



WHY REGIONS WITH ARCHIPELAGIC CHARACTERISTICS IN INDONESIA ALSO NEED ASYMMETRIC DECENTRALIZATION?

Mudiyati Rahmatunnisa^{1,*}, Reginawanti Hindersah², Tri Hanggono Achmad³

¹Department of Political Science, Faculty of Social and Political Science, Universitas Padjadjaran
Jl. Raya Bandung-Sumedang KM 21 Jatinangor, Sumedang, Indonesia

²Department of Soil Science, Faculty of Agriculture, Universitas Padjadjaran
Jl. Raya Bandung-Sumedang KM 21 Jatinangor, Sumedang, Indonesia

³Faculty of Medicine, Universitas Padjadjaran
Jl. Raya Bandung-Sumedang KM 21 Jatinangor, Sumedang, Indonesia

Received: 13 September 2018; Accepted: 7 November 2018; Published online: 13 November 2018

DOI: [10.21787/jbp.10.2018.251-261](https://doi.org/10.21787/jbp.10.2018.251-261)

Abstract

Indonesia has been practicing both symmetric and asymmetric decentralization for decades. This study believes that asymmetric decentralization should not only for those five provinces (Jakarta, Yogyakarta, Aceh, Papua and West Papua). If political considerations and the effectiveness and efficiency of government, asymmetric decentralization becomes a necessary choice for many other regions in Indonesia. This includes autonomous regions characterized by islands (archipelagic regions). Hence, this paper will discuss a number of reasons why archipelagic regions also need asymmetrical arrangements. How to make such arrangements functional? What potential challenges might be encountered? This study employs qualitative approach with theory-driven type. Operationally, this study is sustained by a series of Focus Group Discussion (FGD) and documentary method. Aiming at strengthening the capacity of the government for more effective governance and development process, the uniqueness and various specific problems faced by archipelagic regions become the main reasons for applying asymmetric decentralization. Proposing a separate policy provides an effective strategy for certainty and functional *de jure* and *de facto* asymmetry arrangements. Handling various existing problems which could weaken the capacity to carry out asymmetric decentralization policy would be the most appropriate strategy to make the policy facilitates its potential benefits.

Keywords: Decentralization, Symmetric Decentralization, Asymmetric Decentralization, Devolution

I. INTRODUCTION

Within the discourse of contemporary administration, asymmetric decentralization is certainly not an unfamiliar concept. Many countries in the world today have been practicing asymmetric decentralization policies in managing their states or local governments in their territories respectively, such as Malaysia, Canada, Germany, Italy and England. In this case, Indonesia is not an exception.

From the experiences of many countries in the world, it can be argued that asymmetric policy has not been an exclusive practice of unitary states such as Indonesia, France and Britain by using the term asymmetric decentralization, asymmetric devolution, or asymmetric fiscal decentralization.

The policies have also practiced in federalist states such as Malaysia, Canada and Germany (Conversi, 2007, p. 22; McGarry, 2007, p. 105). According to Watts (2005, p. 1), different from asymmetrical federation in which autonomy of all parts was constitutionally guaranteed, asymmetric decentralization arrangements or devolution exist within unitary state when the center has the ability to withdraw the autonomy of its local units.

Asymmetry arrangements could be developed via two different ways. Watts (2005) explains different kinds of *de jure* asymmetry within federal or unitary system. First, created by the aggregation of previously existing political units so that *de facto* asymmetry in population, territory and wealth is

* Corresponding Author

Phone : +62 812 2369 3234

Email : m.rahmatunnisa@unpad.ac.id



simply taken as a given without any adjustment within the constitutional arrangements. Second, through devolution process, or in decentralized unitary systems in which constituent units obtain their authority from the central government, asymmetry arrangements involve adjustments of number (e.g. Nigeria), size (e.g. Germany and Belgium) as well as the boundaries (e.g. India and Canada) of existing units. The main objective of such arrangements is either to moderate the degree of *de facto* asymmetry among constituent unit, or to accommodate other distinct groups by creating more asymmetrical units. For sure, the reduction or increase of asymmetry among constituent unit has been the result of *de jure* constitutional revision.

As a concept, asymmetric decentralization can be traced back to the European pre-modern era which was “extremely diversified and differentiated, with overlapping patterns of authority-territorial and personal, economic and political, religious and secular.” (Keating, 1999, p. 72). This asymmetric arrangement was gradually diminishing since two decades ago with the rising of modern state which represented a concentration of authority within territorially defined units and the assertion of unitary sovereignty principle. Nevertheless, for a monarchical state, the scope for asymmetric was still maintained for certain territorial units (Keating, 1999). Keating further adds that asymmetric elements remained and territorial division became a characteristic of a nation state. These asymmetrical elements continue to evolve in various countries in Europe and other regions in various parts of the world.

Although in contemporary discourse the term asymmetric is commonly used, its meaning is not always clear and definite, and it has several dimensions (Martinez-Vasquez, 2007). In addition, Hofman & Weist (2003) point out that decentralization practices are unique to each country, depending on political, historical, cultural, ethnic and other factors. Hofman and Weist also added, that the practice of decentralization also “[d]epends on where a country is coming from, and where it wants to go.” Eventually, practices in various countries have contributed to the development and diversity of the various concepts of implementing decentralization.

Charles Tarlton was among the first political scientist who formally discussed the asymmetric arrangement within federations state (McGarry, 2007). Tarlton criticized the assumptions that the relationships between the federal center and the federal regions were equal, and that a federation comprised of identical regions. Quite the opposite, Tarlton believed that “...the regions of federations

varied widely in myriad ways, including in their size, population, weight in federal institutions, share of natural and fiscal resources, and cultures, and that this suggested a profound inequality or asymmetry in their relations with each other and with the system as a whole.” (McGarry, 2007). Within this asymmetric context, Tarlton further argued that many issues could not be understood through the premise of symmetry contained in the classical studies. In particular, Tarlton (Watts, 2005) asserted that different from formal-constitutional legal relationships, factors such as cultural, economic, social and political have caused asymmetrical variations in terms of power and influence of different units, and in turn, affected the degree of harmony or disunity within federal systems. Hence, within this context, asymmetry in federal system refers to a system “where there is a differentiation in the degrees of autonomy and power among constituent units.” (Watts, 2005).

By the same token, McGarry (2007) argues that asymmetrical federation refers to “a state in which all parts have constitutionally guaranteed autonomy, but in which at least one part enjoys a different, usually enhanced, level of autonomy than the rest.” McGarry also adds that asymmetry is also used to describe a situation in which a part of a nation enjoys autonomy, while the rest does not. Likewise, by using the term asymmetrical devolution, Wehner (2000, p. 250) affirms that it refers to a situation in which subnational governments treated differently with regard to the regulation, financing and/or delivery of public services. In practice however, it is implemented in a variety of ways and combinations. Thus, asymmetric decentralization in this paper refers to a specific arrangement for certain subnational governments differs from the rest in terms of the degree of autonomy, fiscal arrangement or jurisdictions.

For Indonesia, asymmetric decentralization is not a new policy. A number of provinces such as Special Region of Jogjakarta (*Daerah Istimewa Yogyakarta*), Special Capital Region of Jakarta (*Daerah Khusus Ibukota Jakarta*), and Special Region of Aceh (*Daerah Istimewa Aceh*) have long been established decades ago. Following the demise of Suharto's New Order regime in 1998, Indonesia has entered yet a new era in her asymmetry decentralization practices. Former President Soesilo Bambang Yudoyono once clearly stated that Indonesia has implemented an asymmetric decentralization policy in several provinces in order to support regional diversity and improve the welfare of the Indonesian people (Antaranews.com, 2012).

It is worth noting that, others have different opinion. For example, Rahmatunnisa (2013) who argues that this new reform era of Indonesia's decentralization policy has been mainly caused by pressure from a number of regions. Similar argumentation also comes from Dillinger (1994, as cited in Ahmad & Mansoor, 2002, p. 306) who explains that differs from other countries experiences in which demand for decentralization mainly due to the need for improving public services, but for Indonesia, "distinct ethnic and geographic factors have exacerbated the frustration with central domination, and the demand for decentralization is associated more with control over resources and political and legal autonomy than with a perceived need to improve local service delivery."

The above-mentioned assertion is particularly true for the cases of Aceh Province in post-Suharto era, Papua and West Papua Provinces. As many scholars affirm, asymmetric decentralization – famously known as Special Autonomy or *Otonomi Khusus* (*Otsus*) – for Papua and West Papua Provinces which stipulated in Law No. 21 of 2001 jo Law No. 35 of 2008, has been considered as a form of political reconciliation between Papuans and Indonesian Government ending prolonged multidimensional conflict in the region since 1962 (Conversi, 2007; Martinez-Vasquez, 2007; Wehner, 2000). Hence, by referring to Sullivan, Halmin (2006) asserts that *Otsus* has been divided into four categories or tenets, namely "greater authority for the local government; recognition and respect for the basic rights of the indigenous West Papuans; accommodation of broader participation by the indigenous West Papuans in good governance, transparency, and accountability; protection and enforcement of human rights, with no exceptions of discrimination, based on equality." In addition, the *Otsus* arrangement grants economic incentive differs from the rest of the provinces in Indonesia, which is in the form of mining tax revenue sharing is 80%, and 70% revenue from oil and natural gas is generated from the provinces of Papua and West Papua, it is argued here that *Otsus* can be considered as a type of financial asymmetry (Wehner, 2000).

The case of Nanggroe Aceh Darussalam Province (NAD) is somewhat similar. Miller (2004, p. 333) in her article highlights that the passing of Law No. 18 of 2001 on Special Autonomy for the Province of Aceh Special Region as the Province of Nanggroe Aceh Darussalam marked a new era in resolving Aceh's protracted conflict. The NAD has been granted with special and broad authority to enforce Islamic law (*Sharia*), organize local elections, and return income from natural resources produced from the land of Aceh, as well as some

enforcement of local identity symbols such as flags and the special designation of *Wali Nanggroe* for Head of Region. Similar to Papua Province, the NAD also gained strength in terms of fiscal authority and income.

Different from *Otsus* and the NAD cases, DKI Jakarta and DIY have taken different type of asymmetry arrangements. For DKI Jakarta, asymmetry arrangement is related to its position as the capital city of Indonesia. As the Australian Capital Territory in Australia, and the Yukon, Northwest and Nunavut Territories in Canada, Watts (2000, pp. 30–31) called this type of asymmetry as the *de jure* asymmetry of peripheral political units. Historical, social, economic and political factors are factors that have underlie asymmetric arrangements related to DKI Jakarta as the capital of the State.

Somewhat different from DKI Jakarta, DIY's asymmetrical arrangement has been based on historical and cultural consideration (Conversi, 2007). Currently, the existence of DIY is codified within Law No. 13 of 2012 on Special Consideration of Yogyakarta Special Region. The specific law regulates five arrangements that specifically apply in DIY, namely: procedures for filling positions, positions, duties and authority of the Governor and Deputy Governor; government institutions; culture; land and spatial planning. Another specialty possessed by DIY is the authority to make Special Regional Regulations (*Perdais*), in addition to Regional Regulations (*Perda*), Governor Regulations (*Pergub*) and Governor Decrees (*Kepgub*). In stipulating the *Perdais*, the Governor of DIY refers to the values, norms, customs and traditions of ancestors that are alive and deeply rooted in society, in addition to considering input from the DIY community.

Apart from various criticisms about the ineffectiveness of the implementation of asymmetric decentralization in Indonesia (Bertrand, 2004; Conversi, 2007; Miller, 2004), the choice to practice asymmetric decentralization is the right choice, given the diversity of aspects that are owned by various regions in Indonesia. In this context, we totally agree with Conversi (2007) who says that "asymmetry was necessary to maintain state unity during the transition to democracy". Such a policy choice is also in line with Watts' argument that asymmetry arrangements are appropriate strategy to accommodate political diversity, different capacities, and varying intensities of desires for autonomy. Experiences of Belgium, Germany (since reunification), Spain, India and Malaysia represent cases in which "...asymmetrical constitutional and political arrangements appear to have made possible the accommodation of deep diversity

that could not otherwise be reconciled within a symmetrical organization.” (Watts, 2005). By the same token, McGarry (2007) asserts that in most cases, asymmetrical institutional arrangement has been considered as “a response the existence of pluri-national diversity.”

Having said that, we believe that *de facto* and *de jure* asymmetric decentralization in Indonesia should not stop just for the five aforementioned provinces. If political considerations and the effectiveness and efficiency of government, asymmetric decentralization becomes a necessary choice for many other regions in Indonesia. This includes autonomous regions characterized by islands (archipelagic regions). In line with Burgess and Gress (Watts, 2000), these archipelagic regions have the “pre-conditions” to practice asymmetric decentralization. These regions also face a variety of unique problems and challenges, so that they eventually need special arrangements in the aspects of authority or jurisdictions design, institutional, and financial as well as other general issues concerning their relationships with the central government. Hence, this paper will discuss a number of reasons why archipelagic regions also need asymmetrical arrangements. How to make such arrangements functional? What potential challenges might be encountered?

This paper argues that the uniqueness of the regions’ encountered problems, geographical, demography, socio-cultural, and socio-economic condition become the main rationale for applying asymmetric decentralization arrangements for archipelagic regions. Proposing a separate policy provides an effective strategy for certainty and functional *de jure* and *de facto* asymmetry arrangements accompanied by continuous efforts in tackling weak capacities of the regions. The paper’s focus fills the void in current research on Indonesia’s decentralization policies (see, for example, Firman, 2009; Guess, 2005; Hadiz, 2004; Lewis & Oosterman, 2009) which rarely focus on archipelagic regions.

This paper is organized as follows. The next section explores conceptual issues with regard to asymmetry arrangements as alternative strategy in managing diverse nations. The following section will present the method of the study. The fourth section will discuss various rationales for implementing asymmetry arrangements for archipelagic regions. The final section will conclude the paper.

II. METHOD

In order to answer the proposed questions, this study uses qualitative approach which is considered as the most appropriate approach to obtain relevant and comprehensive data and information. Hence,

we could obtain a “deeper” understanding of social phenomena (Silverman, 2000, p. 2,8).

The approach also allows me to explore various sources of information in order to construct appropriate analytical framework as the basis for assessing empirical data and information. It is worth mentioning here though that the study utilizes a theory-driven approach, within which theory functions only as “a framework for critically understanding phenomena” and as “a basis for considering how what is unknown might be organized” (Silverman, 2000).

Operationally, this study is sustained by a series of Focus Group Discussion (FGD) and documentary method (Bloor & Wood, 2006). FGD series involve academicians and a number of local leaders of eight archipelagic provincial leaders which are representative of the Islands Province Cooperation Agency (*Badan Kerjasama Provinsi Kepulauan* [BKS]). While documentary method is used especially for gathering data and information from journal articles, papers, research reports, government regulations, web page, and newspapers (Creswell, 2009, pp. 180–181).

By referring to Creswell’s inductive data analysis, the collected data is built into data patterns, categories, and themes from the bottom up and then organize them into more abstract units of information. The qualitative data is validated by using triangulation techniques through examining evidence from different sources of data. The results are used to build coherent justification themes (Creswell, 2009).

III. RESULTS AND DISCUSSION

A. Reasons for Asymmetric Decentralization for Archipelagic Regions

1) *Current Performance Under Symmetric Arrangement*

Indonesia has been considered as the largest archipelagic state in the world wherein there are more than 18 thousand islands with over 7.9 million square kilometers of sea (Cribb & Ford, 2009). This condition makes coastal and marine resources have strategic significance for the State, both economic and political opportunities as well as, at the same time, challenges. Coastal and marine resources provide a variety of biological and non-biological natural resources that have high economic and ecological value, which can support national development. Marine and fisheries resources have great potential to be used as prime movers of natural resource-based economic development. Politically,

with a vast sea region and lies in the middle of two oceans that connect two continents, Indonesia plays an important role in maintaining the stability of the region. Needless to say, maintaining and managing the territory has been an important issue for Indonesian government.

Unfortunately, it must be admitted, including by President Joko Widodo (Pikiran Rakyat) a few years ago that to date the potential of Indonesia's coastal and territorial sea has not been utilized optimally for the improvement, prosperity and sovereignty of the nation. This statement is also confirmed by the members of the BKS, which currently consists of leaders of Riau Island Province, Bangka Belitung Island Province, West Nusa Tenggara Province, Maluku Province, North Maluku Utara, East Nusa Tenggara Province, North Sulawesi Province, and Southeast Sulawesi Province (Central Batam.co.id, 2018). These eight provinces are provinces characterized by islands, where the sea area is larger than the land area and contains islands that make up a group of islands to become a geographical and socio-cultural unity.

One of the highlights since the reform era is the lack of optimal management of such strategic potential in regions characterized by islands (archipelagic regions) as an important part of Indonesia as an archipelagic state. To date, many admit that the development activities have focused more on mainland which occupies only 12% of the total territory of Indonesia as a whole.

At the present time, various complicated problems are faced by various Regions characterized by islands, which can be broadly divided into five main problems. *First*, most of the islands (9600) are either underdeveloped or uninhabited and not named. *Second*, limited service of government administration, communication infrastructure and sea transportation between islands as well as weak economic and socio-cultural empowerment. *Third*, illegal and not environmentally friendly fishing (pollution and physical damage to coastal ecosystem habitats) so that it has damaged the environment and triggered fish scarcity. *Forth*, regional imbalances (distribution and investment patterns). *Fifth*, classic problems include limited sources of development funds, low quality of human resources, poverty of coastal community, lack of coordination between development actors and weak law enforcement (Antaranews.com, 2012). One strategic manifestation of these five main problems can be seen from the development of the Gross Regional Domestic Product (GRDP) as a macro economy indicator that shows regional economic condition every year.

As can be seen from Table 1, it shows that the level of welfare and economic development

as illustrated by the distribution of GRDP of the archipelagic provinces, namely Bangka Belitung Islands, East Nusa Tenggara, North Sulawesi, Southeast Sulawesi, Maluku and North Maluku are relatively low compared to other "mainland" provinces. In fact, Maluku and North Maluku are the provinces with the lowest GRDP.

Another strategic indicator can be seen from the differences in the Human Development Index, HDI (Table 2).

HDI data shows a positive trend from year to year both nationally and provincially, but the gap between provinces in Indonesia is quite high. Six (6) of the eight (8) provinces are characterized by islands, are included in the provinces with a HDI below the national figure.

On the other hand, the potential of small island regions is very high both in terms of economic, social, political and Indonesian security defense, especially small islands in the border region. Natural resources such as coral reefs, mangroves, fisheries, and marine tourism in the archipelago can become development assets for regional development. The problem so far is the lack of efforts to explore and exploit the potential for development on these small islands. In this context, it must be admitted that the existence of the archipelagic regions in Indonesia has not been fully the attention of the government.

2) *The Rationales for Asymmetry Arrangements*

Taking into account the various achievements of the province characterized by islands in the previous section, members of BKS believe that there are serious problems in terms of governance and development. They further believe that such problems relate to the inaccuracy of the current decentralization model. Considering various specific aspects and problems encountered by the regions, their perspective in line with Litvack, Ahmad, & Bird (1998) who state that some different conditions such as economic, demographic, and social diversity provide strategic rationales for implementing asymmetric decentralization. Thus, "one size fits all are definitely not true for decentralization. Different instruments may have very different effects in different circumstances, and very different approaches may be needed to achieve similar (or acceptable) results."

In addition to the "low" performance of archipelagic provinces so far, it is certainly hard to deny that archipelagic regions in Indonesia do have unique and special characteristics that need to be considered, including *First*, the area of the sea is larger than the land area. *Second*, the population is usually relatively small, and its distribution is uneven. *Third*, in terms of socio-culture, communities are

Table 1.
GRDP by Province

Province	2010	2011	2012	2013	2014	2015	2016
Aceh	1.48	1.38	1.32	1.26	1.2	1.11	1.08
Sumut	4.82	4.82	4.81	4.89	4.89	4.91	4.96
Sumbar	1.53	1.52	1.52	1.53	1.54	1.54	1.55
Riau	5.66	6.21	6.44	6.32	6.36	5.6	5.39
Jambi	1.32	1.32	1.33	1.35	1.36	1.33	1.36
Sumsel	2.83	2.9	2.92	2.92	2.87	2.86	2.81
Bengkulu	0.41	0.41	0.42	0.42	0.42	0.43	0.44
Lampung	2.19	2.17	2.16	2.13	2.16	2.17	2.22
Kep. Babel	0.52	0.52	0.52	0.52	0.53	0.52	0.51
Kep. Riau	1.62	1.62	1.67	1.7	1.69	1.71	1.71
DKI Jakarta	15.66	15.64	15.79	16.1	16.5	17.07	17.2
Jawa Barat	13.21	13.06	13.01	13.11	12.97	13.08	13.06
Jawa Tengah	9.08	8.85	8.7	8.64	8.64	8.68	8.63
DI Yogyakarta	0.94	0.91	0.89	0.88	0.87	0.87	0.87
Jawa Timur	14.43	14.32	14.4	14.39	14.4	14.53	14.65
Banten	3.95	3.91	3.9	3.93	4.01	4.11	4.08
Bali	1.37	1.34	1.36	1.4	1.46	1.52	1.54
NTB	1.02	0.87	0.8	0.77	0.76	0.89	0.92
NTT	0.64	0.62	0.63	0.64	0.64	0.65	0.66
Kalbar	1.25	1.24	1.23	1.24	1.24	1.26	1.28
Kalteng	0.82	0.84	0.85	0.85	0.84	0.86	0.89
Kalsel	1.24	1.26	1.23	1.21	1.2	1.18	1.16
Kaltim	6.09	6.58	6.35	5.4	4.94	4.32	4.01
Kaltara	-	-	-	0.55	0.55	0.53	0.53
Sulut	0.75	0.73	0.74	0.74	0.76	0.78	0.79
Sulteng	0.75	0.78	0.8	0.83	0.84	0.92	0.95
Sulsel	2.5	2.53	2.63	2.69	2.79	2.92	3
Sulteng	0.71	0.71	0.75	0.74	0.74	0.75	0.77
Gorontalo	0.23	0.22	0.23	0.23	0.24	0.24	0.25
Sulbar	0.25	0.26	0.26	0.26	0.28	0.28	0.28
Maluku	0.27	0.27	0.28	0.29	0.3	0.29	0.29
Maluku Utara	0.22	0.22	0.22	0.22	0.23	0.23	0.23
Papua Barat	0.6	0.57	0.55	0.55	0.54	0.54	0.53
Papua	1.61	1.38	1.3	1.28	1.25	1.3	1.41

Source: BPS (2017)

Table 2.
HDI Per Province

Province	2012	2013	2014	2015	2016	2017
Aceh	67.81	68.3	68.81	69.45	70	70.6
Sumut	67.74	68.36	68.87	69.51	70	70.57
Sumbar	68.36	68.91	69.36	69.98	70.73	71.24
Riau	69.15	69.91	70.33	70.84	71.2	71.79
Jambi	66.94	67.76	68.24	68.89	69.62	69.99
Sumsel	65.79	66.16	66.75	67.46	68.24	68.86
Bengkulu	66.61	67.5	68.06	68.59	69.33	69.95
Lampung	64.87	65.73	66.42	66.95	67.65	68.25
Kep. Babel	67.21	67.92	68.27	69.05	69.55	69.99
Kep. Riau	72.36	73.02	73.4	73.75	73.99	74.45
DKI Jakarta	77.53	78.08	78.39	78.99	79.6	80.06
Jawa Barat	67.32	68.25	68.8	69.5	70.05	70.69
Jawa Tengah	67.21	68.02	68.78	69.49	69.98	70.52
DIY	76.15	76.44	76.81	77.59	78.38	78.89
Jawa Timur	66.74	67.55	68.14	68.95	69.74	70.27
Banten	68.92	69.47	69.89	70.27	70.96	71.42
Bali	71.62	72.09	72.48	73.27	73.65	74.3
NTB	62.98	63.76	64.31	65.19	65.81	66.58
NTT	60.81	61.68	62.26	62.67	63.13	63.73
Kalbar	63.41	64.3	64.89	65.59	65.88	66.26
Kalteng	66.66	67.41	67.77	68.53	69.13	69.79
Kalsel	66.68	67.17	67.63	68.38	69.05	69.65
Kaltim	72.62	73.21	73.82	74.17	74.59	75.12
Kaltara	-	67.99	68.64	68.76	69.2	69.84
Sulut	69.04	69.49	69.96	70.39	71.05	71.66
Sulteng	65	65.79	66.43	66.76	67.47	68.11
Sulsel	67.26	67.92	68.49	69.15	69.76	70.34
Sulawesi Tenggara	67.07	67.55	68.07	68.75	69.31	69.86
Gorontalo	64.16	64.7	65.17	65.86	66.29	67.01
Sulbar	61.01	61.53	62.24	62.96	63.6	64.3
Maluku	65.43	66.09	66.74	67.05	67.6	68.19
Maluku Utara	63.93	64.78	65.18	65.91	66.63	67.2
Papua Barat	60.3	60.91	61.28	61.73	62.21	62.99
Papua	55.55	56.25	56.75	57.25	58.05	59.09
Indonesia	67.7	68.31	68.9	69.55	70.18	70.81

Source: BPS (2018)

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segregated according to the territory of an island. Hence, it is commonly implicated in the strong sense of attachment to the land (read: island), lifestyle on small islands and happy to be in harmony with nature (sluggish in accepting changes). *Fourth*, in terms of socio-economic, economic activities, types and degrees of economic dynamics are generally limited and small-scale, and not yet supported by adequate distribution and marketing networks. Then, *Fifth*, in terms of environment, small environmental resources, susceptible to change (entropy), prone to natural disasters (waves at sea level, dominated by gravitational waves generated by winds; ocean currents are caused by two factors: monsoons and tides) (Aulawi, 2014; Stefanus, 2011).

Considering the uniqueness and character of the potential and problems of the archipelagic regions, the regions definitely have the “pre-conditions” for asymmetric arrangements as argued by Burgess and Gress (Watts, 2000). It is worth noting here, unlike the cases of Aceh and Papua, we believe that – at least in the short run – the rationale for asymmetry arrangement for archipelagic regions is not political objective. Instead, it is due to capacity reasons for more effective governmental processes through applying specific fiscal and human resources transfers for different constituent units.

Similar to many other countries’ experiences, we believe that these regions should also receive special and different treatment in terms of governance and development strategies from other regions which are not characterized by islands (Litvack et al., 1998, p. 23). In this context, the implementation of asymmetric decentralization becomes necessary if it is to realize effective and efficient governance and development.

In principle, the 1945 Constitution of the Republic of Indonesia has laid the legal foundation for managing archipelagic regions as explicitly stated in Article 18B paragraph (1): “The State recognizes and respects special regional government units that are regulated in the law.” However, as many parties complained, the alignment of various laws and regulations on the regions characterized by these islands has not yet occurred.

The issue of disinterest of the legislations has indeed been in the spotlight of many parties, including local governments characterized by islands. One of the dominating issues is related to the formula of the General Allocation Fund (DAU) which does not take into account archipelagic characteristics. As stipulated in Law No. 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments, and PP No. 55 of 2005 concerning Balancing Funds, the calculation of DAU does not favor the region characterized by islands, because it does not take into account the area of the

sea as one of its variables. As mentioned in previous section, in archipelagic regions, the sea area is much larger than the land area. As a result, DAU Regions characterized by islands – with a much larger total area – will always be smaller than Regions which are not characterized by islands – even though the total area is much smaller. The immediate implication is the inability of regions to carry out the governance and development process effectively. In other words, the DAU formula has not been fully able to accommodate funding based on the real needs and characters of the regions. Indeed, empowerment in the financial and institutional aspects as one of the important elements of effective government administration requires a formula for calculating sharing funds that takes into account various variables such as distance, access, range of control, transportation and communication.

Although the government has increased the DAU transfer by 5% since 2017, such policy has not satisfied and has not been embraced fully by the leaders of archipelagic regions. Basically, they question the rationale for the 5% increase and assume that the increase does not reflect the Government’s alignment with the needs and interests of the archipelagic regions. In this context, Minister of Home Affairs Tjahjo Kumolo admits that the Government acknowledges the weakness of previous DAU formula for not taking into account the sea area. In his words, “If not counted, the amount of DAU for Bogor is more than Maluku, because of the wider land area of Bogor. Then, we see that the calculation of the area of the sea cannot be fully calculated, because the poor live on land” (Kontan.co.id, 2016). Therefore, the increase in weight is only in the form of a 5% increase. Such rationale definitely has not met the expectation of the local governments of archipelagic regions.

No less important issue with regard to archipelagic regions concerns with the jurisdiction in managing sea territory. As regions which sea area that are much larger than land area, it is reasonable if given greater authority compared to other regions that have the opposite geographic conditions. Archipelagic regions have long been articulated to the government related to the need for specific regulations that orchestrate special authority to manage marine areas for island areas (Aulawi, 2014).

From the experience of various countries in the world it can be said that asymmetric arrangement promises a variety of potential benefits. The diversity of benefits is clearly related to the various characters and conditions in each country as the basis for the implementation of asymmetric models in governance management. The application of asymmetric decentralization or asymmetric

federalism has various advantages. According to McLure, Wallich and Litvack as cited in Martinez-Vasquez (2007, p. 246), one of the potential benefits is that it can accommodate a variety of preferences and desires for autonomy from various regions. In addition, generally different demands for autonomy were based on the history of each region. Furthermore, asymmetric structuring can accommodate different regional administrative capacities and their readiness to manage the region (Garcia-Mila and McGuire, 2007, as cited in Martinez-Vasquez, 2007).

Thus, in the case of Indonesian archipelagic regions' demand for asymmetric decentralization, we believe that it falls into category of the needs to have more effective and efficient government instead of political motive as constructed by Wehner (2000). The general intention is to have better and stronger capacity to run the government so that those various existing problems and poor performances would be handled effectively.

B. Legislation Products as the First Step of Transformation in Realizing Development and Welfare in the Archipelagic Regions

Taking into account the performance of regions characterized by islands which are an integral part of the Unitary State of the Republic of Indonesia, the Government needs to pay serious attention, facilitating strong constitutional guarantees (Watts, 2005).

Various government policies in the field of development and government have not fully accommodated the various needs of the community in autonomous regions characterized by islands. *De jure*, the government recognizes the existence of regions characterized by islands, where special treatment of the existence of the community, including the management of natural resources and government authority and certain rights and obligations. This deserves serious attention from the government. The next most important step is to materialize it in the form of a representative legal product.

What has been regulated in Law No. 23 of 2014 concerning Regional Governments, is deemed not to have fulfilled the principle of legal certainty for the management of marine areas and the administration of governance in the archipelagic regions, and is deemed insufficient to accommodate various interests and answers to the problems of the archipelago regions in catching up with development, service, economy and human resources.

In the Government Regulations (PP) draft concerning Provinces Characterized by Islands

and National Medium-Term Development Plans (RPJMN) for 2015-2019 there are development priorities namely maritime-based development and eastern regions. Yet, until now the realization of the policy is still experiencing deadlock.

In connection with the aforementioned problems, various policies are needed in accordance with the conditions of the archipelagic regions as a manifestation of acknowledging the authority and special treatment based on the characteristics of the archipelagic regions (space, affairs and funding). Hence, for the effectiveness of government and the development process, we believe that the types of relative autonomy, jurisdiction and powers such as those constructed by Watts (2005) are very appropriate for consideration in policy formulation. Within this kind of asymmetry arrangements, there are constitutions explicitly provide *de jure* asymmetry aimed at acknowledging significant variations on geographic size, population and economic situation (capacity-driven), or on social and cultural composition (driven by differing pressures for autonomy).

In addition, the policy needs to adopt specific fiscal arrangements. In this matter, Wehner (2000) argues that "[f]inancial asymmetry would go beyond a process of horizontal equalization by providing funds for specific regions rather than on the basis of a general formula that is applied across the board." In addition, asymmetrical allocation of taxing powers and revenue sources also need to implemented to match responsibilities differences.

C. Potential Challenges in Implementing Asymmetric Decentralization for Archipelagic Regions

Although it is widely acknowledged to have positive potential benefits, asymmetric arrangement is not without problems. Some experts have written down various problems that might be encountered when the asymmetric process is carried out. By referring to Rusia's experience, Martinez-Vasquez (2007), for example, explains that asymmetric federalism in Russia has caused many problems, ranging from the absence of fiscal discipline, stagnant economic growth, and the like. This relates to the implications of asymmetric decentralization which have caused the Federal Government's inability to enforce Federal Government regulations in all states. Martinez-Vazquez further adds other potential pitfalls of asymmetric decentralization: (1) The absence of equal rights between regions; (2) Eliminating the ability of the central government to achieve its national goals, such as income mobilization to provide services at the national level, or its ability to implement equity for regional levels; and (3) Often associated with weak transparency

and with administrative relations between complex levels of government.

Critiques towards asymmetrical decentralization are actually similar to the ones that are addressed to decentralization as the basic concept. Although decentralization – symmetry or asymmetry – has been globally implemented in many countries and intensively advocated by several international donor agencies, reports which shows the failure of the implementation of decentralization is not less together with conceptual criticism addressed by many experts (Rahmatunnisa, 2011, p. 7).

Prud'homme (1995) argues that decentralization contains deficiencies that can cause inter-regional disparity, economic instability and inefficiency. According to him, these problems were found in the system decentralization where the central government no longer holds responsibility responsible for redistributing programs or having power full to oversee taxes and expenses. Furthermore, Prud'homme adds that the proponents of decentralization failed to recognize that in many cases limited local capacity and/or an unresponsive and corrupt government has led inefficiency in public services.

Considering the above-mentioned critiques, the implementation of asymmetric decentralization in archipelagic regions in Indonesia should take into account a number of existing problems faced by the regions. These problem include: (1) Ineffective and inefficient local government's administrative management; (2) Allocation of development budgets has no support to archipelagic areas to have a real impact on the development process and people's welfare; (3) Lack of investment to build infrastructure and means of communication; (4) Education system that has not supported the empowerment of human resources because of the limited education facilities and infrastructure; (5) Public health problems due to limited facilities and infrastructure which in turn weakening the efforts to empower human resources; and (6) Poverty which contributes to the weakness of regional capacity.

In turn, we believe that those existing problems could become challenges in the implementation of asymmetric decentralization. Hence, in addition to requesting *de jure* and *de facto* asymmetric decentralization, it is a must for leaders of the regions to tackle the above existing problem as necessary pre-conditions for effective implementation of asymmetric decentralization.

IV. CONCLUSION

Asymmetric decentralization or asymmetric federalism decentralization has long been

practiced by many countries in the world, including Indonesia. There are two main reasons behind the implementation of asymmetry arrangement, namely political and capacity reasons. In contrast to other provinces in Indonesia that have already implemented asymmetric decentralization, the demands of archipelagic regions are more on the desire to have better and stronger capacity in carrying out development process and governance. Following the exiting asymmetric arrangements which is resided at provincial level, similar arrangement could also be apply at those eight archipelagic provinces.

Symmetrical decentralization policies have resulted in weaknesses in the capacity of archipelagic regions. As a result, there has been various kind of problems encountered by the regions and performances which are not optimal. The uniqueness in those problems and specific aspects – geography, demography, socio-culture and socio-economic – become the main reasons for the emergence of demands related to the importance of the implementation of asymmetric decentralization.

Reviewing existing policies or formulating specific policies would provide certainty and basis for functional *de jure* and *de facto* asymmetric decentralization. It should take into consideration various unique aspects of the regions so that the policy could reach its desired goals.

Asymmetric decentralization promises various potential benefits. Nevertheless, its implementation does not necessarily facilitate those benefits. Such potential would be under threat if various existing problems particularly related to capacity weaknesses do not handled seriously.

Intended goals of asymmetric decentralization would certainly depend upon the design of the policy. Hence, asymmetric decentralization policy design needs to be carefully and objectively taken into account, so as to facilitate optimal outcomes from governance and development.

ACKNOWLEDGEMENT

We would like to thank our colleagues at Regional Innovation Department, Postgraduate School and Maluku Corner, Universitas Padjadjaran for valuable input and constructive comment. Sincere gratitude is also for BKS, especially during the Workshop series "Masa Depan Daerah Kepulauan".

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