand in local politics is significant. However, despite attempts to make local politics more rational and diminish "black-box" politics, poll-based candidacy raised concerns that traditional mechanism for political recruitment is at stake. As popular, acceptable, and electable are the factors of poll-based candidacy, public opinion polling changes the pattern of political recruitment by the political parties. In the context of local politics, public opinion polling has moved beyond from merely tracking of people's appeals to be a new political instrument.

Andreas Ufen: Decentralization and New Forms of Electoral Campaigning in Post-Suharto Indonesia

In 1955, the first Indonesian elections were marked by a localized campaign and the absence of TV, pollsters, and consultants. The long suppression of electoral politics under authoritarian rule (from 1957 until 1998) hindered the development of new forms of electioneering, but institutional reforms after 1998 have accelerated the transition towards a professionalized and commercialized campaigning and, thus, the transformation of political parties. One of the main reasons is the transition from a party- to a candidate-centered system that is to a large extent part of the comprehensive decentralization: Since 2004 the president and vice president have been elected directly (this has weakened parliament in Jakarta), and as of 2005, direct elections include mayors, district chiefs and governors. Moreover, after a 2008 decision by the constitutional court, only candidates who have won the plurality of votes in their respective constituencies can become members of parliament. All these measures have entailed a presidentialization of political parties, a personalization of politics and – to a certain degree – a strengthening of local political elites. Parties have to identify the most popular candidate in a province, district or municipality; would-be candidates have to conduct surveys to check their own popularity ratings. The popularity ratings have accelerated the rise of candidates that are often not members of the party that nominates them. The paper analyzes the new mobilization techniques and assesses, in particular, the impact of pollsters and consultants on party politics. It is argued that there is trend towards commercialization and personalization. Yet, the influence on the relationship between central and local party executives and between party executives and consultants is manifold and contradictory.

Michele Valsecchi: Direct Democracy and Leaders' Selection: Evidence from Indonesia

In this research project, we ask whether the introduction of direct elections has a positive impact on leaders' quality.

The basic argument relies on the idea that leaders' identity matters (Besley 2005). If politicians differ in terms of a competence and voters can observe it only imperfectly, then they will use leaders' education as a screening device. Political selection may even be important particularly in weakly institutionalized settings (Jones and Olken 2005).

In order to identify the impact of direct democracy, we consider the introduction of local elections in Indonesian districts during the period 2005-2008. The nature of the institutional change that we focus on is very close to a natural experiment. Following the fall of Suharto (1998), the Indonesian Government undertook a massive decentralization process, among other reforms to promote the transition to democracy. The law included a reform for the election of provincial and district heads. According to the first version of the reform (2001), rather than being appointed by the Ministry of Home Affairs, they would have been elected by local parliaments. In the second version (2004), they would have been elected directly by the population.

In order to identify the impact of local elections, we exploit their gradual introduction. This lets us control for other confounding institutional changes and common time trends. Preliminary results show that the introduction of local elections is associated with an increase in leader's education. Such results are novel and constitute within-country evidence on the importance of a specific institutional feature (see Besley and Reynal-Querol 2009 for a cross-country study).

Franz and Keebet von Benda-Beckmann: Decentralization in Minangkabau, West Sumatra

In our paper we look back at the developments during the past 10 years after the fall of Suharto regime that are characterized by the implementation of the decentralization policy and greater political freedom under the reformasi governments. In West Sumatra, one of the major administrative and legal changes flowing from decentralization was the reorganisation of village government, the so-called return to the nagari. The nagari had been the most important political units in pre-colonial times and became the basis of local government under Dutch rule and after independence. When the new model of local government based on desa villages was implemented in Minangkabau in 1983, the nagari as lowest level of local administration were abolished. The nagari were divided up into several desa, purely administrative village structures that had no basis or legitimation in adat and were without representation of adat leadership. The return to the nagari in 2000 was considered a return to "adat" and Minangkabau ethnic values, especially in the field of village administration and rights to natural resources. It was at the same time matched by a rather strong intensification of Islamic moral and legal values in the public sphere. These developments changed the constellation of legal pluralism in West Sumatra and led to intensive discussions about the proper relationships between Adat, Islam and the state in West Sumatra and the position of Minangkabau within Indonesia. While at provincial and district level political activism around democratization focused on corruption, the founding of political parties and the relationship between regional and national politics, we shall show that at the lowest level of government in rural areas the debate was what kind of principles of democracy were to be used: those based in adat or on the state and international legal system. We shall show that the choices made varied throughout the province and that they had important implications for social stratification within villages.

Christian von Lübbe: Democratic Reforms and Resistance: The Politics of Decentralization in Post-Suharto Indonesia

Despite the introduction of competitive elections and decentralization, Indonesia's democracy has yet to realize its promise of better government. Service and corruption levels have deteriorated markedly during early transition years and have only recently begun to approximate the benchmarks of the late Suharto regime. This U-shaped governance path signals that non-democratic structures have compromised (although fortunately to a diminishing extent) the efficacy of democratic rules.

In this paper I argue that Indonesia's governance downswing is closely linked to the 'meso-politics' of democratic consolidation: that is, the continuous interplay of institutional rules, socio-economic structures, and political agency. To discern how institutions and structures interact – and how these interactions shape the powers and incentives of political actors – I apply a multi-method research design. The combination of national case studies (recent political scandals), sub-national governance surveys (based on original data from 2000 local

firms across ten districts) and statistical analyses (using a 200-district dataset) makes it possible to shed new light on the causes of delayed democratic accountability.

Preliminary findings suggest that societal groups remain vulnerable to preexisting patronage networks and elite politics. As state clientelism prevails, much of the variation in public policy continues to be explained, for better or worse, by the quality of government leadership. Survey and regression analyses show that differences in the capacities of government leaders continue to be closely linked to differences in public performance. But they also suggest that structural and institutional change – such as direct presidential and mayoral elections, economic diversification, and new communication technologies – expose public elites to greater public scrutiny. In the long run, these structural changes, combined with rising political competition, are likely to strengthen societal and reformist forces vis-à-vis bureaucratic and reactionary resistance.

Wilfried Wagner: Quo Vadis Daerah?

The transformation of the centralist and post-authoritarian unitary state of Indonesia to democratic regions is based on the expectation that the state's monopoly on force and, in part, financial sovereignty will be devolved, leaving the state responsible for merely helping support self-responsibility. From the perspective of regional history, this principle of subsidiarity is opposed by significant disparities in development and, in some cases, pre-modern societal structures that so far have prevented the assertion of the monopoly on force.

Andy Yentriyani: Rescuing Indonesia's Democracy: Responding to Discriminatory Policies Against Women

Despite its urgency, gender dimension is often overlooked within the assessment of Indonesian democratization that has been taking place in the last thirteen years. One of the examples is the authorities' lack of seriousness in handling the presence of discriminatory policies in the name of religiosity and morality. By the end of March 2011, Komisi Nasional Anti Kekerasan terhadap Perempuan (Komnas Perempuan-the Indonesia's National Commission on Violence Against Women) reported that there were an addition of 45 policies from 154 policies as such that was identified two years earlier. More than 40%, or eighty of the total 195 policies, were directly discriminatory against women through regulation on dress code, prostitution, pornography, and close proximity with a man to whom the woman is not a relative or married to. Almost all of them were issued at local level within the framework of decentralization.

This study argues that failure to promptly handle discriminatory policies against women in the name of religiosity and morality risks Indonesia's democracy. By examining the factors contributing to the issuance of those policies, this study not only shows how issues related to women's sexuality are used to win the current political practice to win power struggle in Indonesia. The study in fact also reveals the complex interplay between politics, culture, religion, history, governance structure, and even legislators' individual capacity that arguably exacerbates the imperfection of decentralization system installed for Indonesia's democratization. Furthermore, examination of impacts of these policies undertaken by this study shows how discrimination against women has direct link to the erosion of the authority and certainty of law that will inevitably corrode democracy.

Patrick Ziegenhain: Decentralization and the Quality of Democracy in Thailand, Indonesia, and the Philippines

There is an ongoing debate on the impact of decentralization on the quality of democracy. In general, a positive impact is assumed. However, it must be seen that decentralization may in fact create or deepen local enclaves of authoritarianism. It may encourage intolerance toward minorities, exacerbate inequalities, foster ethnic and religious conflict, lead to a rule of local bosses and promote anti-democratic forces. In their comparative study on South Asian and West African countries, Crook and Manor (1998), come to the result that decentralization can only be successful in promoting democracy if it is combined with in-

stitutional reforms at the national level. In this paper, I am arguing that - despite the previously mentioned caveats - there might be a coincidence or even a correlation between the performances of democratic practices at the local level with the overall quality of democracy at the national level. If the mechanisms of local accountability work well, the state of democracy in general is enhanced. If decentralization takes place in the form of devolution, there is a diffusion of executive power. Due to the territorial differentiation of political power, a new vertical dimension of power sharing emerges, which can foster democratic progress.

To test my hypothesis, I will take a closer look at three different countries in Southeast Asia with a comparative perspective. Beside their geographical, cultural and economic similarities, Thailand, Indonesia, and the Philippines are all relatively young, fragile democracies, which all started decentralization processes in recent years. In order to assess the development of the decentralization processes, I will analyze the legal reforms and practical outcomes of the decentralization processes after their initiation (Article V of the 1997 Constitution in Thailand, Decentralization Laws 22 and 25/1999 in Indonesia, Local Government Code of 1992 in the Philippines). From a comparative perspective, I will particularly focus on the following criteria: vertical accountability at the local level, eventual tendencies for separatism and unrest at the local level, and economic outcomes for previously disadvantaged regions.

I will then compare the results of my assessment of the decentralization processes with the development of the democratization processes in the three countries and draw some general conclusions on the coincidence or correlation between the two variables. In which way decentralization and democratization are independent, parallel processes and how they are related? Does the quality of democracy at the local level lead to a higher level of democracy at the national level in a bottom-up process, or is it rather a top-down process?

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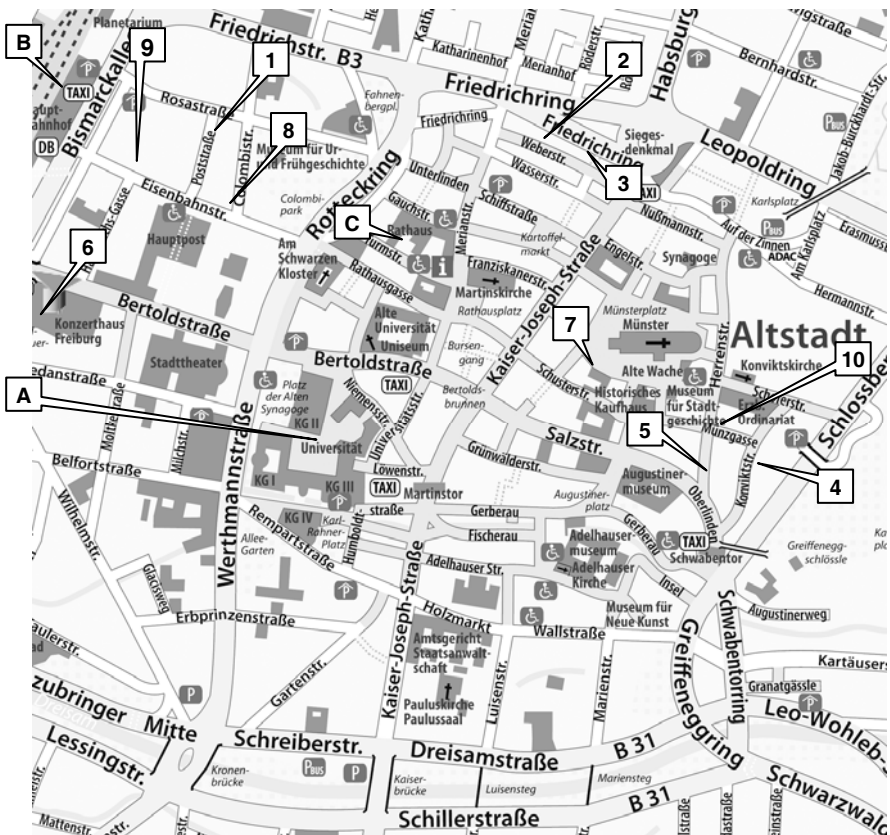
Southeast Asian Studies Group at the University of Freiburg (BMBF funded Project 2009-2013)

The Conference on Decentralization and Democratization in Southeast Asia has been organized by the Southeast Asian Studies Group at the University of Freiburg. The research group pursues an interdisciplinary concept of research on Southeast Asia. The disciplines involved include Political Science, Social and Cultural Anthropology, Economics and Asian History. Participating scholars conceptualize Area Studies as relational and pursue transculturally-oriented research beyond Orientalism and Occidentalism. Their research focuses on everyday social practice in its complex plurality and socio-cultural diversity. This is connected to cultural transfer and localization processes. Studying social, political, economic, cultural and historical phenomena in Southeast Asia must therefore transcend routine textual analysis. Rather than primarily relying on techniques of discourse analysis, Area Studies on Southeast Asia in Freiburg attaches great importance to empirical research based on extensive field work. While essentially pursuing a constructivist research agenda, it seeks to combine reflectivist approaches with rationalist theoretical arguments. This implies methodological pluralism seeking a convergence of methodologies derived both from hermeneutic and deductive-nomothetic epistemologies.

The *mandala* concept of Southeast Asian Studies at Freiburg is designed as a program composed of concentric circles radiating from an interdisciplinary and internationalized research and teaching program. All other program components such as methodology training, regional networking, the graduate program, the alumni program and knowledge transfer are closely linked with the research core. It rests on two interconnected pillars: Research on Occidentalism in an associated project sponsored by DFG ("Beyond Occidentalism: Concepts of the 'West' in Asia) and a multi-level research program on democratization in Southeast Asia. The latter includes the democratization of international relations, the national polity and local politics through processes of decentralization.

Venues and Directions

ACCOMMODATION



A. University
 B. Train Station
 C. Rathaus (City Hall)
 Alte Gerichtslaube

3. City Hotel
 Weberstrasse 3
 Tel: +49 761 388070

7. Hotel Oberkirch
 Münsterplatz 22
 Tel: +49 761 2026868

1. Hotel Barbara
 Poststrasse 4
 Tel: +49 761 296250

4. Kreuzblume
 Konviktsstraße 31
 Tel: +49 761 31194

8. Park Hotel Post
 Am Colombipark
 Tel: +49 761 385480

2. Central Hotel
 Wasserstraße 6
 Tel: +49 761 31970

5. Löwen
 Herrenstraße 47
 Tel: +49 761 3688990

9. Rheingold
 Eisenbahnstraße 47
 Tel: +49 761 28210

6. Novotel
 K. Adenauer Platz 2
 Tel: +49 761/38890

10. Schwarzwälder Hof
 Herrenstr.43
 Tel: +49 761 38030

Restaurants:

- 1) Divan: (Turkish, €)
Bertoldstraße 54
- 2) In the passage between Bertoldstraße and Eisenbahnstraße, there are a number of bars and restaurants (e.g. Sushi, Asian, Moroccan, €-€€)
- 3) Leaf (Thai, €)
Poststraße
- 4) Casanova: (Pizza and Italian food, €-€€)
Eisenbahnstr. 43
- 5) Drexlers (sophisticated cuisine with local products, €€€)
Rosastraße 9
- 6) Basho-An (sophisticated Japanese cuisine, €€€)
Am Predigertor 1
- 7) Erzherzog Albrecht (traditional local cuisine, €€)
Bertoldstr. 17
- 8) Euphrat (the most popular Arab take away in Freiburg, €)
Niemensstraße 13
- 9) Chang (Thai, €)
Grünwälderstraße 21
- 10) Oberkirch (traditional local kitchen, €€€)
Münsterplatz 22
- 11) Rappen (traditional local kitchen, €€-€€€)
Münsterplatz 13
- 12) Jaipur (Indian, €€)
Gerberau 5
- 13) Casa Espanola: (vibrant Spanish tapas restaurant, €-€€)
Adelhauser Straße 9

- 14) Harem (Turkish food, €)
Gerberau 7c
- 15) Markgräfler Hof (traditional local kitchen, €€)
Gerberau 22

Beer gardens are outside taverns which serve beer (but also other beverages) and local snacks and dishes, very popular in summer

- a) Feierling Biergarten (Freiburg's beer garden No1, €)
Gerberau 15
- b) Greiffenegg Biergarten (€-€€)
Schlossberggring³

Bars & Pubs:

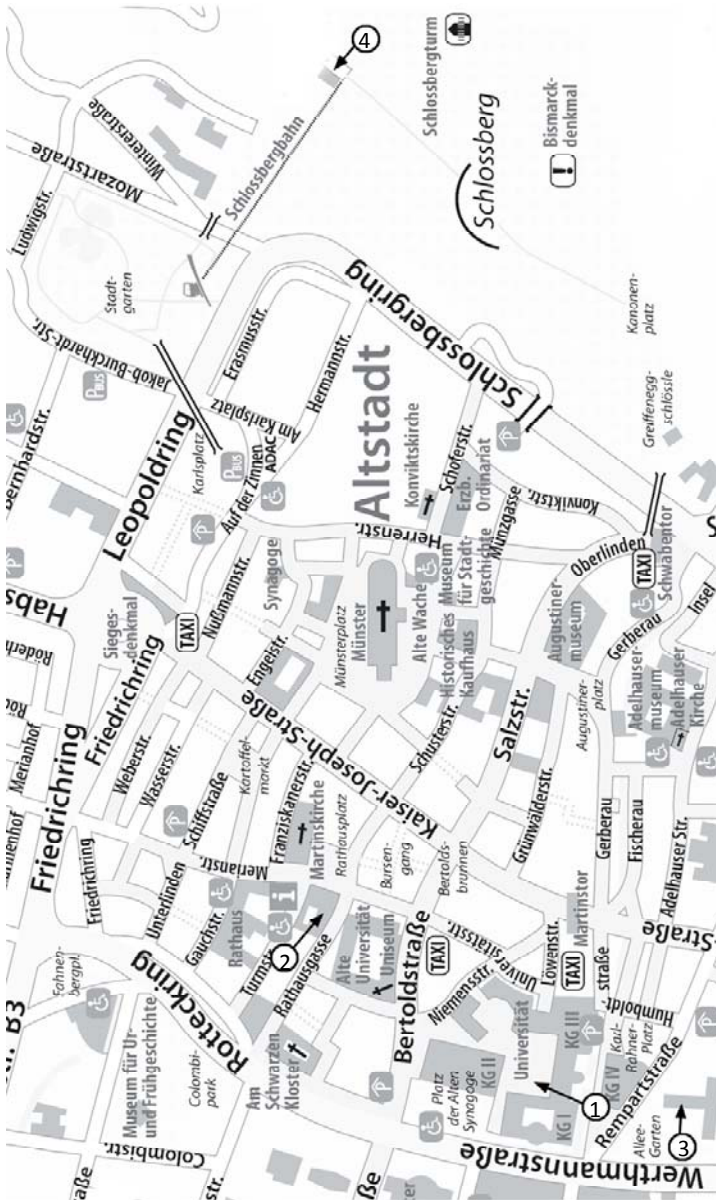
- c) Jos Fritz Café (alternative café/pub, small menu, €)
Wilhelmstraße 15
- d) Warsteiner Galerie (Spanish tapas bar and pub with rustic ambience €-€€)
Milchstr. 7
- e) Theatercafé (international food, €-€€)
Bertoldstraße 46
- x) Here, you'll find several bars/pubs, most of them offering food, €-€€

€ = main dish under € 10

€€ = main dish € 10-15

€€€ = main dish € 20 and more

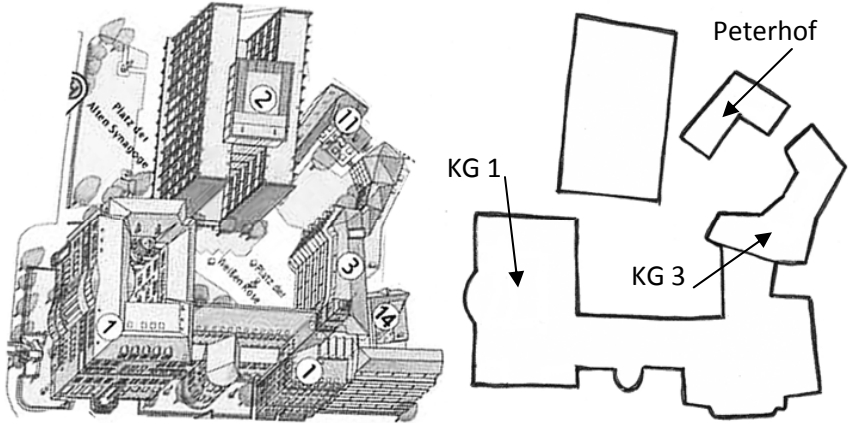
CONFERENCE VENUES



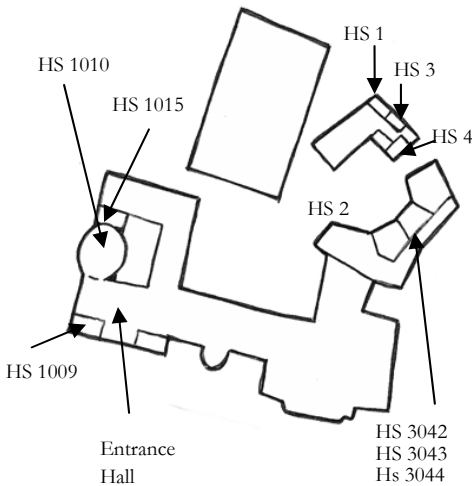
- 1) Albert Ludwigs Universität 2) Rathaus 3) University canteen (Mensa) 4) Raestaurant Dattler

UNIVERSITY BUILDINGS & ROOMS

Buildings:



Rooms:



Thursday

Keynote Speech	KG I	HS 1010	
Plenary Session	KG I	HS 1010	
Parallel Sess. A	KG III	HS 3042	A2
		HS 3043	A3
	Peterhof	HS 3044	A1
		HS 1	A6
Parallel Sess. B	KG III	HS 3	A5
		HS 4	A4
		HS 3042	B3
		HS 3043	B2
	Peterhof	HS 3044	B1
		HS 1	B6
		HS 3	B5
		HS 4	B4

Friday

Parallel Sess. B	KG I	HS 1009	C1
		HS 1015	C2
Parallel Sess. B	KG III	HS 3042	C6
		HS 3043	C5
		HS 3044	C4
		HS 3044	C4
	Peterhof	HS 1	C7
		HS 4	C3

NOTES
