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CHAPTER 1

NATIONAL INTEGRATION AND SOCIAL HARMONIZATION

DIASPORA COMMUNITY: INDONESIA'S DIPLOMAT FOR ACTIVE GLOBALISATION[1]

Beltsazar Krisetya[2]

Abstract

Globalisation has a tendency to weaken the influence of middle-power states, breed inequality, and dissolve cultural diversity. At the same time, globalisation breeds transnationalism that enables more Indonesians to live abroad and access knowledge and wealth of other countries, and therefore become a part of the diaspora community. This paper will argue that Indonesia can benefits better from globalisation if it utilises the network of Indonesian diaspora abroad, and how encouraging such activities can not only neutralise the negative impacts of globalisation, it can also elevates Indonesia's influence in the whole process. This hypothesis came from transnationalism notion that the strength of the diaspora network of a country determines their influence. Transnationalism was presented as a manifestation of the interconnectedness facilitated by globalisation. Interconnectedness, therefore, requires reciprocally active involvement for both sides to reap benefits. Ultimately, only active involvement and inclusiveness of a country can turn the tide of globalisation back to their favour.

Keywords: transnationalism, diaspora, brain gain, active globalisation

Introduction

The key element in the era of globalisation is interdependence. States—used to be the only international actor that counts based on the power endowed by Westphalian Model—now has to share its influence with non-state actors given the fluid relations in international system has escalated the complexity of problems and the actors that are involved. Initially, exist as a sovereign entity, states now tend to "pool" their sovereignty under internationalised form, exploring options of its cooperation model.[3] We've arrived at the point that non-state actors can initiate cooperation with the state as a means to achieve mutual benefits.

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[1] The writer acknowledges the profound contributions of Mohammad Rosyidin, M.M. Gibran Sesunan, Rhifa Ayudhia, and Fanni Irsanti in ideas and literature reference during the drafting of this paper.

[2] Beltsazar Arya Krisetya is an LPDP Awardee for International Master Program. Currently working as Research Analyst in the Executive Office of the President of the Republic of Indonesia.

[3] Shaw, M. (2000). *Theory of the global state*. Oxford: Cambridge University Press.

One of those non-state actors is individual, identifiable by its high mobility to move in-and-out of states, and high versatility to carry agenda of its own or becoming an operative of other actors. The complexity in numbers of individual actors and its permutation of interactions often overwhelmed state actors in dealing with them, thus to some extent individual is perceived as a threat that requires cooperation between states to overcome. However, if carried out properly, individual actors can become states' asset in undertaking interconnectedness demanded by globalisation. This is due to individual actors still has to answer to their citizenship granted by the state, and state's inability to reach out to diplomatic process on an individual level.

The particular individual actors in question are the diaspora community, a cross-border group of individual with religious or national identity living outside their homeland.[4] Diaspora is the embodiment of transnationalism—means to belong I two or more national societies at one time. In that moment alone, the diaspora functions as a transnational community. Today, technology makes it far easier for groups to function as transnational communities for identity maintenance and political mobilisation.[5] In Indonesia's case, the diaspora community includes migrant workers, scholars, and professionals alike. The significance of nationalism within Indonesians enables its diaspora community to form a society abroad while simultaneously integrates themselves to the foreign countries they currently live in. However, the ties they have with Indonesia remains intangible due to the lack of ways to bring a contribution to their homeland.

This paper will argue that by tapping the potential of diaspora, Indonesia can strengthen its interconnectedness with other state actors, enabling Indonesia to unlock further possibilities of resources acquisitions. The first part of this paper will examine the impact of globalisation to middle power states like Indonesia. The second part will identify Indonesia's diaspora power and assess possible ways to provide resources to diaspora community. The final part will argue on how individual actors—diaspora community—can promote active globalisation.

[4] Bauböck, R. and Faist, T. (2010). *Diaspora and transnationalism*. Amsterdam: Amsterdam University Press.

[5] Centre on Migration, Policy, and Society, (2005). *The Political Importance of Diasporas*. COMPAS Working Paper. [online] Oxford: University of Oxford. Available at: https://www.compas.ox.ac.uk/media/WP-2005-013-Vertovec_Political_Importance_Diasporas.pdf [Accessed 22 Aug. 2016].

Globalisation Impact to the Middle Power States

The concern with state interdependency is how they can no longer make a decision as an authoritative figure—particularly on foreign policy—purely based on their national interests but has to be dependent, relying on stronger states within their alliance to make a decision that affects multilaterally. Britain, for example, relies on the US as a guiding force because although all states supposedly have sovereignty, they naturally look for authoritative power to lean on. Without a ruling global power, the US is a figure of authority to rely on that has 'generally played a leading role'[6] On certain view, this can be seen as positive tune where strong states rely on stronger states, however, it lacks certainty on how would a state response if it were to act unilaterally.

On cooperation between states, those who are not willing to connect often deemed to be failed or excommunicated by the international community. However, the interdependency network created by globalisation tend to breed inequality. Developed countries are able to build manufacturing industries efficiently by possession of technology and methods while developing countries often looked for its replaceable unskilled workers. This creates "globalisation winners" where some countries benefit more from interconnectedness than the others. Bertelsmann Stiftung created a rank of which countries experience highest increase in income in attribution to their country's interconnectedness in globalisation. Skilled labour countries like Finland, Denmark, and Japan has highest average annual income gain of €1.500, €1.420, and €1.400 respectively. While unskilled labour in Mexico, China, and India gained merely €100, €80, and €20 each.[7]

The third concern is how globalisation tend to promote western (i.e. dominant) culture across the globe, threatening local values, heritage, and tradition that has been around for generations. The likes of Starbucks, McDonalds, Nike, has penetrated developing market and Indonesia isn't invulnerable against the tide. Cultural dominance has been seen as a new form of imperialism designed by identical actor: the western

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[6] Ibid., 241.

[7] Bertelsmann Stiftung, (2014). *Who Profits Most from Globalization?*. Policy Briefz. [online] Bertelsmann Stiftung. Available at: https://www.ged-project.de/wp-content/uploads/2014/12/PolicyBrief_Print_Globalisierung_Englisch-final_021.pdf [Accessed 21 Aug. 2016].

world. Peter Evans described that products and ideas developed in rich countries shape the value and ideas of citizens of poor countries, presumably through western knowledge superiority and thus standardise the whole international society.[8]

The lighter note of globalisation impact is that it enables freer cross-border movement of people. Globalisation catalyses complex interdependencies among state and non-state actors, hence it identifies multiple channels of global interactions and transnational network.[9] The diaspora—that has been present since ancient times when people are moving from their homeland to form a new community elsewhere—has typically shares connection (cultures, emotional investment, social network) with two countries in this modern age: the country they currently live in, and their homeland. Diamati-Karanou argues that diaspora is the *de facto* cultural ambassadors of their homeland in their host country and of their host country in their homeland. Given the resources, they can have a powerful international voice both as special interest groups in national foreign policy making and as transnational civil society networks.[10]

Given the versatility of diaspora as an individual actor in international relations, can the community help to actively shape Indonesia's role in globalisation? An early hypothesis would suggest that with strong ties to its homeland, Indonesian diaspora can introduce their cultural diversity (culinary, language, traditions) abroad, hence promoting people-to-people diplomacy in reciprocity with western culture introduction in Indonesia society. Economically, Indonesian diaspora can boost remittances because the community mainly consists of skilled labours in contrary to unskilled labour forces that reside within the Indonesian border. Ultimately, through organisational means, diaspora community is then hoped to elevate Indonesia power in the region and internationally, providing Indonesia more liberty to decide their foreign policy unilaterally.

[8] Evans, P. (1971). National Autonomy and Economic Development: Critical Perspectives on Multinational Corporations in Poor Countries. *International Organization*, 25(03), p.675.

[9] Keohane, R. and Nye, J. (2009). Realism and Complex Interdependence. In: F. Lechner and J. Boli, ed., *The Globalization Reader*, 3rd ed. Oxford: Blackwell Publishing, pp.70-77.

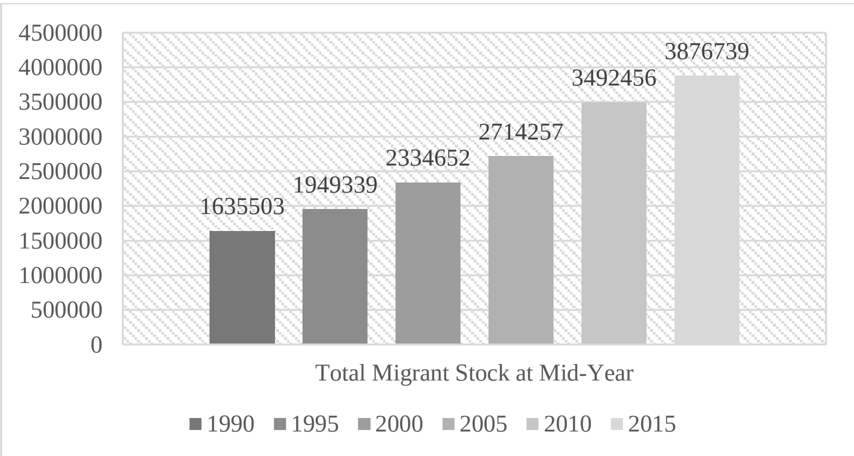
[10] Diamanti-Karanou, Y. (2015). *Diasporas and International Relations*. [online] E-International Relations. Available at: http://www.e-ir.info/2015/11/01/diasporas-and-international-relations/ [Accessed 22 Aug. 2016].

Tapping the Indonesian Diaspora Potential

How strong is Indonesia's diaspora in number? Muhidin and Utomo suggest that the exact number can't simply be determined due to the definitions of the word "diaspora" itself, the source of data, and variables included. Up to 2015, the estimated size of diaspora is roughly defined into 2.9 to 8 million.[11] However, as the definition of Indonesian Diaspora hasn't been settled, the variety of definition might include people of any nationality with major Indonesian ancestry, not necessarily born in Indonesia or hold Indonesian passport. The discussion of diaspora criteria can go as diverse as defining a Suriname Javanese as Indonesian because of his great-great-great grandfather was originated from a small village in Central Java. Or the likes of Belgian national football player Radja Nainggolan who holds a surname from his biological Bataknese father yet having no means for direct contribution towards Indonesia. To categorise population with remote connection with Indonesia will overestimate the number generated and dampens the national strategic planning for diaspora population.

If we are to specify the definition of Indonesian diaspora as the Indonesia-born population living abroad—for the sole purpose of implementing national public policy towards diaspora community—we can generate a clearer estimation of the number. This definition is henceforth called "Overseas Indonesian" and can be used interchangeably with Indonesian diaspora.

Table 1: Total Indonesian Migrant Stock at Mid-Year 1990-2015



Source: UN DESA (2015)

[11] Muhidin, S. and Utomo, A. (2016). Global Indonesian Diaspora: How many are there and where are they?. *J. ASEAN Studies*, 3(2), p.93.

Statistics provided by United Nations Department of Economic and Social Affairs (UN DESA) in 2015 suggested that around 3.9 million is indicated as the population of the Indonesian-born population residing abroad.[12] The largest portion, around 3.4 million, immigrated to Asian countries, with only 415.399 people lives in developed regions. More than 50% of Indonesian overseas lives in Asia. The figures, at best, represents 2% of total Indonesia population. This is comparable to India, the largest democracy as well as the largest diaspora population in the world with 15.5 million people living outside the dense India with 1.26 billion population, although more Indians live in developed country and more dispersed in each region.

The diasporas are represented in several organisation based on their purpose of living abroad. Indonesia Diaspora Network, initiated by former Deputy Foreign Minister Dr. Dino Patti Djalal, held its first congress in Los Angeles 2012, and recently organised their third congress in Jakarta, August 2015. The network actively advocates Indonesian abroad on dual citizenship issue to enables children from parents of two nationalities to have Indonesian passport along with their country of birth's passport. In October 2015 during a meeting with the network in Washington, D.C., President Joko Widodo pledges to push the bill of dual citizenship in DPR (House of Representatives). Foreign Minister Retno Marsudi already conduct communications with Ministry of Law and Human Rights to catalyse the bill and stated that the direction of such policies already been made clear.[13]

The diaspora community holds economic and knowledge capital. Edward Wanandi, chairman of Indonesia Diaspora Network, explained the remittances gap between Indonesia and another large population country. Chinese diaspora contributes up to US$ 780 million in remittances, while Indian diaspora gave US$ 180 million. Indonesian diaspora potential is considered untapped given the fact that it merely contributes to US$ 8 million, which is particularly little even when compared with Filipino diaspora

[12] United Nations Department of Economic and Social Affairs, (2015). *Trends in International Migrant Stock: Migrants by Destination and Origin*. [online] United Nations. Available at: http://www.un.org/en/development/desa/population/migration/data/estimates2/data/UN_MigrantStockByOriginAndDestination_2015.xlsx [Accessed 14 Aug. 2016].

[13] The Jakarta Post. (2015). *Dual citizenship for Indonesians abroad*. [online] Available at: http://www.thejakartapost.com/news/2015/11/02/issue-day-dual-citizenship-indonesians-abroad.html [Accessed 14 Aug. 2016].

with US$ 25 million worth of remittances.[14] Indonesian nationals in the United States has an average annual income of US$ 59.000, significantly higher than American citizen with US$ 45.000.

In knowledge sector, Indonesian Diaspora founded *Ikatan Ilmuwan Indonesia Internasional* (Indonesian Scholar Network) with academic cluster ranged from Social Studies to Robotic Engineering. The network held symposium and conference in cooperation with Ministry of Research and Technology and Higher Education and Indonesian embassy to project Indonesia research agendas in the future. The significance of the network is supported by the fact that 48% of Indonesian diaspora in the US has a minimum academic qualification of bachelor or equivalent.[15] 74 Indonesian academic professors also reside in the same country, conducting research and tutelage in American universities. Its student counterpart, *Perhimpunan Pelajar Indonesia* (Indonesian Student Association) functions as a channel to connect Indonesian students abroad. Present in every city with significant Indonesian student populations, PPI holds a various range of events from gathering, festival, or webinar. Using the internet and social media as their primary means of communications, PPI also connects Indonesians who aspire to study abroad with students that are already studying abroad, providing essential information and best practice for studying and living abroad.

Indonesian scholar and student network have a potential to become what Peter M. Haas called as an epistemic community. Which by the definition provided is "a network of professionals with recognised expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain or issue-area."[16] If the national government is able to muster the diaspora knowledge capital, the epistemic community can provide an alternative take on policymaking process by using knowledge, causal, and principled beliefs in transnational and international institutions level of analysis with the minimum political motivation that usually presents in other

[14] Beritasatu. (2015). *Diaspora Indonesia Sumbang Pendapatan Terbesar untuk Tanah Air*. [online] Available at: http://www.beritasatu.com/nasional/298493-diaspora-indonesia-sumbang-pendapatan-terbesar-untuk-tanah-air.html [Accessed 20 Aug. 2016].

[15] Media Indonesia. (2016). *Jokowi Rangkul Diaspora*. [online] Available at: http://mediaindonesia.com/news/read/62344/jokowi-rangkul-diaspora/2016-08-19 [Accessed 20 Aug. 2016].

[16] Haas, P. (1992). Introduction: epistemic communities and international policy coordination. *International Organization*, 46(01), p.1.

actors. One suggestion might integrate professional epistemic community to the bureaucracy, providing them with inside insight and active involvement in policy making process. However, this can only possible if the national government acknowledge and value the branch of science disciplined by the scholars and therefore providing them with the necessary resources to transfer foreign knowledge into national policies.

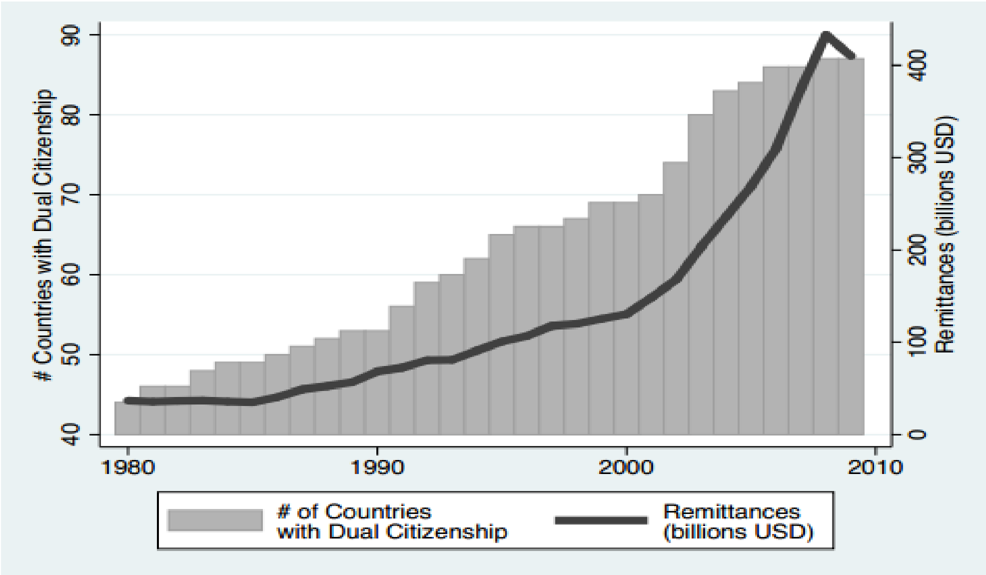
Indonesian Diaspora for Active Globalisation

Reciprocity is the key towards mutual globalisation. Largely, countries have been segregated by influencer-influenced status, where a certain group of countries—mainly developed western countries—is perceived as active actors of globalisation where other countries—in the developing world—had been passively receiving the impact of globalisation with little means to mutually influence the others. Diaspora can stand out as a diplomat at the individual level to actively promote their homeland to the wider society.

The dual citizenship will enable diaspora to directly contribute towards their home country's wealth and knowledge sum. David Leblang explained that this occurs not only because dual citizenship is a symbolic statement of home country attachment to the diaspora but also because dual citizenship allows an individual to possess political and economic rights in multiple countries, therefore decreases the transactions costs associated with entering a host country's labour market and makes it easier for migrants to return home.[17] Leblang further elaborates with the correlation between a number of countries with dual citizenship law and the amount of remittances received as seen in table 2.

[17] Leblang, D. (2015). Harnessing the Diaspora: Dual Citizenship, Migrant Return Remittances. *Comparative Political Studies*.

Table 2: Evolution of Dual Citizenship and Remittances



Source: Leblang (2015)

Benedict Anderson once wagered that "the future of Indonesia" will be winnable by large-hearted and broad minded enough to accept the real variety and complexity of the national society.[18] The complexity in this context being that many Indonesians abroad who wants to contribute back lost its Indonesian citizenship because they need citizenship status from their host country for survivability. It is often the case that Indonesian children having dual citizenship given by *ius soli* principle from their parents' host country. Dual citizenship will benefit the family to access health care, education, and economic system more than a "permanent resident" status. While being able to retain their Indonesian citizenship will enable them to start a local business and owning property, making a private investment for their future homecoming planning.

However, Indonesia might want to pay more attention to some details in dual citizenship. First, voting rights. Indonesia should decide whether retaining Indonesian citizenship can always mean retaining voting rights. Dual citizenship, in general, enables a person to vote twice in two different countries. Intuitively, this is a violation towards "one person one vote" rule. Yet this problem may be exaggerated because even if voting rights are exercised in two or more countries, the votes are usually aggregated in

[18] Anderson, B. (1999). Indonesian Nationalism Today and in the Future. *Indonesia*, 67, p.1.

different elections and politics and therefore do not count twice.[19] Second, military conscription. Are citizens with dual citizenship allowed to serve in two military institutions in different countries? What if both countries are on opposing side? One suggestion might be the citizenship can only be granted with private citizenship status, therefore omitting their right to serve in the military like in Switzerland. The second option is applying rules based on the agreement between both states that dual citizenship person can only serve in the military of their country of residence.

The second step is to provide diaspora with diaspora option. Mainly focused on garnering the knowledge capital of the diaspora by accessing its "brain bank", hence promoting brain gain. This is due to the realisation that a brain drain will remain a brain drain if the government rests on the voluntary return of its diaspora.[20] And in the case of a country with a high supply of unskilled worker like Indonesia, brain gain is very much likely to happen. The diaspora option allows expatriates the opportunity to transfer their expertise and skills to the country of origin without necessarily returning home permanently. In this way, the country of origin has access to the knowledge and expertise of the expatriate, but also the knowledge networks that he/she forms part of in the host country.[21]

The diaspora option is based on network approaches where a network can be defined as a regular set of contracts or similar connections among individual actors or groups,[22] this connection is then formed to create a linkage between the country of origins and country of residence. The "diaspora option" is translated by home country as certain sets of policies that work as an incentive for the diaspora. The examples of such policies including but not limited to: flexible citizenship laws and resident status, special property rights, special taxation system.

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[19] Faist, T. and Gerdes, J. (2008). *Dual Citizenship in an Age of Mobility*. [online] Transatlantic Council on Migration. Available at: http://www.migrationpolicy.org/sites/default/files/publications/faist-final%5B1%5D.pdf [Accessed 22 Aug. 2016].

[20] The Jakarta Post. (2015). *How to turn a brain drain into a gain*. [online] Available at: http://www.thejakartapost.com/news/2015/07/11/how-turn-a-brain-drain-a-gain.html [Accessed 22 Aug. 2016].

[21] Brown, M. (2002). Intellectual Diaspora Networks : their Viability as a Response to Highly Skilled Emigration. *Autrepart*, 22(2), p.167.

[22] Granovetter, M. and Swedberg, R. (1992). *The sociology of economic life*. Boulder: Westview Press.

Indonesia's policies on knowledge sector are particularly need to be addressed since brain drain happens the most in this sector. There are little incentives for Indonesian scientists abroad to return if we are to take a look on government expenditure on research, which as of 2013 stood at 1% of its total budget or 0.08% of GDP; a figure that trails behind neighbours Singapore (2.36% of GDP), Malaysia (0.63%) and Thailand (0.25%).[23] The research architecture within Indonesia also considerably low given the minimum number of reputable think tanks (independent and university-based) and has a relatively low impact on central government's policymaking process. Indonesian president Joko Widodo has made initiative by asking 24 of the 74 Indonesian professors working in America to come home. They have been asked to prepare vocational education in Papua, as well as to establish a rice research centre in Merauke. Jokowi also expected the other 50 Indonesian professors in America to contribute.[24] However, this progress should also be prepared for its sustainability by providing well-funded university, research centre, and means of publications as well as connections with a private party and government.

Conclusion

Indonesia holds large—yet untapped—diaspora potential. The underexplored power of diaspora skilled labour is caused by minimum linkage to channel their knowledge and wealth back to Indonesia, hence the brain drain. While simultaneously Indonesia remains to be a passive player in globalisation, allowing stronger states to influence Indonesia politically, economically, and culturally, while having little chance to exercise reciprocity.

By providing Indonesian diaspora means to contribute to their homeland, Indonesia can actively participate in the globalisation. Diaspora is a versatile transnational actor who can conduct people-to-people diplomacy across the globe, hence promoting Indonesian culture and ways of living. Dual citizenship enables diaspora to access knowledge and wealth of both home and host countries, giving them

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[23] Global Business Guide Indonesia. (2014). *Indonesia Brain Drain*. [online] Available at: http://www.gbgindonesia.com/en/main/business_updates/2014/upd_indonesia_s_brain_drain_pains.php [Accessed 23 Aug. 2016].

[24] Kompas. (2016). *Nationalism should be Reactualized*. [online] Available at: http://print.kompas.com/baca/2016/08/19/Nationalism-should-be-Reactualized [Accessed 23 Aug. 2016].

the incentive to send more remittances back home. The right improvement in knowledge sector will connect Indonesian skilled labour abroad with their home country, allow transfer of knowledge to happen and start experiencing brain gain.

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Granovetter, M. and Swedberg, R. (1992). *The sociology of economic life*. Boulder: Westview Press.

Haas, P. (1992). Introduction: epistemic communities and international policy coordination. *International Organization*, 46(01), p.1.

Keohane, R. and Nye, J. (2009). Realism and Complex Interdependence. In: F. Lechner and J. Boli, ed., *The Globalization Reader*, 3rd ed. Oxford: Blackwell Publishing, pp.70-77.

Kompas. (2016). *Nationalism should be Reactualized*. [online] Available at: http://print.kompas.com/baca/2016/08/19/Nationalism-should-be-Reactualized [Accessed 23 Aug. 2016].

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Shaw, M. (2000). *Theory of the global state*. Oxford: Cambridge University Press.

The Jakarta Post. (2015). *Dual citizenship for Indonesians abroad*. [online] Available at: http://www.thejakartapost.com/news/2015/11/02/issue-day-dual-citizenship-indonesians-abroad.html [Accessed 14 Aug. 2016].

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United Nations Department of Economic and Social Affairs, (2015). *Trends in International Migrant Stock: Migrants by Destination and Origin*. [online] United Nations. Available at: http://www.un.org/en/development/desa/population/migration/data/estimates2/data/UN_MigrantStockByOriginAndDestination_2015.xlsx [Accessed 14 Aug. 2016].

DIPLOMATS ARE US: THE ABU SAYYAF HOSTAGE CRISIS AND THE ROLE OF CIVIL SOCIETY

Putu Agung Nara Indra Prima Satya[1]

Abstract

The Abu Sayyaf hostage crisis in the early 2016 had proven one thing: the civilian can also be a peaceful agent beside the government. When the formal negotiation process that was held by the government collapsed, the civilian team coordinated by Sukma Bangsa Foundation took the challenge and finally succeeded to release the hostages from Abu Sayyaf. The non-state diplomacy, also known as "track two diplomacy," will become the new trend in the 21st century. With the massiveness in the information and technology development, people will have a bigger chance to show their initiatives without many challenges arisen from administrative problems in the state level. On the other hand, this kind of public and personal initiatives could fill the gap that cannot be covered by the state, as can be seen in the Abu Sayyaf hostage crisis above. This paper will elaborate the process and the substance in the negotiation process between Sukma Bangsa Foundation and Abu Sayyaf in Mindanao, the Philippines. It will be focused on how Sukma Bangsa Foundation used their networking between the researcher and NGOs workers to get to Abu Sayyaf members. This paper will also elaborate the concession and negotiation tricks that were being used by the negotiators, especially the use of "bakpia and Al-Qur'an" diplomacy to gaining trust from the Abu Sayyaf army.

Keyword: Public diplomacy, negotiation, globalization, track-two diplomacy, hostage crisis.

Background

The state is a major traditional actor in the context of international relations. International relations, in its most basic definition, are often identified with the relationship between the entities of state in the world. Later, alongside the emergence of the globalization, the state is no longer the most important actor in the context of international relations. Globalization has brought an opportunity for the emergence of new actors beside the state that also influenced the dynamics of international relations.

One of the newest prominent actors in international relations is the civil society. They consist of people who have a certain capacity--both in terms of science and specific

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skills. They also build up their own network based on the similarities which reach out to the transnational level. Their network is usually composed of researchers, philanthropists, religious leaders, activists of non-governmental organizations (NGOs) and academics. This kind of collaboration tends to be self-contained with minimal interference from the state.

The network built by the civil society has some particular advantages because it is indeterminate and informal. This network is relatively free of the entanglement of bureaucracy and formalism unlike diplomacy which created through the state or international institutions—often identified as "one track diplomacy.", If it is implemented properly, those advantages will be able to contribute towards the dynamics of international relations.

One example of the contribution as mentioned above is the release of 10 hostages which held by the Abu Sayyaf in May 2016 ago. At that time, the two teams who were initiated by the civil society--Sukma Bangsa Foundation and Kivlan Zen--managed to free 10 hostages from the Abu Sayyaf militant group. The success of these two teams should be appreciated because it occurred after negotiations which were initiated by the state facing a rough stalemate.

The Abu Sayyaf is known as an insurgent group affiliated with the Islamic State of Iraq and Syria (ISIS). Abu Sayyaf also adopted the ISIS methods such as brutal murder or the beheading of the hostages, as they had done against the Canadian hostages, Robert Hall, on June 2016. In addition, the Abu Sayyaf is known as a group that emphasizes kidnap and ransom methods to fund their movement.

The kidnapping method has been selected because it is very profitable economically. This was also revealed by Inspector General of Police (Retired) Beny Mamoto who involved in negotiating the release of the hostages from the Abu Sayyaf in 2005.

> *"As we already know, most of the local communities in the area of Sulu Archipelagos suffered from poor conditions. The attention of the Philippines government to this area was much different from the northern part. These conditions make the kidnapping (became) a big business for bringing the money with the great result. The money was also enjoyed by the public. The purchasing power of the community also increased."*[2]

[2] Retrieved from https://tirto.id/20160722-53/quotpenyanderaan-jadi-bisnis-karena-hasilnya-besarquot-

The Indonesian government as the party that led the negotiation process in the initial phase was determined not to meet the demands of 50 million pesos, or equivalent to 15 billion rupiah.[3] This was confirmed by the Minister of Foreign Affairs Retno LP Marsudi. The government did not want to meet these demands because it would make the kidnapping case tend to reoccur. The Defense Minister Ryamizad Ryacudu and TNI Chief General Gatot Nurmantyo even hinted that the military was ready to launch a military operation.

The state-led negotiation was finally deadlocked and certainly endangering the safety of the hostages. The hostages also disappeared because Abu Sayyaf always moved their hiding place to escape from intelligence apparatus of the Philippines pursuit. These conditions later created the thought that the hostages would be executed like the Canadian hostage. In this situation of uncertainty, the two non-state negotiation teams then dropped straight to the ground to help freeing the hostages. Through a series of tough negotiation, the two teams finally managed to free the hostages whom kidnapped by the Abu Sayyaf.

Research Question

This paper will attempt to elaborate on the negotiation processes undertaken by the team of civil society, e.g. Sukma Bangsa Foundation, in their efforts to free of hostages from the Abu Sayyaf. The research question is: How is the role of the negotiator team Sukma Bangsa Foundation in the process of releasing the hostages from the Abu Sayyaf?

Theoretical Base

Multi-track Diplomacy

This paper will combine the concepts of globalization and multi-track diplomacy in discussing the role of Sukma Bangsa Foundation team in releasing of hostages from the Abu Sayyaf. Multi-track diplomacy in this context is defined as:

278395, accessed 21 August 2016

[3] Retrieved from https://tirto.id/20160329-52/kelompok-abu-sayyaf-menyandera-untuk-pendanaan-76175, accessed 21 August 2016

"a conceptual way to view the process of international peacemaking as a living system. It looks at the web of interconnected activities, individuals, institutions, and communities that operate together for a common goal: a world at peace. "[4]

Multi-track diplomacy is the expansion of traditional diplomacy dichotomy: "track one" based on the role of government or state bureaucrats, and "track two" is in the form of a network-interaction of non-formal i.e the role of non-state actors in the country. This method of diplomacy is designed to address the inefficiencies that often happen in state-led diplomacy. The emergence of "track two" diplomacy is increasingly driven by the increase of "intra-state" conflict that cannot be solved completely by the state, since they are part of the warring parties.

The "track two diplomacy", according to one of its initiators, former US diplomats Joseph Montville, provides a sense of interpersonal approach towards the negotiations. This serves to lower the tension of negotiations, breaking the deadlocks, while giving space to the cultural aspects in the mediation process. On the other hand, Louise Diamond suggested that multi-track diplomacy should be viewed comprehensively by empowering all levels of society, from the labor of the people at the grass roots to high-level meetings between state leaders.

Globalization

The Sukma Bangsa Foundation (hereinafter referred to YSB) is an example of non-state actor that plays a pivotal role in penetrating the deadlock of the negotiations by the "track one". YSB team managed to establish and capitalize the new channels of communication between the civil society networks consisting of academics and activists of non-governmental organizations with the ex-combatants in Mindanao. This approach then became the major cause in succeeding the negotiation.

The role of YSB team occured when the momentum of state-led negotiations began to get clogged. Both non-states teams were present to fill a gap that cannot be penetrated by the state. In this era of globalization, we must realize that the state capacity is often limited. Therefore, the function of non-state actors is meet insuperable sector.

Studies about globalization relatively focused on negative effects of globalization

[4] Retrieved from http://imtd.org/multi-track-diplomacy, accessed 20 August 2016 15.38.

on the "supremacy" of the nation-state entities. Globalization seemed to dilute the restrictions which have contributed to reinforce the dominant role of the state in international relations, such as the border (territory and capacity), communication, the flow of people migration and even capitals. Weiss (1999) described the weakening of the state institutions as follows:

> *"Globalization has by and large become synonymous with state power erosion. This zero-sum logic drives the reasoning process to the irresistible conclusion that global and national are antinomies rather than interdependent, competing rather than complementary."*

Held (2000) described that the process of globalization is always in line with democratization. He explained the importance of the role of citizens to gain access or to participate in the political, economic and social processes that goes beyond the country's borders.[5] These processes further open up the space for the participation of the international community in the context of deliberative democracy in many parts of the world. In the context of the role of the YSB team, their success is determined by using civil society networks which created through intense interaction in this era of globalization.

Elaboration

<u>Dynamics of "Track One" Negotiation</u>

Indonesia started the process of negotiating the release of hostages with quite a hard position. President Joko Widodo and Foreign Minister Retno Marsudi shared their common principles: Indonesia will not pay ransom. The more blatant approach was pointed out by the Defense Minister Ryamizard Ryacudu that Indonesia was ready to conduct a military operation.

"I think the army was ready [to conduct a military operation], but we must wait,

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[5] Democracy for the new millennium must allow cosmopolitan citizens to gain access to, mediate between and render accountable the social, economic and political processes and flows that cut across and transform their traditional community boundaries. The core of this project involves reconceiving legitimate political authority in a manner that disconnects it from its traditional anchor in fixed borders and delimited territories and, instead, articulates it as an attribute of basic democratic arrangements or basic democratic law which can, in principle, be entrenched and drawn upon in diverse self-regulating associations – from cities and subnational regions to nation-states, regions and wider global networks. It is clear that the process of disconnection has already begun as political authority and legitimate forms of governance are diffused 'below', 'above' and 'along-side' the nation-state. (*Held, 2000).*

because it's other people's house," said Defense Minister Ryamizard Ryacudu.[6]

The commitment for military operations suddenly ended after the deaths of 18 military personnel of the Philippines when they ambushed Abu Sayyaf headquarters in Basilian island (09/04/2016). This event made the Indonesian government act cautiously towards the distress of military operation. The government also thought about other choices including paying off the demanded ransom.

The failure of the Philippines military operation in the Basilian instantly changed the style of the Indonesian diplomacy. In this case, the government showed their flexibility by issuing a statement that the safety of the hostages is a priority, so all options were still open. This statement implies that the Secretary of State was still open to all possibilities, including both military operation and ransom payment

Foreign Minister Retno Marsudi also made a small step but later contributed greatly to the hostage crisis. The move occured when the Minister applied the one-door system concerning any information in relation to the release of hostages. Through this policy, all the information about the hostages went straight out directly from Foreign Minister Retno Marsudi.

The one-door communication contributed greatly to several things. First, this step could reduce the heated debate in the society, government elites, as well as in the international society. The polemics in the state would only add more burden to the negotiation team who would face the Abu Sayyaf group. Second, the attitude of Foreign Minister Retno Marsudi could maintain the confidentiality in the process of releasing the hostages. Confidentiality was very useful for the YSB team when they finally met and negotiated with the Abu Sayyaf. YSB team could move freely without having to face public scrutiny and intervention from various government agencies.

The hostage-taking case tends to be one of the most complicated and risky issues in the diplomatic sphere. The negotiators in the hostage case, especially the state negotiators, always have to deal with precarious situation. If the state chose to use a brute approach, it could trigger a defective attitude and the negotiation would stuck or lead to fatal consequences, as the perpetrator chose to terminate the negotiations, raise

[6] Retrieved from http://www.antaranews.com/berita/552315/tni-siap-bantu-filipina-tangani-perompak-kapal-indonesia, accessed 20 August 2016.

the ransom, or even kill the hostages. Meanwhile, if the state chose to compromise, public opinion would identify it as a weakness. On the other hand, the hostage-takers also could use it to stall the negotiation or raise the ransom.

<u>The "Track Two Diplomacy" as an Alternative</u>

One of the negotiator, Dr. Samsu Rizal Panggabean-- lecturer from Department of International Relations Gadjah Mada University and part of YSB team-- claimed that he and Ahmad Baedowi (head of YSB) initially asked to conduct an assessment about the networking of Abu Sayyaf in Mindanao. In preparation, he contacted his friends back in his network of fellow researchers, professors, scholars and NGO workers. This networking between the civil societies finally gave them direct access to the Grand Alpha, the most prominent chief in Sulu who is highly respected by all combatants in Mindanao, ranging from the MNLF, MILF and Abu Sayyaf. Meeting with the Grand Alpha also gave direct access to the Abu Sayyaf's hostages. At this point, the team finally decided that they would directly involve in the hostage-releasing effort.

On the other hand, Rizal also knew that the team leader Major General (Retired) Kivlan Zen have had contact with Nur Misuari, leader of MNLF. Rizal argued that it would not be effective way, considering that Nur Misuari faction had uneasy relations with the Abu Sayyaf.

"I admitted to them that I was a lecturer. What could a lecture do to the Abu Sayyaf?" said Dr. Samsu Rizal Panggabean to the author in Tirto.id.

Many ways were done by the YSB team, including to bring the Al Quran and traditional snacks such as *bakpia* and *rempeyek* to Abu Sayyaf. The members of the team also interacted with the members of the Abu Sayyaf, even praying together. All were done to create a good impression and to gain trust so the negotiation could run smoothly.

At first, Rizal and the YSB team were once suspected as intelligent agents by the Abu Sayyaf group. Fortunately, he was around this by inviting his former student who worked in a NGO in Mindanao. The NGO often cooperated with armed groups in Mindanao, such as the MILF, MNLF, and the Abu Sayyaf.

"That's my student, just go ask them if I am truly a lecturer," he said while pointing to

one member of the team. Seeing that, the Abu Sayyaf members only nodded their head.[7]

Actor mapping is very important in the negotiations. Some basic knowledge about the other party should also be collected. For example, the fact that most of the Abu Sayyaf leaders are the sons of the MNLF leaders. The network among combatants in Mindanao is built upon cell systems based on family relationships. This information made the YSB team involving families and relatives of the Abu Sayyaf into the negotiators team. All of those was used to build the trust of the Abu Sayyaf group. On the other hand, reaching an agreement was not enough because the negotiators should make sure that they have a deal with the right party.

"We also have to be careful with the amount of 'negotiation brokers' in here. It could be a case that once we were asked to transfer money to the account of particular party, then it turned out to be the wrong person. It would make us pay again, making it a double payment, even triple payment," said Rizal.[8]

Diplomacy through civil actors was able to break the traditional diplomatic deadlock, but the problem did not finish yet.

"Metaphorically, when negotiating, almost all the aces are in the hands of the Abu Sayyaf. Leverage (advantageous position) are also in them. Therefore, we have to be careful," said Rizal.

Rizal said that the critical period had appeared before the liberation. At that time, the negotiation team once had lost contact with the hostages. Allegedly, they were being moved to a location in another island.

"Well, we had to stay up waiting for that information. We must keep monitoring, because it was associated with their proof of life. We needed to know that they were still alive or not, healthy or not. If they were sick, we had to send medicines," he said.

A relief eventually experienced by the members of the team after knowing that the hostages were fine.

Concessions and "Expanding the Pie"

One key to the success of the hostage-releasing negotiation was the concessions which were offered. In return for the release of hostages, the YSB team offered

[7] Retrieved from https://tirto.id/20160617-53/quotterlalu-naif-kalau-tanpa-uang-tebusanquot-244166, accessed 20 August 2016.
[8] Ibid, op.cit

scholarships to children of the Abu Sayyaf members. It turned out that this was the successful key in the negotiation. In the context of negotiation, the YSB team tried to focus on the interest/benefit of the Abu Sayyaf group instead the position they show.

Rizal stated, for being successful, diplomacy by civilian actors must have a completely different mindset from the state actors.

> *"Abu Sayyaf is indeed sadistic, cruel; they cut off people's head. But it depends on how we see it. We must see them not as terrorists, but as men who can to be talk with. We cannot use the same approach as the military," he said. "Do not forget, besides fighters, Abu Sayyaf group are also a social activist. They are also concerned about the education of their children," he added.*

The success to uncover the main interest of the Abu Sayyaf derived from the active communication and level of trust that have been built by the YSB team. Both of these could be achieved because the YSB team tried to focus on the similarities they had with the Abu Sayyaf group, such as being a Moslem and loving to smoke. By focusing on these similarities, the attempt to explore the interest of the Abu Sayyaf could run well.

The opposite situation happened during the negotiations between the Abu Sayyaf and the government of the Philippines and Indonesia. The parties had been putting strong position in the negotiations from the beginning: Abu Sayyaf demanded ransom, while Indonesia and the Philippines rejected (even wanted to demolish them).

The success in identifying the Abu Sayyaf's interest made the YSB team have the opportunity to provide a broader offer through the method of expanding the pie. The main principle of this method is expanding the negotiation by involving other concessions (linkage issues) which are a win-win solution. The YSB team--foreseeing that the Abu Sayyaf group desired to get education for their children--eventually offered scholarship programs for Abu Sayyaf children to attend school in Sukma Bangsa School in Aceh. This deal was surely received well by the Abu Sayyaf group, considering that the access to education for children of Abu Sayyaf and Mindanao was indeed very limited. They had been living in a marginalized situation and poverty at the same time.

Efforts to listen to the main problems that the other party have (grievances), on one hand could reach an agreement, and on the other hand could also establish a good relationship with the other party. The Abu Sayyaf group feel that their voices are fully heard. Rizal admitted that until now he still communicates with the fighters in Mindanao.

The issue of compensation is one of the major debates that once became a polemic in the society. Many people believe that there must be some ransom being paid for the sake of reaching the agreement. Related to that, Rizal did not openly confirm.

> *"Well, I guess it is naive if we think there is no ransom (payment). Abu Sayyaf is still a 'Kidnap and Ransom' group. Ransoms remain their main goal. However, the negotiators team also took into account of other needs such as education for their children," he said.*[9]

Rizal said that he did not participate in picking up the ten hostages. Ahmad Baedowi was the one who picked them up along with other team members. The pick-up was facilitated by the state, particularly by the Indonesian Embassy in the Philippines. The moment of picking up the hostages also became the turning point of the diplomacy from the civil actors back to the state actors.

Later, he regretted to see his, Ahmad Baedowi's, and Major General (Ret) Supiadin's names up for public consumption.

> *"It makes us look like a circus," he said, responding to his name widely circulated through the news.*

He said that his willingness to be part of the negotiators team was because they were guaranteed to keep moving in secrecy. Rizal even admitted that he had to lie in his workplace. Fortunately, his colleagues did understand.

Conclusion

In the end, the release of hostages the Abu Sayyaf in the Philippines was a combination of the role of government and non-governmental actors. It cannot be said that the government had no role at all in this process. Although the pace of the negotiations was in the hands of non-state actors, the government had enough awareness to not intervene or do other actions that could disrupt the negotiations.

There are several factors that clearly distinguish the negotiations by the state and the YSB team. First, the YSB team targeted the grassroots path secretly to get into the

[9] Ibid, op.cit

negotiation. This is very different from the state that holds high-level talks with the Abu Sayyaf in the center of attention by the media and public opinion.

The grassroots track was useful for the YSB team for two things: building trust with the Abu Sayyaf and at the same time digging up the grievances as well as their primary interests in taking hostages. This method was successful in bringing the finding that the Abu Sayyaf's movement was not motivated merely by the desire to earn money or logistics. They also wanted recognition for their socio-cultural entities, as well as access to a better life.

Confidentiality of the negotiations also provided flexibility for YSB team in formulating the strategy and making an offer/giving concessions to Abu Sayyaf. It cannot be found in negotiations involving the state. Negotiations through the state actors are heavily influenced by public opinion. It certainly obstructs the flexibility of the negotiators in giving concessions to the other party because fear of being considered weak. On the other hand, the public has always wanted to see the results of the negotiation in the quickest possible time without seeing the dynamics in the negotiations themselves.

The second factor that also distinguishes elite-level from grassroots-level negotiation is the issue of concessions. As mentioned above, negotiations on an elite level often seem to lose flexibility and "imagination" as a result of focusing too much on demanding the other party's position regardless of their interest. Negotiation, to some particular extent, is actually the problem of managing flexibility and giving way to new ideas as a form of breakthrough to a stalemate situation.

It was also expressed by Rizal. He emphasized that negotiation is the art of managing relationships between humans who consist of many dimensions. Therefore, we should not pose an a priori attitude and consider that the other party is stubborn. He said, negotiation urgently needs the skills to manage issues, expectations, as well as to place the right people in order to achieve the purpose of the negotiation itself.

> *"Basically, "track two" negotiation is about putting the right people to support the negotiation. Whether they are lecturers, scholars, students, even the army, they can involve as long as being placed in the right role. [Ahmad] Baedowi, for example, is a teacher, but Abu Sayyaf are willing to see him, " he told the author.*

The success of the YSB team cannot be separated from the civil society networks in Mindanao and the Asia-Pacific region as a whole. This network was made up of academics and activists of non-governmental organizations who often collaborated on various academic projects and grassroots community development, especially in the Asia-Pacific region.

These civil society networks were formed by the space created by globalization. The advances in technology and the common vision and mission as well as the scope of work which are often intertwined makes these civil society networks have intense level of interaction and communication. This can be empowered in certain situations, such as in this case of the Abu Sayyaf hostage.

Community networks which had been formed long before the occurrence of the hostage case had helped to approach the Abu Sayyaf group. On the other hand, the Abu Sayyaf group also had the experience of interacting with the Nahdlatul Ulama who engaged in religious activities in Mindanao for several times. These factors, according to Rizal, were quite helpful because the Abu Sayyaf group actually had a pretty good view of the Indonesia as a fellow entity whose majority are Moslems.

The fact that the Abu Sayyaf was capable to identify themselves with Indonesia was caused by transnational train of thought brought by the religious scholars/leaders from Indonesia. While historically the proximity had existed for long, the interaction with the Indonesian scholars/leaders was able to maintain it. Globalization, particularly the development of communication technology, is able to facilitate initiatives to keep the good relations.

Globalization on the one hand is said to be one of the threats to human life, but on the other hand, it can also provide space for new initiatives in human life itself. Diplomacy "track two" is one of the examples. This diplomatic channel tends to promote the capacity and capability of an individual. This makes diplomacy able to run and be initiated by almost everyone. If the state is still not able to adapt to the tendency of contemporary diplomacy, the citizens can take over the function of the state.

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IMPLEMENTING TWO-PILLAR SOCIAL FUND TO ACCELERATE THE DEVELOPMENT OF TERRITORIAL BOUNDARIES IN INDONESIA

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Abstract

Territorial boundaries are known as a marker for the sovereign authority and national identity of a country. However, the border region in Indonesia is precisely synonymous with underdevelopment, poverty, and lack of infrastructure. Moreover, the illegal activities such as smuggling of goods, human traffic without official documents, and territorial conflicts often occur. Therefore, prosperity paradigm is required to develop management in the boundaries areas. There are various funding schemes to accelerate the development of the border region through social security program in Islam. For example, we can utilize two pillars of the social fund in which wakaf fund reached Rp. 3 billion as well as Rp. 300 billion of mosque fund. Through relevant literatures for our descriptive analysis, we offer the concept of agropolity, ecotourism, and minapolitan to increase the value-added of the products based on innovation and sustainable business focus. This concept is expected to increase the employment opportunities, accelerating sustainable development, and improving the income of the households in the border region. Hence, the awareness of society is highly encouraged in order to strengthen the national identity and to maintain the sovereignty of the country. As a consequence, the communities can be more independent to develop the border region without depending on the government budget.

Keywords: Territorial Boundaries, Mosque Fund, Empowerment, Wakaf

Background

Territorial boundaries are the conception of empirical elements at the construction of the nation-State. The boundaries become a marker for works of national identity and sovereignty authority of a Nation. So, following the border line with the governance of the territory within its boundaries has strategic meaning and function for the State to uphold the sovereignty of the territorial entities at the same time the base of the collective identity of a nation (Joash & Erwin John 2012). The territorial boundaries

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have a very vital and very strategic meaning in both security defense, economic, social and cultural perspective (Dahuri and Nugroho 2012).

Development of the territorial boundaries has deep meaning in conjunction with insight into the nationality and nationalism. As to the appropriate conception of "Nusantara", the construction of the territorial boundaries is an attempt of the utilization of geography as part of developing national, creating prosperity and security, strengthening the unity of the nation and the unity of the territory in a unitary State of the Republic of Indonesia (Dahuri and Nugroho 2012). It is wise to build the territorial boundaries in line with the complexity of the social aspect, the economy and the local environment. It certainly demands proper planning to produce the benefits of prosperity and security in the local area as well as surrounding areas.

The boundaries area is the face of the future of Indonesia. But central government and regional government policies still be regarded as the backyard of the territorial boundaries. Indonesia boundaries with other countries are precisely identical to the failed, poverty, underdevelopment and lack of infrastructure. The territorial boundaries as part of a dispute between regime arenas (security, political, economic and cultural) in which every regime runs without collaborate/synergize with each other. This condition is exacerbated by political constellation between levels of Government as well as regional centre, even between the institutions of the Central Government.

In the meantime, the society is getting weak and regim marginalized as a consequence the lack of resourses and authority. The territorial boundaries as a part of trial event policies of the Central Government (the exercise of policy) sectoral and project oriented. Not surprisingly, billions of dollars fund that given for many projects are not integrated (international market, international schools, international terminal, cross territorial boundaries outposts) and were done by each sectoral Ministry (Suswanta, David & Bachtiar 2016).

As a concrete step to accelerate the development of the boundaries is to be an area of ecotourism Minapolity and ecotourism agropolity. More than, the strategic steps in terms of marketing, as well as agriculture and fisheries systems need to be identified, so that it is able to steer on the achievement of the agricultural sector and the fisheries-based superior local resources according the administrative territory. Thus, the development of ecotourism Ecotourism and agropolity Minapolity can increase the value of the agricultural sector as well as the sale of fisheries in order to increase term of trade territorial boundaries of farmers and fishermen which are getting better.

The solution that was built in the form of the concept of the development of the territorial boundaries involves various parties (stakeholders) and then tailored to the wisdom of local resources in its administrative territory. A concept of regional development would of course require budget that does little. If a local governance depends only on the central Government's budget, quite difficult to realize the acceleration of the development of territorial boundaries. Therefore, a limited budget problem can be solved by utilizing of public funds.

Two potential of public funds are the Islamic Waqf Fund cash and mosque fund. The Waqf Fund cash into alternative solutions as there are no liabilities refund and/or give certain advantages to the wakif (Wakaf funder), but any gains will be transmitted back to the benefit of the society, as well as keeping the Fund's Wakaf so as not to diminish. Because of the reality that there is the potential that such a huge Wakaf funds less known widely; especially for economic development of the society. While the potential funds mosque as an example of the reality that exists in the province mosque funds that accumulate DIY idle. This unemployed mosque funds would be nice if utilized for economic development of the people.

Basically the mosque funds will continue to accumulate, because its source is coming from infaq and sodakoh or charity boxes every day or at least once a week. Thus, the two pillars of the Social Fund can be used as an alternative source of funding for accelerated Minapolity agropolity and ecotourism Ecotourism for territorial boundaries, especially in Indonesia which has the largest number of Muslims of the world, as well as potential public funds.

Formulation of the Problem

Ecotourism, agropolity and minapolity can be an alternative solution in the gap of territorial boundaries which basically have potential as a local resource. Eventhough their efforts directed on maintaining and conserving natural areas of agriculture and fishery sector creates for the boundaries society, but accommodating the interests of the boundaries society still in the administrative area. Potential that already exists should be dug along through the concept of economic development based on public funds.

The two pillars of Islamic public funds including Waqf funds and mosque funds very potential to then be allocated to productive sectors for development and economic improvements. The second pillar of the Social Fund is the main element of the race made the creation of the concept of regional development is ecotourism agropolity, ecotourism and minapolity border region. Based on the description, the outlines of the issues that will be discussed are as follows:

1. What is the potential role of public funds and the Islamic Wakaf Fund and mosques fund as the two pillars of the economic development for territorial boundaries in Indonesia?
2. What is the mechanism of ecotourism agropolity, ecotourism and minapolity be a solution to accelerate the development of territorial boundaries in Indonesia?

Ecotourism, Agropolitan and Minapolitan

<u>Ecotourism</u>

Ecotourism must be learned through two sides, namely in terms of concepts and in terms of the market. In terms of concept, ecotourism is responsible tourism conducted in natural places, as well as contribute towards the conservation of nature and the improvement of the welfare of the local society (TIES-The International Ecotourism Society). Whereas in term of market, ecotourism can be used to understand form of tourism activities that support conservation. The emerging of ecotourism not only as a concept but also as tourist products (tour package). Ecotourism is more focused on observation and understanding of nature and culture in the areas visited, by supporting the activities of preservation and prefer the facilities and services provided by the local society.

<u>Agropolity</u>

The concept agropolitan development appointed by Myrdal in a more specific context, the State of the Asian countries that labour intensive farm systems in the small business scale. Friedmann and Douglas (1979) in Mecardo (2002) suggest that agropolitan development planning approach is a type of buttom-up aspiring prospers and equitable revenue quicker than a growth pole strategy.

Friedmann in Syahrini (2001), states that in the territories of the various service functions provided agropolitan to support the continuation of the activities of the agribusiness. On-site services include the means of production (fertilizer, seeds, medicines, equipment), a mean of supporting production (banking institutions, cooperatives, electricity), as well as a mean of marketing (market, transport terminal, transportation). In the concept of existence also introduced agropolitan agropolitan district, a rural area with a radius of service 5 to 10 km and with a population of 50 to 150 thousand inhabitants and a density of a minimum of 200 persons per km2. Services and service provided is adapted to the level of economic and social development of the local culture.

Minapolity

Minapolitan comes from the “mina” mean fish and politan means the polis or city, so freely can be translated as the city of fisheries (Nugroho & Dahuri 2012). The Ministry of maritime and Fishery (KKP) defines minapolitan as the concept of economic development of the marine and fisheries with the approach and systems managed the area to speed the growth of a city. Minapolitan is an implementation of innovative strategic policy with a fundamental change in the way of thinking and the orientation of the development of the Mainland to the maritime, or so-called "Blue Revolution". Minapolitan aims at evoking the multiplier effect the economy through construction of marine and fisheries.

The concept of Minapolitan is based on three principles. There are the marine and fisheries economic pro democratization people; society empowerment and alignments with limited State intervention; and also the strengthening of the region with the principle of "strong regions, Nations and powerful country" (Nugroho & Dahuri 2012). With this concept, it is expected that the construction of the marine and fisheries sector can be implemented in an integrated, efficient, high-quality, and accelerates. The principle of integration are expected to encourage good planning and implementing thoroughly or holistic taking into account the interests and support of stakeholders, both sectoral agencies, the Government of the Central and regional level, among the business world as well as the society.

Boundaries Management Paradigm.

According to John (2012) there are two approaches that have been used to understand the problems of boundaries security approach and prosperity approach. The security approach assumes that the question of the boundaries just as geopolitical issues, so that the boundary should be guarded with military power to avoid interference. This approach is used for understanding the functions of the border as a function of military-strategic, national unity, the development of the nation-State and the development of a national identity. Consequently, the construction of a defence system of the sea, land and air to keep from external threats became a priority. Implementation of the management of border security is usually dominated by the high State institutions, especially those who responsible for defense in the field of security or only involve State actors.

The second paradigm is prosperity approach. The assumption the boundaries issue is not just the sheer sociological but also geopolitical. The border region is the front porch of a country, so it needs to be laid out in such a way to make it look neat, comfortable and unsightly. In addition, the development of Security Defense also need the construction of people's welfare. The threat of State sovereignty is not only externally but also internally. The level of prosperity of a society worth the border was the main financier of the Government to strengthen the security of the border region. The security of the border region will not likely be realized if people living in the border region overlooked prosperously.

Construction of well-being covers three basic. There are an increase in the standard of living, an increase in the ability through determination of economic and institutional system as well as the expansion of accessibility. Thus, it would appear the consciousness of the people and the rise of national identity in order to maintain the integrity of sovereignty of the territory of his country. This approach is used for understanding the function of the border as a regional development and welfare of society. The orientation of this approach was to put prosperity of society as a subject, the key actors that determine the progress of the border region.

Public Funds in Islam

According to its use, public funds in Islam can be distinguished into three categories, believe in social, professional, and commercial. The Social Fund is a fund compensation which aims to help the House of dhuafa (people who low economy). The main source is the zakat, infaq, and alms (ZIS). As with other Wakaf, it is a treasure of the mandate submitted by one party to the other party to be managed without utilizing the treasure itself. Then, the terms of the management of Wakaf is heavier than the ZIS, and require adequate professionalism. Wakaf, in other words is a perennial Fund aimed at productive spring, should produce something social goals. The Wakaf is shaped (endowment fund) that requires a different way of managing with ZIS, requires a strong entrepreneurial elements.

The third type of Islamic funds is funds in commercial forms of investment. Investment fund is similar to the other investment funds, but differin the operations because they are conducted in a fair and civilised. The element of exploitation and oppression of capital owners to Manager removed. Islam teaches that the funds of the commercial public is socially strong, and dimensional managed in an arrangement that is typical, for example, a loan of goodness (qard al-hasan) and cooperation for risk (mudharabah).

Table 2.1. The Category and Islamic Fund Management

Paradigm	**Social**	**Professional**	**Commercial**
Goal	Consumerist	Semi Productive	Productive
Sourse	ZIS	Wakaf	Investment
Funds	Compensation Fund	Perpetual Funds	Revolving Funds
Mobility	*Popular Gift*	*Major Gift*	*Planned Investment*
Institutional Distribution	*Amil*	*Nadhir*	*Shahibul maal*
	Baitul Maal		

Source: Azyumardy Azra, 2001

In the third type of funds, an institutional bias is certainly managed differently. Zakat, infaq, and alms, mobilized and distributed by keamilan; the Waqf by nadhir (Manager); while the investment is by the entrepreneur. It is interesting when a third type of funds, whether the people can be, and vice versa, maintained in respect of a vessel that resembles the baitul maal.

In Indonesia, practically new social funds and funds were started to grow perennial. That can be said is starting to be well-managed, involves professional and modern institutions, any fund like ZIS. Perennial Fund in the form of a new privately run endowments amateurs and very traditional, in the form of assets that ended up not at all productive, which is terlazim mosque, schools, and hospitals. In addition to not develop (eventually became a consumerist funds), management of endowments model is blurring the effectiveness of the recipient of the benefit. The Waqf funds more enjoyed by his nadhir, and not the general public who more entitled.

The Potential of Indonesia Wakaf Cash

Wakaf in Arabian language comes from the word waqafa which means habasa (hold) and al-man'u (Stonewall). According to the compilation of the Islamic law of Waqf, that article 1 is a legal person or a group of persons or legal entities that separates most of his objects and melembagakannya to be to the benefit of other public purposes or worship according to the teachings of Islam.

In order to achieve the purpose and function of the endowments, according to law No. 41 of 2004 Concerning Wakaf property, Wakaf is invested only intended for five kinds of things, namely, sarana and worship activities; the means and activities of education and health; assistance to the poor, orphans, abandoned children parentless, scholarships, and other public welfare advancement which does not conflict with the Shariah and legislation.

According to Erwin as taken from www.bwi.or.id (22 July 2016), Indonesia has great potential in developing Wakaf money if only all elements of government as well as private institutions to promotion of Wakaf movement, through a simple calculation of the population Muslims, Indonesia has more than 215 million people of about 230 million people, 20 million Muslims paid wakaf each person per month Rp. 100 thousand a year then it will be accumulated funds endowments of Rp 24 billion, if only 50 million Muslims Indonesia paid wakaf money each person per month Rp. 100 thousand then it will be accumulated 69 trillion. And if the Muslims in Indonesia paid wakaf are varied views of average income per month for Muslims then simply open up great opportunities for the effectiveness of Waqf money for the people of Indonesia.

While if viewed calculation conducted by Mustafa Nasution (2001), reveals the *ahwa* Wakaf money Muslims in Indonesia at this time in assumption could reach Rp 3 trillion every year could be even greater. This is because the scope targets of Wakaf money givers (wakif) could be very large compared to the Wakaf.

Table 2.2. Potential Wakaf Asset Indonesia

Earnings Per Month	Number Of Muslim	Waqf In One Month	The Amount Of Waqf In One Month	Waqf In One Year
Rp. 500.000	4 million	Rp. 5000	Rp 20 billion	Rp. 240 billion
RP. 1 million-2 million	3 million	Rp. 10.000	Rp. 30 billion	Rp. 360 billion
RP. 2 million-5 million	2 million	Rp. 50.000	Rp. 100 billion	Rp. 1.2 trillion
Rp. 5 million – 10 million	1 million	Rp. 100.000	Rp. 100 billion	Rp. 1.2 trillion
	A TOTAL Of			**Rp. 3 trillion**

Source: Nasution, 2001

A society, as the level of altruism (rate of giving) in Indonesia, based on a survey conducted by the PIRAC (Public Interest Research and Advocacy Center) in 2007 is reaching 99.6%. It means that almost all of the Community contribution in the past year. The high level of society generosity can also be seen from the increasing number of society are setting aside funds to contribute as well as the magnitude of the funds set aside. If on the previous survey there are only about 16% of the Society contribution, which was set aside in 2007 took place a very significant improvement, which the amount reach 27.2%. While the other funds also increased from Rp 663,661 in 2004 to Rp. 767,272 in 2007.

Potential Funds Mosque

Based on research conducted by Dr. Muhammad Adnan Akhyaar, MBA., Ak with the title of the study "*An Investigation of The Financial Management Practise of The Mosques In The Special Region of Yogyakarta*, Indonesia" findings from the sample balance mosque taken by as much as 48 mosque in Yogyakarta proves that there is a balance of surplus funds mosque of Rp. 42,159,151 (approx. USD $ 4,485) in one mosque. If the predicted aggregate estimates of the funding of mosques throughout Yogyakarta special region province, in his research estimates amounting to Rp. 269.9 billion or the equivalent of USD $ 30 million fund surplus or mosque is still unemployed. Based on these findings, the researchers see the potential opportunity people sourced from mosque mayorits derived from infak and sedakah funds to be used as a pillar of the economic development of the region.

Based on data from the Ministry of Religion of the Republic of Indonesia in 2009, that in Yogyakarta there are around 6,401 mosque. With the estimated balance of the Fund aggregates mosque surplus amounting to Rp. 269.9 billion or approximately USD $ 30 million, this is an asset of enormous financial resources instead of the fact that the special region of Yogyakarta is one of the smallest provinces in Indonesia. It can be imagined if taken an assumption based on the surplus funds in the same mosque, i.e. USD $ 30 million per province, and then multiplied by the 34 Provinces through out Indonesia, then the balance of the surplus funds of the mosque until it reaches US $ 1,020,000,000 or approximately Rp. 9.18 trillion. This is a financial asset that can be said as an uniqueness of Indonesia with a large population of Muslims.

There are at least some advantages if the funding of the mosque can be managed properly, not only for the construction of the mosque. More than that can be used as a source of funds which can then be channeled to productive sectors for the economic development of the people. Besides the nature of the funding of the mosque itself that continues to accumulate, either through donations that come from perennial donors or from daily or weekly mosque collected through charity box mosque (Friday prayer, commemorations of the great religions etc.). It means that the funding of the Mosque would continue on as part of the financial assets of the mosque. This is the uniqueness of its own uniqueness-are being opportunity the creation of a source of funds that is easy and inexpensive.

Ecotourism Minapolitan and Ecotourism Agropolitan Urgency as the Construction Of The Territorial Boundaries.

The territorial boundaries have a strategic significance in the aspects of defense and security. The territorial boundaries found the social aspects of the economy and the environment as part of a constellation of geography which can be utilized for the development of national. Consequently the Central Government also should take a direct role in pushing the life of society and creating prosperity. It is more relevant to the integration of economic, social and ecological (environmental) with neighboring countries become determinant factor (export driven) in the construction of the boundaries.

According to Bapenas (2003), the territorial boundaries development policy implemented by meeting the following principles (a) realizing the territorial boundaries as "the front page" of the country; (b) balancing the goal of an increase in welfare of society with the purpose of the defence of the territory of the country; (c) protecting the natural resources of the territorial boundaries through the management of national parks and conservation areas, (d) dividing the roles and powers that mutual support between the Central Government, the provinces and counties as well as between the Government and the private sector, (e) involving local society in the planning and implementation of development activities in order to get the maximum benefits from the development of the territorial boundaries.

Acceleration of economic development in territorial boundaries should be done as soon as possible. Alternative development can be the concept of Agropolitan, Ecotourism and Minapolitan which are certainly in tune with the basic thinking Bapenas development minapolitan in conjunction with increasing the conservation and environment. Similarly, with the application of agropolitan, because basically agropolitan and minapolitan have a normative competence for utilisation of ecosystem management, environmental services, standards and procedures, education and farming skills or cultivation, research and technological development and promotions.

When viewed in terms of its concept, agropolitan is arguably one of the concepts of development of the region which is most appropriate at this time, because it can be integrate a simultaneous and harmonious development of the agricultural sector with industry and related services in a cluster development area (Ministry of PU, taken from www.pu.go.id). The condition of this country is possible to be developed into areas of agropolitan. The specified condition is the availability of agricultural land and labor is cheaper. Agricultural land Indonesia already reached 32,175,694 ha (BPS, 2013), for labor, the agricultural sector recorded in August 2014 has absorbed 38.97 million workers or about 33.9% Indonesia labor force, either as farmers or peasants (BPS, 2014).

Indonesia has a coastline along the 81 thousand kilometers (second longest after Canada) enclosing 17,508 Islands (Nugroho & Dahuri 2012). Of these assets has not been fully utilized optimally, proven marine economic share (CTF data, 2010) only 24 percent of GDP or GDP 2.2 percent share of the fishery. Countries with its smaller assets such as Taiwan, Japan or Denmark, marine sector accounted for over 40 percent of GDP. In addition, the potential coastal and ocean of Indonesia are dealing with aspects of social, economic and environmental. In the social aspect of the coastal area and the ocean live a variety of behavior and stakeholders in significant quantities, 16 million of workforce. The economic aspect is showing the process of allocation and product/service. While the aspect of environment is featuring variety of ecosystems that are threatened and some of the situation.

Minapolitan will *give you* the opportunity to optimize the utilization of marine resources and fisheries with the innovation, through the acceleration of increased production, optimization of fisheries and aquaculture on the boundaries. The acceleration of the increase in the production of high-quality, powerful high noon is expected to increase the income and welfare of the Community frontier. It can also provide the benefit as one way optimizing the potential of border regions and contribute to the development of the national economy with GDP increases significantly.

The transformation of the economic development of the agricultural sector in the territorial boundaries through agropolitan and fishery through minapolitan can be coupled with developing environmental services, cultural customs, natural and social potential specifications in the border region. Thus, farmers and fishermen or boundaries residents have the choice and range of production not only of a farmer, fish or livestock but also of ancillary services as well as ecotourism ventures. In turn, it will generate incentives to conserve the agricultural production system, fishery, values and cultural traditions as well as environmental sustainability.

Development of Ecotourism Minapolity and Ecotourism Agropolity Using Two-Pillar of the Social Funds.

The territorial boundaries Indonesia spread along the geography of Indonesia include topography, land and sea. Each character has a natural territorial boundaries, the potential resources, sosila-cultural and economic differences between the relatively to each other. Conditions and geographical constellation Indonesia, both geographical configuration and topography or social conditions of Nations Indonesia is reality that must be utilized to the maximum for the welfare of the society.

The use of the geography of indonesia is implemented optimally by developing the resource potential of the entire region to generate well-being and security. The territorial boundary is an area of the Country and city of geographic and demographic bordering neighboring countries or sea (RPJMN 2010-2014). Land border spread across four provinces, namely West Kalimantan, East Kalimantan, East Nusa Tenggara and Papua. Meanwhile sea boundary line is eleven provinces, namely include Nangroe Aceh Darussalam, North Sumatera, Riau, Riau Islands, East Kalimantan, North Sulawesi, Maluku, North Maluku, East Nusa Tenggara, Papua and West Papua (Nugroho & Dahuri 2012).

The geographic and topographic conditions of boundaries area diversified Indonesia then the first step necessary in identifying potential territorial boundaries economic life refers to the dominant resource. Each boundaries region has a potential which can support the development of ecotourism ecotourism and agropolity minapolity, it can be a potential resource of local natural resources form itself as well as the potential form of the work of human hands.

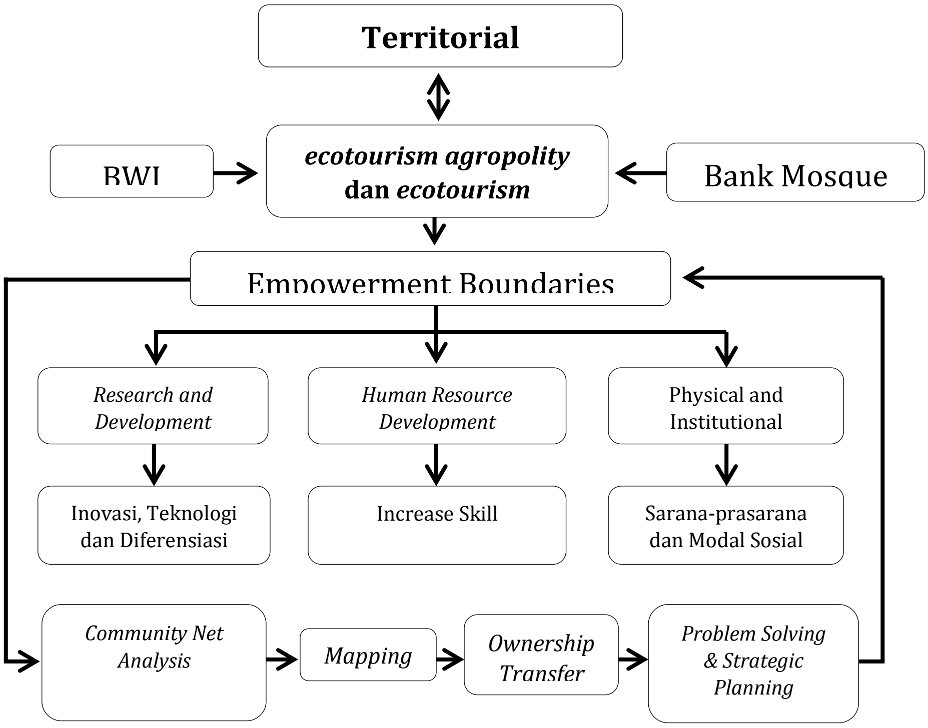
The identification which has been described and analysis in depth can be enumerated and defined the Restraining Factor and the Driving Factor for implementation ecotourism agropolity, ecotourism and minapolity in the boundaries region. The driving factor will strengthen the desired balance. Because the main focus is to develop ecotourism agropolity, ecotourism and minapolity in the boundaries region. The next step is a pressing factor inhibitor and optimizing the driving factor. After that, the formulation of the strategic plan by setting ecotourism agropolity or ecotourism minapolity development on those areas with the use of public funds utilization of islam waqf and funds mosques as the pillar of the sources of funding of activities and infrastructure development.

Form of Economic Empowerment Ecotourism Minapolitan And Ecotourism Agropolitan On The Border Region.

According to UU/32/2004, regional government runs an autonomous existence, with the aim of improving the well-being of society, public services, and the competitiveness of regions. Local government in territorial boundaries has a direct role for creating prosperity and security. Local government in territorial boundaries may encourage implementation of ecotourism ecotourism and agropolity minapolity in the territorial boundaries to utilize the resources of the territorial boundaries.

Based on the conditions of the territorial boundaries of Indonesia with a variety of potential that can support the economic society, then it needs the participation of various parties and other supporting elements to engage and realize the concept of ecotourism agropolity and minapolity as support ecotourism the local resources. The concept is built in the form of community empowerment in tourism development in the sphere of agriculture and fisheries of the coastal tourism nor the cultivation with the aim of supporting the optimization on the value of participation between the elements of economic activity in a sustainable approach. Participation and cooperation is extremely important, considering it could minimize the weaknesses of each other.

Picture 4.1. Border Region Economic Empowerment Scheme (Concept Of Ecotourism Minapolity And Agropolity)



Source: Author's Analysis

As for the role of each element in the realization of this program are:

1. **The Government**, the Central Government as well as the Local Government. The role includes (1) Regulation role, in the form of policy making, such as make or/and set the border region suitable for ecotourism agropolity and ecotourism minapolity, as well as composing region law as a form of the legality of such activities. (2) Allocation of role, in the form of distribution of resources which is considered rare, such as supporting infrastructure, transfer of technology, experts and other inputs.
2. **The Boundaries society** as the main element of the implementation program. This means that the object is the establishment of ecotourism agropolity, ecotourism and minapolity is the society itself.
3. **BWI** (Agency wakaf Indonesia), acted as the party that gathers and distributes funds waqf in cash or non-cash as one of the pillars of the creation of this program. More than that, the BWI have to do a study of waqf productive to the

community by way of socializing, so the related public awareness management of Wakaf for the improvement of the productive economy of the community.

4. **Bank mosque**. The concept of the establishment of the bank the mosque aimed to accumulate funds mosques that are idle. This becomes important because the bank the mosque will do the financial intermediation activities (funding). The Bank is also the mosque will be disseminating the importance of related potential such as financial funds channelled to the development of this mosque and the economic progress of the people.

As for the application of the concept of empowerment of the society of territorial boundaries is divided into several stages, as follows:

1. **Community Net Analysis**. Perform a comprehensive analysis to find out the factors that affect the economy of the territorial boundaries and conduct periodic evaluations of the implementation of the ecotourism ecotourism and agropolity minapolity.
2. **Mapping**. Depth mapping done by the stakeholders. The goal that is dividing each task so that later the program do not overlap realization.
3. **Ownership Transfer**. The cultivation of the sense of mutual has between the various parties concerned. This becomes important because the unity of the whole work will provide a positive impact mutualisme symbiosis.
4. **Problem Solving**. Search and find solutions to existing problems. In this stage also drafted Strategic Planning related how the concept is most suitable for implementation in the empowerment of the boundaries society.
5. **Research and Development** related the concept of ecotourism agropolity, ecotourism and minapolity include the development of technology, product innovation, management systems and/or management and diversification of the local flagship products.
6. **Human Resource** Development related capacity development of Human Resources through the development of both the hard skills are reflected in the managerial and scientific concept of capacity development and sustainable development, as well as soft skills are reflected in the capacity management of

emotions in organizational management related institutional in fishery, agriculture and tourism.

7. **Environment**. Related environmental problems are becoming a shared responsibility. Then with the application of the concept of development of ecotourism, minapolitan and agropolitan can be directed at two economic and sustainability achievement of nature.
8. **Education and training**. Providing education and training about the concept of ecotourism ecotourism and agropolity minapolity. Additionally provides an understanding of the associated potential waqf and funds mosques as the pillars of the Social Fund can be used for economic development of the people. Education geared to the development of appropriate technology is good for the development of tourism in the form of marketing, as well as concept development for agriculture and fisheries. Education is built to enhance the competitiveness of locally so it can be taken into account international dikancah through the development of ecotourism ecotourism and agropolity minapolity in the border region.
9. **Entrepreneur**. Every agriculture should not only be sold in the form of primary commodities. More than that, it needs to be processed again so have value added against processed commodities for agriculture and fisheries. In addition the use of the internet as a medium of reaching out to a wider market and has superior competitiveness.

Conclusions

The concept of the development of territorial boundaries Indonesia was built on the basis of potential in local resources of every region. The concept of ecotourism agropolity, ecotourism and minapolity is important to be applied using society empowerment approach the boundaries. The two pillars supporting the Islamic funding sources pubic by optimizing the potential wakaf and funds mosques that are idle for the productive sector distributed to for economic development of the community's borders. The first step is done by identifying the border regions for the development of ecotourism agropolity agriculture and the border region of the factory which was built on the minapolity fishery ecotourism as well as what factors are impeding the development of the border region as ecotourism, agropolitan and minapolitan, so its measures can be determined. Strategic step has taken synergic stakeholders to optimize the various potential which will then produce a strategic concept whose main purpose are for the acceleration of the concept of ecotourism agropolitan and local resource-based minapolitan the border. More than that, it can be used as a reference for the concept of accelerated development in the border of Indonesia.

Suggestions

The suggestions for the development of ecotourism, agropolity and minapolity is by optimizing local resources existing in the territorial boundaries of Indonesia. The concept of development is built by synergizing various stakeholder societies empowerment-based of territorial boundaries. Another thing to note is the adequacy of the funds of the major capital development in a border region. Sources of public funds in the form of Islamic waqf and funds mosques can be used as solutions to these problems. For further studies, it is needed that the related public funds channeled to the sectors of Islam is productive for the economic development of the border region Indonesia. Furthermore, the openness over this research should continue to be improved in the areas of border so that every concept that was created on this area can give the effect for the development of the border region.

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RESTRUCTURING RUSSIA DEFENSE POLICY ON EURASIA REGIONALISM

Hendra Manurung[1]

Abstract

The aim of this paper is to highlight Russia policy change at regional integration agenda in the post-communist Eurasia. It is defined as the former Soviet space plus China, from the point of view of Russia's foreign policy design and its implementation. The foreign policy is the main vehicle to projecting the country's perceptions of itself, internationally in global politics. When foreign policy acquires a regionalist dimension, it signifies important changes to the country's international orientations, but also reveals something important about the country itself. Russia's critics perceive its efforts at creation of the Common Economic Space and the Customs Union (CESCU) with Kazakhstan, Belarus and Ukraine as neo-hegemonic and perhaps, neo-imperialist in nature. The writer disagrees with this assessment. It needs to be prudent in addressing Russia Eurasian regionalist agenda as a subset of the new regionalism (NR) developments that had emerged in response to neoliberal globalization and represent an adaptive reaction to it. It leads to question, "How Russian leaders can integrate Eurasia for the sake of its political and economy interests?" Through descriptive analytical research, the writer is motivated to elaborate the Russian Federation foreign policy in a study of evolving regionalisms endeavors to refocus the attention on regionalizing agency and its role in shaping regional institutions and structures. Such a refocusing allows building a structure bridge from a study of new regionalism to a study of domestic determinants of state's foreign policy in international relations.

Keywords: Integration, Russia, Foreign Policy, Eurasia, Regionalism

Introduction

The Eurasian regionalism is a group with sometimes complementary and sometimes contradictory processes of economic, social, political and normative (re)integration of several post-communist states that span the Eurasian continent from Belarus to China. It represents a reaction to economic challenges and security dilemmas of the global age, as well as narrative and institutional diffusion of regionalist concepts

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transplanted from the European integration discourse into the policy discourse of the post-communist elites.

Post cold war (1945-1990), Eurasia regionalism emerged in the early 1990s in the form of the Commonwealth of the Independent States (CIS), still centered on Russia as an internationally recognized legal successor to the Soviet Union. Alternative regional organizations were both promoted from outside and emerged as endogenous responses to Russia's predominance in the CIS. While all of them were motivated by an idea to create a regional community that would be comparable, if not directly to the European Union (EU) than to the Association of Southeast Asian Nation (ASEAN), or the Mercosur, as a mechanic adaptation of the external patterns of regional integration to the new, post-hegemonic contexts of power sharing and collective deliberation proved difficult to accomplish in millennium era. Taking Russia as an undisputed center of gravity for the region, some of these organizations grew to become, more or less, Russia centripetal, while some others emerged clearly centrifugal.

Russia & Regional Integration (1991-2011)

At the September 2011 celebrations of the CIS 20th anniversary the heads of the CIS member states adopted a Declaration, which lauded the Commonwealth as an “authoritative regional interstate organization” that created necessary “conditions for steady development of the mutually beneficial cooperation in the national interests of each of the CIS member states” (CIS 2011). Thus, an analytical report specifically prepared for the meeting claimed that the CIS evolved into a working model of cooperation in some different formats and on various levels, which has been based on such principles as “flexibility and selective participation in it of the states seeking to achieve consensus”.

Such an optimistic assessment would raise eyebrows not so long ago. Regional economic cooperation in the CIS framework was premised on the idea of Russia’s leading role in the economic and monetary union that would be essentially run from Moscow. However, the international ruble zone soon collapsed, and extraterritorial rights for the Russian troops stationed abroad had to be negotiated on a case-by-case basis. Instead of growing into a politico-military union with coordinated trade, monetary and economic policies, the CIS shaped out as a loose consultative forum, an instrument of a “civilized divorce,” in Ukraine’s President Kravchuk’s memorable phrase. Annual summits became increasingly shallow. In March 2007, the secretary of the Russian Security Council Igor Ivanov suggested that the CIS “has played its role,” and the emphasis in Russia’s foreign policy should be on “those structures that have future,” such as the Eurasian Economic Community or the Collective Security Treaty Organization (Rosbalt 2007).

Smaller states identified the problem as being mainly caused by Russia’s self-centeredness and the propensity to impose its preferences on others. Bureaucratization, incoherence and the lack of meaningful cooperation between the CIS bodies and the national institutions of member states were part to blame. In early 2012, the CIS boasted 1741 signed multilateral documents which are agreements, decision, declarations and regulations. While the average rate of their implementation at the national level stood at 55-56 percent (CIS Executive Committee 2012; Permanent Mission of the Russian Federation 2009).

Well, in spite of this thorny dead end road, the Commonwealth of the Independent States (CIS) did not collapse. It allowed institutionalization of the relatively unrestricted movement of labor; coordinated legislative and regulatory acts; maintained energy flows; created common markets in agriculture; and transportation and information technologies. It established the multilateral Economic Council, Economic Court and the Inter-Parliamentary Assembly of the CIS member states. It facilitated cooperation in military and security spheres, including these countries’ joint membership in a unified system of air and missile defense. It branched out and sponsored a number of specialized agencies, such as the 3 (three) International Association of the Academies of Sciences, Interstate Foundation for Humanitarian Cooperation, and such interstate bodies as the Council for Cooperation in Science, Technology, and Innovations, the Hydro-Meteorological Network and so on.

In 2000, Russia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan proclaimed establishment of the Eurasian Economic Community (EurAsEC). In 2006, the EurAsEC expanded to include Uzbekistan. However, in 2008, Tashkent chose to suspend its participation. Armenia, Moldova, and Ukraine were given an observer status. Since 2002, the member states' trade turnover increased threefold.

Meanwhile, the Central Asian nations, often presided by Kazakhstan, launched several independent initiatives. The Central Asian Commonwealth was formed soon after the collapse of the Soviet Union. The name mutated to the Central Asian Economic Union in 1994, the Central Asian Economic Cooperation in 1998, and the Organization of Central Asian Cooperation (OCAC) in 2002. Russia joined it in 2004, and succeeded in merging it with the EurAsEC in 2005.

Moreover, in addition to a number of economic initiatives, Russia has also spearheaded defense cooperation and formation of a regional security community. The Tashkent Treaty on Collective Security (CST) was signed in 1992 by Russia, Armenia, Kazakhstan, Tajikistan, Turkmenistan, and Uzbekistan. Belarus joined a year later. Russia's defense planners focused on counterterrorism and border security measures first, broader military cooperation second. In 2000-2002, the CIS Anti-Terrorist Centers were open in Moscow (Russia) and Bishkek, Kyrgyzstan. In 2010, Russia promulgated creation of the Collective Security Treaty Organization (CSTO) with its own budget, secretariat, central staff and the Collective Rapid Reaction Forces (CRRF). The CSTO holds regular military exercises, conferences, and training, and carries out joint counterterrorism operations. During the August 2011 summit the leaders agreed to form and equip 19,000 strong Collective Rapid Reaction Force (KSOR in Russian) to act as a barrier against potential Taliban incursions.

A breakthrough in the Eurasian regional integration was achieved with the 2006 decision to establish a EurAsEC Customs Union, with Russia, Kazakhstan and Belarus as its first members. The idea of multilevel, multispeed integration, borrowed straight from the EU lexicon, proved equally useful for Eurasia. An agreement on the formation of the unified customs territory was signed in 2007, yet negotiations over technical issues went on for two more years.

On June 9, 2009, Vladimir Putin, then acting in Prime Minister's capacity, announced that Russia, Belarus and Kazakhstan would be joining the WTO together as a customs union. A common external tariff was launched on January 1, 2010. The treaty on the Customs Code of the Customs Union was signed on November 27, 2009, and ratified in 2010. The Customs Union Customs Code entered into force in all three countries by July 6, 2010, and by July 2011 transfer of controls to the external borders was accomplished, with full abolition of customs clearance for the goods moving between Russia, Kazakhstan and Belarus and intended for domestic consumption.

However, since October 2010, senior executives of the CIS, CSTO, EurAsEC and the Shanghai Cooperation Organization (SCO) administrative structures coordinate their work on a regular basis, meeting annually. During their November 2011 meeting, senior administrators reached an agreement on further coordination of regional integration efforts of their respective organizations and hailed the formal launch of the Common Economic Space of Belarus, Russia and Kazakhstan from January 1, 2012. The next step for Belarus, Kazakhstan, and Russia is to make the transition to a higher level of integration, characteristic of a common market with free movement of goods, services, capital, and labor. The creation of the Common Economic Space is considered as a crucial step toward the establishment of a functioning Eurasian Economic Union (EEU).

Russia Rational Policy in Eurasia

A typical rationalist, interest-centered account may fail to produce an adequate explanation of Russia's taking the lead in creating supranational institutions in Eurasia. According to such an account, in a post-hegemonic environment that the former Soviet space represents, Russia, as the strongest state, should be content to exploit numerous power asymmetries on the basis of bilateral agreements with its weaker neighbors. It may consent to multilateral arrangements which have a de-facto or de-jure veto power. It may attempt an alliance building exercise or launch a fully intergovernmental regional integration project to create a pocket market for its exporters or ensure cheap labor inflows. However, it is not expected to agree to the deepening of integration via creation of commitment institutions or supranational delegation of authority. The announcement of the Eurasian Economic Union (EEU), complete with its first supra-national executive institution like the Eurasian Economic Commission (EAEC) apparently does not fit the scheme and falsifies these predictions. According to the agreement on the establishment of the Eurasian Economic Commission, the commission may issue decisions mandatory for all of the signing partiers. Why should Russia agree to voluntary restrictions on its sovereignty? Why should it face future prospects of being outvoted by its partners, even if now the key EAEC's decisions are consensus-based? Why should its national or regional authorities who might prefer to ignore the EAEC decisions be obliged to deal with the Court of the Eurasian Economic Community, officially in business since 2012?

Thus, a fully rationalist, neorealist explanation of these developments is not immediately obvious. The rationalist methodology in IR theory focuses on power differentials or applies economist reasoning to produce rather static structuralism propositions as to the expected behavior of self-motivated actors. The state actors' interests are perceived as given objectified and pre-structured by certain qualities of the system and distribution of capabilities between its parts. The very idea of an "interest," in the positivistic rendering of the term, presupposes the state's immutable predisposition to act in fully predictable ways as a rational utility maximize.

The utility maximization itself is understood rather narrowly, as a pursuit of material benefits used chiefly to maintain and increase one's power base over time. A region building exercise that dilutes or circumscribes one's power base and freedom of maneuver can only be understood, for this viewpoint, as a tactical step back in anticipation of larger power gains in the future either politically or economically. In other words, it can only be rationalized as something other than genuine regional integration attempt, as, perhaps, a sneaky empire-building ploy aimed at restoration of "a position of strength vis-à-vis the West, as well as other powers, such as Iran and China, by exercising power over dependent neo-colonies, primarily the former Soviet states" (Wallander 2007: 113).

Anyhow, given the standing power of neorealist, positive rationalist and economist reasoning over the minds of many a policy-oriented writer in the West, it is a little surprise that neo-imperialist explanations of Russian foreign policy are gaining momentum (e.g., Aslund 2008; Lucas 2009; Ismayilov 2011).

Therefore, as one rather under-appreciated rationalist argued some time ago, rationality itself is culture-bound and culture-based (Wildavsky 1987). Constructivists in IR theory give pride of place to the role of ideas, norms, identities, psychology and culture as factors in foreign policy and interstate relations. The realist/constructivist divide involves an opposition between rationalism and reflective as methodological standpoints. Wildavsky's idea of cultural rationality is an example of a reflective approach applied at a group level.

As contradiction, a cultural approach goes deeper than purely psychological or epistemological approaches also embraced by constructivism, by grounding ideas in social practices and established ways of collective behavior. Culture theorists trace the origins of the dominant social systems of ideas and perceptions to social practices and structures, arguing "that various ways of thinking and perceiving tend to be developed within specific social settings" (Verweij 1995: 91).

Exaggerated accounts of Russia's neo-imperialist inclinations, allegedly predetermined by its historical past, simplify analysis and blind researchers to the emergence of new factors and movers of policy. When such accounts appear center stage in the media and get accepted as a matter of intellectual fashion, they may sway the policy community and practical politics itself.

The "empire" ceases to be a bad word it used to be in the Soviet discourse and becomes a fashionable discourse marker at first. It may then turn out in policy-related pronouncements by the Russian politicians themselves, as in Anatoly Chubais' (2003) infamous dictum that "liberal imperialism" should become Russia's ideology for "all foreseeable historical perspective," while the building of a "liberal empire" as Russia's mission for the 21st century.

Russia's post-Soviet transformation in early 2000s' has profoundly affected political institutions and social structures amongst elite political leaders in Kremlin and the Parliament (Duma), thus bringing a number of new policy factors to emerge.

First, the making of foreign policy was liberated from ideological pressures and distortions caused by the communist doctrine, including such of its principles as "proletarian" and socialist internationalism. What it meant in practice was withdrawal of subsidies to ideologically defined allies and reorientation from the unconditional support of clients to the pragmatic, interest-based style of relationships;

Second, the end of Soviet socialism meant an embrace of capitalist values, albeit in their rather uncomplicated rendering as freedom to get rich and use the poor. As rich got richer and poor got poorer, both federal budget and national resources were made subject to the politics of stealing (kleptocracy) that served mostly well-connected nouveaux riches;

Third, the loss of material capabilities was amplified by the corresponding diminution of the status of the army, security and intelligence communities, academic and cultural elite. The spectacular rise of Vladimir Putin's select KGB buddies, the so-called siloviki, while changing the social composition of the ruling class somewhat, had not changed its modus operandi. Russia's "young Turks" had failed to bring along the much anticipated esprit de corps of the nationally minded officers. Consequently, it was not a matter of the Russian state's neo-imperialism, but the greediness of the Russia's new rich that caused other CIS countries to worry about protection of the national economic complexes from the encroachments of Moscow's politicians turned oligarchs in Kremlin.

Russia Centrifugal Policy

In the mid to late nineties, the Ukraine led Georgia, Ukraine, Azerbaijan, and Moldova (GUAM) gained momentum as a chief opponent of the so-called "Russian Four" (Russia-Belarus-Kazakhstan-Kyrgyzstan), which is the countries that formed the core of the CIS customs union and its various collective defense agreements. With the blessing of the USA and NATO countries, Kiev moved on to conclude bilateral agreements with the countries of the southwestern post-Soviet periphery, each with its own grudges against Moscow. Georgia and Moldova were less than happy with the CIS peacekeeping operations, Azerbaijan saw Russia favoring the Armenian side in the Nagorno-Karabakh conflict, while Ukraine sought to break its energy dependence on the Russian monopolists with Azerbaijan's assistance.

Thus, to a varying degree, all four laid claims to a "European" identity, in contradistinction to its alleged opposite, the Eurasian identity championed by Kazakhstan's Nazarbayev and such Russian politicians as Yevgeny Primakov and Vladimir Zhirinovsky. They saw themselves well positioned to eventually enter the European structures of economic cooperation and security by moving as far away from Russia as possible. All four felt intimidated by Russia's military machine and therefore coordinated their efforts at the CFE (Conventional Forces in Europe) negotiations to secure some strict limits on Russia's forces positioned near their borders.

All four saw reintegration efforts in Eurasia regionalization as a major threat to their national independence, and sought to counterbalance with regime building premised on the idea of eventual reintegration with the European Union (EU).

In a clear allusion to the Russia-led union of four, expanded to five when Tajikistan decided to join, the 1997 Ukrainian-Georgian "Declaration of Two" stated a need of a "counterbalance to unions and alliances within the CIS." The idea of the CIS (in effect, Russian) peacekeeping in such zones of conflict as Abkhazia, South Ossetia or Trans-Dniester was countered with Ukraine's proposal to send its own peacekeepers on the conditions agreed upon with Georgian and Moldovan governments respectively. The April 1999 summit of the CIS presidents saw Georgia, Azerbaijan and Uzbekistan withdrawing from the Collective Security Treaty, with Uzbekistan temporarily joining the GUAM (hence, the GUUAM) soon thereafter.

The GUAM's coming into being was symbolically announced in Washington during the NATO summit in 1997 that has historically redefined the mandate of North Atlantic Alliance. Thus, the 5 (five) most openly critical of Russia states had no so tacitly pledged their loyalties to Russia's traditional nemesis. Western analysts of Zbigniew Brzezinski's school hailed this as a sign of "geopolitical pluralism" that has been somehow equated with movement toward international openness and liberalization.

However, the GUAM's planned escape to the West remained an exercise in futile rhetoric. During the January 2000 CIS meeting all of the GUUAM members endorsed Putin as the Chairman of the CIS Heads of State Council. The meeting adopted a Russia-sought resolution, following which the GUUAM defense ministers' meeting was cancelled. In March 1999 Ukraine joined the Inter-Parliamentary Assembly of the CIS. The 2001 meeting of the GUUAM members, which was supposed to move forward the process of its institutionalization, had been postponed by few months on requests from Azerbaijan and Moldova. Following the adoption of the GUAM Charter, the organization stagnated, and Uzbekistan formally quit in 2005.

Thus, none other but the U.S. Office of Secretary of Defense tried to revive the moribund organization by various measures designed to assist its member states in designing and implementing new cooperative agreements. It did not really work. The 2004 revision of Ukraine's military doctrine lost its previous reference to the country's aspiration to join NATO and the EU. A summit, planned for June 2004, was postponed until further notice.

The "colored revolutions" in Georgia and Ukraine temporarily galvanized the grouping. With the U.S. nudging, GUAM cloned into the Community of Democratic Choice, which opened a consultative forum between the four GUAM members and the three Baltic States, Slovenia, Romania, and Macedonia. A year later, during the May 2006 summit in Kiev, the four presidents signed a Charter for the freshly minted Organization for Democracy and Economic Development (ODED). The so-called ODED-GUAM promised to establish itself as a beacon of democracy and good governance in the realm of allegedly threatened by Putin's authoritarianism.

Most of GUAM decisions still remain on paper. Its continued existence is premised on the idea of regional identity alternative to that of Russia-promulgated alliances of semi-authoritarian states: according to an official website, "The Organization for Democracy and Economic Development is fully responding to the interests of its Member States, because GUAM priorities are based on democracy, respect for human rights, and the rule of law" (Ministry of Foreign Affairs and European Integration of the Republic of Moldova, n/d).

However, with the ascension of Viktor Yanukovich to presidency and virtual "Putinization" of Ukraine that followed, that country's claim to clear democratic credentials is being progressively eroded. Azerbaijan has been hereditary dictatorship all along, while Saakashvili's regime in Georgia has been criticized by the US Department of State and human rights groups for recurrent prosecution of dissenters and restrictions on media freedom. GUAM's rhetorical movement toward Europe and way from Eurasia brought little tangible benefits. Even so, its very existence speaks to a geopolitical reality that is more complex than the one of an unquestioned Russian hegemony.

Indeed, Russia's foreign policy itself is no longer hegemonic and cannot pretend to be. A long and convoluted process of soul-searching added to the trauma of the USSR termination and the post-Soviet thievery of the state. These days, for Russia's foreign policy establishment, simply staying the course may be difficult enough; innovating is so much harder. Against this background, the Eurasian regional integration project announced by Putin in late 2011 appears with more of emulations, a reaction to the unfolding events, a belated response to the Kazakhstan Nazarbayev's original idea of the 1990s, rather than a bold and creative initiative, it may look like uninformed.

Securing Regional Integration

Russia's foreign policy after the end of the Soviet Union went through several distinct stages of development (1990). Typically, classifications include the short-lived Atlantic phase of rather uncritical collaboration with the West (1992-1993), the Eurasia follower interlude orchestrated by Yevgeny Primakov, Russia's Foreign Minister in 1996-1998 and Prime Minister in 1998-1999, and the decidedly less Romantic turn to the "national pragmatism" with Vladimir Putin's ascent to power at the turn of the century up to present.

It can be identified from another angle, this same classification would refer to Russia's more or less enthusiastic embrace of the US leadership of the post cold war world, together with a more or less grudging acceptance of the new world's unipolar structure; the disappointment and dismay that followed NATO's expansion to the east and the bombings of Serbia (1997-1999); US and NATO support on Ukraine independence and democracy (2012-2016); Russia's quest for new allies and reassertion of multi-polar world; and finally, the rhetorical replacement of "multi-polarity" with "multi-vector", which is a softer-sounding, strategically and tactically more cautious and less grandiose in both the vision and the implementation version of the same.

Meanwhile, the national-pragmatist epoch of Vladimir Putin stability, itself more than a decade and a half long, deserves its own period beyond the most obvious divisions into the first, second, and third Putin and one nominally Mikhail Medvedev's administrations.

Vladimir Putin's first term in the office was multi-vector in essence and might be called a balancing phase. While, various regional integration projects in the former Soviet space were accordingly seen through the lenses of restoration of the international leadership, power and prestige that Russia could naturally claim for itself which were to be taken seriously as one of the “poles” in the emerging multi-polar world-structure.

In the conduct of Russian foreign policy, there was less of a great power identity and more of an interest. Because of that, the balancing phase was also truly pragmatist. Pro-western leanings and assertions of Russia’s “Europeanism” were well balanced by activism in the East. Russia became an observer in the Organization of the Islamic Conference (OIC). In 2001-2006, a string of state visits resuscitated ties with Libya, Syria, Morocco, Egypt, Algiers and Turkey. Vladimir Putin held some direct talks with Afghanistan’s Hamid Karzai, visited Ulaanbaatar, Pyongyang, Seoul, Tokyo, New Delhi and Beijing. Joint military exercises were conducted with India and China. In 2005, Russia participated in the first East Asia Summit as an observer.

The second stage in the development of Putin’s “national-pragmatist” approach to foreign policy saw what Russian analysts called a turn toward Asia. Although senior officials of the Ministry of Foreign Affairs insisted that both western and eastern vectors in Russian foreign policy are equal in importance and independent of each other (Lavrov 2006), the Kremlin’s policies had soon made Russia’s preferences clear.

Inspired partly by China’s impressive rise and rediscovery of the strategic importance of the Asian energy markets, the “Asian turn” acquired distinct anti-western overtones following the string of “color revolutions” that had been much helped by western advice, encouragement, and cash handouts. The “Orange revolution” in Ukraine dealt a particularly heavy blow to Russia’s aspirations of the assured friendliness, if not necessarily submissiveness, of the CIS-designated regimes in the near abroad. The “rose revolution” in Georgia and the “tulip revolution” in Kyrgyzstan consolidated the trend and further confirmed suspicions of the West deliberately working against Moscow’s interests. Commercial and geostrategic competition with both China and the West in Central Asia proceeded against the background of the weakening of traditional instruments of control, which brought forth a “new enthusiasm among the Moscow leadership for ‘soft hegemony’ in southern Eurasia, carried out through the instrumentalities of economic integration …” (Gleason 2003: 61).

The third and current stage in the development of Putin’s foreign policy can be called regionalist proper. While Asia remained important, Europe reappeared as a locus of Russia's geopolitical and geo-economic interests. The launch of the Vladimir Putin Mark III regime with the carousel-like rotation of the "tandem" signified the end of semi-authoritarianism and the transition toward a more openly authoritarian system of governance. Imperialist tendencies could be a natural complement of that in foreign policy, were it not for the regime's weakness.

According to the Global Financial Integrity 2011 report, Russia stood 2nd in the world, yielding only to China in the amount of capital illicitly transferred abroad: US$427 billion in the years 2000-2008, which incidentally corresponded with Putin's first two terms in the office. In parallel to this state capture by the oligarchy, resources that the rest of the nation can access proportionately dwindle, which affects real economy, defense and security, and the budget envelopes available for international aid, education, cultural exchange and the like.

As a result, Russia government does not only lack crucial capabilities necessary for power projection abroad, but cannot be imagined to develop those any time soon. Its foreign policy is doomed to accept regionalist direction and rhetoric for 3 (three) reasons: 1) to build the country's soft power in its immediate vicinity; 2) to benefit from the economies of scale; and 3) to make the maximum use of Russia's natural position as the largest transit corridor between Europe and Asia.

Mostly regionalist strategies in Russia's foreign policy are easily explained by considerations of material interest, which undoubtedly play a role. In most cases, such considerations can be summed up under the rubric of "saving a penny on a dollar," which stands in a sharp contrast to the Soviet largesse of throwing money out on the ideologically motivated, albeit marginally useful, international relations projects. These days, as Russia's executive and business oligarchs amass larger and larger fortunes, the money available for the activist domestic and foreign policies correspondingly shrinks. While traditional hard power capabilities fall victim to the politics of kleptocracy, the need to spread the cost of power projection abroad intensifies.

Hence, rather than using Russia's own troops to stabilize potentially explosive regions, such as Kyrgyzstan or Tajikistan, Moscow prefers to engage the CSTO collective forces as regional peacekeepers. Regionalist strategizing via coordination of border patrols or anti-terrorist activities in the CIS, CSTO, SCO or the Eurasian Union frameworks helps avoid costly engagements, while resuscitating Russia's status imagery and self-perception as that of a "primus inter pares" among the countries of the region.

In addition to purely economic considerations and the discrepancy between Moscow's global ambitions and limited capabilities, regionalism serves Russia's politics of prestige that can be seen as a true driver of rational policy since Vladimir Putin's coming to power at the turn of the century.

According to this point of view, a prestige-seeking state looks to demonstrate its power and influence, imaginary or real, in a quest for international recognition and respect. The prestige seeking approach to foreign policy makes full use of various soft power instruments available to the state, including such factors as its geographic size and proximity to the smaller neighbors, a cultural affinity with the so-called kindred states and nations, trade and investment ties, resource dependencies, transportation corridors, mass media and communications influence, public relations instruments, and the like (Oliker et al. 2009: 87-90).

Regional integration government projects are part and parcel of the Moscow political prestige, since they do not only supply its inputs and instruments, but also serve as enablers and get glorified as desired policy outcomes and international success stories.

According to the Foreign Policy Concept of the Russian Federation (2008), integration associations are "acquiring an ever-growing importance in the global economy and emerge as a major factor of regional and sub-regional security." Integration in the framework of the CIS/EurAsEC/Customs Union, the Asia-Pacific integration (APEC, ASEAN Regional Forum, SCO) and strategic partnerships with China and India clearly stand out among Russia's regional priorities. Eurasian integration became one of the key themes in Vladimir Putin's presidential election campaign in 2012. While answering World War II veterans' question on the revival of the Soviet Union, he classified regional integration as:

> *One of the most important directions of our foreign policy. The rebirth of the Soviet Union today is impossible and not needed, unfortunately, yet our historic mission is to retain all that is benign, useful and promising... We are prepared for the deepest forms of cooperation. I must say, with satisfaction, that, for the first time in all post-soviet years we managed to make a real step in that direction, when we created the Customs Union (Pervyi Kanal, Russian TV, 27 January 2012, 18:16).*

If the Customs Union and the Common Economic Space answer Russia's desire to lead economic development of the region, the Collective Security Treaty Organization (CSTO) is being designed as a key instrument of power projection. This constitutes a key point of the debate and potential disagreement between the members, as illustrated in Uzbekistan's decision to withdraw from the Collective Security Treaty in 1999, only to re-join the organization in 2006.

Even then, Tashkent has continuously blocked Russian attempts to deploy collective peacekeeping forces and refused to contribute national troops to the newly formed collective rapid reaction forces, which Karimov actively opposed until finally acquiescing in December 2011. The Kremlin views CSTO "as a key instrument to maintain stability and ensure security in the CIS area … a multifunctional integration body" and "a central institution ensuring security in its area of responsibility" (Foreign Policy Concept 2008). Since it is being formed on the basis of Russia's 98th Airborne Division and the 31st Airborne Assault Brigade, the CRRF force is essentially under the Russian military command. In addition to that, Russia maintains military bases in Kyrgyzstan and Tajikistan.

During the December 2011 meeting, Russia had succeeded in making other CSTO members agree to the idea that any foreign bases on the territory of the CSTO states should be vetted by all members of the organization. This, in fact, gave Moscow a veto right with regard to any foreign basing plans in Central Asia. However, the question remains, if US and NATO presence in Afghanistan is significantly weakened can Russia and Russia-led CRRF forces contain the threat of radical Islamization of the region without external help?

Some analysts believe they cannot (Bushuev 2011). Critics charge that the CSTO lacks clear ideology and looks more like a club for the preservation of authoritarian regimes, rather than a security organization genuinely concerned with finding collective solutions to common problems. According to an Uzbek observer, "given the mostly Russia-centric nature of the CIS and CSTO, security and integration in the post-Soviet space still cannot be regarded as a genuinely multilateral endeavor" (Tolipov 2012).

Moreover, the organization lacks resources and failed to intervene decisively to stop, or contain local conflicts. As argued by a former diplomat, "At present, CSTO remains a theoretical proposition of collective security but devoid of any real content" (Bhadrakumar 2011). Be it because of a tacit acknowledgement of inherent weaknesses or a genuine desire to expand inter-regional cooperation, the CSTO has been expanding ties with other countries of the region, targeting China in particular. In October 2007, the CSTO signed a memorandum with the Shanghai Cooperation Organizations (SCO) on broadening security cooperation through coordinated and joint activities to combat terrorism, organized crime and drug trafficking. The SCO's activities today extend from anti-terrorism and joint military exercises to cooperation in education, economy, trade and finance.

What distinguishes the SCO from its regional security counterpart, the CSTO, is its emphasis of both economic and security dimension of cooperation where the goal of the elimination of regional instability serves an underlying economic imperative, and such "soft" issues as energy security are treated on a par with more traditional security concerns.

Thus, the SCO brings Russia Federation and People's Republic of China together with a working group of secularized Central Asian states which stand a good chance to serve as a bulwark against militant Islam and stabilize the otherwise potential volatile region. Seen from another angle, the SCO provides a meeting space for the largest energy consumer in the world, China, and the largest energy producer in the world Russia, with hydrocarbons-rich Kazakhstan and Uzbekistan in-between. Perhaps not accidentally, geographic span of this interstate organization essentially coincides with the span of oil and gas pipeline networks traversing Eurasia. The emphasis on natural resource (energy, water) security is central to its efforts in several other, related areas of regional development.

Russia – China Strategic Relations

Regionalism may provide a shell for strategic interaction among states, e.g. alliance formation "to counter the power of another state or group of states within or outside the region" (Söderbaum 2005: 224). Regional institutions are then formed as a means of balancing power of a locally dominant or threatening state (Hurrell 1995: 50). They may also be used as a means to resolve historical and current contradictions between two of such regionally dominant states, e.g. Germany and France in the early phase of the evolution of the European Union (1945-1950).

When approached from this point of view, neither CSTO nor SCO can be understood properly except against the background of the distribution of power in the region and the policies of the regionally dominant states, Russia and China. Other key movers for politics of alliances in the region are the eastern enlargement of the European Union (EU) in 1995. While US attempts to penetrate its' influence the region in 2000s', and continuously establishing the impressive strengthening Asia Pacific stability and well regional prosperity.

Russia's relative success in the region has been determined by its willingness and capacity to provide political, financial, and military assistance to local elites, as well as by Moscow's indifference toward the type of governing regimes there (Roeder 1997: 236-7). Yet, another country with an enormous economic and military potential and equal willingness to turn a blind eye to the lack of democracy in the region emerged as Russia's most powerful competition, the People's Republic of China (PRC).

The dynamics struggle with China's growing influence in Central Asia proved an uphill battle for Moscow and brought in reluctant acceptance of the inevitable: the concrete structure of an emerging regional order will be determined in close consultations between Moscow and Beijing. Therefore, regional institutionalization appeared as the best means available for regional power sharing (Molchanov 2008).

The Shanghai Cooperation Organization (SCO) was established by China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan in 2001. In less than five years, Shanghai 5 developed as a multifunctional regional club. The SCO proclaimed objectives are peace, security and stability in the region; economic development; a just international order; and joint efforts to combat terrorism, separatism, extremism, and drug trafficking. As of recent, new functions were added, including multilateral credit and investment projects, new forms of economic cooperation, and joint educational and cultural projects. An inter-bank consortium was created to facilitate intraregional trade. With the help of a credit fund of US$ 900 million provided by China, the SCO member states agreed to speed up bilateral cooperation in the fields of energy, information technology and transportation.

Conceived as a regional security organization, the SCO uniquely brings together a post hegemonic state, Russia, an ascendant hegemony of China, and several resource rich states in between, most notably, Kazakhstan and Uzbekistan. Although the Sino-Russian relations are the mainstay of the SCO activities, this organization should not be considered as either the "Chinese" or the "Russian" tool. It is based on interdependence and complementary interests.

The Central Asian states are capable of demonstrating independent policies. The sale of the Kazakh flagship company Petro Kazakhstan to China over intense Russian lobbying is one case in point. The eviction of Americans from a Karshi-Khanabad air base in Uzbekistan in 2005 and the Kyrgyz government's posturing over the Manas airbase provide yet further examples.

More recently, the SCO has started acquiring a new profile as a development aid vehicle. The SCO Business Council and the Interbank Consortium have been created to facilitate economic cooperation. In 2008, the member states adopted an action plan on implementation of the Program of Multilateral Trade and Economic Cooperation. In 2009, through the medium of the SCO structures China offered to lend US$10 billion to countries hit by the global economic crisis (CNPC ships oil, 2009). In June 2011, Chinese President Hu Jintao used the SCO summit to announce US$12 billion in new concessional loans to the SCO Central Asian partners.

In parallel to that, China's annual trade with the SCO member states grew from 12.1 billion U.S. dollars in 2001 to around US$90 billion in 2011 (Wu 2012). Not to be outdone, Russia proposed that the SCO should establish a joint venture fund, a United Business Cooperation Center and a special joint account for funding project feasibility studies. All of this, according to Nazarbayev (2011), witnesses to the development of a new "smart power" of the organization and its potential global clout.

There have been two prevailing opinions about the nature of the SCO in the West. Almost five years, it regard as an intrinsically anti-western alliance, a "dictators' club," or a new "geopolitical axis". It is true that resolute opposition to the idea of socio-economic or socio-political engineering imposed from afar is one feature that these semi-authoritarian regimes hold in common.

It is predicted by 2015, China will go power show with at least 350 maritime patrol ships and 16 fighter aircraft. Meanwhile, by 2020, the number of destroyer ships will increase to 520 units and hundreds unit of fighter jet plane. With the increasing economy, China's increasingly aggressive claims in the South China Sea although clashed with a number of neighboring countries, mostly with some ASEAN countries, such as: Vietnam, Philippine, Indonesia, Malaysia, Brunei, Laos, and Cambodia (Manurung, 2012).

Moreover, some indications of a potential expansion in the neighboring regions and the refusal to admit the USA as an observer do not go well with policy makers in Washington. However, others argue that the SCO will not become an anti-western alliance because it will be contrary to the economic interests of its member states. Although all of them seek to "correct" neo-liberal globalization, they are equally interested in mutually beneficial cooperation with the leading industrialized nations of the world. The SCO has not been conceived as an anti-western alliance. As Vladimir Putin said, “We did not plan the SCO to be so prominent; it was established to address trivial matters such as border demarcation. But then it started to develop, and there is now a real demand …, which is why others want to join. There is an objective need for centers of power and influence in the world, so we responded, but we had not planned it that way” (Remarks to the Valdai club, September 2006, as cit. by. Antonenko 2007).

The main goals of the Shanghai Cooperation Organization (SCO) include developmental and security elements. In its apparent resistance to the western-led globalization, it may appear backward looking, but it is not. In fact, it paves the way to a new type of International Relations in Eurasia, to a community that combines traditional respect to the Westphalia conception of sovereignty with an understanding of increased economic and social interconnectedness of the world and regional interdependence in particular.

From the perspective of Russian policymakers in Moscow, the SCO is, at once, a pet project and a source of concern, given China’s growing role in the organization. While Russia is, indeed, no match to China’s economic power, it still wields instruments of considerable influence, from advanced weaponry to natural resources to membership in the world’s elite clubs of developed nations (G7) to intangible ties of personal connections and soft power inherited from the Soviet past. Because of that, Eurasian regionalisms are still very much a product of a multilateral strategic interaction between the Russian federation, the PRC and the Central Asian states. The latter tend to balance between the known evil, “Russia”, and the yet unknown consequences of the all-too-heavy dependence on a state whose imperial and tribal predecessors left rather horrible memories in the region.

Eurasian regionalism will remain dependent on the states’ ability to overcome mistrust and put their common developmental interests above the narrowly construed national priorities. Should this happen, a new hub will emerge in the region, and the SCO in particular, to quote Nazarbayev (2011) once again, may well develop enough of a smart power to become “a potent and responsible global player and, most importantly, convert its substantial potential into the real influence on world processes”.

Conclusion

Since Vladimir Putin has been elected as Russia President in replacing Medvedev in 2012, Russia's policy decision makers justified the country’s regional integration strategy by the need to advance its geopolitical and geo-economic goals continuously. However, a closer look may show that Russia was rather pulled into this game by its partners, Kazakhstan first and foremost.

However, for the Central Asian states, regionalism has opened a space to balancing power against China’s already heavy presence in the region and a platform to jumpstart development. The Central Asian governments had soon discovered real economic potentials and political benefits that regionalization offered, such as: expanded economic aid; improved national and regional security; and enhanced their international status. As far as China goes, its foreign policy in the region is that of maintaining stability first, ensuring economic benefits second. This policy may genuinely help the region’s overall development. While the European-style pooling of sovereignty may be a far cry and will not be soon attempted here, the Eurasian region-based trade and policy coordination, good-neighborly preferences, special rules and exceptions, and the creation of multilateral institutions characterize the generally successful processes of regionalization. The collapse of the Soviet Union opened space for genuine international cooperation. Creation of the Commonwealth of Independent States together with its

Interstate Economic Committee (from 1994-1999), Inter-Parliamentary Assembly and a set of preferential trade agreements from the very beginning carried a promise of moving way beyond the initial stage of a civilized break-up and distribution of assets between the constituent republics of the former USSR.

The EurAsEC went further, and the Eurasian Union, announced by Vladimir Putin (2011) shortly before his re-election, may go still further if it actually materializes as planned, as an "effective link between Europe and the dynamic Asia-Pacific region". Eurasian regionalisms, be it Russia-centered or Russia-averse, are part of the phenomenon of "new regionalism" around the globe. Integration in the developing world has been animated by the idea of using regionalist ties to adapt to the imperatives of globalization. Regionalism in Eurasia, as exemplified by the SCO model in particular, is called upon to provide a cushion against potentially devastating effects of the current crisis of global capitalism. An idea to create a financial system alternative to that dominated by western powers, which was voiced at the 2012 SCO summit in Beijing, is indicative of that orientation. Eurasian states are vulnerable economically. With the exception of China, they cannot risk the laissez-faire type of a plunge in the unchartered waters of global trade and finance. Some version of a developmental state and neo-protectionist policies are called forth to address systemic disadvantages that emerging economies carry vis-à-vis mature capitalist economies of the Western countries and fast-growing markets in East Asia. Regional cooperation often enables some form of a privileged access to the credit, labor, and trade markets of the participant states, thus helping to resolve complex questions of economic development.

One more crucially important function of regionalism in Eurasia needs to be mentioned. It helps self-preservation of the other vulnerable and potentially unstable regimes. It creates a conducive international environment to these regimes' survival. It establishes a symbolic community of belonging, thus bolstering legitimacy of the post-communist governments that frequently lack democratic justification of rule. When seen from all these angles, regionalism in Eurasia represents a multifaceted, multilayered reaction to economic challenges and global security dilemmas. While Russia is certainly interested in its development, representing Russia's efforts in this area as purely self-serving or undermining national interests of its partners is simply not correct.

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CHAPTER 2

NATIONAL INTEGRATION AND SOCIAL HARMONIZATION

11 YEARS OF DECENTRALIZATION: HOW DO LOCAL PEOPLES THINK ABOUT DECENTRALIZATON?

George Towar Ikbal Tawakkal[1] - Thomas R Seitz[2] - Andrew D Garner[3]

Abstract

Law 32/2004, changing the face of local government, from centralization to decentralization. Decentralization is not only related to administrative stuff but also politics. The law gift rights to society to participate in local governance. It means, hopefully, that democracy values which become the spirit of decentralization, can be applied by local peoples. Through participating in governance, peoples can maximize local development. After one decade, decentralization presenting various achievements. Some cities or regencies, such as Surabaya City, can develop quickly, but others slowly. Different achievement and similar opportunity among them produced questions about how local peoples understand decentralization. Generally, this article will talk about two big questions: how do local peoples think about democracy? and, how do local peoples see political instruments in local level?. This article is based on a survey in Surabaya City during May 2016. Survey have conducted by questionnaire to 1023 respondents

The result showed that local people limit the meaning of decentralization. 50,7% respondents were not interested in general political issues, and only 7.5% who were interested. The numbers explained that Surabaya peoples tend to be apathetic to politics. Even, the survey also found only 21.3% respondents who believe that democracy is a way to welfare. But, when respondents were asked question about the priority of meaning of democracy, 25.8% respondents (high percentage) see democracy as an opportunity to change the government. They seen local election (Pilkada) is the opportunity, choose people who will be local government leader. We can conclude that Surabaya peoples did not apply democracy values (all kind of political participations) completely, in local governance, but they were interested in having a good leader. That why Surabaya peoples see political decentralization is a local election (Pilkada).

Keywords: decentralization, limit, local election

Introduction

Decentralization, in Indonesia, has been started since 2004, by implementing Law 32/2004 about Local Governance[4]. Even, Indonesia have Law 23/2014 about Local

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Governance, which changes Law 32/2004. During 2004 until now, decentralization has worked for 11 years more. During the time, local governments show various achievements. Some cities or regencies still far from good governance. Such as Pradjasto (2012) statement, that democratization process in Indonesia is not yet able to overcome monopolization of political, social, and, especially, economic resources. Decentralization—whose agenda is not to centralize sources of power at the center—has not been sufficiently successful in overcoming economic disparities among regions. Also, refer to President Regulation (2015), there are 121 regencies with poor categorize, which need priority program for 2015-2019.

Another side, Some local governments success to build a good government. For example, there are seven local governments that have had most innovative leaders, namely Semarang City, Sibolga City, Surabaya City, Bandung City, Mojokerto City, Kediri City, and Makassar City (Kemendagri, 2016). Kemendagri (Kepmendagri, 2016) also published rank of local governments performance. It showed gap of achievements among them. For regencies, the highest point is 3.4370, and lowest point is 0,4353. For cities, the highest point is 3,2920, and lowest point is 1,2995. For provinces, the highest point is 3,0478, and lowest point is 1,8534.

The Asia Foundation (2011) made the rank of local economic governance. The result, there was gap of achievements among them. Local government with the highest point is 80.5, and lowest point is 39.4. The data also showed that there were 62 local governments with bad achievement in economic governance.

Ranking has been done in practicing democracy in local governments, also. Indonesia democracy index (IDI, 2016) shown, generally, democracy in Indonesia is fluctuated. By 0-100 scale, 2009 Indonesia democracy index is 67.30. In 2010, the index has decreased to 63,17. But, in 2011, the index has increased to 65,48. Then, has increased to 62,63 in 2012, 63,68 in 2013, and reached 73,04 in 2014. The increasing was influenced by three factors: civil freedom, political rights, and democratic institutions. But, in 2015, the index has decreased to 72,82. Similar with increasing, the decreasing was influenced by decreasing of the three factors. Although Indonesia democracy index was fluctuated, that still place Indonesian on the middle level of

[4] Local Governance refer to Provincial, City, and Regency government

democracy performance, not on the high or good level. They made three categories of democracy level: good (> 80), middle (60 – 80), and bad (< 60).

Considering all achievements above, local governance performance and democracy performance, there is an interested phenomenon in East Java[5]. On democracy performance ranking, its index was fluctuated, and out of good local democracy performances. East Java got 62,49 point in 2009, then decrease to 55,12 in 2010. But, in 2011, it increases to 55,98, then decreases to 54,99 in 2012. In 2013, it increases to 59,32, then increase highly to 70,36, and reach to 76,36 in 2015. Those scores still place East Java on the middle level of democracy performance.

With the scores (middle), in fact, East Java succeeded to get the highest score to become the best governance performance in provinces category (Kepmendagri, 2016). Also, cities and regencies in East Java dominated best of local governance performances. 2014 Evaluation of Local Governance Performance brought Surabaya City to the highest score and the best on city government category. Even, the mayor succeed to become the second runner-up of 2014 best mayors in the world (World Mayor, 2014). On local economic governance index (The Asia Foundation, 2011), there were 11 cities or regencies in East Java which in top twenty of best local economic governance performances. Blitar City was the best among local governments in Indonesia.

Achievement on democracy index, as middle level, and good achievements on governance performances produces a question about the relation between practicing democracy and local governance performance, in decentralization context. In another hand, Law 32/2004 and Law 23/2014 focused on people's participation when practicing decentralization. Considering difference achievements and laws, this article will answer how local peoples think about decentralization. This article will talk about five parts. First, we will discuss the relation between decentralization and democracy. Second, we will talk about what local peoples think about politics. Third, we will go to what they think about democracy. Fourth, understanding the meaning of decentralization in peoples. Fifth, we will make a conclusion. As a note, before implementing decentralization, Indonesia practiced centralization in Soeharto administration. Schiller (1993:3) said that Soeharto administration practiced "festival democracy", where there

[5] East Java is one of provincies in Indonesia

was manipulated democracy, far from real democracy. He also mentioned Indonesia is one of most manipulated democratic countries. Referring to the situation, we will show survey data based on age categories of respondents, in order to understanding people's views who was adult in Soeharto era (> 40 years old), who have grow up in transformation era (31-40 years old), and who still child or did not see Soeharto era (17-30 years old)

This article is written based on a survey in Surabaya City, one of the cities in East Java Province, on 2016, May, with 1.023 respondents. We decided respondents by taking all districts (33 districts) in the city. In each district, we have 33 respondents, who were gotten from two kelurahan[6], one is kelurahan, in the centre of the district, other is about the border with another district. In each kelurahan, respondents were decided randomly, then were asked to answer questionnaires. In the survey, 11.4% are respondents aged 17-22 years, 15.8% are aged 23-30 years, 25.7% are aged 31-40 years, 22.7% are 41-50 years, 16.3% are 51-60 years, and 7.8% are respondents aged more than 60 years. There are respondents who did not mention their old, 0.3%.

Decentralization and Democracy

Legality of decentralization in Indonesia is Law 32/2004, which was changed to Law 23/2014. The laws mentioned clearly values of democracy, as the spirit of decentralization. Since Law 32/2004, in considering part of the law, letter a, explain that decentralization is directed to build welfare society through repairing public service, empowerment, participation, by values of democracy, equality, and justice. Section 22, letter c, explained about local governments have to build democracy life in decentralization. Section 27, verse 1, letter d, explained local government leaders have to do the democratic behavior. Not only them, legislators also have to do it, section 45, letter b. Section 150, verse 3, letter d, explained how peoples have to participate in local development planning. In explanation part of the law, democracy was defined as following up aspiration, participation, and complaint from peoples.

Recent law, Law 23/2014, also placed values of democracy as the spirit of local governance. In considering part of the law, letter b, explain that decentralization is

[6] Kelurahan is village level in city, lowest government area.

directed to build welfare society through repairing public service, empowerment, participation, by values of democracy, equality, and justice. Even, the law has a special chapter (Chapter IX) talk about participation in local governance. Section 25 verse 1 letter c, explained democracy is part of local conflict resolutions, then in letter f mentioned that democracy is part of local government affairs. In explanation part of the law, democracy also was defined as following up aspiration, participation, and complaint from peoples. Totally, the law mentioned democracy and participation word in 35 times

Theoretically, Mezey (2008) seen democracy, as popular sovereignty, that people have the final say about the policies that govern their lives. Majority decide the public policies that will govern their behavior. But, democracy guarantee that political right of the minority—rights such as freedom of speech and the press and the right to assemble—be protected. Mezey (2008) also argued that direct democracy can live in small, local or private groups. He also did not agree that value of democracy can be found in the modern nation state. In the modern state, *Trias political* doctrine makes peoples can not govern directly as they do in democracies. Modern states have a legislative institution as representative systems. Mezey seen representative systems are not democratic because of self-government, which is what democracy means, is not the same thing as government by someone else, even if you elect that someone to do the governing on your behalf. In spite of representation is believed as indirect democracy, some political theorists have argued that representation frustrates democracy by removing political decision-making from the hands of the people and giving it over to a select group of citizens who actually govern (see Junaenah, 2015). Emphasizing on the role of people in decision making, Mezey notes that citizens in a representative system have no direct role in the making of public policy.

What Mezey though looks good, but can not be operated in modern states, also he did not define “small, local” clearly as a hierarchy of government. Too difficult to involve all peoples to every decision making. That why scientist tried to take democracy near to more people. Political scientist argued (see Junaenah, 2015), that peoples have opportunities to participate in governance. But, will be more effective in local governance.Local government can be responsive to local goods and local values. Grindle (2007) seen important reasons for citizen participation in local elections and government decision making as a palliative to over centralized and authoritarian governments. Grindle (2007) mentioned, more effective democratic states needed strongly participatory local democracy. Grindle develops hypotheses to support decentralization in democratic local government. She focuses on political competition, state entrepreneurship, public sector modernization, and civil society activism. According to political competition perspective, Grindle (see Junaenah, 2015) believes that—as local elections are competitive, and opposition parties have real opportunities to win the position of authority, incumbents will be motivated to prove their competence in the management of public affairs and will seek to find new ways of addressing important problems. For this State entrepreneurship, the innovative measure is necessary. Related to the strategic behavior, the public sector modernization is supposed to be encouraged the performance on which it can be expected —to reflect inputs for capacity building, organizational reengineering, and restructuring how public services are delivered||. The unattainable factor as the consequences of decentralization is the civil society activism. Grindle notes this factor as an extension to which local citizens are mobilized and demand accountability. It reflects the important of the social group in the local community to exert their opportunity to participate in decision-making and to urge the public sector to provide better services. The conclusion is, decentralization is a way to make people become more democracy.

Refers to laws and political scientist's arguments, those become a reason for us to think decentralization as practicing democracy. We see decentralization is democratization in local. It means, local peoples are main actors in decentralization. Local peoples play an important role to practice democracy, by participating in local governance. We will not talk about their behavior, but will talk about basic element of them, it is "how do local peoples think about decentralization?", with talking focus on how local peoples think about politics and democracy in this article.

How Do Local Peoples Think About Politics ?

In the survey, we did not give a clear definition of politics to respondents. We let respondents see politics as what the think. Why we did not define it, is because we avoid influencing answering. If we defined those politics as good values, so will influence their answer. The survey showed that 50.7% respondents were not interested in politics, and only 7.5% respondents who really interested to politics. The percentages give understanding that majority is apathetic peoples. By relating to age categories, we found that respondents who were an adult in non-democratic government (> 40 years old) have a higher percentage in the age category, for an answer not interested in politics. Respondents who still a child or never seen non-democratic government (17-30), have a lower percentage. 50.4% respondents aged 41-50 years stated they were not interested in politics. Even 65.0% respondents aged more than 60 years stated they were not interested in politics. 51.3% respondents who grew up in the non-democratic era, also said that they were not interested in politics. For respondents who still a child or never seen non-democratic government, 46.9% respondents aged 23-30 years were not interested, and only 29.9% respondent aged 17-22 years were not interested in politics and have the highest percentage (11.1%) among age categories who interested to politics. From all respondents who were interested, 52.5% are respondents aged more than 40 years, and 26.0% are respondents aged 31-40 years. The percentages show respondents who adult and grew up to adult in non-democratic era tend to not interested, even after more than 15 years in the democratic era.

To confirm data above, we proposed other question about how much they follow political news. 49.9% respondents follow political news rarely, and 27.4% respondents never followed. The percentages show that majority did not follow political news. Just 12.9% respondents followed it every day. By relating to age categories, we found that respondents who were an adult in non-democratic government (> 40 years old) have a higher percentage in the age category, for answer never followed political news. 27.6% respondent aged 41-50 years did not follow political news. 37.7% respondents aged 51-60 years did not follow, then highest percentage, 37.7% respondents aged more than 60 years did not follow it. 23.2% respondents who grew up in the non-democratic era, also said that they did not follow it. For respondents who still a child or never seen non-democratic government, 22.2% respondents aged 23-30 years never followed political news, and only 17.9% respondent aged 17-22 years said that they never followed it. From all respondents who never followed political news, 57.9% are respondents aged more than 40 years. It means, respondents who were an adult in non-democratic era tend to not followed political news.

We also proposed other question to confirm data above. That is how much they talk about politics. 42.3% respondents never talked about politics, and 46.6% respondents talked politics rarely. never followed. Only 6.6% respondents often talked politic. The percentages show that majority did not place politics as the theme of social discussion.

By relating to age categories, we found that respondents who were an adult in non-democratic government (> 40 years old) have a higher percentage in the age category, for answer never talked about politics. 41.4% respondent aged 41-50 years said never talked about it, and 53.9% talked rarely. 52.7% respondents aged 51-60 years never talked it, and 34.1% talked rarely. 66.2% respondents aged more than 60 years never talked it, and 26.2% talked rarely. 39.5% respondents who grew up in the non-democratic era, also said that they never talked it, and 51.0% respondents talked rarely. For respondents who still a child or never seen non-democratic government, 34.6% respondents aged 23-30 years never talked it, then only 30.8% respondent aged 17-22 years said that they never talked it. From all respondents who never talked about politics, 54.7% are respondents who lived in the non-democratic era. While, from all respondents who talked it every day, 57.5% are respondents who still a child and never seen non-democratic era. It means, respondents who were an adult in non-democratic era tend to never talk about politics.

Percentages above, about following political news and talking about politics, confirm high percentage of respondents who were not interested in politics. Respondents who were an adult in the non-democratic era, also centralization era, have the highest percentage to be not interested in politics. The highest percentage, then, is confirmed by low percentage to follow political news and low percentage to talk about politics. Opposite, respondents who still a child or never seen non-democratic and centralization era, have the highest percentage to be interested in politics. The highest percentage, then, is confirmed by higher percentage to follow political news and a higher percentage to talk about politics. But, generally, the majority were not interested in politics.

How Do Local Peoples Think About Democracy In Local?

Different with a question about politics above, in question about the meaning of democracy we gift four options to answer. The options are, the opportunity to change the government, freedom to speak, a little gap between rich and poor, and main goods available. 25.8% respondents assumed democracy is an opportunity to change the government. 21.4% respondents assumed democracy is freedom to speak. 7.4% respondents assumed democracy is little gap between rich and poor. 12.5% respondents assumed democracy is main goods available. The data show that highest percentage is respondents who defined democracy as opportunity to change government. In another word, democracy is local leader election (Pilkada)

Referring to a highest percentage, we see interested phenomena when to relate to age categories of respondents. Respondents in each age category, they have the highest percentage to think democracy is an opportunity to change the government. For respondents aged 17-22 years, highest percentage (20.5%) is for the opportunity to change the government. For respondents aged 23-30 years, highest percentage (30.2%) is for the opportunity to change the government. For respondents aged 31-40 years, highest percentage (28.5%) is for the opportunity to change the government. For respondents aged 41-50 years, highest percentage (25.4%) is for the opportunity to change the government. For respondents aged 51-60 years, highest percentage (24.6%) is for the opportunity to change the government. Then, for respondents aged more than 60 years, the highest percentage (20.0%) is for the opportunity to change the government. The percentages show that respondents who have seen non-democratic and centralization era, and respondents who never seen it, they defined local democracy in a same way, democracy is an opportunity to change the government.

We also propose other question about democracy. It is about believing that democracy can bring peoples to welfare. 60.3% respondents believed that democracy can do it, although the percentage consist two quality of believe. 21.3% respondents said they believe it, and 39.0% respondents somewhat believe. The survey also showed that 35.3% respondents did not believe it. It means, the majority have trust value for democracy as a way to welfare.

When we relate the data to age categories, we found an interested thing. Percentage about unbelieving will increase in old peoples. For respondents aged 17-22 years, 18.8% respondents did not believe democracy as a way to welfare, and increase to 38.8% for respondents aged 23-30 years. For respondents aged 41-50 years, 40.5% did not believe it, increase to 41.9% for respondents aged 51-60 years. But decreasing to 36.2% for respondents aged more than 60 years. For all respondents who did not believe it, 53.4% respondents are respondents aged more than 40 years. It means, a respondent who were adult in non-democratic and centralization era tend to can not believe democracy as a way to welfare.

The percentages above show, although all age categories have highest percentage for seeing democracy as an opportunity to change the government, but they have difference percentage for believing democracy. A higher percentage of respondents aged more than 40 years, they assumed democracy as an opportunity to change the government, but, in another side, highest percentage mentioned they can not believe democracy as a way to welfare. Opposite, a higher percentage of respondents aged less than 40 years, they also assumed democracy as an opportunity to change the government, but, different with older, highest percentage mentioned they believe democracy can bring them to welfare. It means, respondents who were an adult in non-democratic and centralization era assumed democracy as the local election (Pilkada), but can not believe democracy as a way to welfare.

Meaning of Decentralization

All percentages above show how Surabaya peoples think about politics and democracy. Generally, local peoples were not interested in politics, they have the low intensity to follow political news, and also a low intensity to talking about politics. But, when we proposed more detail questions, about democracy, they show views which look like they were interested in politics. From all respondents who were not interested in politics, 50.1% respondents believe democracy can bring peoples to welfare, and 21.4% (highest percentage) assumed democracy as an opportunity to change the government.

Local peoples tend have apathetic when faced with politics term. We also conducted in-depth interview about it. We found, the apathetic is influenced by how they see politics. They see political conflicts as the definition of politic. In another side, they presented another shape of interest. They believe democracy can bring peoples to welfare. So, we can understand it as, basically, their attitude toward politics can not be concluded as real apathetic attitude toward all things about politics.

More explanation will be found when we analyze age and interest to politics. More peoples who were not interested in politics are peoples who were an adult in non-democratic and centralization era. We assumed, they have experience in non-democratic and centralization era, which influence how they think politics. Authoritarian, repressive policy, and manipulated elections in Soeharto era, influence them to think that politics is bad. So they were not interested in politics.

Referring to the Laws and political scientist arguments, we can discuss why the middle level of democracy index can produce good governance performance. We can explain it by understanding the meaning of decentralization, and we can get the understanding by knowing how local peoples think about democracy. Local people assumed democracy as the local election (Pilkada). It means, they assumed decentralization is a local election. Also, they have a young generation who believe democracy can bring them to welfare. Case in Surabaya City, local peoples see local election is the best way to welfare. They used the way well, voting for good people, then they have a good leader who can produce good governance. All is about local elections, then all is about the leader.

Conclusion

Surabaya peoples have limited when they think about decentralization. Ideally, they think decentralization is practicing values of democracy (see Law 23/2014). Automatically, they have to think about participating in all local governance aspects, from voting in a local election, participating in local development planning, until participating in implementing local policy. But, actually, Surabaya peoples think democracy as an opportunity to change the government (local election). In a simple conclusion, decentralization is a local election. It looks they bet five years of government period on a local election.

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GLOBALIZATION: FOSTERING DEMOCRACY, CONSTRUCTING THE NORMS FROM CENTRALIZED TO DECENTRALIZED INDONESIA.

Muhammad Singgih Pangestu & Jovita Aditya Putri[1]

Abstract

Indonesia was one of nation adopting a centralized governance system especially during the era of Soeharto's New Order in which referred by many as an authoritarian regime. Following the fall of Soeharto and the spread of globalization in the late 1990s, Indonesia transformed the government system into a more democratic government by implementing the process of decentralization and democratization. As the globalization spread throughout the globe, many newly ex-authoritarian countries like Indonesia constructed to put decentralization at the centre of democratization effort. This research aimed to examine the effect of globalization happened in the late 1990s toward the development of decentralization process in Indonesia. Using a qualitative research method, the research would give a better understanding regarding the connection between globalization as a constructed norms and decentralization which according to the research hypothesis has mutual connection. To achieve the purpose, this research used Constructivist approach of International Relations as theoretical framework. Constructivist saw a connection between international norms and policies taken by nation-state, a nation which identify itself as part of international community would accept the set of norms constructed on the community. The result of this research found out that Indonesia as an ex-authoritarian regime eager to develop the process of decentralization as it's a way to be accepted into international community.

Keywords: Indonesia, Decentralization, Constructivist approach, Democratization, Globalization

Background

The New Era of Centralization in Soeharto's New Order

Lord Acton an England historian once said *"Power tends to corrupt, but absolute power corrupts absolutely"*[2] and a state always run by group of people that given powers

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[1] Muhammad Singgih Pangestu and Jovita Aditya Putri are students of International Relations Department, Universitas Diponegoro batch 2012.

[2] Acton, Lord. 1887. *Letter to Bishop Mandell* Creighton. Retrieved from *http://history.hanover.edu/courses/excerpts/*

to rule the government. A person that has excessive powers could misuse what he has and could do something that harm or oppress the rights of others. Hence, when democracy starting to appear in the late of the 19th century there was an idea to create power limitation in a governance by formulate it in the constitution.[3] Beside to evade the overpower by a person, the power limitation also could give the opportunity to the local governments to invest and empower local capacity.

Indonesia itself had this idea constituted since 1974 in Law No.05 that stated *"In organizing the government, the territory of the Republic Indonesia is divided into Autonomous Regions and Administratives Territory"*[4]. This constitution should become a big leap in political system in Indonesia. But on the other hand, the otherwise occurred. According to Prof. Dr. M. Ryaas Rasyid, MA, General Soeharto who run the presidential in Indonesia since 1966 until 1998 didn't really implement Law No.05 in the country.[5] The centralization of commands and policies that need to be approved by Central Government was dominating Indonesia political system.

In Law No.05, the area of government was held in stages which are the First level that covered the area of provinces or the capital city and the Second level as the autonomous regions which held by districts and subdistricts.[6] The policy that made by the Second level also shouldn't contradict to policy of the higher level. The decentralization policy should give the local governments freedom in managing their household and its own policies. But the intervention from the Central Government was highly dominating from the financial sector and the election of the head of the districts. For an example, the election of head of the local governments must be chose by the Ministry of the Internal Affairs, the local parliament only recommend the candidates to the Central Government back then.[7] The financial policy also generally regulated and not specific.[8]

[3] Budiardjo, M. (2008). *Dasar-dasar Ilmu Politik.* PT. Gramedia Pustaka Utama: Jakarta. Hal 107

[4] Undang-Undang Republik Indonesia Nomor 5 Tahun 1974

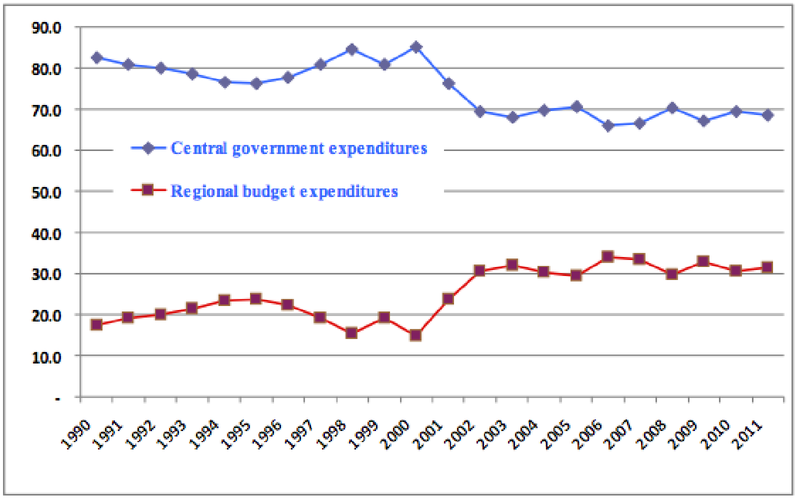
[5] Haris, S. (2005). *Desentralisasi dan Otonomi Daerah.* Yayasan Obor Indonesia: Jakarta. Hal 3

[6] Undang-Undang Republik Indonesia Nomor 5 Tahun 1974

[7] Kustiawan. (2013). Otonomi Daerah dan Desentralisasi dalam Bingkai Negara Kesatuan Republik Indonesia. *Universitas Maritim Raja Ali Haji.*

[8] *Ibid.*

Chart 1: Trends in Indonesia's Total Government Expenditures, 1999-2011



Source: BPS and Indonesia Budget Statistics[9]

The chart above explaining how inversely the values of central and regional spending before 1998 when political system of Indonesia was centralized and after 1998 which decentralized implemented. It shows us that in centralized system the spending of Central Government will spend more fund rather than in decentralized system and the spending of Regional Government will spend more funds in decentralized system because the constitution allow them to manage their own household without Central Government's permission.

General Soeharto that originally come from Indonesia military made the ABRI (Military Forces of Indonesia) have dual functions as social and political actor in the government which called as *"Dwifungsi ABRI"*. Which as their social role they played big part in the chair of the governments from top to the bottom level in village level. They took the majority of senior regional governments posts of the 27 provinces held by active or retired military officers.[10] The government had no interest to accommodate the interest of each parties itself instead they wanted to establish a political structure that serve interest of the government.[11] This system is indicating that Soeharto's New Order era is very authoritarian and centralized with the help of the power of military oppression. It can be said that the Central Government was trying to control the power

[9] Francis, S. (2012). Fiscal Policy Evolution and Distributional Implications: The Indonesian experience
[10] Passow, S. (1995). History: Creating a new order. *Institutional Investor.*
[11] Ghosal, B. (2004). Democratic Transition and Political Development in Post-Soeharto Indonesia. *Contemporary Southeast Asia.*

and political system by limiting the freedom of local governments in managing their authorization.

The centralized system also give Soeharto's dearest family and friends have their own advantages. Practice of nepotism were occur mostly in economy sector where state owned company like Pertamina was used to bring the money to Soeharto's family members and close associates.[12] This system also made the criticism from society or media were banned. The anti-critic government was working hard to eliminate those critics by military actions or violence. Even though New Order could reduce the poverty line in Indonesia, but it failed on reduced the foreign debt of Indonesia.[13] Corrupt government, the absence of political freedom, and economy crisis were the factors that provoke the demonstration in 1998. The students were demanding Soeharto to come down from the presidential running and erase the *Dwifungsi ABRI* policy. After a long time running the government on May 21, 1998 Soeharto was forced to step down from the presidential position.

The Downfall of Soeharto and Radical Decentralization Process

Following the end of Soeharto's era, Indonesia started to shift its political system and rapidly moving the country into a decentralized one. The decision of National Parliament to approve the Law 22 of 1999 about Regional Autonomy indicating the eagerness of Indonesian government to convert its conservative system to a more democratic one. The move was supported by local people especially those pro-democracy generations, students, and human right activists who already showed their dissatisfaction and anger toward New Order regime since the unsatisfied and undemocratic result of 1997 General Election.[14]

In Indonesia, democratization was all but decentralization. This happened due to widespread expression of Province outside java for "real" regional autonomy after those three decades of pseudo-autonomy given by Jakarta.[15] Habibie who acted as newly-

[12] *Ibid.*
[13] *Ibid.*
[14] ______. nd. *III. The Soeharto Legacy on Campus: A Historical Overview.* Retrieved *https://www.hrw.org/legacy/reports98/indonesia2/Borneote-04.htm* on 23rd August 2016
[15] Michael, Buehler. (2010). *Political reform in Indonesia after Soeharto*. Institute of Southeast Asian Studies: Singapore.

appointed President received the demand and quickly creating General Governance and Regional Autonomy body under Ministry of Home affairs to draw up a new regional autonomy laws.[16] The law 22 of 1999 which regarded as a legal evidence of Indonesian democratization process was about decentralizing the autonomy of a highly centralized regime. Law 22 of 1999 was not the only policy taken to transfer the authority to the provinces, Minister of Finance also drafted the so-called Law 25 of 1999 about Fiscal Balance between Central Government and Regions to accompany the previous law so that central government could accelerate decentralization process. Ryaas Rasyid who was a eventually be appointed as Minister for General Governance and Regional Autonomy said that the laws drafted by Indonesia was in fact not very different to federalism, a system which provide regions to be fully autonomous for internal matter differ that in central.[17] After these two laws passed, central government in Jakarta only had limited power especially regarding foreign affair, defense and security, monetary and fiscal policy, and some macro-developmental policy.[18]

The quick progress of Indonesian government system in the late 1990s was so rapid that some political scholar such as Hofman and Kaiser said that the event of decentralization in Indonesia was a Big Bang.[19] After just one year of the implementation of the law in 2001, the decentralization program was more than many expected, even for World Bank.[20]

Indonesia might be was not the only developing countries which entering the decentralization phase in the end of 20th century. But what happened in Indonesia was some sort of "radical" as the government tried its best to change its identity from an authoritarian country with centralized system to a democratic nation with decentralization one by creating new ministry focusing on regional autonomy and drafting new laws that could provide the reform of identity. Thus, it's raising a puzzle which creating a question for this research: Why Indonesia shifting its former centralized system into a more democratic one called decentralization?

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[16] *Ibid.*
[17] Haris, S. (2005). *Desentralisasi dan Otonomi Daerah.* Yayasan Obor Indonesia: Jakarta.
[18] Article 7 Law 22 1999
[19] Hofman, B and Kaiser, K. (2002). The Making of the Big Bang and its Aftermath: A Political Economy Perspective. *Georgia State University.*
[20] *Ibid.*

Constructivist's concept of Norms

Constructivism is an International Relations approach which is based on the discipline sociology, specifically inspired by Herbert Blumer's theory of Symbolic Interactionism.[21] The term 'Constructivist' was introduced by Nicholas Onuf in 1989 in his book "*The World of Our Making*", in which he asserts that human as the creator of nation-state affects the world as a whole. His statement implies that it is human who constructs or builds the social reality even for themselves.[22] Constructivists disbelieve the term of objectivity by stating that the current international system is the result of social construction done by nation states continuously in which the interaction of states directly create the system itself.[23] This interaction is known to Constructivist as actor inter-subjectivity. The idea of state's interaction highlighted by Alexander Wendt's journal titled "*Anarchy is what states make of it: the social construction of power politics*" in which he wrote that interaction creates and instantiates one structure of identities and interests.[24]

Interaction is important for the approach as it serves the most fundamental idea of Constructivism, inter-dependent relations between agents and structures. Constructivist sees nation-states and other agents/ actors as same as human, states are interacting with other states and also the society. Thus states cannot behave solely on behalf of their own, they are limited by some sort of value called norms. Norms, in context of Constructivist, plays significant roles in order to decide how states should behave in certain issue since Constructivist define norms as "Collective expectations embraced by set of actors regarding appropriate behavior."[25] To understand the idea of Constructivist, Berger and Luckmann in their meta-theory of Constructivist said that norms define the identity of actor which will define their interest and the possible policies that would be taken since social process of interaction creates and modify the identity itself. A more simple explanation could be seen in chart 1.2.

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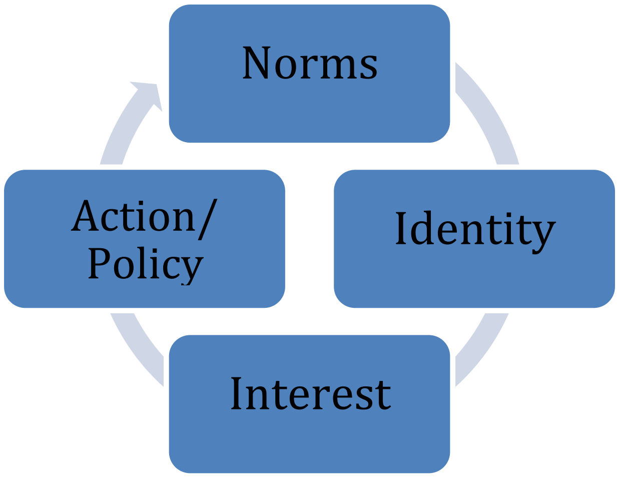
[21] Rosyidin, M. (2015). *The Power of Idea.* Tiara Wacana: Jogjakarta.
[22] Onuf, N. (1989). *The World of Our Making.* University of South Carolina Press: Columbia
[23] Jackson, R. H. & Sorensen, G. (2003). *Introduction to International Relations: Theories and Approaches*. Oxford University Press: New York
[24] Wendt, A. (1992). Anarchy is what states make of it: the social construction of power politics
[25] Finnemore, M. (1996). *National Interests in International Society.* Cornell University Press: London

Chart 1.2 Relations between Norms, Identity, and Interest



In Constructivist approach, norms are manifested into certain types: structural norms and domestic norms. Structural norms are based on various values and rules constructed by international actor which eventually forcing other actors to behave accordingly.[26] On the other hand, domestic norms are set of values embraced by several nations.[27]

Systematic Political Theory

Political theory is a generalization of political phenomena. It explains how political activity is trying to attain purposes, what steps are needed to doing so, possibilities and needs that imposed by certain political situations, and obligations that follow by purposes of that political activity.[28] On this paper we are using the Systematic Political Theory where norms and values are the basis that influence human behavior.[29] According to the book by Prof. Miriam Budiardjo, this theory is focused on norms that already occurred and doesn't explaining how it could happen. The norms thus implemented into political program in realization of norms that believed. [30]

For an example in the late 90s when Cold War just ended, the scope of national security shifting from traditional security into non-traditional security which known as

[26] Rosyidin, M. (2015). *The Power of Idea.* Tiara Wacana: Jogjakarta.
[27] *Ibid.*
[28] Budiardjo, M. (2008). *Dasar-dasar Ilmu Politik.* PT. Gramedia Pustaka Utama: Jakarta. Hal 45.
[29] Jenkin, T. P. (1963). *The Study of Political Theory.* New York: Random House. Hal 1-5
[30] *Ibid.*

concept of Human Security. It was not only military security that need to be fulfilled by a country but non-traditional security also covered human rights, environment, health, and other issues. The theory discussed how state could implement and achieve this Human Security concept and how international society could help developing states fulfill these aspects in their countries. There was no need discussion about why these norms are important because the era of war is already over, the Declaration of Human Rights indicated that the proper live for nations is important, and people also started to think that there's something more important rather than spending the funds for a war. They started to think about the need of good health, education, and environment. As a result, the implementation to achieve Human Security was done until now such as the establishment of Millennium Development Goals and Sustainable Development Goals.

Decentralization: Toward International Norm of Democracy in Globalization era

The myth said that Globalization was a catalyst for the spread of Democracy, this myth occurred especially in post-Cold War era when many authoritarian state such as Soviet Union opened up its satellites to broadcast anti-communist critique all over the land. It's believed that when democratic ideals sweep across authoritarian states, globalization makes democratization inevitable.[31] Those supporting this view argued that globalization promotes economic development and poverty reduction, and the rise of a middle class. Once the middle class reaches a critical mass, it demands a say in political decision making. Thus, the political process opens up, and becomes democratic.[32]

Yet, those pro-related-globalization-and-democracy activist failed to explained the situation happened in Singapore and China as these country were (and still) undemocratic although it accepted globalization in economic matters.[33] Thankfully, all may agree that today's world is more globalized that it was 30 years ago and along with it, a more democratized system since the share of the world's population enjoying full

[31] Griswold, Daniel. (2006). *Globalization, Human Rights, and Democracy.* Retrieved from http://www.cato.org/publications/commentary/globalization-human-rights-democracy on 23rd August 2016
[32] Griswold, Daniel. (2000). *The Blessings and Challenges of Globalization.* Retrieved from http://www.cato.org/publications/commentary/blessings-challenges-globalization on 23rd August 2016
[33] Griswold, Daniel. (2006). *Globalization, Human Rights, and Democracy.* Retrieved from http://www.cato.org/publications/commentary/globalization-human-rights-democracy on 23rd August 2016

political and civil freedoms has increased substantially in the past three decades, as has the share of the world's governments that are democratic.[34]

Although there is no direct connection between globalization and democracy, globalization has given great impact on the infusion of democratic norms such as political transparency and power decentralization of government.[35] Globalization preserve an ideal pre-condition so that democratic norms could infiltrate society around the globe. This happened because many democratic institution and Non-governmental Organization who are dedicated to promote democracy into regions with lacking commitment to such norm, used globalization to widespread the information. Organization such as World Bank, European Union (EU), and Organization of American States (OAS) have been widely recognized by their decision to promote democracy and its principal values. In many cases, World Bank played significant roles in democratizing authoritarian countries to adopt a more democratic governance before giving its financial assistance. For example, World Bank in 2008 gave its report which showing their dedication to financially support countries which accepted to decentralize their countries since 1990, many states includes Indonesia Russia, Brazil, India, and Philippines.[36] The goals were to decrease power held by central government in Fiscal, Administrative, and Political matter and transfer the authority to region government, by decreasing the power of central government, World Bank hoped that the countries would have better service delivery and an improved governance.[37] These activities shows that democracy manifested in decentralization became an appropriate norms to follow in the end of 1990s.

Since early 1990s, there were many developing countries have embarked some sort of decentralization stage, United Nations Development Programme (UNDP) in its 1999 report stated that reported that:

> "…Decentralization of governance and the strengthening of local governing capacity is in part also a function of broader societal trends. These include, for

[34] ___________. (2006). Global Issues: The Challenges of Globalization. U.S Department of State.

[35] Dalpino, C. (2001). *Does Globalization Promote Democracy?: An early assesment.* Retrieved from *https://www.brookings.edu/articles/does-globalization-promote-democracy-an-early-assessment/* on 23rd August 2016

[36] ______. (2008). Decentralization in Client Countries: An Evaluation of World Bank Support, 1990-2007. *Report.* The World Bank

[37] *Ibid.*

example, the growing distrust of government generally, the spectacular demise of some of the most centralized regimes in the world (especially the Soviet Union) and the emerging separatist demands that seem to routinely pop up in one or another part of the world…."[38]

Norms as Indonesia's Decentralized Identity Forming

After the end of the Cold War we could see that the number of democratic countries is increasing by 123 countries out of 192, including India, Pakistan, Philippines, and Indonesia itself that joined the group after Cold War ended.[39] The idea that democracy tend to make peace and rarely go to the war is one of the key why democracy is so popular until now. Based by UNESCO's research in 1949 it is said that democracy is the most ideal political system that a country could use.[40] In a world that constantly changing and the interdependency relations among countries that entwined there must be some expectations of the proper behaviors that a state should behaved in international society.

As a country that ruled by social actors which are people, the government will not be able to achieve their national interests by themselves. They have to interact and making some cooperations among other countries or actors that have resources and able to help them accelerate accomplishment of its national interests. Constructivism stated that identity form interests and actions which the identity itself is constructed by interaction to other actors. As democracy was considered as the best political system in the world, many countries expecting other authoritarian countries to change their political system into democracy. Since Constructivism considered international system constructed by the interaction of state itself. So when majority of countries running the system of democracy, they expected that the international system wouldn't be anarchy.

For this reason, democracy could considered as a norm because the shifting political system into democracy is collective expectations of most nations and if one state doing so it would be considered as the proper behavior of actor with given identity.[41] Norms also could give the effect on state's behavior which are constructive

[38]______. (1999). *Human Development Report 1999.* UNDP. Oxford University Press: New York.
[39]Borgen Magazine. (2013). *How Many Democratic Nations Are There?.* Retrieved from http://www.borgenmagazine.com/many-democratic-nations/ on 23rd August 2016
[40] Budiardjo, M. (2008). *Dasar-dasar Ilmu Politik.* PT. Gramedia Pustaka Utama: Jakarta. Hal 105
[41]Katzenstein, P. J. (1996). *The Culture of National Security.* Columbia University Press: New York

and regulative. Democracy as a norm in this issue could construct the identity and interest of Indonesia. The identity of Indonesia clearly shifting from an authoritarian country into democratic ones. Indonesia's interests also changed from military based into more prior to diplomacy. The changing identity also affect the behavior of Indonesia which also a regulative effect of norms on behavior. After the democratization, Indonesia became more open into cooperation, more open to public criticism, more ensuring the protection of human rights going on the right way, ensuring the presence of public election justly, and decentralized political system. It was all the behaviors that democracy expected a state to do to maintain the peace and minimize a war. Yet, identity might be changed as the time goes by since interaction among actors and structure are dynamic.

Conclusion

The resignation of Soeharto might be the end of New Order regime, in the other hand it's just an initial stage faced by Indonesian as the government quickly changing its system by decentralizing its centralized authority to give power to regions. This decision was taken since Indonesia needed to shift its identity to suit the norms constructed by international communities at that time which was democratization manifested in decentralization principle. Although globalization didn't play direct role affecting the decision, it preserve an ideal condition for democracy to infiltrate the country like Indonesia which formerly restricting/ limiting information access from the outside. The decentralization policy showed us how Indonesia could be an example about how countries' reception to norms set by international community. For further study, writer would suggest to focus on how the development of the policy as there would be a dynamic change outside Indonesia that might affect the policy itself.

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POLITICAL AUTONOMY AND FOREIGN INVESTMENT: THE ANALYTICAL REVIEW OF COMMUNITY EMPOWERMENT IN THE CONCESSION OF PT NEWMONT NUSA TENGGARA/ PT NNT (SUMBAWA)

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Abstract

The implementation of regional autonomy is one of the solutions in terms to answer the needs of rapid development and increase in public services. Moreover, regional autonomy also provides the opportunity for the regional government to exclusively manage their territory independently, particularly in improving the welfare of society. The emergence of foreign investment in the region can be a catalyst in the development and improvement of people's welfare. In this context, the construction of regional autonomy can play a role in two important things: first, it gives the local government an exclusive authority to protect foreign investment, and the second one is to maximize the authority of autonomy in community empowerment. The political autonomy gives the region a power to manage and maximize the presence of Foreign Direct Investment (FDI) in its own region, as well as in strengthening the independence in public areas through empowerment programs. Furthermore, there are two fundamental questions. First, how did the practices of regional autonomy occur in the concession area of PT NNT (Sumbawa)? Second, in what way can the exclusivity of autonomy protect the interests of community empowerment in the region? This research uses descriptive analytical method and its primary data are collected through interview with local government of Sumbawa/West Sumbawa, Government of NTB regency, NGO, representatives of PT NNT, as well as parliament parties. In addition, secondary data are obtained from research reports, publications website of PT NNT, journals, and related books. To strengthen data and analysis, presentations of reports, news media, and online media are also used as supporting data. From the acquired data, it shows that the exclusivity of regional autonomy has not made the local government optimally utilize the FDI in supporting community empowerment.

Keywords: Autonomy, FDI, Community Empowerment

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Introduction

Indonesia is a unitary state that adheres to the principle of decentralization in its governance, in which the state provides the opportunity and freedom to its regions to organize regional autonomy. Based on Law No. 32 Year 2004 on Local Government, the elaboration and implementation of the provisions of Article 18 paragraph 2 of the Constitution of 1945, the regulations specify that the region sets up and manages the affairs of the government according to the principle of autonomy and duty of assistance, whether in a form of People's Representative Council or only in the form of local administration. The regions may not be authorized as a state, but rather as an integral area within the framework of the Republic of Indonesia. (Batubara, 2012: 24-25)

With the enactment of Law No. 32 of 2004, it gives a significant meaning and brings basic changes in the life of the constitutional system in Indonesia, particularly in central and local government system. Thus, the constitution provides the opportunity and flexibility to local governments to implement regional autonomy, which regulates and manages the interests of society and the regions by optimizing their potentials and resources, in order to increase local independence and public welfare within the respective regions. (Ismanudin, 2011: 1)

In the context of regional autonomy, Law No. 25 of 2007 on Investment stated that regions ideally makes foreign investments as one of the aspects to develop its socio-economic conditions in order to realize the welfare of local communities. The local government is given the authority to compete to attract foreign investment as much as possible and to act as an 'operator' of regional development so that the potential of the area can be used optimally for the community. (Ismail, 2014: 2)

In another context, the development of Foreign Direct Investment (FDI) in the region is one of the indicators of economic growth in the region. Strategy and regional policies in creating conducive investment atmosphere become a target for FDI in capital investment, including for PT NNT (Newmont Nusa Tenggara). Local Government of West Sumbawa has approved the management of mining in the area by PT NNT to promote rapid economic resources.

However, it has been a common knowledge that people who live in the mining area are stricken by poverty. Therefore, the local government has both the authority and duty to provide for the welfare of the local community through FDI which operates in the area by maximizing community empowerment. As a form of concern and awareness of the poverty in the mining exploration industry, community empowerment is a commitment undertaken by PT NNT.

Furthermore, community empowerment through FDI is an activity done by the community itself, since they are able to identify their own needs and problems together. (Adisasmita, 2006: 116) Therefore, community empowerment is done based on the principle on which the application is directed to reach an equalization by sector. It is done to improve the welfare of the community supported by community participation that has the capacity, capability, and performance to continuously grow and develop. (Adisasmita 2006) Empowering communities can also change the lives of poverty-stricken people so that they do not only become the object but the subject of the poverty alleviation efforts. (Lestari and Murti, 2015: 195)

Referring to the situation, this paper tries to look at the political autonomy and foreign investment toward the empowerment of communities in the concession of PT NNT in Sumbawa. This paper uses a theoretical approach in analyzing the political economy of foreign investment of PT NNT where regional autonomy is a consequence of the implementation of the principle of decentralization as stated in Law No. 32 of 2004 on Regional Government. The method used is qualitative research method and it also deploys interview as the primary data collection techniques.

Autonomy and FDI

As stated in Law No. 32 of 2004 on regional autonomy, the law states that the principle of local autonomy is using the principle of broad autonomy, the principle of real autonomy, and responsibility. It can be described that the definition of broad autonomy is the area which is given the authority to manage and regulate all administrative matters outside of the affairs of the Central Government. Local Government has the authority to make their own policy to provide public services, increase the role and initiatives, and improve the welfare of society through community empowerment. (Ardika 2011, p. 120)

Regional autonomy as a part of government in the reformation era has a big agenda in creating welfare and community development. One of them is the division of powers between the center and the regions in order to implement substantive democracy in the field of governance. One way to accelerate the prosperity and development is to maximize the role of the bureaucracy at the local level through the implementation of development programs and public services.

All parties also believe that regional autonomy is expected to bring fresh air to the area to reorganize local government. In other words, the design of autonomy has given specific space to the bureaucracy of local government to create and innovate in the acceleration of development in the area. In the era of regional autonomy, the bureaucracy confronts the public more closely and directly. It also stands as the extension of central government. The mandate of regional autonomy is the priority to improve the quality of public services in the various sectors of life.

With the transfer of authority to the local government, regional autonomy encourages local governments to develop strategic policies which directly touch the needs of society. Referring to the region's vision for creating prosperity and justice for the people, policies in public services improvement are very strategic because they are directly related to people's needs. To realize the targets, the local bureaucracy acts as state representatives to interact and serve the public directly. At this point, the role and duties of bureaucracy are very strategic. (Nurpojo n.d. hlm.47)

Implementation of regional autonomy provides flexibility of authority. Broader range of responsibilities for local government is a very demanding role and creativity of local governments is needed to manage and develop the welfare of the region and their respective societies. Authority of local governments in the management of natural resources needs to be maximized by taking into account the patterns of coordination and the extent of authority.

Regional authority is divided into obligatory and optional affairs. Obligatory affairs are the affairs that are related to basic services, while optional affairs are selections of affairs chosen by the government that are demanded potential and unique to the region, like mining, fishing, agriculture, plantation, forestry and tourism (Law 32/2004 Articles 13 and 14). With the Law No. 32/2004, it can be seen that the local government may have broad power or authority. The local government has a wide range of powers over local development through the region's potential to boost economic growth and welfare of the people in accordance with existing regulations. Autonomous policy, as outlined in the act, is expected to give the opportunity to the local governments so that they have the power to maximize the implementation of domestic affairs which is aimed to prosper and provide superior service to communities in the region as a whole.

The implementation of government policies in managing household affairs must comply with conditions of communities in the region. As mentioned above, regional development must be associated with the excellent potential and uniqueness of the region in particular. In the context of regional autonomy, the management of natural resources is one of the efforts to build and develop the region without any intervention from the central government.

The characteristics of the independent nature of autonomy are legally self-sufficient and independent. In terms of politics or government, regional autonomy means self-governance or the condition of living under one's own laws (Sarundayang, 1999). Therefore, the characteristic of regional autonomy is more aspirational rather than conditional. Regional autonomy ensures that each region has the same opportunities to grow based on their own existing potential. Potential of nature and human resources will be explored optimally while maintaining discretion to determine the best for its territory. (Chalid 2005, hlm.14)

The existence of regional autonomy is the main point in developing a region in this reformation era. Regional government has the authority to explore the potential that is necessary to create more conducive economic environment for their society. In the sense of the word, economic development is created to accommodate all the wishes of the people to the needs for the production of natural resources. Through investment, capital (or increase of it) is needed as it is one of the means that has a strategic role. (Harjono 2007, p. 35)

In implementing national development, Indonesia requires substantial funds to keep up with the development of the advanced countries, both regionally and globally. But there are several obstacles in terms of funding or budgeting and resource management. In the development process, the country needs funding derived from taxes, trade, public saving, and more. Besides the efforts to find domestic sources of financing, the government also invites foreign financial aids, one of them is Foreign Direct Investment (FDI) or Foreign Direct Investment (FDI).

Krugman (2002) stated that the definition of foreign direct investment is the international flow of capital from a country where the company is established or expanding. A prominent feature of foreign direct investment is the involvement of the resources deployment as well as the implementation of control, where a branch or subsidiary company still has a financial obligation to the central enterprise and is also as part of the same organizational structure.

According to Law No. 1 of 1967 concerning Foreign Investment, FDI is foreign direct investment undertaken by or under the provisions of the Law in Indonesia. The holder of the capital directly bears the risk of investment. Law of the Republic of Indonesia number 25 of 2007 on Investment in lieu of Law No. 1 of 1967 concerning Foreign Investment states that foreign investment is an investment activity in the territory of the Republic of Indonesia done by a foreign investor. The investment is either with the use of foreign capital or joint venture with a domestic investor.

FDI can be realized through the establishment of companies or MNC in the recipient country. A discussion of foreign investment cannot be separated from the role of multinational corporations. One of the biggest foreign companies operating in Indonesia is PT. Newmont Nusa Tenggara (PT NNT). PT NNT invests in exploration of natural resources in the mining sector, particularly in West Nusa Tenggara province. The mining sector becomes one of the biggest economic drivers in West Nusa Tenggara.

Law No. 32 of 2004 on regional autonomy has provided opportunities for local governments to independently develop the potential of the region as whole. Similarly, West Nusa Tenggara has mining sector as the main driver of the economy. The mining sector serves as one of the prioritized sectors in potential areas that is managed to support the development and improvement of people's welfare. This sector is believed to be potentially superior as its presence can make a positive contribution to financial sector, local employment, poverty reduction and other possible positive effects.

Sumbawa is a district in West Nusa Tenggara province which is rich in natural resources including gold mines, copper, silver, and others contained in Batu Hijau in

West Sumbawa regency and in Elang Dodo in Sumbawa. To manage natural resources mining, the government has appointed PT. Newmont Nusa Tenggara (PT NNT) as the contractor. The designation was based on the work contract document that was signed on December 2, 1986. The exploration activities at Batu Hijau in West Sumbawa regency had been made since the signing of the contract and started the production in 2000. The total exploitation area is 51932.23 hectares, meanwhile, exploration activities in Elang Dodo had been conducted since 2004 with an exploitation area of 16568.54 hectares. (Abdullah, n.d.)

The existence of PT NNT in West Sumbawa regency has an important and strategic role in driving the economy of Sumbawa. PT NNT is expected to bring a real change in increasing prosperity, welfare, and community empowerment in Sumbawa, especially in the area around the mining area. Companies operating in a region have a social responsibility to develop the region, not only by the contribution to the country in terms of revenue, but also the development of communities around their area of operation or, in this case, mining area.

Community Empowerment of PT NNT under Autonomy Construction

In the context of regional autonomy, the economic development of a region cannot be separated from the policies and decision-making process to establish a better living condition for the society. Implementation of economic policies is embodied in the establishment of regulation that aims to boost up the community's economy. Local government is the main actor of development, whether at the stage of planning, implementation, and evaluation. Therefore, cooperation with investors is expected to answer the problems faced by the government in the development process in the region.

Community empowerment in the establishment of autonomy is important to be noted. In this case, community empowerment is focused on generating sustainable development in a region that emphasizes the aspects of economic independence, health, education, and other aspects to support development in the area. The concept of independence is based on a form of regional development that prioritizes local initiatives as well as a source of economic potential in the region.

In community empowerment, local government plays an important role in creating a conducive atmosphere in the development of the community. The role can be done through the formulation of policies which is more aligned to the public. In addition, strengthening the potential of communities needs to be empowered with the active participation of society's aspirations towards local governments. In the end, the cooperation between the local government and local communities becomes an important element in community empowerment.

In the case of community empowerment programs in Sumbawa associated with the presence of PT NNT, the local government should be transparent to the public and vice versa so that the needs of the region can be realized. Autonomy requires regulation and supervision so that the disturbance in the middle of the process can be avoided. Cooperation of various parties becomes a necessity so that the goals can be achieved. Local government is expected to coordinate with rural officials and leaders in formulating policies that will be implemented for the advancement of the region. Each formulation of policies must be based on the aspirations of the people (Damhudji: 2016).

The mining industry needs to participate in community empowerment agenda. It also needs to understand the local communities affected and the direct influence. This may need to be considered because it will affect the company's ability to gain access to resources. To that end, the company actively carries out dialogues with local communities. In this case, PT NNT has conducted various forms of dialogue mechanisms with communities and stakeholders to accommodate the aspirations of the people.

Communication and good relations that have been developed by PT NNT must be optimally utilized by both local governments and local communities to inform what needs to be prioritized. Existing communicating forums need to be held continuously in order to avoid any misunderstanding. They are expected to produce a community empowerment program targeted to have a direct impact to the community.

Within the framework of decentralization, community empowerment which emphasizes the concepts of independence provides a stimulus for community involvement. Related to this, the concept of independence becomes important for people to remember, that sooner or later, Sumbawa PT NNT will leave the area in line once the resources in the area are depleted (Natzir: 2016). After the contract expires, big investors such as PT NNT will leave and raise fears of substantial changes to the community's economy. Because of that very reason, PT NNT has conducted community development activities such as infrastructure development, scholarships, establishment of community self-help groups (SHGs), as well as medical assistance (Zulkarnain: 2016).

The next issue that arises from community empowerment programs is associated with the formation of “Kelompok Swadaya Masyarakat” (KSM). During this, KSM runs only on the level of exploration. When the PT NNT stops mentoring, KSM will also stop growing. Local Governments should take over the program so that KSM that has been formed can stand independently and produce a qualified product. Local governments should encourage KSM to stay ahead and produce qualified products and be able to distribute to other regions. KSMs are ultimately expected to not depend anymore on the existence of the company (Zulkarnain: 2016).

However, the government, who acts as the representative of the aspirations of the people cannot comprehensively understand what the community wants. In the same time, the people around the mine are targets of people's empowerment program of PT NNT. In the end, the imbalance of interests among society, PT NNT, and local government continues.

The principle of empowerment is an important monument to the sustainability of the community’s social life in the future, or post-mining. Therefore, ensuring the sustainability of public life requires programs that can maintain sustainable economic activity. The company's relationships with stakeholders are no longer in the form of management but also in the form of collaboration (Iskandar: 2016).

In connection to the above explanation, community development based on economic independence requires greater regional role in determining community empowerment programs, especially the excellent potential of local products. In this case, local government is required to be able to identify in detail about the local economic potential which can be developed for sustainable development in the area. Identifying of the potential of the local economy will be important for local government in formulating programs of community empowerment together with PT NNT. In addition, community development activities undertaken by PT NNT must also consider the economic potential that has been identified by the local government so that the empowerment program conducted by PT NNT and local government can run simultaneously.

As happened during this time, the implementation of community empowerment conducted by PT NNT and the Local Government runs separately either in the preparation or the implementation program. Although coordination is already done but the programs have not yet fulfilled the basic economic needs of the community (Mahmud: 2016). In the implementation of community development programs, company must always coordinate and cooperate with the government so that there are no overlapped programs. Responding to this, the Local Government of Sumbawa already plans to develop local economic potential that has comparative advantages such as beef, corn and seaweed (Indonesian: *sapi*, *jagung*, *rumput laut*, shortened PIJAR) (Damhudji: 2016). In this case, the community empowerment program is more focused on the industrialization of local products that support the increasing economic independence of society. It is also necessary to maintain communication with PT NNT in the planning, implementation, and evaluation of the program.

Local government should be able to push the PT NNT to work together to better understand the issues of economic development in Sumbawa based on local advantageous commodities. In this regard, consultations between PT NNT with government agencies in the area are needed to synergize community empowerment programs. This synergy is needed for community development program to assist the government in improving the welfare of society.

The role of local government in accommodating the aspirations of the people in the community empowerment program can be seen on the extent to which the program can be in accordance with what is desired and needed by the community. Therefore, local government and local communities must be involved together in the planning of community empowerment programs run by PT NNT. This is to avoid the perceived difference in meeting to the needs of society.

Within the framework of regional autonomy, the principle of transparency, balance, and mutual benefit become an important cornerstone in the community empowerment program carried out by the investor in the area. These three principles can be used in community development programs based on the industrialization of local products. One of programs that can be done is to strengthen the SME program. In the course of strengthening the SME, there are forms of communication and monitor that are routinely carried out by the regional government and PT NNT. This is necessary so that the programs can continue to strengthen and prepare the SME to take an important role in a more competitive market. In this case, it can be seen that the cooperation between the local government and PT NNT is not only limited to the increase in capacity, but also the market access. This is where the role of local government is needed in mapping SMEs which can potentially create economic independence in the long term.

Strengthening SMEs is not only to create economic independence, but also to create new jobs. It is intended to allow communities around the mine to no longer rely on PT NNT to get a job. SMEs are expected to accommodate more labors. Local economic development cannot be separated from the efforts to accommodate the aspirations of the real needs of society while local government is demanded to have a major role in encouraging business activities to create jobs.

Regional development within the framework of regional autonomy must also be supported by the competency of local human resources (HR). In this case, actually, PT NNT has provided many scholarships and trainings. Here, the local government and PT NNT must cooperate well in providing scholarships and training to ensure the right target. Local government has a major role in identifying the necessary skills of the human resources until the data regarding the educational qualification of human resources is needed in the development potential of the region. Of course, this data will be the basis for dialogue between the local government and PT NNT to identify what scholarship should be prioritized. The scholarship program provided to the public is expected to be effective and efficient.

Thus, the community empowerment programs carried out by the local government and PT NNT focus more on programs that have a long impact and great benefits for self-reliance. For the record, the empowerment programs in the construction of autonomy have not yet been able to address the real issue, namely the implications of autonomy associated with the maximization of the beneficial principle in the empowerment program.

So far, the empowerment program has indeed been executed in particular in the areas of social, religion, education, culture and economy. The results have short term implications. Often, empowerment program is quite pragmatic while providing services/goods to the community and certain organizations has no productive results. The aid of farming resources such as goats, cows, and hand tractor, are also proven ineffective, as the recipients sell the goods obtained from PT NNT.

On the other hand, the authority possessed by regional arrangements in the construction of autonomy also cannot be maximized. This is for example seen from delays in some empowerment programs designed within the budget. Local budget planning sourced from PAD, including the results of investment products of PT NNT is not received completely. This is due to the limitations of the exclusive power to the maximum area to access financing sources of FDI contributions. Thus, it appears that the independence of the region to intervene the finance through existing schemes in FDI is very limited. Political pressure and persuasion by institutional like Parliament of Sumbawa/West Sumbawa also could not answer the limitations and ambiguities in the position, regional maps, and allocation of funds sourced from FDI of PT NNT.

As a direct result of the inability of the region to capitalize on its position as an autonomous region, the area is very slow in accelerating economic development. Moreover, the dependence of society through empowerment of short-term assistance package increases. Furthermore, the *Anggaran Pendapatan dan Belanja Negara* (APBN) or government budget is still the backbone of the region for the welfare of its people.

Thus, political autonomy still cannot be realized and practiced for real. Political autonomy has not been able to become a "driving force" for maximizing the benefits of FDI through the empowerment programs.

Conclusion

By examining the description above, it can be concluded that in maximizing autonomous functions, it is very essential for the region to attract investment, in this case, including foreign direct investment (FDI). FDI will support the acceleration of development in the area and increase welfare. In other words, FDI can be a stimulus other than the government budget in moving the regional economy.

However, in terms of autonomy and the presence of PT NNT in the concession area of Sumbawa and West Sumbawa, it is found that the local government has not been able to maximize the benefit principle of FDI through empowerment programs. Exclusive autonomy owned by the region has no direct influence on the relationship model of local governments and the company. The autonomous authority has not been able to optimally improve public welfare through the empowerment programs. West Sumbawa's stagnation of economy in the event of the temporary closure of mining activity (about 3 months in 2015) is a proof that the programs are not very effective. When Newmont experiencing production problems, the people who are fostered is also affected. This means empowerment programs are directed to create an economic space between society and Newmont. This, of course, would jeopardize the long-term development programs, if Newmont stops producing in Sumbawa.

These findings can be considered as a lesson that political autonomy should be maximized to give the principle of benefit to the community, especially with the presence of FDI in the region through empowerment programs. The empowerment programs should be long-term, and can independently carry on the business and production. Region must maximize the role of protection of local autonomy as a key to increase welfare of the community through sustainable empowerment program interventions. Thus, the political significance of autonomy can be perceived, at least through the empowerment programs with maximum benefit from the presence of FDI in the region.

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CHAPTER 3
ART AND CULTURE / CREATIVE INDUSTRY

IMPROVING LOCAL ECONOMY THROUGH CUKLI AS LOMBOK'S HANDICRAFT BY PLACE BRANDING

Alwafi Ridho Subarkah[1]

Abstract

Cukli is a unique handicraft from Lombok made from seashells. The seashells are sticked to wooden furnitures such as chairs, cabinets, beds, and even small objects such as ashtrays, tissue boxes, and jewelry boxes and then decorated by pieces of shells. Cukli has artistic value and high resale value in marketing. However, people in Lombok still can't quite utilize this potential. Lombok itself has currently become one of many tourist destination that is visited by many people around the world. Furthermore, Lombok is also known as world class Halal Tourism Destination that can increase the number of visitors in Lombok. At the same time, this is might be an opportunity to commercialize Cukli. The aim of this research is to see the tourism potential and create a marketing system to make Cukli an icon of Lombok as souvenirs or branding Cukli as something that is demanded by the visitors, so that the visitors won't only remember the beautiful nature of Lombok but also this handcraft as an icon of Lombok. This research uses descriptive method which illustrates the issues and the potential of tourism in Lombok and will be reinforced and explained by the concept of Place Branding or Destination Branding. This concept assume that we brand certain place to attract more visitors which at the end can improve the income of that place. The results of this research are to make Cukli become something that is attached emotionally to the visitors to increase the community's economy through the strategy of Place Branding.

Keyword: Crafts, Lombok, Place Branding, Tourism

Introduction

Globalization is related with the exchange of ideas, cultures, technologies and so forth that crosses the boundaries of a region. Some experts also have varying definitions of globalization itself. Emmanuel Richter defines that globalization is a global network united people who are originally different but then become interdependent with one

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another in the unity of the world.[2] Martin Albrow argues that globalization is a process to unify the countries to become a global community.[3] Globalization represents the political and economic processes in the future through cultural influences.[4]

Riza Noer Arfani defines that globalization is an integration of local communities into the wider community that become a global community in many ways.[5] Sandu Cuterela says globalization can connect one region to another, ranging from domestic level to the center or to the region that is formed on the terms of social and economic as well as other relations so it could make a wider relation know as global relation.[6] Enis Prihastuti also argues that globalization is interdependence and interconnectedness between people and nations spanning the entire world through trade, investment, travel, popular culture, and other forms of interaction that occur within a country's borders.[7]

So we can conclude from the various definitions of globalization that there is a keyword that we need to remember when we talk about globalization, which is "integration". According to Indonesian Dictionary, integration is a unification of a set of things to become whole.[8] Thus globalization is an integration of various walks of life through a variety of fields to become a larger community that is global society.

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[7] Enis Prihastuti, *Globalisasi,* Analisa, Vol.1, No. 1, April 2013: 35-39, diakses dalam : http://fe.untag-banyuwangi.ac.id/attachments/article/73/ENIS%20PRIHASTUTI_%204.pdf, (21/08/2016, 22:47)

[8] http://kbbi.web.id/integrasi

There are many advantages that we can take from globalization, such as the ease of the flow of information and knowledge for everyone from anywhere in the world; ease of communication; increased mobility of faraway transportation; heightened tolerance among the society; and also development of technology.[9] These are among the many benefits that can be obtained from globalization.

If we look in terms of the economy, globalization also has its advantages, such as: increasing the global production; broadening and creating a variety of goods in the market; transfer of technologies; and may more.[10] We can conclude from its economic advantages that globalization is very beneficial if used as best as possible, so that we can increase the production, utilize the broad market, and take advantage of foreign investor and technology for economic development that will eventually prosper the society.

One thing that is also the impact of globalization is the ease of mobility of people through the development of technology and transportation. Globalization allows people to easily travel great distances. Mobility is also related with travel in terms of tourism. Indonesia is a country blessed with beautiful nature and culture that is not owned by other countries. It obviously attracts a lot of people from different parts of the world to come and visit Indonesia, as proven by the increasing number of foreign tourists in the period of three years from the year 2013 to 2015. In 2013, the number of tourist arrivals reached 8.80 million, steadily increasing in 2014 (9.44 million), and eventually reached more than 10 million in 2015.[11] The increase in visits is certainly beneficial for the economy. If calculated, the revenue collected by Indonesia in the tourism sector in 8 days reaches US $ 11.9 billion or Rp. 163 trillion.[12]

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[9] Enis Prihastuti, *Op.,Cit.*

[10] *Ibid.*

[11] *Kunjungan Wisatawan Mancanegara Sepanjang Tahun 2013 mencapai 8,80 Juta*, Kementerian Koordinator Bidang Ekonomi Republik Indonesia, diakses dalam : http://www.ekon.go.id/berita/view/kunjungan-wisatawan.513.html#.V7swX5KcHDd, juga dalam : *Jumlah Kunjungan Wisatawan Mancanegara Selama Tahun 2014 Mencapai 9,44 Juta Kunjungan, Naik 7,19 Persen Dibanding Kunjungan Selama Tahun 2013*, diakses dalam :https://www.bps.go.id/Brs/view/id/1104, juga dalam : Nancy Junita, *Kunjungan Turis Mancanegara Ke Indonesia Lampaui Target*, Bisnis.com, diakses dalam : http://traveling.bisnis.com/read/20160203/85/515617/kunjungan-turis-mancanegara-ke-indonesia-lampaui-target, (21/08/2016, 22:50)

[12] Nancy Junita, *Kunjungan Turis Mancanegara Ke Indonesia Lampaui Target*, Bisnis.com, diakses dalam : http://traveling.bisnis.com/read/20160203/85/515617/kunjungan-turis-mancanegara-ke-indonesia-lampaui-target, (21/08/2016, 22:56)

The visit of tourists coming to Indonesia is very beneficial, not only for Indonesia in general but also for the local community. Lombok lately became a special attention to the development of tourism, especially in halal tourism, with a high number Muslim tourists who spend their time there. In 2012 alone the Muslim tourist expenditure reached US $ 137 billion. It is projected that the number will increase in 2018 and eventually will reach US $ 181 Billion.[13]

Seeing this lucrative opportunity is certainly going to be a huge advantage for Indonesia, especially for Lombok as one of the places in which halal tourism potential not only attracts Muslim travelers but also non-Muslim travelers. Thus the positioning of halal tourism must be maintained by Lombok. Lombok needs the concept of place branding to improving their economy. One of the branding that can be used by Lombok is its unique handicrafts called Cukli. Cukli certainly should get special attention from the government to improve the economy of the community. Cukli should be widely introduced by the local government to the tourist so that they do not only enjoy the beautiful nature or culture of Lombok, but also can bring home a piece of souvenir from Lombok, and Cukli can be a suitable souvenir for them to bring home. Many visitors do not actually know the items that are unique to certain place for them take home, so the place branding in a tourism sector needs to be put to concern, since it will increase the local economy, in this case Cukli's craftsmen. By that reason, this paper will discuss about Lombok place branding by using globalization to further promote Lombok's tourism that aims to improve the economy by developing Lombok halal tourism and giving more attention to Cukli that has a high artistic value.

The place branding is a concept in which a place shows their unique image to the public so that people become interested to visit the place. Peter van Ham also adds that place branding is one of the things that can help in improving a country's economic

[13] *Mengembangkan Potensi Wisata Halal,* Republika.co.id, diakses dalam : http://www.republika.co.id/berita/koran/pareto/16/01/25/o1hy4v-mengembangkan-potensi-wisata-halal, (21/08/2016, 23:00)

sector and of course the welfare of their society.[14] Anholt said in Jordi de San Eugenio Vela that the most often thing used in building the image of a country is tourism.[15]

Stephens Melodena Balakrishnan/Greg Kerr explained that there are four ways to build a place branding, such as: deciding, designing, delivering, and determining. Deciding is a strategy that can be used to connect between objectives and strategies, and is used to promote a place and more importantly bring up the characteristics of the place that remains embedded in the memories of the people. In that case, the government should be able to decide one thing that can be used to characterize the region. Designing stage determines what will be raised from the chosen characteristic. This stage determines how to visualize or illustrate the characteristic either through images, tagline, or anything that can describe it. The third stage is delivering. This stage focuses on the delivery of a message so that anything that is wanted to be delivered will be accepted easily by the recipient in accordance with the image to be conveyed. Determining is the final stage to implement them effectively as well as to determine the appropriate strategy in order to achieve success by considering the economic and social objectives set by the government.[16]

Result

Tourism is one of the elements used by each country to display their image. Indonesia in particular considers the tourism sector to be vital in order to improve the economy quickly as trends of tourism each year tends to increase. The number of tourists worldwide reached 1.2 billion throughout the year. About 12 percent of tourist spending in the year 2012 reached USD 137 million and in 2020 is expected to reach $

[14] Peter Van Ham, *Place Branding: The State Of The Art,* ANNALS, AAPSS XXX, Month XXXXThe Annals of The American Academy, diakses dalam : https://www.clingendael.nl/sites/default/files/20080300_cdsp_art_ham.pdf, (22/08/2016, 14:42)

[15] Simon Anholt in Jordi de San Eugenio Vela, *Place Brandiing : A Conceptual and Theoritical Framework,* Boletín de la Asociación de Geógrafos Españoles N.º 62 - 2013, págs. 467-471, I.S.S.N.: 0212-9426, : https://dialnet.unirioja.es/descarga/articulo/4258363/2.pdf, (22/08/2016, 14:53)

[16] Melodena Stephens Balakrishnan / Greg Kerr, *The 4D Model of Place Brand Management,* diakses dalam : http://www.springer.com/cda/content/document/cda_downloaddocument/9783658015602-c1.pdf?SGWID=0-0-45-1378404-p174909669, (22/08/2016, 15:45)

200 billion.[17] This is certainly very promising for countries who wish to develop tourism to drive its economy.

In Indonesia alone, the number of foreign tourists each year keeps increasing if we look at the data from the last three years:

Table 1 Total of Tourists in 2013 – 2015.[18]

Year	Total of Tourists
2013	8,80 million
2014	9,44 million
2015	10,40 million

To respond the need for a slogan or tagline to brand Indonesian tourism in the designing stage, Indonesian government came up with the tagline Wonderful Indonesia, with the philosophy behind the logo is descripted as follows:

[17] Sri Anindiati Nursastri, *12,5 % Pengeluran Wisatawan Dunia Disumbangkan dari Wisatawan Muslim,* travel.detik.com, diakses dalam : http://travel.detik.com/read/2014/05/12/172600/2580505/1382/125-pengeluaran-wisatawan-dunia-disumbang-traveler-muslim, juga dalam : Kurniasih Miftahul Jannah, *Pengeluaran Turis Muslim Dunia Mencapai USD 62 Miliar,* Okezone.com, diakses dalam : http://economy.okezone.com/read/2015/10/14/320/1231621/pengeluaran-turis-muslim-dunia-capai-usd62-miliar, juga dalam : Ahmad Rosyidi Syahid, *Wisatawan Muslim: Prospek, Perkembangan & Kebutuhan,* Studi Pariwisata.com, diakses dalam : https://studipariwisata.com/referensi/wisatawan-muslim/, (22/08/2016, 16:52)

[18] Diolah dari berbagai sumber : *Kunjungan Wisatawan Mancanegara Sepanjang Tahun 2013 mencapai 8,80 Juta*, Kementerian Koordinator Bidang Ekonomi Republik Indonesia, diakses dalam : http://www.ekon.go.id/berita/view/kunjungan-wisatawan.513.html#.V7swX5KcHDd, juga dalam : *Jumlah Kunjungan Wisatawan Mancanegara Selama Tahun 2014 Mencapai 9,44 Juta Kunjungan, Naik 7,19 Persen Dibanding Kunjungan Selama Tahun 2013*, diakses dalam :https://www.bps.go.id/Brs/view/id/1104, juga dalam : Nancy Junita, *Kunjungan Turis Mancanegara Ke Indonesia Lampaui Target*, Bisnis.com, diakses dalam : http://traveling.bisnis.com/read/20160203/85/515617/kunjungan-turis-mancanegara-ke-indonesia-lampaui-target, (21/08/2016, 22:50)

Wonderful or Pesona Indonesia is our promise to the world of tourism. The word "Wonderful" or "Charm" contains promises that Indonesia is full of wonder, be it cultural or natural that touches the heart and promises a new and wonderful experience. We believe that the world would be a better place when everyone has the opportunity to enjoy it. The bird symbolizes peaceful life in a tranquil nature. Bird is also a type of animal with the largest population in Indonesia and the symbol of the nation. Wing span means openness, a desire to fly away, across the border. The word "Indonesia" in black is written larger than "Wonderful" or "Charm" to promote and strengthen Indonesian competitiveness among international tourism.[19]

The messages of peace and openness are presented by the Indonesian government through the logo, as well as the message of diversity of the communities in Indonesia to attract tourists from different origins.

The next stage, delivering, is conveyed by promoting the brand by using modern technology, such as social media. Then, the next step that should not be forgotten and must be done is the stage of determining. This stage aims to determine a strategy or a way for success to be achieved. One of the main objectives of the development of tourism is to improve the economy of a country. Indonesia should certainly give special attention to halal tourism because we can see that recently, the popularity of halal tourism has increased quite drastically. In that case, we need to improve the development of halal tourism in order to improve our economy.

One question is raised when we talk about halal tourism in Indonesia; do we have enough potential to meet the needs of Muslim travelers in order to get a big advantage of the increasing market share in the present era? The answer is yes, because Indonesia has everything needed to develop halal tourism, ranging from nature, culture, and people who could be used as material for the construction of halal tourism. From east to the west, there are more than 17,480 islands in Indonesia, with a land, water, and coastline area around 1.9 million km^2, 3.1 million km^2, and 95,181 km, respectively.[20] Indonesia has tropical rainforest extraordinary biodiversity considered as the third best after Brazil and Zaire. With interesting nature in places like Raja Ampat, Komodo Island,

[19] Makna logo copy-paste dari Kementrian Pariwisata, diakses dalam : http://www.kemenpar.go.id/userfiles/Kemenpar%20-%20Wonderful%20Indonesia%20Brand%20Guidelines(1).pdf, (22/08/2016, 17:58)

[20] Badan Penelitian Pemulihan dan Konservasi Sumberdaya Ikan, diakses dalam : http://www.bp2ksi.litbang.kkp.go.id/index.php/forum/fnpksi-v, (05/08/2016, 23:41)

Ujung Kulon National Park, Mount Kerinci, Bali, and Lombok, Indonesia's nature is no doubt one of the best in the world [21].

If we look at the culture, Islam has been around Lombok for a long. It can be seen from places of worship and buildings that have Islamic features in them.[22] Cultural issues are very important in Indonesian society, such as pilgrimage, or visiting places that are considered as sacred. Seeing as Islam has been well developed in Lombok, the government won't face any difficulties in developing halal tourism there.

In terms of population, Muslim holds the majority of the population of Indonesia. About 80% of Indonesian population follows the teachings of Islam.[23] Surely it's easy for Indonesia to develop halal tourism, as we know that Muslim in Indonesia will accept the Muslim tourists from anywhere, since they are bound together by faith, thus sharing many things in common, such as halal food and drink. Muslim travelers do not need to worry with food and drinks because they are widely available with halal certificate from the Indonesian Ulema Council (Indonesian: *Majelis Ulama Indonesia*/MUI).

The potential of halal tourism has awarded Indonesia with quite prestigious awards in the World Halal Tourism Summit 2015. These awards are potential in branding the tourism of Indonesia as it is awarded in an event attended by hundreds or even thousands of people. These people could be travel agents, potential travelers, and government officials from various countries who wish to cooperate with Indonesia in the development of halal tourism. Furthermore, the seriousness of Indonesian government can be seen in the formation of a National Working Group by the Ministry of Tourism in 2015. The formation of the working group is an evidence of the seriousness of the government to develop halal tourism. Aside from Lombok, there are three more provinces that are designated by the government to be centers of halal tourism in Indonesia. Those three provinces are West Sumatra, Aceh, and West Nusa Tenggara.[24]

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[21] Riyanto Sofyan, *Prospek Bisnis Pariwisata Syariah,* Jakarta: Buku Republika,hal 27-28

[22] *Potensi Wisata Syariah di Indonesia,* diakses dalam : http://www.medanbisnisdaily.com/news/read/2016/03/11/221367/potensi-wisata-syariah-di-indonesia/#.VyooPdLhDMw, (05/08/2016, 08.50)

[23] *Indonesia Miliki Potensi Besar Untuk Kembangkan Wisata Syariah,* Kementrian Pariwisata Indoensia, diakses dalam : http://www.kemenpar.go.id/asp/detil.asp?c=16&id=2466, (05/08/2016, 09:00)

[24] Farid Tolomundu, *Melompat Bersama Tantangan (Dua Tahun TGB-AMIN),* Biro Humas Pemprov NTB dan Sekertariat Program Unggulan, Nusa Tenggara Barat : Polydoor Desain & Printika, hal. 96-97

The Ministry of Tourism also hoped to improve the quality of sharia tourism by improving the capability of its human resources.[25] The development of halal tourism also begins with the implementation of several laws related to halal tourism, as the government made the Regulation of the Minister of Tourism and Creative Economy of the Republic of Indonesia Number 1 Year 2014 on the Implementation of Certification of Tourism Business.[26]

The hard work of the Indonesian government to develop halal tourism can be deemed as a success, as in the World Halal Tourism Summit of 2015, Indonesia won three awards, such as *World's Best Family friendly Hotel* (Sofyan Hotel Betawi, Jakarta), *World's Best Halal Tourism Destination* (Lombok, West Nusa Tenggara), and *World's Best Halal Honeymoon Destination* (Lombok, West Nusa Tenggara).[27] By winning two awards, obviously the branding of Lombok as a world-class halal tourism destination improved. In the international Halal Travel Magazine, July 2015 edition, Lombok was dubbed as "Island of 1.000 Mosques".[28]

The reason behind the designation of West Nusa Tenggara as one of the premier halal tourism destinations is obvious, as the potential of its nature, culture, and people become its own potential in developing a halal tourism. The Muslim majority of Lombok, along with its title as the island of 1000 mosques, is enough reasons for the government to develop halal tourism in Lombok. Furthermore, the wonderful natural potential of West Nusa Tenggara makes it a right destination to travel. Lombok itself will have beaches specially designated as halal beach, such in the Meninting area, West Lombok and in Mandalika, Central Lombok. The beach will have walls to separate the tourist from men and women. Halal food will also be sold there.[29] Currently, there are about 1,175 hectares of economically-specialized area in Mandalika, 300 hectares of it will be

[25] *Kemenpar Promosikan Indonesia sebagai Destinasi Pariwisata Syariah Dunia*, diakses dalam : http://www.kemenpar.go.id/asp/detil.asp?c=16&id=2042, (06/08/2016, 00:20)

[26] Peraturan Menteri Pariwisata Dan Ekonomi Kreatif Republik Indonesia Nomor 1 Tahun 2014 tentang Penyelenggaraan Sertifikasi Usaha Pariwisata

[27] Christina Andhika Setyanti, *Indonesia Raih Tiga Penghargaan Wisata Halal Dunia,* CNN Indonesia (online) diakses dalam : http://www.cnnindonesia.com/gaya-hidup/20151021195324-269-86465/indonesia-raih-tiga-penghargaan-wisata-halal-dunia/, (05/08/2016, 12:17)

[28] Halal Travel Magazine, *Island of 1,000 Mosques*, diakses dalam : http://itwabudhabi.com/World_halal_travel_magazine.html, (05/08/2015, 21:51)

[29] Karnia Septia, *Lombok Segera Punya Pantai Halal,* Kompas.com, diakses dalam : http://travel.kompas.com/read/2016/03/18/090300227/Lombok.Segera.Punya.Pantai.Halal, (06/08/2016, 10:28)

developed as halal tourism while the rest will be developed to build infrastructures. At the government levels, local government, the Ministry of Tourism, and the Lombok International Airport are discussing a plan to have direct flights from the Middle East to Lombok. In that case, Lombok International Airport will be improved.[30] If we look at the above improvements, we can see that the future awards in halal tourism will be easier to be achieve, as the branding is continuously improved by the government. The previous awards are named to Lombok for four reasons: first, Middle Eastern societies are very interested with tropical nature; second, the title of Lombok as the island of a thousand mosques is more than enough to get the attention of the international community; third, the vast availability of halal food; last, the vast availability of worship places in public places.[31]

Cukli Handicraft

For overseas tourist, there should be something to bring home as a souvenir whenever they visit a place. Lombok, as one of the top halal tourism destinations should also develop these souvenirs to further brand its tourism, aside from the economic benefits that it will bring. One of the best kinds of souvenir are traditional handicraft, and Lombok has Cukli. Cukli itself is a handicraft made of wood and shells that is cut in such way and grown in a timber as ornaments shaped like an assortment of tables, chairs, jewelry and more.[32] Cukli itself is a combination of pieces of seashell that are shaped and sticked in various wooden crafts with various motifs. In the past, the people of Lombok crafted Cukli in household utensils for everyday life. However, because the craft was not very popular in the market, people crafted it in antiques like daggers, jars, and others. Knowing that such materials are hard to find these days, they replaced the

[30] Ilham, *NTB Menuju Kiblat Wisata Halal Dunia,* diakses dalam : http://nasional.republika.co.id/berita/nasional/daerah/16/01/11/o0ret4361-ntb-menuju-kiblat-wisata-halal-dunia; lihat juga, *Menpar: Lombok Disiapkan Jadi Destinasi Utama Pariwisata*, diakses dalam : http://www.disbudpar.ntbprov.go.id/menpar-lombok-disiapkan-jadi-destinasi-utama-pariwisata/#sthash.4jp2XFLu.dpuf; *Wisata Halal Lombok, MUI Sertifikasi 600 Kuliner dan Suvenir*, diakses dalam : http://www.disbudpar.ntbprov.go.id/wisata-halal-lombok-mui-sertifikasi-600-kuliner-dan-suvenir/#sthash.WCLJglsl.dpuf (06/08/2016, 10:10)

[31] Faela Shafa, *Ini Alasan Lombok Jadi Destinasi Halal Terbaik Dunia,* travel.detik.com, diakses dalam : http://travel.detik.com/read/2015/10/21/184432/3050023/1382/ini-alasan-lombok-jadi-destinasi-halal-terbaik-di-dunia, (06/08/2016, 12:40)

[32] *Furniture "Cukli" Dari Lendang Re Lombok*, diakses dalam : http://id.lombokindonesia.org/Cukli-desa-lendang-re-lombok/, (22/08/2016, 18:50)

antiques with wooden materials.[33] And it was proven success, as Cukli furnitures has been exported to Tunisia.[34] Some examples of Cukli:

Left: the process of making chairs and decorating it with cut shells. Right: the results of Cukli crafting. (photo source: google.com)

Left-right: Cukli crafted in seats and plates (photo source: google.com)

[33] Yustita, *Memborong Kerajinan Cukli di Kampung Rungkang*, diakses dalam : http://lombok.panduanwisata.id/oleh-oleh/memborong-kerajinan-Cukli-di-kampung-rungkang/, (22/08/2016, 18:51)

[34] Theresia Felisiani, *Kerajinan Cukli Lombok, Diekspor Hingga Tunisia,* diakses dalam : http://www.tribunnews.com/bisnis/2014/10/05/kerajinan-Cukli-lombok-diekspor-hingga-ke-tunisia, (22/08/2016, 18:59)

Left: ornamented mirror. Right: A Cukli wardrobe (photo source: google.com)

The selling price of Cukli varies from one furniture to another. However, it has a high resale value, so that if the government continues to heavily promote it, Cukli has the potential to improve the economy of the local communities.

Conclusion

We shouldn't avoid globalization since the goal of globalization is to realize an integrated world in order to better facilitate human life. Globalization is so important for human life because it can give many advantages to the development of science, technology, and transportation. Another benefit of globalization is the economic growth of tourism. The ease of transportations enables tourists from various parts of the world to visit even the furthest places.

Tourism is one element that can be used to boost the economy. Place branding, or creating an image of a place in order to attract more tourist, is one way to improve the tourism of a place, which ultimately lead to the improvement of economy. One of the place branding that has been done in Indonesia, and especially Lombok, is building a halal tourism, which is considered as a right thing to do because it is considered as the most promising sector right now. As the tourism sector improves, the number of tourists to Indonesia, especially Lombok will certainly increase. And Cukli, as a signature handicraft of Lombok, will be one of its economic advantages in the tourism sector as overseas tourists will sure to spend their money the furniture, and ultimately the sale of Cukli will further improve the economy of local communities.

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MORE THAN JUST A LOGO, BRANDING AND THE PROBLEM OF IMPERFECT POLICY: LOCATING PEOPLE'S VOICE IN THE NEWLY IMPLEMENTED BRANDING OF *JOGJA ISTIMEWA*

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Abstract

This paper attempts to elucidate what makes a good branding effective by highlighting two important functions of branding as a marketing strategy in a globally interconnected world and a vision of development in delivering prosperity for the people. Using survey questionnaire, interviews, and focus group discussion, the research investigated how a place is perceived and how branding is implemented. Taking the case of Daerah Istimewa Yogyakarta, Indonesia, with its newly implemented branding, Jogja Istimewa, and highlighting the paramount of people's voice, the paper shows that the branding Jogja Istimewa has not been able to deliver the two functions effectively due to its excessive orientation to high capital investment as well as the haphazard policy which leads to dispute of the real target of the branding itself. Based on the research taken, the paper concludes that excluding the people in the process only turns a branding into a cheesy slogan, baseless, as it is isolated from its own context.

Keywords: branding, policy, Jogja Istimewa, Indonesia

Introduction

This research is stemmed from the assumption that understanding public perception upon a place is the first step towards building positive and competitive image of a place. Branding, which is currently believed to be the prime instrument in implementing the strategy of marketing (Caldwell and Freire, 2004) is more and more commonly practiced in many countries, regions, and cities. Brand becomes the option because, following the success of product branding, such as Marlboro, Levi's, and Coca Cola, it can give differentiation in the mind of the consumers among similar products or services in competition. Places in the world are currently branding themselves as

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interesting destinations for tourism, investment, business, and working. Branding is used by many places around the world to reinstate its identity and to promote its potentials.

While branding is believed to be the panacea for this tightening competition, there is a gap between how it is implemented in developed and developing countries. In Southeast Asia, for instance, leading countries like Malaysia, Singapore, or large cities such as Kuala Lumpur have successfully developed their brand identities through taglines such as 'The Truly Asia' (Malaysia), 'Uniquely Singapore' (Singapore), and 'City of the Future' (Kuala Lumpur). In Indonesia, although the same effort has been conducted in several cities, including Bali ('Shanti, Shanti, Shanti'), Jakarta ('Enjoy Jakarta'), Solo ('The Spirit of Java'), Semarang ('The Beauty of Asia'), and Yogyakarta ('Jogja Istimewa'), but the degree of successfulness is highly debatable. At the outset, these places are attempting to show their unique characteristics and create particular image in the mind of the people in order to distinguish themselves from their competitors. But eventually, aside from the tagline, there is almost no consecutive policy practice aligning with the brand.

A good branding is indicated by its effectiveness in delivering the message about a place's identity, but relations between identity and image in either theory or practice do not always walk in harmony. Place identity does not always correlate the idea which is about to be promoted by the place itself through branding. It happens because the variety of image association, which is linked to a place without any significant association which is referred to as its strength. Differences between what is to develop for the public and what is perceived by the public become one of the main reasons which substantiate the needs to research perception, especially how public perceive a place and what kind of aspiration that comes along with that perception. By understanding how a place is perceived by the public, the foundation of a place identity through branding could be more solid because it is built bottom up.

In developing countries like Indonesia, most development policies are decided through top down approach. These policies are dominated by developmental interests which is real and short-term oriented, that is to generate economic growth through inviting large investment. In the Island of Java, for instance, the strategy for inviting investment is directed for economic services, while in the outer islands the strategy for inviting investment is directed for extractive industries or agribusiness. While the strategy is proven to be effective in generating hard cash instantly, this top down policy is considered weak for being unable to deliver long term and equal benefits, socially and environmentally. The collapse of social carrying capacity is indicated from the uneven distribution of welfare among people in urban and rural areas, the loss of land and other local properties, which dampen people's life into circles of poverty and even leads to the social economic imbalance, while the wreckage of ecological carrying capacity is due to thechange in land use.

Special region of Yogyakarta is chosen as the place of study because it is one of the main tourist destinations in Indonesia after Bali, Jakarta, and Surakarta (Yuli, 2011, p. 51). Many have associated the successfulness of tourism in Yogyakarta with its richness in culture and history (Nuryanti, 2000). In reality, Yogyakarta is famous not only as a tourist destination, but also as the centre of education in Indonesia. Moreover, after being stricken by an earthquake in 2006 and volcanic eruption in 2010, Yogyakarta becomes famous for its volcanic resources. With the many potentials and associations attributed, the provincial government in March 2015 socialized the brand image of *Jogja Istimewa* to promote the region as an attractive economic site in Asia in terms of trade, tourism, and investment. The expression of *Jogja Istimewa* refers to the distinctive, exceptional Yogyakarta.

Although socialization of *Jogja Istimewa* appears to be more extensive compared with the previous brand, *Never Ending Asia*, the government in the provincial and the regency levels do not seem to have clear reference to manage their potential resources and marketing strategies within the framework of place branding. On surface, branding *Jogja Istimewa* is seemingly successful as anybody can see massive employment of the slogan in all government offices, public spaces, and in various promotional products and media which have associations with Yogyakarta. At bottom, dissent voices intensifies and manifested in cityscapes, twitter, and song lyrics, showing people's protest against government policy which are regarded as being not pro-poor, thus raising sustinability issue in a brand-based development policy of Yogyakarta.

In the past three years the speed of urbanization and the increasing capital investment and infrastructure development to a more service industry and urban-entertainment orientation are evident in Yogyakarta. This condition, in contrary to the image of Yogyakarta as a cultural and historical city, poses a great risk to the maintenance of the local culture and to down grade Yogyakarta rich historical context. At the same instance, the mushrooming of malls and supermalls, hotels, apartments and/or condominium at either the down town or the upper part of Sleman regency, which is known for its protected area due to its function as water catchment area, will eventually influence the social and ecological carrying capacity (Putra and Baier, 2008; Munawar, 2007; König, et al., 2010).

The paper attempts to question what makes a good branding effective by weighing the way in which branding *Jogja Istimewa* has truly represented the identity of Yogyakarta and directing the path of the development in Yogyakarta to people's expectation. By inserting the voice of the people as the vocal point of the analysis, this paper argues that a good and effective place branding serves two important functions, namely a marketing strategy to attract tourist, trader, investor, and creative talents, as well as a vision of development in delivering prosperity for the people.

Literature Review

The concept of place branding is not a new concept, but neither a long one. Place branding has been becoming one of the communication strategies exerted to build an expected image about a place or a location based on its uniqueness, which marks its difference. Although branding was initially employed as a marketing strategy for a product and a company, it is currently adopted by various organizations and/or places, which envision its importance as a comprehensive promotional strategy (Kavaratzis, 2009). Place branding becomes guidance for comparative advantage that a nation or a region or a city could claim for winning in a global competition. Along with the increasing competition between places in the world is the urgency to manage its reputation. Reputation for a place defines how public perceive the many aspects that define the place. Perception influences how people think about a place and decide to make it a destination to visit, to invest, or to study.

An image of a place can be discerned from its specific geography, history, proclamation, art and music, public figure, and other influential markers that can be analogized as the paramount product of a company (Gertner, 2007). In order to brand itself, a place needs an integrated communication policy or a framework to coordinate functions, which support its designated image. This image should be consistent and easy to remember so as to demarcate from other similar places. An effective place branding is not only good for tourism or business promotion, but also for creating an ecosystem of branding inclusive of all supporting components. Therefore, a place brand should be able to reflect the unity of an image of its own community, own land, own culture, own polity, and other characteristics that construct a place.

Much discussion has been done on the way place branding could and should be materialized in order to be effective (Rainisto, 2003; Caldwell and Freire, 2004), but a little elaboration was made on the impact people have to a brand, most of which are focusing on their importance as stakeholder (Sevin, 2014; Beckmann and Zenker, 2012). Sevin (2014), for instance, analyzed the trending topic among twitter users for the formulation of Define-Measure-Visualize (DMV) Model, whereas Beckmann and Zenker (2012) explained the importance of multi stakeholders' perception to figure out a place's core associations and to build target group-specific place brand architecture. Less other research, like Mommaas (2002) paid attention to the risks of applying the branding technique to a place because, unlike product, it normally does not have coherence due to its diversity. Given its rational, economic-oriented dimension, branding may overlook the many facets of the society, endanger social cohesion, expose social inequality, and eventually weaken social trust. In view of this danger, Mommaas (2002) recommended a social re-orientation in place branding.

Combining Beckmann and Zenker's idea with Mommaa's concern on the importance of people's perception and the social aspect of branding, respectively, this paper seeks out the actual inclusion of people in place branding. Following Sevin, the paper uses twitter message which is circulated among the residents (the in-groups) as a final observance to multi stakeholders' take on a place's image and identity. Using a single case study in a developing country, the paper aimed at a ground-based study of branding hence fill in the gaps of the existing research that is mostly theoretical and conceptual.

Method

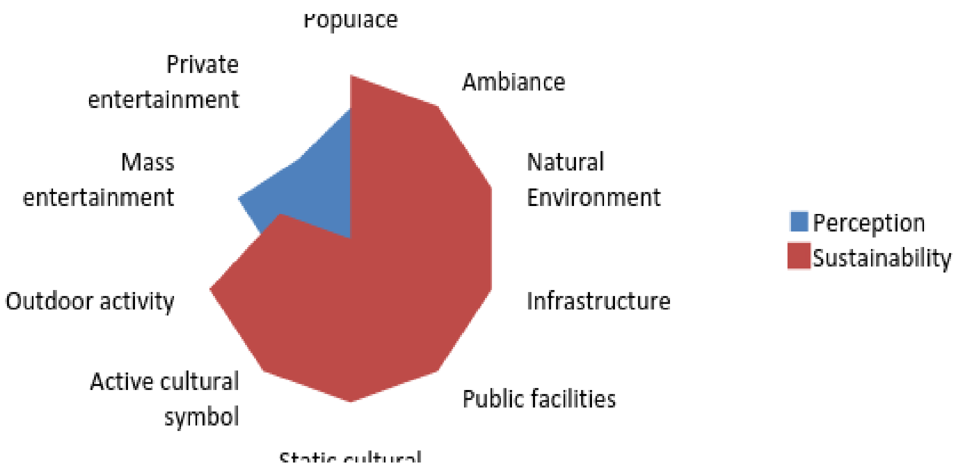
Three stages of data collection were conducted for different types of group. First, survey questionnaire and interview with purposive sampling were conducted for both the in and out-group. Here, sample of respondent were selected among tourist (both local and international), school and university students, residents who works in formal and informal sectors, and tourism service operator. Data collected from respondents (tourist, school and university students, native and nonnative residents, and tourism service operators) at this stage was meant to identify stakeholders' perceptions of Yogyakarta and the way this image fits with the notion of *Jogja Istimewa.* Second, previous data were verified with government bodies, professional associations, and other interest groups through focus group discussion. This stage sought to find out the effort made by the government in facilitating the expectancies of the society concerning their perceptive identity of Yogyakarta and the hindrance faced by the government in managing the identity. This stage aims to compare the way each government and non-governmental bodies make out their part in implementing the branding as well as to contrast each and every one's take on a number of issue at hand prompted by the respondents and the interviewee of the previous stage. Lastly, the findings were corroborated with the readings of the twitter message circulated among the in-groups for interpretation.

Result

Data collected from survey questionnaire and interview indicates a gap between perception and experience they have of Yogyakarta. Perceptional attribute that builds the image of Yogyakarta is categorized into 10 components, all of which set the attributes of sustainable city, thus must be met in order to create sustainable economy. These tenth attributes are populace, ambiance, natural environment, municipal infrastructure, static cultural symbol, active cultural symbol, outdoor activity, mass entertainment, and private entertainment. Despite some issues arising in almost all the attributes, the main problem lies on urban infrastructure, such as poor access to public transportation, low quality of infrastructure maintenance, poor quality of cleanliness and hygiene, and street orderliness. In addition, higher orientation towards mass entertainment than private entertainment in tourism sector is prone to environmental damage and social relations in the long term. It happens because tourism development is oriented towards attracting large quantity of incoming tourists, instead of building rich quality of local experience. In detail, relations between the tenth attributes and their degree of sustainability for regional development can be seen in the following graphic.

Graphic 1

Attributes of Perception that Builds the Branding of Yogyakarta and the Degree of Sustainability for Regional Development



Source: survey questionnaire and interview

To verify the data, a focus group discussion was held and was attended by some government offices within Yogyakarta province and professional association in tourism and hospitality services. From the discussion taken, it was known that re-branding *Jogja Istimewa* was only seen as marketing strategy for tourism industry, not yet projected as a strategic policy of development in need of coherence among inter-governmental agencies. Apart from the plan of creating Tourism Promotion Board, which encompasses the four residencies in Yogyakarta province, for instance, there is no attempt to have a policy coordinating body which functions to align the policy of various agencies from the top to the bottom level.

Thus far, effort to minimize the problem of inconsistence between the slogan *Jogja Istimewa* and its implementation was made by socialization with government offices, schools, and other respected bodies about the meaning and the strategy implied by the tagline of *Jogja Istimewa*. The mail circulated from the governor which instructs the use of logo and slogan *Jogja Istimewa* in all government offices, schools, signposts in public infrastructures and places, and products, has made socialization easier and seemingly effective. Yet, branding cannot be followed up by merely socialization in a one-way direction, from the top to the bottom. The launching and the institutionalization of branding must be followed with visionary and policy coordination from the governor, comprehensive development planning in the provincial level, policy implementation by all sectors of government in the province and the regencies, up until its evaluation.

Analysis

Since March 2015, the provincial government of Yogyakarta has socialized branding *Jogja Istimewa*, in place of the old branding *Jogja Never Ending Asia*. Unlike the previous brand, the socialization of the new logo and slogan of Jogja Istimewa seems to be conducted deliberately and properly. The indication comes from the ruling for all government offices to place at the entryway a banderole that shows the logo and the slogan of *Jogja Istimewa*. What is more, these logo and slogan are massively adapted into various uniforms, outfits, bags, brochures, letterheads, stickers, and other conventional media promotions, expanded by diverse stakeholders from multitudinous sectors. Seeing how well-received the socialization is, the new branding seems to be more attuned to the aspiration of the people of Yogyakarta, especially about how they perceived their place.

Picture 1

Logo and Slogan *Jogja Istimewa*

Source: http://jogjaistimewa.co/press-release-launching-branding-jogja-istimewa/

As an idea, place branding is a vision for development en route, hence re-branding *Jogja Istimewa* should also reflects the new vision of Yogyakarta in facing an unprecedented future. Yet, some phenomena show how the idea and the philosophical meaning behind *Jogja Istimewa* have become redundant due to the challenges it faces from both within and outside. Challenge from outside comes from naughty investors that aim to maximize the profit at the expense of cost borne by other parties involved. Challenge from within comes from many elements in the society who think that the launching of *Jogja Istimewa* and the inauguration of citizen branding are too expensive and put away the urgency of the problems currently faced by the society. Many believed that government fails to detect these problems, let alone to find out the way to solve them. Poverty eradication, poor quality education, threat against unity in diversity, environmental degradation, permit disparagement, etc. are only few problems to mention.

Using the hashtag #JogjaOraDidol and #JogjaAsat, netizens are boisterous in twitter, critiquing the lameness of the government in dealing with public issues. #JogjaOraDidol is citizen's action in response to the bulldozing of culturally conserved buildings and the selling of hectares of land to contractors for real estate, hotels, malls, and apartments by violating the rights of the surrounding community to groundwater and land use access. This massive development of hotels, malls, and apartments eventually widens the social economic gap between the locals and the entrants. #JogjaOraDidol pictures the urban development which is dried from creativity due to its economic growth orientation while degrading the social relations between its own people and the environment that supplies their needs. #JogjaAsat is citizen's action in response to the drying of groundwater because of the massive development of hotels and malls in Yogyakarta. #JogjaAsat critiques government policy that calls upon the values of fairness, the widening of the social economic gap, and the scarcity of the living sources of the people.

#JogjaOraDidol and #JogjaAsat are reprimands from the people to their political leaders: mayors, governors, legislatures, and all the apparatus of regional government; a call to give back their mandatory so as to push them to work responsibly, transparently, democratically, and properly stand for people's livelihood and for the sustainability of living environment. Not only in social media, the admonition is also shown in murals, banderoles, and posters of various activities conducted to educate the public about the rights belong to them. The hashtag becomes the language of protests voiced by the people who care about the undivided life of Yogyakarta.

The phenomenon in Yogyakarta elucidates how the expected image of Yogyakarta does not align with the message that flows from the day-to-day reality in society. This is because the claim as is formulated in the branding is not grounded in policy outcomes. Without much support from government, branding will only function as cosmetics to make up an outward appearance of a place. The phenomenon that goes on in Yogyakarta shows how re-branding has not been seen as a unified vision between policy maker in all governmental level. Re-branding has not been seen as consolidated action between governmental and private actors altogether.

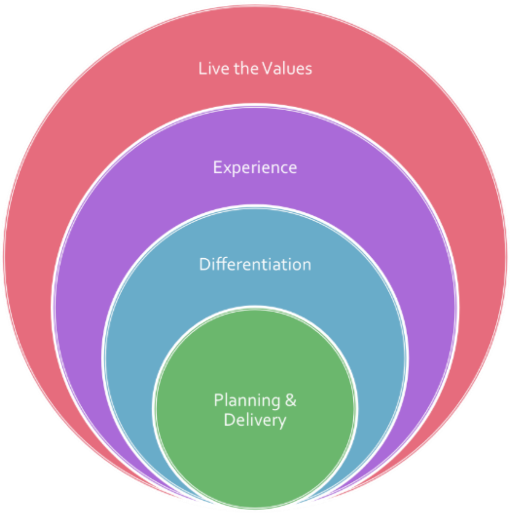
In addition, following Hankinson's (2007) explanation about the five pillars of an efficient place brand, namely (a) a strong and visionary leadership, (b) organizational culture with brand-orientation, (c) coordination within department and collaboration between departments, (d) consistent communication between stakeholders, and (e) strong and mutual partnership, the class actions would not prevail had all these principles observed. As people express their misgiving through class action, they are basically question the legitimacy of the branding *Jogja Istimewa.*

In theory, a place's reassertion of its identity through place branding should be able to deliver advantage, which is all-inclusive. This advantage is supposed to be gained because place branding propounds rendition and experiences to its target market of a place, while at the same instance gives direction to the planning and policy making concerning how a place shall be operated, cooperated with, and developed. Keeping this in mind, a place branding is supposed to give clarity upon potential target market, investor, service/facility operator, and consumers.

In practice, an effective place branding should be able to deliver message to various audiences. For the government, a sound place branding will lay foundation for development vision and inputs for political (decision making) process. For investor, a good place branding will give a hint to the customers about the kind of experience and values they can attain. For the operator, a marketable place branding will be able to reach the market and the customers that are targeted in the first place for market differentiation. As for the developer, a prospective place branding must be able to send an in-depth message to communicate with potential market and business partners.

Graph 2

Stengthening of Regional Identity Model



Graph 2 outlines the sequences for a place branding to work effectively. Starting from *planning and delivery*, a logo, slogan, or philosophy that binds the visual imageries of a place is formulated. Then, a strategy for strengthening a place is developed, not only to socialize the already launched brand, but also to build *differentiation*, to show a place's uniqueness or comparative advantage so as to attract talented and skillful human resources as well as empower the people. *Experience* means target that wants to achieve through differentiation. *Live the values* highlights the importance of keeping policy consistencies on track as well as maintaining attitudes and habits well attuned to the basic values which build the image of the place.

In Yogyakarta context, the process of planning and delivery has been conducted through the re-branding of *Jogja Istimewa*. In the level of differentiation, implementing the spirit of *Jogja Istimewa* must champion local initiatives while keeping the collaborative functions of the government and non-government sectors as the mainstay. Several activities that have been held routinely as cultural event include traditional rituals (such as *Sekaten, Padusan*) and contemporary (such as Yogyakarta Art Festival, Yogyakarta Fashion Week, Jogja Biannual Art) must be enacted as one of the insignia of Yogyakarta's uniqueness. Other than that, government bodies must be encouraged to formulate the uniqueness of Yogyakarta as a place so that more and more actors will contribute to the buildup of a strong image of *Jogja Istimewa*. The research and development of epiphytic plants (such as *gayam*), the empowerment of forest communities (such as Jati Mega in Kali Biru) and tourist villages also have strategic functions in supporting the actual experience of a distinctive Jogja. Keeping communities and living environment as the first and foremost essential elements in building a place image will create a robust collaboration for a sustainable and attainable place branding.

Conclusion

All kinds of branding, including place branding, highlights the importance of visual elements of brand. However, more than merely introducing logo and slogans, branding includes a larger activity and policy intervention aimed at directing a sound and visible brand. A sound and visible brand is indicated from its articulation in the policy outputs of all government bodies coherent with the promise that a brand deliver. An effective brand is thus indicated from how various stakeholders team up in numerous developmental projects and strive for the actualization of branding.

Based on the elaboration given above, the effort to communicate a place brand necessitates the understanding of how the place is identified or associated with by the public, thereupon specific target market to opt. While it is evident that only the strongest identity and association that should be used for as a place's identity, differences of opinions arising from variegated groups in society will help guiding public preferences for policy making process. As a marketing communication, brand is not naturally roll in, but instead engineered prudently by the coordination of cross-sector, inter-agencies, government bodies as well as participation of private actors and engagement of people and the communities.

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OPPORTUNITIES AND CHALLENGES OF DIGITAL CREATIVE INDUSTRIES IN INDONESIA: STARTUP AS THE EFFORTS TO INCREASE LOCAL ECONOMY

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Abstract

Technological developments are increasingly turning proportional of the progress of the Indonesian economy. Creative digital industry, among other things, led to the revolution of how business is conducted. A digital industry creative can be seen by the presence of digital-based startups or better known as Startup. Startups are synonymous with the world of technology. But actually the term Startup itself means, developing new business or business that just operated. The term Startup are attached with technology because the emergence of it is characterized by the considerable use of technology by businesses, and now the scope startup is not far from a business that is engaged in technology such as website, games or online transaction.

Emerging Startup growing every year helped bring the impact on cultural shift in society. On the one hand, the presence of Startup is able to give an opportunity to the workers in the creative industries to further explore the potential of each local area, as well as utilize Startup as a means to facilitate transactions with consumers of international scope. Thus the Startup also help improve the local economy. However, on the other hand their Startup also indirectly led to their high consumerism.

This paper wants to explain the opportunities and challenges of Startup as an effort to increase the local economy. In this paper the author uses descriptive method with qualitative approach, through the study of literature obtained from books, journals and articles related to the theme of this research.

Keywords: creative digital industry, Startup, local economy

Introduction

Increasing technological development has an impact on economic growth in Indonesia. It can be characterized by increasing business activities in the country either on a small, medium, or large scale. Current business activities are not only limited to the trading of goods or the rendering of services in the real world that happen physically, but much of the business activities is currently done through online media.

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Indonesia is now entering the era of the creative economy, where the existence of knowledge and ideas as the motor of economic development, as reported in an article in The Jakarta Globe, entitled *"Indonesia Seen Leading SE Asian Online Shopping Boom"*. Indonesia is prepared to lead the trend of online shopping in Southeast Asia due to the rise of internet access and investors who invest in digital-based creative industry[2].

Digital-based creative industry is an economy sector that grows significantly and is predicted to be the backbone of the economy in the future. This new economic strength based on creative industries, is clear from its contribution to the Indonesian economy, the contribution of GDP, exports, and the number of companies and the labor involved in it. Creative industries contribute Rp 573.89 trillion GDP of the total national economy. The sector is growing because it is supported by adequate information technology systems, either for production or marketing.[3] In terms of employment, the creative industries or creative economy ranks 4th out of 10 economic sectors in the workforce categories. At least 12 million people work in the creative economy sector.[4]

The creative industry is able to grow even in the midst of the global crisis in 2008. Aside from that, countless number of creative products and creative people are able to excel at the international level, which directly raise Indonesian image. The main resource of this industry is creative idea that comes from the cultural heritage and local wisdom, supported by innovation and technology. It also assures us that the creative industries based on culture and technology are capable to bring nation's independence.

The development of the business through online media is supported by a very fast internet penetration led to the emergence of many new companies with a website platform (web-based), such companies are called Startup. To date, the definition of Startup has not been formally defined. Startup is synonymous with small company having innovative ideas and close to the term *entrepreneur*. One expert in entrepreneurship field, Steve G. Blank defines a startup as a temporary organization

[2] The Jakarta Globe. *Indonesia Seen Leading SE Asian Online Shopping Boom*. Accessed from http://jakartaglobe.beritasatu.com/business/indonesia-seen-leading-se-asian-online-shopping-boom/, August 17, 2016.

[3] Kabar Bisnis. *Kebangkitan Industri Kreatif Berbasis Digital*. Accessed from http://www.kabarbisnis.com/file/06_Tabloid-Kabarbisnis_HUT-KBC-7.pdf, August 17, 2016

[4] Kabar Bisnis. *Kebangkitan Industri Kreatif Berbasis Digital*. Accessed from http://www.kabarbisnis.com/file/06_Tabloid-Kabarbisnis_HUT-KBC-7.pdf, August 17, 2016.

built with the aim to find a business model that is *repeatable* and *scalable*.[5] Furthermore, *Startup*[6] (Arjanti and Mosal. 2012: 3) is an IT-based companies that provide their services or products through offline or online, also mentioned that with today's development *Startup* is better known as small companies that have hosting and domain in the form of website or blog. Eric Ries[7] (2011) tried to develop his own definition on Startup and startup entrepreneurs distinguished with other small businesses, namely:

> Startup is an institution created to make new and innovative products or services in a state of high uncertainty. Everyone who makes a product or service under high uncertainty condition is an entrepreneur regardless of whether he is self-employed, working for the company for profit and non-profit organizations.

Today, *Startup* in creative industries has a strategic role in the delivery of innovation to advance the creative economy, especially Indonesia, which has a very large potential market in line with the birth of the middle class (*middle-income class*). It has been proved by the increasing number of new *Startup* born in Indonesia and concentrate on developing certain products to meet the needs of the domestic market, in addition to the international market.

According to the Ministry of Cooperatives and SMEs, the growth in the number of startup is now more than 1,500 startups and approximately 57.9 million small and medium businesses (SMBs). A fantastic amount for a developing country.[8] Meanwhile, based on data taken from a global startup ranking information provider, www.startupranking.com, there are several successful startup companies that enter top 100 companies in global scale. Most of them are startup companies focusing on e-commerce business. Here is the list of successful Indonesian digital startup companies as shown in Figure 1.[9]

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[5] Andy Saputra. 2015. P*eran Inkubator Bisnis dalam Mengembangkan Digital Startup Lokal di Indonesia*. Jurnal Ilmiah Mahasiswa Universitas Surabaya Vol 4 No. 1. Accessed from https://journal.ubaya.ac.id/index.php/jimus/article/download/908/878, on August 19, 2016

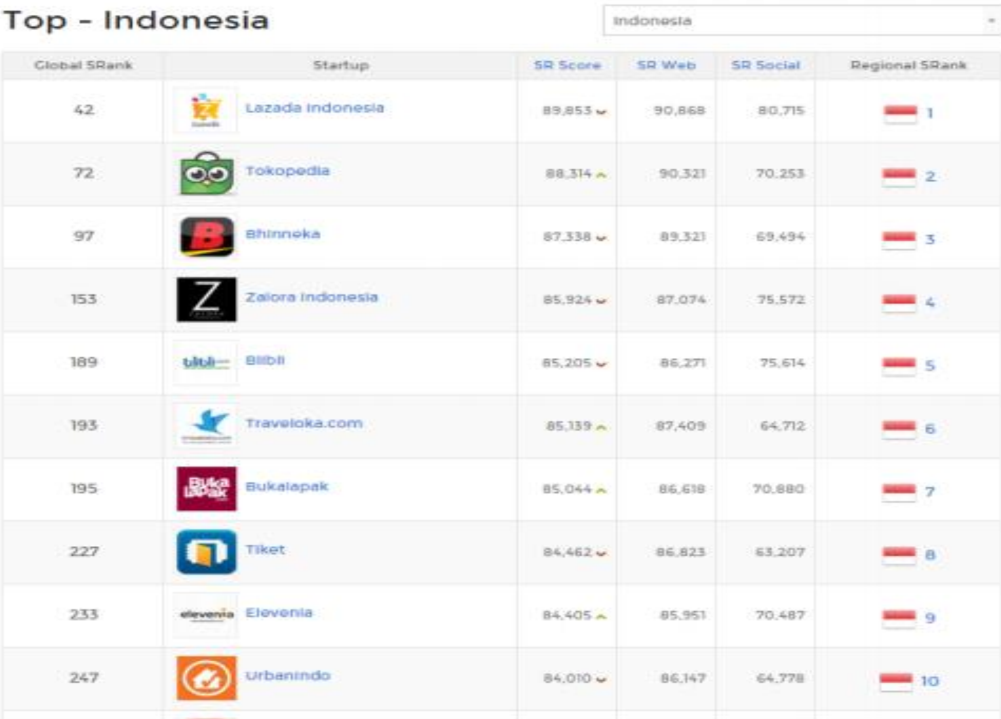
[6] Restituta Ajeng Arjanti and Reney Lendy Mosal. 2012. *Startup, Indonesia! Inspirasi dan Pelajaran dari Para Pendiri Bisnis Digital. Jakarta : Kompas, p 3.*

[7] Op.cit

[8] Dwi Retno Wahyuningtyas. Accessed from http://www.republika.co.id/berita/ekonomi/makro/16/01/23/o1e5qe382-ini-kunci-bisnis-startup-sukses-hadapi-mea, on August 10, 2016

[9] Accessed from http://www.startupranking.com/top/indonesia, on August 16, 2016.

Figure 1


Top - Indonesia

Indonesia

Global SRank	Startup	SR Score	SR Web	SR Social	Regional SRank
42	Lazada Indonesia	89,853	90,868	80,715	1
72	Tokopedia	88,314	90,321	70,253	2
97	Bhinneka	87,338	89,321	69,494	3
153	Zalora Indonesia	85,924	87,074	75,572	4
189	Blibli	85,205	86,271	75,614	5
193	Traveloka.com	85,139	87,409	64,712	6
195	Bukalapak	85,044	86,618	70,880	7
227	Tiket	84,462	86,823	63,207	8
233	Elevenia	84,405	85,951	70,487	9
247	Urbanindo	84,010	86,147	64,778	10

Startup development is exceptionally strong in recent years, supported by technological developments, which is the main variable in the focus of discussion in this paper. This descriptive writing is expected to provide a thorough explanation on the impact of creative digital industry as a startup to the local economy and social life.

Therefore, the discussion in this paper is divided into three sections before finally reaching a conclusion. The first section discusses the basic concepts used as an analytic tool, which uses social change theory. The second section discusses the impact of startup businesses to the local economy, in terms of production patterns. The third section discusses the impact of the startup as part of the globalization process on people's consumption patterns.

Technology and Social Change

Creative digital industry development in line with technological development has become a new way in developing local economies. In this regard much has been written about the relationship between the creative digital industry and economic growth through the viewpoint of economics. But in this paper, the author tries to discuss the creative digital industry and its relationship with economic growth through the viewpoint of anthropology.

In anthropology, there's a theory known as the theory of social change. Emile Durkheim became one of the scientists who is often used as a reference for understanding the definition of social change. According to Emile Durkheim, social change is a change in the way people live which is caused by the interaction of society and the development of technologies used to meet the needs of life. Social change is closely linked to cultural changes according to Landis. In this case Landis described the relationship between the two through social and cultural definitions. According to Landis, it is a form of social interaction between people or groups of people, whereas culture is a tool, method, or norms used in the interaction.[10] So when there is a social change then there certainly is a change in culture or vice versa.

The definition of social change was also put forward by Charles Cooley, who stated that social change is a process of interaction that opens the possibility of change or reconstruction of the personal identity and organizational and moral orientation.[11] Fast or slow social changes flow depends on the number of population, environment, intensity and quality of interaction between communities, and cultural forms.[12] Ritzer also stated that the process of social change goes along with the establishment of the social behavior of community members.

Technology becomes a part of human life at the time of social life. In his definition of social change, technology has become an important factor that leads to social change. On cultural definition by Lantis, technology can be incorporated as a tool and method for interaction. Technology is growing over time affecting the human way of life which tends to be used to improve living standards. It can be concluded that the technology also gives effect to the social changes that occurred on the process that improves people's lives.

Stephen Sanderson stated that technology is one of the catalysts for social change in addition to observe the ecological factors and demographics. According to Sanderson,

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[10] Paul H.Landis. 1935. *Social Change and Social as Factors in Cultural Change*. American Journal of Sociology, Vol. 41, No.1, July 1935 (52-58). University of Chicago Press. Accessed from http://www.jstor.org/stable/2768180 pada 16 Agustus 2016. p53

[11] George Ritzer. 2005. *Encyclopedia of Social Theory*. London: Sage Publication. p155

[12] Ibid. p258

evolution or social change occurs because the individual in a society adapt to changes in the social environment.[13] The presence of technology as a part of life, both individually and socially, demands men to adapt to the changes that occur as a result of the advent of technological development in their lives.

The influence of technology on economic growth is widely studied by academics as well as practitioners of social science technology weapons. According to Elena Ketteni in his article titled *Information Technology and Economic Performance in U.S Industries*, there's a debate among economists about the impact of technology in economic growth. One economist quoted by Ketteni is Robert M. Sollow, who stated that the development of computer technology is not in line with economic development.[14]

In 1995 and 1997, research conducted by Catherine Morrison and Ernst Berndt showed that the rise of IT technology affects labor productivity, but evidence showed it was of very little significance. Meanwhile Kevin J Stiroh and Dale W. Jorgenson's research during the period of 1999 to 2001 showed while the development of IT technology lower production costs, it wasn't directly proportional with labor productivity rise. But Elena Ketteni found other studies that support his hypothesis about the IT development being directly proportional to the economic growth. Research found by Ketteni is mostly a refinement from researches by the economists quoted earlier.

In addition, Ketteni stated that several studies on the micro-economy show that information technology development can increase productivity with a small fee. Eventhough there's an increase on labor productivity, information technology development requires a high cost as it requires the learning of new skills, improving production organization development, up to improving investment method.[15]

An economist and practitioner from IBM, James Cordata, introduced the term *digital hand* in the field of information technology. It is the development and utilization of digital technology in various aspects of life. James Cordata mentioned that the *digital hand* refers to the role of digital technologies in the production process as well as the

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[13] Ibid. p259

[14] Elena Ketteni. 2009. *Information Technology and Economic Performance in U.S. Industries*. The Canadian Journals of Economic, Vol.42, No.4, Agustus 2009 (844-855). Wiley as the representative of The Canadian Economic Association. Accessed from http://www.jstor.org/stable/40389489 pada 16 Agustus 2016. p845

[15] Ibid. p846

dissemination of information. According to Manuel Castells, digital technology is capable to create effective work and even change the work culture of a company that could affect production.

Some of the descriptions of the above literature studies reinforce the understanding that the technology has a big hand in changing human way of life as far as changing societal lives. But of course the social changes in line with technological developments bring positive and negative impacts that will be discussed later in this paper.

Digital Creative Industry and Measures to Improve Local Economy

Local economic development is a process in which local governments and community organizations involved encourage, stimulate, and maintain business activities to create jobs.[16] *Local economic development* as a model, emphasizing on how to formulate the *endogeneous development* or development based on local capabilities that are growing with as much as possible local tradition used in development, either in the form of the human resources, natural resources, artificial resources and organizational resources. Indicator that is often used is the amount of employment opportunities in the area. Factors to be considered in the development of the local economy are natural resources, labor, capital investment, economies of scale, market, economic situation, the ability of central and local governments, as well as conducive situation.[17]

According to Richard Florida[18], in developing the local economy, it is not enough for the private sector and government to cooperate with the private sector to develop a sophisticated industrial area, then by itself create an environment conducive to the creative economy. Knowledge and skills are necessary to be able to see the economies

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[16] Blakely and Bradshaw, 1994 in Susanti, Susanti, Etika Ari, dkk. *Pengembangan Ekonomi Lokal Dalam Sektor Pertanian (Studi pada Kecamatan Pagelaran Kabupaten Malang)*. Malang, Jurnal Administrasi Publik (JAP) Vol. 1 No. 4. Accessed from http://download.portalgaruda.org/article.php?article=190659&val=6469&title=Peran Stakeholder dalam Meningkatkan Perekonomian Lokal melalui Industri Kecil dan Menengah (IKM) (Studi pada Dinas Perindustrian, Perdagangan, Pertambangan dan Energi Kota Kediri), p33.

[17] Ibid

[18] Richard Florida. 2003. *Creative Class*. Accessed from http://creativeclass.com/rfcgdb/articles/4%20Cities%20and%20the%20Creative%20Class.pdf, on August 20, 2016.

creation from several angles, that is, from economic point of view itself, in terms of technology and in terms of arts and creativity. Every region with high economic level should have these characters consisting of 3 compositions. Therefore, Florida offers 3T concept, namely: talent, tolerance and technology. *First*, talent, which, to produce something that is competitive, it takes good human resources with a number of potential talents. In turn, people with high talent will have a high income from creative ideas. John Howkins referred to them as the people who live on the creation of ideas and exploit them in various ways. Florida classify this class into those from academic background (university), technology-oriented background, and from artistic background.

Implementation of the concept of this talent can be seen from the innovative products produced by students and Indonesian people. For instance there was a student in Surabaya who transformed rattan into artistic goods, rattan wastes are rarely processed into worthy goods like mobile phones case (casing). It is not only innovative, but also increase the economic value of rattan waste itself. Moreover, the efforts to explore the talent in order to improve the local economy are also carried on through many business idea competitions and entrepreneurship programs conducted by both private institutions and universities.

Second, tolerance, before the era of the creative economy is identified, people think if one want to get a job, one should move to a certain area where there is a concentration of industrial zones (agglomeration). Perhaps this opinion remains valid, but Florida said that the current jobs will be created precisely in places where there is a high concentration of creative workers and not the opposite. People with high talent have a high bargaining power. They have many alternatives due to high demand. If they are offered a job in quiet and dull areas, they tend to reject it, therefore these creative workers “user” has more interest and the users will succumb, as long as they get high quality human resources. On top of that with internet development, today’s workers do not need to go to the office, working remotely from the cafe or their homes is good enough.

What to do with tolerance? It deals with a climate of openness. If an area has a high degree of tolerance towards new and controversial ideas, and support those who dare to be different, then the condition for creation of creativity and innovation will be more conducive for creative workers to freely express their ideas.

Third, technology, the technology seems to become a necessity and has a role in accelerating, improving quality and simplifying business activities and social interaction. Nowadays more and more human jobs are being replaced by the technology, where humans are the operators who have more time to think about new ideas. In short, the technology will support the productivity. Thus, the ease of access and purchase of technology, transfer of technology is an important factor in the development of creative economy. It becomes clear from the description above that there is a very close relationship and interrelations between entrepreneurship and the creation of creative economic growth.

The third concept offered by Florida regarding this technology, can be seen from the increasing growth of Startup in Indonesia. Some of the most visited Startup such as Tokopedia, bukalapak, Shopee, Lazada, Qlapa, etc. *Qlapa* for example, is one of the online shopping sites selling *handmade* products and crafts such as wooden furniture, jewelry, hanging ornaments, paintings, leather wallets, and other handmade products, *Qlapa* not only accommodates the handicraft products from various regions in Indonesia, but through *Qlapa* the entire crafts coming from each region in Indonesia can be easily accessed by buyers from all regions in Indonesia and even overseas. *Qlapa* can be regarded as an intermediary site that connects buyers and craft products maker and facilitates the buying and selling activities that previously could only be done face-to-face. Thus, it is not impossible if the local crafts from each region in Indonesia become famous commodity in other countries thanks to *Qlapa*. This is what is meant by Florida that technology, in this case Startup, is one of the factors accelerating the local economy.

Startup and People's Consumption Pattern: A Critical Discourse

Talking about the positive impact, of course, the negative impact is almost always found nonetheless. After discussing about the impact a startup business have that could potentially lift the local economy, with increased productivity, increased income, and to make local products more widely known. In this section, the author will not write negative impacts of startup business development, but will instead review other discourses that appear related to startup business. The discussion in this section is divided into two parts. The first discussion will be the overview of the consumption of the gadgets that support the startup business. The second discussion will be about the changes in consumption patterns since the growing presence of startups in social life.

Startup business developed along with the development of technology that is created by humans. The discovery and development of information technology makes the manufacturer able to expand the market and create product innovation quickly and accurately in accordance with the needs of the society. As the current development demands for information even more quickly, devices supporting them are increasingly developed by the producers of communications equipment on a competitive basis.

Modern communication devices have become a primary need for the individual. Communication devices today are not only used for two-way communication like before, but have added functions as a search engine with high speed and accuracy due to the competition to develop better products for humans. Communication device currently in demand by the public at large is smartphone, functioning as a communication device for all directions, a tool to get information and entertainment, and even become a tool to develop a more creative and innovative industry.

Smartphone's increasingly significant developments make this product one of the things that 'must' be owned by most people in modern society. Originally a luxury item, smartphone has decreasing value due to the higher market demand. So it is not uncommon anymore to see a smartphone marketed at only hundreds thousands rupiahs with installment payments, with even lower middle class people could easily purchased one.

The phenomenon of uniform ownership that is considered "obligatory" by individuals in modern society is a direct result of the globalization process. According to Viotti and Kauppi globalization is a continuous process of transnationalization in the economic, political, social, and cultural aspects.[19] Transnationalization process that permeates space, time, and the intercultural nature of globalization makes the development of a smartphone manufactured by communication devices companies from

[19] Viotti, P.R., Kauppi, M.V., Paul, R.V. and Mark, V.K., 1999. *International relations theory: realism, pluralism, globalism, and beyond* (No. 327). Allyn and Bacon,.

America, China, and South Korea able to penetrate the Indonesian market and becomes a trend for modern society.

The development of the smartphone market in Indonesia is swiftly increasing and is predicted to reach 100 million users by 2018.[20] It shows that smartphones consumption in Indonesia is large and will grow every year. Of course this will change the communication patterns of individuals in the society. If before the presence of smartphone communication device can only be done in one direction through sound, then through the presence of smartphones, the communication can be done in different directions with additional video display that shows the receiver's condition directly.

Not only the convenience offered by smartphones developer in daily life certainly attracts consumers to prefer a smartphone, the various conveniences gained from using a smartphone also change people's life patterns. For instance, people prefer to download songs instead of buying CD of their favorite singer directly. It is, of course, also have an impact on the selection of marketing method of the song by the singer, who in the end chose to market their song digitally rather than making copies of the CD that is time-consuming on top of having higher production costs.

This smartphone consumption brings out two predictions in terms of individual behavior. First, with the presence of smartphones in an individual's live, it will bring the creativity that can improve nation's productivity in development. Alternatively, the second prediction is, the growing impact of consumptive lifestyle alongside increased productivity in the digital creative industry utilizing smartphone technology to reach the target market.

Digital creative industry that utilizes the advantages of smartphone features led to changes in consumption patterns of modern society. One of these is shopping method where we used to have to travel directly to the store, market, or the mall, it is currently easier to use an online system with diverse payment methods. No need to build an official website to market the product, using social media is enough to market a product. For those smartphone users of course it is easier for them to find stuffs, because they are

[20] Ministry of Communication and Information Technology of Republic of Indonesia. 2015. *Indonesia Raksasa Teknologi Digital Asia.* Accessed from https://kominfo.go.id/index.php/content/detail/6095/Indonesia+Raksasa+Teknologi+Digital+Asia/0/sorotan_media on August 21, 2016.

getting wider and faster access. Similarly, the sellers are also able to quickly gain customers.

Internet network that is part of life, changes consumption patterns which initially were very materialistic, now in the form of a combination of material and de-material.[21] George Ritzer exemplifies the use of the amazon.com website as a means to buy various goods needed by individuals with online payment method via credit card or mobile banking. Ritzer also explains the use of the term de-material to show that the consumption activities still indirectly (via online) use the hardware to run the consumption process.[22]

Dematerialization contained in the individual consumption behavior in modern society led to competition in developing consumption facilities in businesses that rely on the internet as a marketing medium. This is seen to raise fantasy *dream world* to the consumers themselves according to Ritzer.[23] The dream world he refers to is the planned and organized marketing and sales schemes in order to raise the manipulation effect on product sales and the consumer movement.[24]

Digital creative industry in the form of a startup business makes the cyberspace – created since the mid-90s – has widespread and limitless scope. The term cyberspace refers to the emerging space or forum for communication purposes as well as buying and selling media through internet network. It also makes the dematerialization as a means of increasingly broad and growing consumption. Ritzer predicted that the growing dematerialization may cause hyper consumption or excessive consumption in modern society.[25]

Interesting things that can be found from changes in consumption patterns in this era is the lack of uniformity in consumption patterns from individual to another individual. Almost nothing is typical of consumer behavior in the society. Ritzer and Ryan call this the globalization of nothing, where the phenomenon of uniformity of behavior occurs in the society's social life that is not in conflict with local cultural

[21] George Ritzer. 2001. *Exploration in the Sociology: Fast Food, Credit Cards, and Casinos*. London: Sage Publication. p145
[22] Ibid. p146
[23] Ibid. p147
[24] George Ritzer. 2005. *Encyclopedia of Social Theory*. London: Sage Publication. p283
[25] George Ritzer. 2001. *Exploration in the Sociology: Fast Food, Credit Cards, and Casinos*. London: Sage Publication. p157

circumstances. In this case it means blended easily with the local culture and not considered a threat to the local wisdom.[26] This uniformity is in line with the circumstances referred to globalization as it can also be found in other parts of the world.

Ritzer and Ryan also wrote about differences in traditional material consumption media with dematerialized modern consumption media. In this discussion, the author will directly apply the impact brought by the most prominent startup business.

First, the reduced contact between one individual to another because of the fulfillment of needs is done through an application on a smartphone with unlimited Internet connection. Second, although the startup business offers a unique product, innovation, and marketing types it nonetheless raises a uniform consumption patterns without uniqueness which can be found in the traditional market before this business mushroomed. Third, the reduction of local elements carried by a startup business when it is applied to other places. For example, when Go-jek was only present in Jakarta, the convenience deals offered by Go-jek was in accordance with the environmental condition in the region. However, when Go-jek was applied to other regions with different environmental conditions, all you see is an attempt to spread the wings for the purpose of economic benefits and Go-jek is losing its substance as a means of transportation to solve the traffic problem in the capital.

Behind the economic benefits brought by startup business, other social impacts will follow. Changes in consumption patterns are one form of social change as the result of individual adaptation to the development of the environment, technology, and human perspective.

Conclusion

The development of creative digital industry gave rise to many impacts on social life. Startup business that emerged as a form of creative digital industry brings positive impacts to the local economy. In addition, the emergence of the individual - creative individuals as a source of innovation in economic activity is also a factor developing the

[26] George Ritzer and Michael Ryan. 2002. *The Globalization of Nothing*. Social Thought & Research, Vol. 25, No. 1/2, Postmodernism, Globalization, and Politics (2002), pp. 51-81. Social Thought and Research. Accessed from http://www.jstor.org/stable/23250006 on August 21, 2016.

local economy. Therefore the local wisdom can be raised, known and enjoyed by the whole society easily, quickly, and without expensive costs.

Yet despite the positive impacts, emerges critical discourse about the changes in consumer behavior. Startup that has developed along with the development of information technology changes consumer behavior patterns from material to dematerialize. Convenience offered by startup in daily life in meeting the needs or solving the problem tends to increase people's consumption and is feared to be excessive. Therefore, it requires an effort to encourage people to balance the pattern of life by increasing productivity in addition to consumption activities.

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CHAPTER 4
COMMUNICATION AND INFORMATION TECHNOLOGY

DIGITIZING THE ASEAN IDENTITY: HOW INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) PROMOTES REGIONAL IDENTITY

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Abstract

People in the world are now connected. Globalization has triggered the advancement of Information and Communication Technology (ICT) by which social relations between people are facilitated. ICT strengthens, reinforces, and intensifies the effects of interconnectedness by overstepping all geographical boundaries and providing answers for limited space and time situations through online channels to both online and physical target audiences. In today's era, ICT is being used by anyone in anytime and anywhere. This paper aims to highlight the positive side of ICT as one of the features of globalization which have influenced people's daily activities. It is applied in the ASEAN context. Since ASEAN was established in 1967, the regional identity of ASEAN has not been declared clearly. It has made the sense of belonging of the ASEAN member states remains weak. The ASEAN member states envisioned to deepen their integration through implementing the ASEAN Community by 2020, in which the ASEAN identity is going to be promoted. The relevance of ICT in this ASEAN identity is significant considering a series of cooperation related to ICT among ASEAN countries that has been built since 1999. From this point, then this paper questions how ICT can be used to promote the regional identity of ASEAN. Method used to answers those questions is qualitative research. The findings reveal that ICT is a positive force which has the potential to boost the sense of belonging to the ASEAN member states through many ways.

Keywords: Regional integration, ASEAN identity, ASEAN Community, ICT.

Introduction

People may be mesmerized on how the world has changed in one decade, marks by the innovation in automotive, financial service, communication technology and much more. Globalization is a phenomenon or a today-conception where people can seek

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more opportunity to gain several things that cannot be achieved in past day such interconnectedness in trade, economy, culture, or even in a very simple thing, a mere chit chat between folks that faster and easier along the way.

Globalization is the process in which people, ideas, and goods can spread throughout the world, shaping what we somehow called it as a global society and global economy. In fact, it is due to people or even country can act as if it stands closely with this process. By theory, Robinson found out globalization has proliferated along with the innovation and changing environment allow new system tend to unite to be one, named as integration.[4] Further, not to recall what other theorist has said, globalization is the matter of how every single entity profoundly creates their own nexus as the year passing by. Integrating things that never met before making people somehow feel borderless.

In turn to ideas on globalization as the integration process, several facts are essential to be put in mind. Firstly, globalization is a 'neutral' process in which no tendency where it leads and gives further implication to existing matter such as how culture exclusivity tend to disappear (or called as culture exposure), for example, people from Indonesia can feel and enjoy other culture either from media or other source and *vice versa*. So it might be said Indonesian will turn (or have been) recognized as a global society. Secondly, by conception, globalization is a multidimensional creation where it is not as simple as talking on one thing that will link to another thing such culture to another culture by borderless process, but it can work in as more sophisticated things such culture that can be linked to economy or today we know it as culture capitalization. Last but not least, globalization up to this present only can be limited by country sovereignty that can hold a bigger impact on what globalization can do, or even drive where globalization will lead to. The premise on the sovereignty is actually based on the fact that information today became something wild that somehow need to be controlled to keep country stability in some cases.

Global society is driven by the looseness of kind of restriction that may hamper the integration, it might be the existing law and regulation or simple just an enabling

[4] William Robinson. 2007. Theories of Globalization. [Online]. Available at http://www.deu.edu.tr/Theories%20of%20Globalization.pdf (Accessed on 21 August 2016).

technologies such as ICT that allows a person or even country to keep intact with others. Based on the idea of globalization, the question of what is the enabling factor that may make the globalization emerge, then what global society stands for? Global society or somehow it might be called as the end of globalization is just like the what ordinary neighbors alike do, they communicate and interact each other, to be simple, it can be described as an organism that lives together and they like to be so. In that sense, ICT is considered as the enabling factor for that, creating an opportunity to make those organisms interact each other.

Basically, idea on how ICT can drive global society is about how ICT can allow trans-border communication easier and accessible to everyone, or in another term it can increase interconnectedness between everything. So, no wonder if globalization seems to get intense, innovation from ICT seems to play a very big role to globalization progress. The more accessible ICT, it may make the global society emerge sooner, and more than that, it may change how each entity will behave like never before. Perhaps the very basic question that can be described to more practically is what is the ICT evidence in shaping new behavior?

ICT appear is not a new conception that comes in millennium, but older than what we ever think, it defined in every mankind story. Dates back in 1940 for example, ENIAC and mark 1, as the era of vacuum tubes and punch cards in digital computing it was used for US Army in artillery firing tables but more than that, ENIAC is the impetus, it leads to another innovation that makes ordinary citizen can use a computer at future. At that circumstances, or even before ENIAC and mark 1 found, frankly speaking, innovation on ICT or it might be said as revolution of ICT (due to rapid evolution that takes) somehow driven by either by military matter, or simply a political matter, and less on pure scientific related matter and the innovation to be published and used publicly will be the next agenda.

Talking on how ICT impact to society, Shamil Idriss argues the revolution on technology revolutionizing human capacity to communicate, it is not only reducing the gaps of the worlds but also fuelled the dawning of unprecedented global connectivity and collective consciousness.[5] Education issue, for example, the ICT revolution have been the emerging field of virtual exchange, where it makes the meaningful cross-cultural experience as part of many things such as education process, provides students various formats on their education journey such video conferencing and so forth. Or in various field, such trade as another example, Amazon, OLX and other e-commerce things provide customer new journey to get a shop, wherever it is. Beyond on that, ICT not only provides us new value on society, shaping new habit, opportunity or even thread that never appears in the old day.

The ASEAN Identity as the Forge of Strong ASEAN Integration

On the experiments undertaken by Sonja Utz and Kai Sassenberg, there is the difference between common-bond groups (attachment based on interpersonal bonds between the members) and common identity groups. Before move further to the discussion, it is necessary to define the "identity" as the main topic in this paper. Cooper's five uses of the term identity, namely: as a ground or basis for social action or political action, a collective phenomenon denoting some degree of sameness among members of a group category, a core aspect of individual or collective 'selfhood', a product of social or political action, or the product of multiple and competing discourses.[6] Based on social identity theory, members of common-bond groups show an egocentric bias, whereas members of common identity groups forgo their individual goals for the group goals.[7] From the result of the experiment, it can be referred that the group or the society that has the same identity will be more solid, cohesive, and cooperative to reach the common goal.

This case is also applicable in South East Asia states integration, ASEAN. Identity in the organization is important as it is further explained that common identity groups comprise members who share a social category and are attracted to the group as a

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[5] Shamil Idriss. Search for Common Ground. [Online]. Available at http://www.scidev.net/asia-pacific/technology/opinion/online-connectivity-peace-matter-of-scale-1.html (Accessed on 21 August 2016).

[6] Coper in Amitav Archarya and Allan Layug. Collective Identity Formation in Asian Regionalism: ASEAN Identity and the Construction of the Asia-Pacific Regional Order. [Online]. Available at http://paperroom.ipsa.org/papers/paper_7151.pdf (Accessed on 21 August 2016)

[7] Sonja Utz and Kai Sassenberg. Distributive Justice in Common-Bond and Common-Identity Groups, Sage Journal, Group Processes Intergroup Relations April 2002 vol. 5 no. 2 151-162.

whole as well as its overarching identity. More specifically, members of common identity groups are attracted to the group's norms, goals, activities, and other defining features.[8] Thus integration that has the same and strong identity will be more cohesive and easier to reach its common goals. In order to establish the strong ASEAN community, the identity of ASEAN need to be defined and taken by the whole member states, not only the government of the states, but also all of the society.

In order to successfully build and hold the ASEAN community steady in a world of increasingly strong globalization, building a cultural identity of the regional level is critical. The reason is that regional cultural identity is a spiritual bridge connecting the Southeast Asian countries and peoples which differ significantly in ethnic people, culture, religion, and historic experiences. Cultural identity is the spiritual base upon which to successfully build the ASEAN Community (AC) and provide stability for Southeast Asia's future generations. The ASEAN cultural identity is also the identity card for this community showing its presence in the international community as an independent organization, making it unique and different from many other existing international cooperation organizations in the world.[9] In this case, identifying regional identity can be defined as formulating the collective identity of all member states, build the understanding of each other's culture, and have awareness of the common identity.

There are ten member countries in ASEAN and all of it has their own culture, characteristic, and identity to recognize. Collecting and making the whole members recognize each other's culture and the characteristic is one form of defining regional identity. If the ASEAN ministers insist on forging a common ASEAN identity, then they need to apply the same methods that Southeast Asian states have used for centuries to create national identities.[10] In this case, writers take Indonesia as the reference as this country has the similar condition in the case of unity in diversity in defining its national identity. Indonesia defines national identity as a characteristic that determines certain

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[8] Amber M. Gaffney & Namrata Mahajan, Common-Identity/Common-Bond Groups, Sage Journal. [Online]. Available at http://sk.sagepub.com/reference/processes/n37.xml (Accessed on 21 August 2016).

[9] Tran Xuan Hiep. Building The ASEAN Identity: A Process And The Early Results. [Online]. Available at http://kxhnv.duytan.edu.vn/Home/ArticleDetail/vn/103/1308/building-the-asean-identity-a-process-and-the-early-results-dr.-tran-xuan-hiep (Accessed on 21 August 2016)

[10] G Scott Alamanach Mikalauskis, 2012. ASEAN identity: doing it right? [Online]. Available at http://www.nationmultimedia.com/opinion/Asean-identity-doing-it-right-30184240.html (Accessed on 21 August 21 2016)

nation with others.[11] While the characteristic itself is the essence of various region and tradition characteristic which contain language, religion, ethnic, tradition, and culture. From the definition, it can be concluded that the regional identity should include all member states identify and enhance awareness of all member states of them, taken them as their common identity. Thus the condition will stimulate the sense of belonging. The question is: how is the ASEAN identity so far?

Building the Southeast Asian identity is so difficult since the Southeast Asia, in reality, is the miniature world of culture and religion. Within 600 million ASEAN people, it has also diversity, ethnic differences, and civilization differences. The largest Muslim country in the world is not in the heartland of Islam or the Middle East, South Asia or Africa. It is here, in Southeast Asia. It is Indonesia where 88-89% of its 240 million people are Muslims. Similarly, the Philippines are the region's only Catholic-majority country, both the Hinayana and Mahayana branches of Buddhism can be found in ASEAN (Myanmar and Thailand) and Bali is a Hindu-majority island.[12] Despite of taking part in ASEAN for more than 4 decades or at least nearly 15 years (e.g. Cambodia) and successfully building and holding steady the "ASEAN Way"– an individual characteristic of its cooperation organization, in the ASEAN Member States, *a common awareness about the region has not been established yet, even in the class of policy makers*. The interest of the region is not truly considered as a necessary factor included in a process of making policies for the development of a country. The reason is that many Member States have not deeply realized that they are the inseparable parts of ASEAN. The sense of belonging to ASEAN does not really occur in the thought of the majority of these Member States' peoples. If this mindset continues, ASEAN will be unable climb higher in the process of regional integration.

According to ASEAN views, the sense of regional identity and solidarity will have been built on years of cumulative interaction in all facets of social and economic life and at all levels – communities, governments, and civil society.[13] Thus, enhancing the awareness of regional identity is not only in the level of government anymore, but more

[11] Kaelan, Pendidikan Kewarganegaraan, Yogyakarta, Paradigma, 2010, page 43

[12] Travel Impact Newswire 2012. Sec-Gen Surin: ASEAN Identity, Cultural Integration As Important As Economies to Avoid Conflict.

[13] Excerpted fromThe ASEAN Socio-Cultural Community (ASCC) Plan of Action,Vientiane, Laos, 29 November 2004 , ASEAN Knowledge Kit , June 2005 .p.60

emphasizing in the level of communities and civil societies to reach the strong regional integration. The Member States and their peoples should have respect for the different cultures, languages, and religions of their associated countries. The region is characterized by its multicultural and multiethnic aspects. In addition, ASEAN civilians do not feel they can identify themselves to any community other than their nation, nor do they feel what calls 'a shared sense of ASEAN-ness'. Generally speaking, knowledge and understanding about ASEAN are now still limited to small groups of people such as academicians, diplomats, businessmen, and governments, rather than ASEAN citizens en masse.[14] ASEAN is defined by ethnic and religious pluralism. In a globalized world, this diverse and pluralistic region is facing quite some new challenges (as the countries) are integrating and working together much closer than in the past. That will bring a lot of problems and challenges. The challenge now is how to live in harmony and mutual respect for a better future.

Without strong common regional identity, conflicts are easy to emerge and hinder the establishment of strong integration. The conflict can block the opportunity of economic gain that potentially can be reached together in the most attractive region in the world recently. We can take example sorts of "cultural war" among some ASEAN countries related to cultural heritage. In 2012, it was reported that riots erupted in Jakarta when Indonesian protesters targeted the Malaysian Embassy over dance heritage, in particular, the Tor-tor dance. Likewise, some quarters claim Malaysia's national anthem Negaraku is based on Indonesia's Terang Bulan (Bright Moon). In the area of cuisine, the Yu Sheng/Lo Hei, a dish served during Chinese Lunar Festival and traditionally thought to bring prosperity is separately claimed by the Chinese in Singapore and Malaysia as theirs. Even the Peranakan (Nonya) dishes, a fusion of Malay and Chinese recipes, did not escape similar claims. (Ethnic tension within Malaysia between Chinese Malaysians and ethnic Malays is still on because of the country's economic policy of Bumiputra which gives preferential treatment to the ethnic Malay majority.) Another example is the Preah Vihar temple issue between Cambodia and

[14] Nussara Wadsorn. "ASEAN Identity, are we there yet?" A Survey on Thai Tertiary Students' Sociolinguistic Views towards ASEAN Community. [Online]. Available at http://curtincreative.curtin.edu.au/schools/EDU/education/pdf/alaa/N-Wadsorn.pdf (Accessed on 21 August 2016)

Thailand which had to be settled by the International Court of Justice. In April 2013, about 500 nationalists of the Patriot Thai Group raised the flag of Thailand to assert Thai sovereignty over Preah Vihar. The examples cited demonstrate that cultures should not be thought to have fixed borders. Many of these cultures evolved in the course of time during Hindu, Muslim, Buddhist or Christian periods. Meaning, practices in countries within the ASEAN region continued to be shaped by various peoples and events.[15]

The lack of knowledge of historical roots and evolution of particular ways of life and practices can result in too nationalistic and divisive views. There should be space for two or more forms of heritages, complementary but not in conflict. In short, they should be considered shared cultures that transcend political boundaries. In this rubric are the angklung (bamboo) orchestra as well as the gamelan (gongs) ensemble of Indonesia, Malaysia and the Philippines which are like one. Also, batiks which are either Indonesian, Malaysian or Thai like the wayang kulit (puppet show). The Philippine Bayanihan Dance Co. researched Singkil and found that it has its equivalent in Indonesia and Malaysia, which should not be a surprise considering the geographic proximity of the three countries collectively called "Maphilindo" before the birth of ASEAN. In the same way, the popular Philippine folk dance Tinikling has a slow movement version in Thailand. Truly ASEAN, on the other hand, is kite flying as a pastime as well as the tube-like-wrap-around malong, a real-life practical garment for men still evident all over Southeast Asia from Brunei Darussalam to Myanmar to Vietnam.

The case of the Preah Vihar temple between Cambodia and Thailand, however, should be viewed in another light. Involved is sovereignty but a way out is recognition of functional sovereignty as distinguished from territorial sovereignty. Functional sovereignty refers to specific uses of a resource rather than absolute and unlimited jurisdiction within a geographic space. It means interdependence in the sustainable use of a resource emphasizing that states are duty bound to cooperate with each other to promote development sustainability of the common environment. Preah Vihar ought to be enjoyed as an ASEAN tourism resource, a cultural heritage of both Cambodia and Thailand aside from a religious destination in the ASEAN jurisdiction. Or, in different words, the change of perception of the role of sovereignty in relations between states

[15] Ambassador Amado Tolentino, The Manila Times, "An Asean identity?", 22 March 2014

regarding their environment should be characterized by equitable utilization ultimately redounding to the benefit of the ASEAN region. A good model for an ASEAN identity is the ASEAN Heritage Parks system which continues to focus on cooperation among member countries to develop a regional conservation and management plan for the current string of over 40 heritage parks in the region. The criteria to determine if the region qualifies as an ASEAN heritage park include high ethnobiological significance, uniqueness, and representativeness. Designation as a heritage park strengthens cooperation, awareness, and appreciation among ASEAN countries.

Recognizing this reality after the establishing ASEAN community (AC), particular attention to the region's common identity needs to be emphasized. The regional identity which ASEAN strives to build includes "promoting ASEAN awareness" and creating a common sense of ASEAN Community – a "sense of belonging to ASEAN."[16] The ASEAN Cultural Community Plan of Action, adopted at the 10th ASEAN Summit in Vientiane in November 2004, considers regional identity as "the foundation of regional cohesion" and "the basis of Southeast Asia's regional interests. The ASEAN community will reflect our collective personality, norms, values and beliefs, and aspirations."[17] As such, a regional identity is not only an objective but also a tool to build and maintain one community which ASEAN societies share, protect and help one another by working together. According to Amitav Acharya and Alan Layug, the regional sources of identity are ideas, norms, values, culture and history, multilateralism, diversity. Besides, there are also limitations of identity such as intra-regional tensions and conflicts, the effects of globalization on non-traditional security issues, the saliency of national identities, political heterogeneity.[18]

Still refer to Amitav Archarya, to form ASEAN identity, there are sources of ASEAN identity need to be considered. First, the ideas People in South East Asia need to have the common ideas about first the idea of "one South East Asia" and second the idea of ASEAN Community. They should have the ideas in mind, at least to help to form the common identity. The second source is the norm. Legal-Rational Norms and Socio-

[16] Excerpted from Chairman's Statement of the 16th ASEAN Summit "Towards the ASEAN Community: from Vision to Action"

[17] ASEAN Secretariat. Blueprint for the ASEAN Socio-Cultural Community (20092015) . [Online]. Available at http://www.ASEANsec.org/5187-19.pdf (Accessed on 21 August 2016)

[18] Amitav Acharya and Allan Layug. *Op. Cit.*

Cultural Norms. Those relating to legal-rational norms such as "respect for national sovereignty, non-interference in another state's domestic affairs and renouncing the threat or use of force in settling disputes" and those relating to socio-cultural norms such as the ASEAN Way which includes "flexible consensus and organizational minimalism proto-multilateralism". These can be further divided into four main categories: "those dealing with the non-use of force and pacific settlement of disputes; those concerning regional autonomy and collective self-reliance; the doctrine of non-interference in the internal affairs of states; and last but not the least, the rejection of an ASEAN military pact and the preference for bilateral defense cooperation". The third source values. In one way or another, they have struggled to realize these values in their quest for identity such as "respect for justice", "rule of law", "freedom", "sovereignty", and lately, "democracy" and "human rights". For their peaceful collective co-existence, they have struggled for "regional cooperation", "regional resilience", "regional autonomy", "regional independence", "regional peace, harmony, stability, and prosperity." Next source is culture and history. It is including the Pre-Colonial Pattern of Statehood and Inter-State Relations, Commerce and Southeast Asian Region, Colonialism , and the Making and Unmaking of the Region, Nationalism, Cold War, and Regional Order, Regional Identity and the Post-Cold War Order. A further source is multilateralism. The ASEAN Way is at the core of the multilateralism for its informalism – the kind of multilateral modality that has served well its member states has helped them pursue mutual interests and has forged a collective identity. "The contribution of multilateralism to community-building lies not in providing a formal institutional mechanism for conflict resolution, but rather in encouraging the socialization of elites which facilitates problem-solving". The last source is diversity. To reach common identity, ASEAN community has to have in mind that they are diverse and should consider the diversity as the unity.

In order to create the ASEAN identity, ASEAN emphasizes in the ASCC Plan of Action promotion of ASEAN awareness, regional identity and values in national communications plans, educational curricula, people-to-people contact mainly through culture, arts and sports, especially among the youth, and the promotion of ASEAN languages learning through scholarships and exchanges of linguists. Details for building a regional identity were incorporated in the Master Plan for the ASEAN Socio-Cultural Community (2009-2015) adopted at the 14th ASEAN Summit in Thailand in April 2009. In this Master Plan, ASEAN restates again that "ASEAN will mainstream and promote greater awareness and common values in the spirit of unity in diversity at all levels of society." In order to implement this policy, in its Master Plan, ASEAN gives the following guidelines for action: *1) Promotion of ASEAN awareness and a sense of community, 2) Preservation and promotion of ASEAN cultural heritage, 3) Promotion of cultural creativity and industry, 4) Engagement with the community. Thus, various efforts need to be undertaken to support the action. This paper considers that ITC is one of the influential and significant catalysts to do that.*

A Series of Cooperation Related to ICT among ASEAN Countries

E-ASEAN

The Third ASEAN Informal Summit of November 1999 established the e-ASEAN Task Force. The ASEAN Framework Agreement on Information and Communications Technology Products, Services, and Investment – e-ASEAN Agreement – was adopted at the Fourth ASEAN Informal Summit in November 2000. The First ASEAN Telecommunications Ministers Meeting took place in July 2001.[19]

The e-ASEAN Initiative developed a comprehensive action plan to promote an ASEAN e-space covering the economy, society, and government. The e-ASEAN Task Force was mandated to develop a broad-based and comprehensive action plan including physical, legal, logistical, social, and economic infrastructure needed to promote an ASEAN e-space, as part of an ASEAN positioning and branding strategy.[20] The e-ASEAN Task Force comprises public and private sectors representatives from each ASEAN country. It identified pilot projects for each sector to clarify the policy issues involved in establishing an electronic marketplace. Under this scheme, the e-ASEAN Task Force advises the governments on the most appropriate enabling policy and legal and regulatory environment for the development of information infrastructure. It has

[19] Simon S. C. Tay, et al. 2001. Reinventing ASEAN. Institute of Southeast Asian Studies.
[20] ASEAN Secretariat. 2012. Toward an E-ASEAN. [Online]. Available at http://www.asean.org/storage/images/2012/Economic/TELMIN/TOWARD%20AN%20E-ASEAN.pdf (Accessed on 23 August 2016)

formulated plans to accelerate the development of e-commerce across the region covering cyber laws, security infrastructure, payment gateways, online services, and products.

The e-ASEAN Framework Agreement was signed by member states at the Fourth ASEAN Informal Summit held in Singapore from 22 to 25 November 2000, as an implementation of e-ASEAN Initiative. Its objectives are to strengthen and enhance the economic competitiveness of ASEAN through harnessing ICT in the private and public sectors; to create a common marketplace for half a billion people for ICT products and services through trade liberalization; and to improve the living standards of the ASEAN people through ICT and narrowing the digital divide.[21]

The aims of e-ASEAN Agreement are to promote economic growth, social development, and better governance; enhance access to information and news worldwide; boost economic growth and employment; provide better access to a range of government services; provide distance learning and education and delivery of health services; and promote cross-border business and networks. The vision for e-ASEAN is a bold one, given the difficulties in cooperation posed by differences in the stage of ICT development among member countries. Key ICT concerns include the promotion and enhancement of ICT usage, development of local and ASEAN regional content, development of ICT skills and expertise, ensuring a well-coordinated network security system to combat the rise in cybercrime and misinformation on the internet, and accessibility in order to narrow the digital divide.

Elements of the Action Plan focus on the establishment of the ASEAN Information Infrastructure (AII) by leveraging on the national information infrastructures and enhancing connectivity among them; development of an e-commerce legal and regulatory environment to boost the competitiveness of ASEAN industries and business; liberalization of trade to provide a borderless ASEAN marketplace for trade and investment in ICT products and services; enhancement of e-government services to improve the efficiency of government and the delivery of public services; capacity-

[21] UN, Economic and Social Commission for Asia and the Pacific. 2004. Meeting the Challenges in an Era of Globalization by Strengthening Regional Development Cooperation. UN Publications.

building to reduce the digital divide and nurture an e-society through human resource development and the provision of ICT services; and pilot projects to jumpstart e-ASEAN.

The Telecommunications Ministers Meeting emphasized the need to intensify collaborative efforts in advancing e-ASEAN, particularly in facilitating the early realization of the AII, promoting universal and affordable access to ICT services, including the internet, and building up the human resource capacity. The meeting called for an industry-led solution for the problems posed by the current international charging arrangements for internet services; the fostering of a culture of partnerships, competitiveness, innovation, and entrepreneurship to support and sustain the development and growth of the ICT sector in ASEAN; the creation of a responsive policy and regulatory environment for investment, in infrastructure and technology development; collaboration in building the capacity for ASEAN citizens to communicate in the information age; the development of ASEAN content on the internet; the bridging of the digital divide between the old ASEAN members and the newer CLMV members with the sharing of expertise, training, and educational resources; accelerating the development and implementation of respective national information infrastructure, removing barriers that impede the growth of e-commerce, and encouraging private sector investment and participation in ICT development; and cooperating in the development of the regional AII, including network infrastructure, applications and services, and in regulatory and investment policies.

ASEAN ICT Master Plan (AIM)

ASEAN Ministers have announced the adoption of the ASEAN ICT Master Plan 2015 (AIM 2015), a comprehensive plan of specific actions and projects aimed at creating an inclusive, vibrant, and integrated ASEAN through ICT.[22] The Master Plan was launched at the Tenth ASEAN Telecommunications and IT Ministers (TELMIN) meeting which took place in Kuala Lumpur on 13-14 January 2011. Its four outcomes are: to establish ICT as an engine of growth for the ASEAN Member States; achieve recognition for ASEAN as a global ICT hub; enhance the quality of life for the peoples of ASEAN; and to contribute

[22] Info-communications Development Authority of Singapore. 2011. Creating an Integrated ASEAN through ICT. [Online]. Available at https://www.ida.gov.sg/Tech-Scene-News/Tech-News/Digital-Government/2011/2/Creating-an-integrated-ASEAN-through-ICT (Accessed on 23 August 2016)

towards ASEAN integration. The vision seeks to achieve some goals: (1) empowering: equipping stakeholders with the right skills, technology, connectivity, and information to harness ICT to its fullest; (2) transformational: harnessing ICT to fundamentally change the way we live, learn, work, and play; (3) inclusive: involving all the stakeholders in ASEAN – government, citizens and businesses, developed and developing, rural and urban, young and old, as well as those with and without disabilities; (4) vibrant: creating an environment that is innovative, entrepreneurial, and exciting for ICT to flourish and succeed; (5) integrated: connecting the people of ASEAN between its citizens, government, and businesses.

This AIM 2015 identified six strategic thrusts as its key objectives, namely economic transformation, people empowerment and engagement, innovation, infrastructure development, human capital development, and bridging the digital divide. Significant progress was made in each of these areas. For instance, teledensity and connectivity, particularly from mobile devices, skyrocketed throughout the region; the establishment of activities such as the ASEAN CIO Forum, Digital Content Exchange, and ASEAN Cyber kids Camp, among others, have served as platforms for regular information exchange towards bridging the digital and information divide.

The creation of an integrated digital economy, however, goes further than enabling connectivity and focusing on the exciting and disruptive developments. Increasingly, all sectors of the economy are adopting and embedding ICT and fostering economy-wide growth and innovation. Thus, the next development of the ASEAN ICT Master Plan 2016-2020 (AIM 2020) is to focus on enabling such economy-wide transformation.[23]

The AIM 2020 will seek to achieve these goals: (1) digitally-enabled: programs for continual education and upgrading to equip ASEAN citizens with the latest infrastructure, technology, digital skill sets, information, applications, and services; (2) secure: a safe and trusted ICT environment in ASEAN, providing reassurance in the online environment by building trust in online transactions via a robust infrastructure; (3) sustainable: responsible and environmentally-friendly use of ICT; (4) transformative: a progressive environment for the disruptive use of technology for

[23] ASEAN Secretariat. 2015. The ASEAN ICT Master plan 2020. [Online]. Available at http://www.asean.org/storage/images/2015/November/ICT/15b%20--%20AIM%202020_Publication_Final.pdf (Accessed on 23 August 2016)

ASEAN's social and economic benefits; (5) innovative: a supportive entrepreneurial environment that encourages innovative and novel uses of ICT; (6) inclusive and integrated: empowered and connected citizens and stakeholders.

While for the strategic thrusts, the AIM 2020 identified eight key objectives, encompassing economic development and transformation, people integration and empowerment through ICT, innovation, ICT infrastructure development, human capital development, ICT in the single market, new media and content, and information security and assurance.

ASEAN Communication Master Plan (ACMP)

ASEAN Foreign Ministers launched the ASEAN Communication Master Plan (ACMP) in November 2014. The ACMP provides ASEAN stakeholders with a framework to communicate about the opportunities offered by the ASEAN Community within the region and globally. It is expected to guide ASEAN member states and other stakeholders in communicating clearly the character, structure, and overall vision of ASEAN and the ASEAN Community to key audiences, including local communities, youth, women and children, governments, businesses, Civil Society Organizations (CSO), influencers, media, and global audiences. It is designed to be a living plan that conveys the message that ASEAN is a community of opportunities for all. It upholds the importance of ASEAN to be able to speak to its internal and external stakeholders with clear messages, and with one voice, using traditional and non-traditional means of communication, including ICT.

The ACMP articulates an overarching message for ASEAN as "ASEAN: A Community of Opportunities." This message identifies ASEAN as a community that aims to instill a sense of belonging and identity among its citizens, and that brings new opportunities to the people of ASEAN and the broader global community. The overarching message also provides the connectivity to aid the coherence and convergence of ASEAN's three Community Pillars – ASEAN Political-Security Community, ASEAN Economic

Community, ASEAN Socio-Cultural Community – and the implementation of their own communications initiatives.[24]

The overall goal of the ACMP is to provide fact-based and compelling communications that clearly demonstrate the relevance and benefits of the ASEAN Community to audiences inside and outside the ASEAN Member States, and recognize that the ASEAN Community is unique and different from other country integration models. The ACMP outlines a series of integrated communications strategies and tactics aimed at achieving heightened awareness of the initiatives that create a shared community of opportunities and benefits across ASEAN's governments, peoples, and dialogue partners. Tactically, the ACMP provides direction on a spectrum of communications activities across traditional media, electronic and social media, and in-market events, to access stakeholders of all groups and ages and which can be implemented at the ASEAN Member States level as well as ASEAN-wide.

The needs, aspirations, and futures of the ASEAN Community are central to the ACMP, which also aims to engender a collective sense of pride in ASEAN heritage and achievement; and to further this sense of pride by engaging with citizens and overseas audiences to demonstrate the range of opportunities and benefits offered by the ASEAN Community.

The Ability of ICT in Enhancing Regional Integration

It is widely perceived that new ICTs can significantly advance transnational cooperation and regional integration in both economic and political terms.[25] Transnational flows of communication are synonymous to the decline in the importance of national, geographical, and institutional boundaries.[26] The launch of the European Information Society in the early 1990s serves as an example of public policy based on the notion that new ICTs can be a positive factor to regional integration.[27]

[24] ASEAN Secretariat. 2014. ASEAN Communication Master Plan. [Online]. Available at http://www.asean.org/storage/images/ASEAN_RTK_2014/ACMP.pdf (Accessed on 23 August 2016)
[25] Bangemann et al,. 1994; European Commission, 2000; in Xiudian Dai. 2007. E-ASEAN and Regional Integration in South East Asia. Encyclopedia of Digital Government. Idea Group Inc.
[26] Castells, 1996. In Xiudian Dai. *Op. Cit.*
[27] Dai, 2000; Federal Europe, 1995; in Xiudian Dai. *Op. Cit.*

The overall impact of the e-ASEAN Initiative is broadly viewed as a positive one. More specifically, this impact is manifested in two ways: internally the initiative works as a positive factor to the process of regional integration among ASEAN members, and, externally, it serves as a new mode of governance of the digital revolution at levels beyond the nation state.

Firstly, under the auspices of e-ASEAN, the promotion of internet usage by individuals, business, and government organizations throughout the region has already established an additional platform for cross-border communication and transactions. Although there is an intra-regional digital divide between the member states, the level of internet access and usage is improving throughout ASEAN. It is not unreasonable to believe that the internet, as a cost-effective way of social and business communication, will play an even bigger role in promoting regional integration – national borders are still there but cross-border communication and e-commerce are already a reality on the internet. Secondly, if the collective effort of ASEAN countries in promoting the harmonization of national cyber laws proves successful, it would serve as an interesting example for the governance of ICT in general and the internet in particular at a regional or transnational level.

Promoting the ASEAN Identity Digitally

From the series of cooperation related to ICT among ASEAN countries above, there are some intersections between them that can be identified. They are showing the ways ICT is used to promote the ASEAN identity digitally.

First, ICT is used to bridging the digital divide. There remains a significant digital divide within ASEAN. Although there are promising results for certain ASEAN countries, there is a lot more that ASEAN can achieve together. Rural populations must be guaranteed the same level of attention that urban populations seem to have received. Towards this, governments have gone to extensive lengths to ensure that the unserved and underserved areas and communities have access to ICT even at great expense.[28] The objective is to provide rural populations ICT services and applications at an affordable

[28] ASEAN Secretariat. 2015. ASEAN ICT Master plan. [Online]. Available at https://ccdcoe.org/sites/default/files/documents/ASEAN-110101-ASEANICTMasterplan2015.pdf (Accessed on 23 August 2016)

rate in order to boost penetration levels and bridge the digital divide within individual countries and across the region. ASEAN citizen will form meaningful connections via ICT platforms, and work together to bridge digital divides and build a common ASEAN identity.

It has been acknowledging that ICT will continue to be the driver in all aspects of nation building in the next few decades. Similar to other regions, ASEAN should be poised to embrace the future riding on the wave of innovation and technology that will bring wealth and prosperity to this region. In an increasingly connected world, ICT today is also a transformation driver as it provides limitless opportunities for users to experience different ideas and cultures, and enables them to build a sense of awareness beyond their immediate surroundings. In the last ten years, governments within ASEAN have invested greatly to build the infrastructure in order to provide access and increase adoption of ICT across the region. Although much has been done, there continue to be areas to be worked on. The target is to see an exponential growth in ICT adoption in this region in order to reach better future of ASEAN.

Second, ICT is used to deepen interconnectivity. Across ASEAN, digital tools such as computers and mobile devices have become cheaper and readily accessible, connecting people with information easily. Advances in mobile connectivity have enhanced and extended communication and social networks, powering regional awareness growth. This includes supporting the many traditional sectors now in the midst of digital transformation or rejuvenation. Going digital is not simply defined by its hardware, software, or networks; it is better associated with the need to connect individuals and communities regardless of their location, to facilitate faster access to services and to create new and better ways of doing activities. Hence, the role of media and communication in ASEAN is one of the tools to succeed. Media is a key to reaching government officials, key stakeholders, and the general public. The objectives and challenges of the ASEAN can also be shared through media. Online media and social needs to have a comprehensive awareness and programs about ASEAN.

The series of cooperation related to ICT among ASEAN countries, especially e-ASEAN Agreement, commit member countries to facilitate interconnectivity and technical interoperability among their national information infrastructures and evolve these into a regional information infrastructure. Information can be exchanged and goods and services traded much faster and cheaper through increases connectivity. In defining the AII, the ASEAN governments called for interconnectivity, technical interoperability, high-speed direct connections among ASEAN countries, developing ASEAN content, and the setting up of regional internet exchanges and internet gateways, including regional caching and mirroring.[29]

With the rapidly expanding rate of the use of new media in the region, the role of social media becomes increasingly important in enhancing interconnectivity among ASEAN citizens. For the past two years, the ASEAN Secretariat has also been utilizing the use of various social media platforms such as Facebook, Twitter, Flickr, and YouTube in promoting ASEAN, but there is a need to strengthen and maximize this effort. The ASEAN Secretariat aims to work on a Social Media Campaign in 2013 to further improve the awareness and reach out to a wider target audience in ASEAN member states and beyond. Here, the social media can be relied on to bring local cultures widespread across the region, for identifying the common identity between ASEAN countries.

Third, ICT is used to uphold the ASEAN Community. ICT is a powerful enables to achieve integration of ASEAN Community through comprehensive and pervasive adoption across the peoples of ASEAN. ICT can be used to deliver a message which promotes the sense of ASEAN belonging. This message is people-centered and promotes the sense of ASEAN Community belonging relevant today and in the future; and also that this shared community and its developments offer a broad range of opportunities for all of its citizens. In order to communicate effectively the message, ASEAN needs to communicate more consistently more often, with more people. Here, the social media will be the answer. Improved and expanded use of social media make more people trained to be spokespersons for ASEAN in each ASEAN Member States and at the Secretariat level, greater interaction with the media, and a series of initiatives tied to speaking opportunities and community events to help raise greater awareness of the ASEAN Community.

The message serves to communicate a sense of belonging to the various target audiences within the ASEAN Member States. ASEAN's unique mix of peoples and

[29] Simon S. C. Tay. *Op. Cit.*

communities means that the ASEAN Member States audiences need to reach will vary in levels of ASEAN awareness, familiarity, and understanding. The audiences that ASEAN needs to communicate to in each ASEAN Member States are as follows:

- General Public – to include rural and urban communities, and recognizing that this is a broad category that will overlap with other audiences;
- Women and Children – to include women's community organizations, educational, and children's organizations;
- Youth – to include students as the future leaders of ASEAN;
- Government – to include government officials, institutions;
- Business – to include local businesses, multinationals, small-size and medium-size enterprises (SMEs), ASEAN business councils and trade associations;
- Civil Society Organizations (CSOs);
- Key Influences – to include academia, think tanks, and the international community; and
- Media – to include local, national, regional, international, traditional, and online.

With each of these audiences containing segments with different levels of knowledge about ASEAN, it is important to address ASEAN Member States audiences that already know and understand ASEAN, while building a knowledge base for those that have limited or no understanding and providing responses for those audiences who have negative views about ASEAN.

Conclusion

The weak ASEAN identity reflects that the sense of belonging to ASEAN has never been fully realized. Nonetheless, efforts are underway to bridge the gap. One emerging trend that has the potential to boost this sense of belonging is by using the ICT. ICT is another way of forging the ASEAN identity. Establishing close ties with other Southeast Asian nations facilitated by ICT has helped to encourage more cultural exchanges. It is about how the very intertwined, cross-cutting nature of issues and cultures can now be addressed and shared by ASEAN citizens so that there is more understanding on the ground about ASEAN. In this sense, the emergence of ASEAN Community can be the right thing to measure how good or bad this ICT revolution to society.

ICT and global society, they are just like two old friends that meet each other. In a more philosophical way, global society is like the embodiment of ICT revolution, by doing innovation in ICT, means globalization will go even further, faster than never before. Issues and challenges that may answer the question above can be traced down to the creation of ASEAN when connectivity became one of the important things to remember. It caters connectivity in trade, financial or even in cultural things. Talking about culture or even on a simple matter such social relation, ICT enable society to interact and share their though in ASEAN. The ICT revolution first makes the old ASEAN where the issue or even the knowledge of ASEAN identity itself seems getting less attention and works elitist, but today with the ICT revolution, it would be different.

First, with ICT revolution, an issue on people collectivity on ASEAN value and identity will be addressed. As soon as ICT able to make ASEAN people having a small chit chat with other ASEAN people, they will be considered as a friend who knows each other, getting know they are in same Ark, in ASEAN Community, and ASEAN Community truly belongs to them. The idea on this premise is basically based on how the exchange program or another government program will be followed up with adequate ICT usage, such how to optimize social media and other sources to make the intensity have a conversation. It is beyond of the formalities, but may be sustain organically. So, the first benefit would be increasing the sense of ASEAN belonging.

The second idea, whereas issues, arises in ASEAN, the rest of ASEAN community citizen will know that from the social media (again) or by internet surf. Information is just like an ocean nowadays, people can know news from a far place only in a single click to their desktop. In this sense, advancement of ICT enable society to know the single news that may arise in another country, then this also increases senses of the collectivity of society to respond the issue. Then the second benefit would be increasing social empathy, in the matter of social issue or even economy issue that arises from another country.

The last idea, it is based on the increasing intensity phenomenon that happens by ICT in which this kind of privilege never been occurred in past day. Making the quality of social interaction goes to the next level. Simultaneously, with the ICT revolution, all sectors shows increasing interest in the concept of social capital and the role it can play in building stronger communities, increasing economic productivity, it just creates the enabling factor of social capital building. So why do the social capital really matter and connected as evidence on how good ICT can play a role? The norms are pivotal to social capital, trust, and reciprocity. In this sense, with the advancement of ICT, it also boosts the exchanged idea situation whereas each person can work hand in hand to resolve another country issue (such the second idea premise). Again, it just likes making old friend reunite again, ICT is able to make a better relationship with friends or country and that is what the ASEAN Community stands for, right?

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PARADIPLOMACY, SOCIAL MEDIA & GOVERNMENT POLITICAL COMMUNICATIONS IN AEC CONTEXT

Evie Ariadne Shinta Dewi[1]

Abstract

Currently, the phenomenon of globalization is making domestic and foreign affairs are no longer separate. In contrast, due to the fact the interplay between domestic and an international dimension exists and takes place in the processes that no longer depend on the behavior of the state or national government. Through virtual diplomacy / *cybernetic* government as the main actor of political communication seems has no role. Everybody can cover interactions or communicate internationally in a real time. Until diplomacy is no longer a "monopoly" of the state or national government themselves, diplomacy can be carried out by governmental and non-governmental organizations. Moreover, it also can be characterized by the interest such as “public interest” and “private interest”. Then there is also an actor at a "gray area" (mixed) such as provinces or cities that carry the public interest even standard structure and imperative. This is what is termed paradiplomacy. The main question in this article is how government optimizes paradiplomacy through social media in carrying out their political communication function in context of AEC? This question arise from the results of Connectivity Sentra Food in West Java research, where one of the facts is found that the local government of West Java still has no a grand design of government political communication related to AEC. This literature study aims to understand and explore the usage of information communication technology social media and paradiplomacy by the government in functioning of political communication related to AEC. Data were collected through observation and literature study. Results of this research is that less local government used paradiplomacy and social media to communicate AEC in all context. Knowledge about the benefit of social media used can contribute to both national and local government to have a better understanding in designing and implementing the political communication function, especially in the context of AEC.

Key words: AEC, political communication, paradiplomacy, social media

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Introduction

Since January 1st 2016, Indonesia began to enter a new phase of public life in the order of the district level with the effective start of the ASEAN Economic Community (AEC), which marks the beginning of regional economic cooperation. Therefore, it means that the ASEAN member countries should have new strategies for communicating all about AEC to the public. Those ten of ASEAN member countries such as Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Cambodia, Laos, Myanmar and Vietnam had prepared themselves. The preparation is begun by trying to accomplish the AEC Blueprint 2007 in facing a new era regional economic policy.

In Indonesia's context, as the main consequence of the enactment of the AEC is that Indonesia should open up trade in goods, services, and labor markets with other ASEAN countries. The question is, how Indonesia prepares the government communication in the AEC context? How readiness of local governments throughout Indonesia in the face of the enactment of the AEC? Is the community aware of the great challenges they face in the competitive world of business and employment? Does the government have set up community readiness in order to face a great challenges? How is the government preparing communities for a new era of AEC today? Then, is the public have awareness of the AEC in everyday life? How both central and local governments implement political communication function in preparing the readiness of public?

The series of questions above need a comprehensive answer through in-depth research. Based on the fact of an international policy that was established by a form of international agreement, the presence of AEC is definitely a great impact on people's lives. The impact would not only touch the large-scale enterprises, but also small businesses in Indonesia. Impacts on these communities must be anticipated by the provincial government with a policy that is based on international policy that has been made between Indonesia and nine other ASEAN member countries. Policies are made by local governments certainly have to reflect on the policies made by the central government. In turn, the local government policy should be disseminated to the public in order to prepare communities to deal with the new phase of the economic life of Indonesia in the regional level. So, the importance of the government (including local government) makes an effective communication strategy on all matters concerning the AEC to the public becomes a necessity.

The literature study showed that obtained the information refers to data Pusdalisbang (Provincial Center of Data and Development Analysis) 2014, that Bappeda (Agency of Regional Planning) Macroeconomic team from West Java Province offers recommendations related to the anticipation of West Java province on the implementation of AEC's in 2016 in the context of preparing for the West Java in the face of AEC , among others: (1) to disseminate relevant AEC and provide an overview of the effects of positive and negative generated by the AEC to businesses; (2) coordination between the provincial government, local government (district / city) and businesses in the perception determine the policies at the provincial level in the face of the AEC; (3) increase awareness on competition policy and consumer protection laws, because they still lack awareness of business people with their competition policy; (4) increasing the role of institutions and governments through improved service and then be it in terms of licensing and law enforcement that not only encourages but also supports the output element of improvements in terms of equitable distribution of income, increased competitiveness and productivity; (5) make regulations to improve product competitiveness and human resources through standardization and certification program that describes the qualifications of competitiveness, productivity, competition certifications, standards and equality with ASEAN countries; and nine other recommendations which emphasize the economic aspect of West Java Province.

The recommendation of Macroeconomics Bappeda team clearly shows the importance of socialization AEC for the general public by placing it on the first recommendation points. It is clear that in the implementation of a new policy, which is certainly related to the benefit of society at large, must be made known in advance. Herein lays the importance of the role of political communication in the government's new policy determination. Why? Because, in many cases it would be easy for the government to make many policies, but it is not easy in communicating the policy to the public to be implemented properly. In fact, many policies were not effective at the operational level because of serious lack of political communication strategies to disseminate the policy. To strengthen the efforts for communicating the policy, the government should create a written policy, in the form of guidelines, implementation guidelines, technical instructions, Standard Operating Procedures (SOP), or any communication of a policy that can be implemented in a systematic manner.

In the AEC context, government should issue a political communication strategy in order to socialize the implementation of AEC's, so all stakeholders and the public well informed and ready for the face of a new phase of the economic order of the nation today. This is necessary because international policy is always having a direct impact to the lower level government and to the daily life of the wider community. AEC have to presence in the midst of society which followed by understanding and changing ways of thinking in the face of business competition which in turn touched on all aspects of social life.

Why government needs to make specific political communication strategies in communicating AEC? Because Indonesia, as a country with a very large market, even the largest in ASEAN, in fact have an opportunity that is also equal to the existing market. The main steps that need to be considered by the government is preparing the public face of this new phase, not only are focused on businesses people, but on society in general. This is what must be considered by all local governments to integrate regional policies that have been made by the central government. This can be done by building a proper political communication strategy in order to create understanding and change ways of thinking common in the era of free market in the ASEAN region's level. So the theses of this paper is right political communication strategies can be set up with an understanding of society and a competitive attitude that is always vigilant in the face of a new era AEC.

Literature Review

<u>Paradiplomacy</u>

Paradiplomacy is international relations conducted by subnational or regional governments on their own, with a view to promoting their own interests. With globalization, non-state regions play an increasingly influential international role. Regions, federal states, provinces and cities seek their way to promote trade, investments, cooperation and partnership in a long list of subjects and account for a significant part of today's cross-borders contacts.[2]

Non-central governments may formally develop official international relations by: a) sending delegations in official visits; b) signing agreements, memoranda of understanding and other instruments; c) participating in international "local" fora; d) establishing permanent representative offices or delegations abroad.

Local governments, like West Java Province, seek international cooperation for economic, cultural or political reasons. In the economic field, it is known that most central governments cannot properly assist local communities in all their needs. They may lack expertise and cadres to fully understand local realities and to deal with their complexities. Local governments tend to think that central authorities do not show sufficient interest in helping them and find themselves perfectly able to pursue their own interest.

In the cultural field, some regions may seek to promote themselves internationally as an autonomous cultural entity. Some regions may seek to cooperate with their diaspora worldwide and try to gain the support of their nationals abroad in attaining their diplomatic goals.

Social Media

The term social media includes a range of tools and services that all enable direct user interaction online. Sweetster and Lariscy (2008) define social media as "centered around the concept of a read-write web, where the online audience moves beyond the passive viewing of web content to actually contributing to the content" (p. 179). Put simply, social media encompass anything that uses the Internet to facilitate conversations and most often take the form of social networking sites, blogs, and Wikis (Solis & Breakenridge, 2009).

A strategic framework for creating dialogic relationships with publics through the Internet was provided by Kent and Taylor (1998, 2002) more than a decade ago. Dialogue is "any negotiated exchange of ideas and opinions" (Kent & Taylor, 1998, p. 325) and represents efforts by those involved in a relationship to participate in an open

[2] www.wikipedia.com, July 2016

and honest exchange. This perspective is attuned with the current thinking about the role communication plays in relationship building, where healthy relationships between an organization and its stakeholders are cultivated through communication managed by public relations practitioners (Ledingham, 2003). The current, "socially informed" generation, expects dialogue, and governments at all levels are being compelled to shift their views of citizens from mainly consumers to active participants by allowing citizens to contribute online to the development of governments (Azyan, 2012); these benefits and expectations are realized in other organizational contexts as well.

<u>Political Government Communication</u>

Bernard Barelson and Gary A. Stainer define communication as the transmission information, ideas, emotions, skills, etc. by using symbol. Communication have four purpose, they are:

1. Attitude Change
2. Opinion Change
3. Behavior Change
4. Social Change

In political communication, the biggest issue is how to influence people by the power of communication through whole element of communication and impacting on their behavior action in choosing a figure to be elected. Some of them use differs of platform such as brochure, sticker, flag party, television commercial, radio, news and other advertisement, and also social media which they think very useful on it.

Communicators who have worked in government often note that developing communications strategies for government organizations is different than for business or non-profit organizations; Grunig and Jaatinen (1999) propose that while the general principles are the same for all organizations, "the specific conditions to which the principles must be applied are different" (p. 219). The creation of the government decision wheel supports this claim. Liu and Horsley (2007) offer a theoretical approach to examining the differences between corporate and government communication practices with their introduction of the government communication decision wheel. They assert that the public sector environment creates unique challenges and opportunities that differentiate the practice of public relations from the private sector. Challenges and opportunities include: politics, public good, legal constraints, devaluation of communication, poor public perceptions, lagging professional development, and federalism (Liu & Horsley, 2007). Moreover, Sanders (2011), observed three key themes in research regarding government communication: the role of power, the relationship to and the role of the news media, and normative questions related to government communications purpose and performance in constitutional democracies.

In this era of increased government scrutiny and mistrust by citizens, transparency is essential to effective government relations (Bertot & Jaeger, 2010). Transparency is defined as the availability of information on matters of public concern, the ability of citizens to participate in political decision-making, and the accountability of government to public opinion (Cotterrell, 1999). According to Piotrowski (2007), governmental transparency allows the public to develop a more accurate picture of what is happening in government, which allows citizens to hold governments accountable and evaluate performances of government agencies.

Concise and purposeful communication between a government and its citizens is a pragmatic practice as well as a moral obligation that derives from the principles of democracy (Viteritti, 1997). To address the need for enhanced transparency in public organizations, Fairbanks, Plowman, and Rawlins (2007) developed a model with commitment to transparent communication processes as its foundation. The key elements of the model are communication practices, organizational support, and the provision of resources. The most important part of a public communication model, according to Heise (1985), is for governments to communicate in an open, honest, and timely way with their publics, without manipulating the information they share. The Internet and particularly social media offer great opportunity to that end.

Discussion

Based on initial observations to the policy of political communication in West Java province, researcher found that there was still no specific policy created to communicate the implementation of AEC to the general public. This is indicated by the absence of political activity or communication policy conducted by the Office of Communications and Information West Java province in communicating to the public enforcement of AECs.

In fact, the Bureau of International Cooperation and Public Relations West Java provincial government has no political communication strategies specifically related to the enforcement of AEC's So far that seems real carry out various activities in connection with the implementation of AECs at the provincial level is just the Department of Trade and Industry and the Department of Manpower and Transmigration of West Java Province. This is unfortunate, given the strategies of political communication is the main weapon of local government, in this case the West Java provincial government, in preparing and educating people with regard to the implementation of AEC's that sooner or later will invade all sectors of our community life. It is the primary right of society to be informed, encouraged, and prepared in the face of all forms of government policies, particularly those related to economic policy, because it involves the lives of many people.

Cases that occurred in West Java Province provide an overview of how local government, in this case the provincial government, is currently facing AEC. Lack of awareness, motivation, and the urgency to disseminate the implementation of AEC's through certain political communication strategy by the provincial government to prepare its people face the AEC. If this trend continues, then Indonesia, as the biggest market in ASEAN, will be pounded out by economic actors and job-seekers from other ASEAN countries. A real condition today show most people do not know and are aware of the enforcement of the AEC's is also positive and negative impacts. In other words, our society is still not ready and limped to deal with the changes that occur. This shows the urgency to conduct this research in order to generate a proper political communication strategy that is able to prepare the people of Indonesia in the face of the economic competition will be more competitive in the future in the ASEAN region. Economic growth and development of the country is highly dependent on the level of knowledge and understanding of the country's economy and its direct impact on their daily lives.

As to the political aspects, local governments may join efforts internationally to pressure their central governments into a desired course of action. So, what West Java province done is paradiplomacy.

How is paradiplomacy get an effective result? One of current media that is used by many organizations is social media and other internet activity. It is soaring in the world's fourth most populous country, smart brands are figuring out the best way to become part of the conversation with Indonesia's rapidly growing audience of netizens.

Social media are fundamentally changing the way people inform themselves, interact, and engage in issues they deem relevant. At virtually no cost, consumers can gather likeminded people around the world to rally for (or against) a case. NGOs collect thousands of views of a campaign video, sometimes without the targeted organization even knowing about it. While in the past, a couple of calls from journalists would have rang an alarm bell, today a storm may build up in the depths of the internet without the victim really noticing it. On the other hand, only a few of governmental agencies using social media to optimize in communicating AEC to all of the relevant public, while majority of NGOs were used to this since couple years ago.

Indonesia is a nation that consists of thousand islands and adopts democracy as the governance system. Nowadays around 260 million people live in Indonesia and become the fourth most populated country in the world. The use of social media is becoming a feature of political and civic engagement for many Indonesians. As Indonesia, the world's fourth most-populous country, races toward achievement of its overall development goals, one of the most dramatic aspects of the Indonesian story is the incredible extent to which internet activity and social media have penetrated life in the island nation.

Today only about 22 per cent of Indonesians have access to the internet. But, with mobile phone penetration projected to exceed 100% by 2015 (so every Indonesian has at least one phone), and with such a prevalence of low-cost web-enabled phone plan options, it proved that the potential for social media is perhaps greater in Indonesia than any other country in the world.

What does all this mean for government in communicating AEC? Even more so than in many other countries, establishing an online following in Indonesia rests very heavily on critical social media platforms like Twitter and Facebook. These are just as important, if not more so than simply creating a local website. It is also a reminder that, like much of the world, the Indonesian audience is looking for a conversation and relationship with their favorite brands, rather than one-way communication. For, socializing AEC is one of political agenda of government, so the use of social media as a strategy of government political communication becomes necessary.

The use of the Internet by governments to communicate with citizens is certainly not new; often referred to as "e-government," these initiatives include all online communications and activities by governments (Dixon, 2010). The e-government paradigm is well suited for this era of networking and governance with an emphasis on users as partners in governance (Anttiroiko, 2004). A key component of e-government is e-democracy, which can be promoted by engaging social media's ability to interact directly with citizens. E-democracy is an emerging concept that denotes the transformation of citizen involvement

In government communication context, it is important to understand that everyone within the organization contributes to the public perception of the organization reputation. So, create communication policies and guidelines about AEC for all official, not just those tasked with participating in social media.

To optimize the AEC socialization, government should get IT involved as in many cases, popular social networks are blocked at the firewall. On the other hand, craft outlines and determine response strategies based on a series of predictable scenarios is also one of the government works on AEC's program.

On the leader level, there must assign leads for listening and responding any other AEC's messages goes to the government. That why training and education about AEC messages is important to bring things into perspective for everyone.

Why social media is used in optimizing socialization of AEC? Because social media have a specific characteristic, that can accelerate government in transmitting the message rapidly.

Social media have a speed, dramatically enhanced speed may be the most obvious impact of social media on crisis handling. Everything moves much faster than just some years ago – the evolution of campaigns, the international expansion of a story, the activation of support groups and stakeholders. Response times, once determined by publishing deadlines of daily newspapers, have shrunk to hours or minutes in dealing with postings and tweets. This requires new strategies and processes. For example, even if a government communications team does not proactively use social media, it should at least understand how the most important platforms (Facebook, Twitter, YouTube, and most recently Google) function and understand their netiquettes. Also, as in any traditional crisis preparation, identifying relevant influencers upfront is crucial.

Social media also have another specific characteristic, which is a complexity. Along with higher speed, things get more complex. Gone are the days when monitoring your handful of national papers and major TV channels got you an approximately accurate picture of the public debate. Today there's a potentially infinite number of sources that may be relevant or become relevant at some point during the crisis – established ones like Facebook, YouTube, Twitter and influential bloggers, but also Wikis or campaign platforms created especially for the case at hand. It requires a forward-looking radar system rather than a retrospective classical monitoring to detect negative discussions at an early stage, when the government still has a chance to engage and be listened to. Transparency is another social media characteristic, to make things are worse, in this hectic and complex environment it has become impossible to hide anything. In Germany, several high-ranking politicians were found guilty of having based their PhD grade thesis largely on plagiarism. The evidence did not come from scientific institutions, but from crowds' gathering on a wiki, screening the papers sentence by sentence – and, ultimately, forcing the universities to withdraw the grade.

Social media, not least, enable direct interaction with individual stakeholders one by one. There are plenty of examples where smart, adequate responses by brands to a consumer complaint on Facebook or Twitter turned critics into advocates. This new element seems disturbing to some long-served communicators longing for the old days when it was enough to know your handful of trusted journalists. Yet it might be the most powerful option for corporations to drive a pro-active agenda even under crisis circumstances. Instead of an editorial filter, there's the opportunity to deliver one's own message directly to individuals, react to specific questions and concerns and hit the right tone for different types of conversations.

Conclusion

Government should implement the strategic political government communication in socializing AEC. One of the media to be used is Social media, because its speed, complexity and transparency character is suit for transmitting the complex message about AEC. Besides that, relationships are the new currency in Social Media. In a social world, engagement is a privilege. Friendship, trust and loyalty are the rewards. In Social Media, we earn the relationships, and the reputation, we deserve. Therefore, government must put the citizen and society as a subject, not object, and make a relationship in many ways.

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CHAPTER 5
HUMAN DEVELOPMENT AND NATIONAL COMPETITIVENESS

A STUDY CASE ON THE EDUCATIONAL VALUES OF PEACE IN JAVA CULTURE

Muzdalifah M. Rahman[1]

Abstract

This study aims to find peace education which is conducted in a family of Pati people, Central Java. The method of the study uses the qualitative method of collecting data by interview. Data analysis uses three patterns, proposed by Miles and Huberman, are data reduction, data presentation, and conclusion at before, during, and after the process of the study in the field. There is some result of the study about implementing peace education conducted by Pati people, Central Java by training children to communicate with elder people politely. As a social being, they should be tolerant, keep intimacy, do the goodness, keep silaturahmi (relationship), we should do the goodness toward a foe and not take revenge by hatred. In facing the difficulty of life or reaching the future, we should have faith, patience by keeping trying and being *tawakkal* to Allah SWT, and not do anything bad that bothers other people or breaks one's right which ends to conflict.

Keywords: Education, Value of peace, Java

Introduction

Background of the Study

Conflict is caused by different characteristics that are existed in society, nation, or among countries. Those differences are about physic, intelligence, knowledge, culture, faith, social, economy, politic, and much more. For example, there was a conflict between China and Japan of Senkaku Islands and also in 1996 when Japan built the changing Mercosur in one of the islands in Senkaku Islands. This made obviously China angry. In 1997 in the East China Sea happened to fight between Japanese bay watcher and demonstrators from Hongkong that brought twenty boats and they tried to obtain Senkaku Islands (www.seniberpikir.com). Beside that Cases of Syria was a domestic internal conflict of Syria at beginning. It began with the great demonstration in March 2011 by an anti-government group that required Rezim Bashar al-Assad to get down.

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Then the demonstration spread out and a gun battle was a normal way of an opposition group to move Al Assad's authority and inverse. Every group had the base city as the source of power. There were also many victims. The united nation recorded that almost 20,000 Syrians were died, while hundreds of people were evacuated to overseas such as Turkish, Jordan, and Lebanon. Every party made a claim over the battle. Opposition party claimed that government killed people by taking tanks and jet, instead of they were supported by USA and NATO countries. Inversely government claimed that they have done a procedure to handle the conflict well and accused western countries involved conspiracy and supported radicalism by supplying gun and fund for opposition (Agustin, 2012).

In Indonesia, there was murder done by the security of PT. WKS toward Indra Kailanip, a farmer of Sekato Jaya and also people of Lubuk Madrasah, Tengah Ilir, Tebo, Jambi (www.suara.com). In Rembang there was also mining conflict between Semen Indonesia and people of Kendeng Mountain Rembang Central Java. It was considered as socio-economic destroying (news.okezone.com 2015). Then, there was also conflict in Tolikara which was touching and should be condemned. First, Nasrani from Gidi (Injil church in Indonesia) attacked Muslims which were doing pray Ied on Syawal 1st, 1436 H in the base camp of Korem 1702-11 in Tolikara. Meanwhile, all Muslims in all over the world have never done a radical action which forbade and repelled Nasrani praying (www.kompasiana.com 2015).

Social ministry, Salim Segaf Al Jufri, on SBY's era, said that society's relationship pattern brings social changes. When globalization erodes local wisdom value, it needs a good effort to solve it. It is proved that there are many social conflicts happen in Indonesia which is mostly caused by the decrease of local wisdom value (nasional.sindonews.com, 2014).

Java has local wisdom in the form of Java culture which deserves to be a role model for other people in Indonesia. According to Pepper, Java culture since a long time ago is known as a high culture which keeps many high values, such as ethics, manner at home or public, how to deliver an opinion, talk to elder people, take a dress, eat, treat other people, etc. All of them have existed in Java culture. Value is something relates to either goodness or badness (Djajasudarma, 1997:12).

Study of Yohanes Kartika Herdiyanto & Kwartarini Wahyu Yuniarti in 2012, about culture and peace: harmony in Java's local wisdom in facing the changes after earthquake in Yogyakarta, found that taking began decision, relates to problem-solving after earthquake, with rembug obeyed by all people and all personal willing which are not suited with the decision should be got over. Because rembug requires all participants to give in and emphasize on the biggest consideration, it is obtaining some social harmony. Other study conducted by Ni Wayan Sartini in 2009 about wisdom value of local Java culture by expression (*bebasan, saloka, and paribasa*)[2]. The values are:

(a) expression which portrays the relationship between human and God,

(b) expression which portrays the relationship between human and human,

(c) expression which portrays attitude and view of life

(d) expression which portrays a great effort.

There is also an expression which reflects the bad attitude and should not be implemented in daily life. All those expressions are values of life guidance done by Javanese so they will have a personality which realizes on God's power, loves each other, works hard and tolerance that comes to intimacy in society.

From the explanation above, it can be concluded that all cultures in Java should be conserved and its local wisdom value can prevent conflict happen in society. Therefore, this study "A study case on the educational values of peace in Java culture" is important to be done because it has many advantages for society, nation and country's life.

<u>Focus and Objective of the Study</u>

According to Moleong, there are two certain purposes which are wanted by a researcher in setting focus. First, setting focus is for eliminating the study. Second, setting focus is for fulfilling inclusive-exclusive criteria (input and output) of some information which has already got from the field (Moleong, 1991:10). There are some focuses of the study as follows:

- Way of teaching devotion to parents
- Way of teaching behavior toward siblings
- Way of teaching behavior toward others

[2] Kind of proverb in Javanesse language.

- Way of teaching behavior toward foes
- Way of solving life difficulties
- Way of reaching future

From those focuses, researcher set the objective of the study as follows:

- To find way of teaching devotion to parents
- To find way of teaching behavior toward siblings
- To find way of teaching behavior toward others
- To find way of teaching behavior toward foes
- To find way of solving life difficulties
- To find way of reaching future

Literature of the Study

Peace

Defining peace is important to determine which methods to be done for achieving peace. After defining peace, it ensures that different cultures tend to view peace and even value peace differently. I will review and briefly summarize how peace is viewed differently in multi-cultural people. As have seen in the varied definitions, although the definitions may have a similar theme, the scope of peace can be wide ranging.

Mediation is a tool that many cultures either accept or view indifferently as a necessity for peace building exercises. In this review, I will spotlight some mediation techniques that may help facilitate peace among individuals and parties at odds with one another. Many times there may not be a mediator to lead the peace talks or assist in resolving the conflict. The arguing parties have to rely on their own communication skills and passion for reconciliation to reach the peaceable end. However, to review some methods for mediation could give some clues or teaching hints on how to help individuals who seek to be peacemakers be successful. Also, if mediators are not available, these same tools can perhaps provide help to parties to reach peaceful agreements and reconciliation.

Mediation cannot occur without conversation. When considering how people relate to each other interpersonally, the conversation is usually how people communicate, and how points can be understood or misunderstood. Nonviolent communication is one avenue of conversation offering an advanced tool for those seeking a lifestyle of harmony maintenance. I will discuss this form of communication and its relevance to peace communication (Shekinah, 2014)

Peace is essential in human life because, in peace, good, harmonious, and humanist dynamics can be built in interacting with others. In the safe and peaceful situation, humans will live peacefully and happily and also they can do their obligation in the peaceful frame. Therefore, the piece is an absolute right of everyone based on his entity as a human being who is in charge to bring God's trustee to giving prosperity in the world. In addition, the existence of peace in human's life is a requirement because, beyond the word "peace", there is hospitality, tenderness, relationship, and justice. Islam is come by Allah SWT to the world by taking intermediary some prophets which were mandated to human as a mercy to all universe (QS. 21:107), and not only as Muhammad's follower. Basically, Islam aims to create peace and justice for all humans, based on the name of this religion is *al-Islām.* According to Muhammad al-Ghazāli, in his book *al-Ta'aṣṣub wa al-Tasāmuh Bayn al-Masihiyah wa al-Islām,* lexically in Quran language, Islam is not the name of certain religion but the name from the integration of all religions which were brought by Prophet's and attributed to all of their followers. Islam comes not to keep hostility or spread out the revenge among humans. Conception and facts of Islam history show how *tasāmuh* (tolerance) and Muslims respect toward other religions, not only belong to *Ahl al Kitab* but also *mushrik* people. Moreover, it is toward all human beings. Islam always precedes love, harmony, and peace (Septian, 2014).

<u>Education in Java Culture</u>

The existence of children in the family will bring consequents such as right and obligation between children and parents. One of the parents' duties to their children is giving education to them. Education is not only as parents' duty but also as Allah's command in order they become useful human for religion, society, and country.

If education is considered as a process, that will end on obtaining of final purpose. Some purpose which will be obtained by education is essentially some manifestation of the best values of personal. Those ideal values affect and color education pattern of human so it is implemented in physical behavior. In other words, the physical behavior is a reflection which reflects ideal values based on human's soul as a product of education process (Hamka, 1991:31).

According to Harris (1996) as which was written by Romo, Jaime J., Quezada, Reyes in peace education (Zamroni, 2008:47), peace education is an effort of learning which gives contribution and forms a good civil in the world. Things that should be provided are alternatives by teaching cause-effect of violence and informing to students knowledge about main problems of peace education, they are keeping, creating, and building peace (Wulandari, 2010:74).

The first and main place of education is family. The family implements habit to behave well so children will grow up well and in turn. It means that culture in certain society will form the personality of society itself.

One of the clans in Indonesia is Javanese. Mostly they are Islam nowadays. Some of them still embrace their ancestor's religion, Hinduism or Buddhism, and some of them are Nasrani, either Christian or Catholic (Koentjaraningrat, 1995:211).

According to Pepper, Java culture since a long time ago is known as the highest culture which keeps many great values such as ethics and manner at home or public. How to deliver an opinion, talk to elder people, make a dress, eat, and treat other people have existed in Java culture (Djajasudarma; 1997:12).

Suyanto added that characteristics of Java culture are religious, not-doctrine, tolerant, accommodative, and optimistic. Those create pattern, character, and specific tendency for Javanese as follows: 1) belief in God as *Sangkan Parenting Dumadi*, with all God's characters and almighty, 2) have idealistic, that believe in something which is immaterial and things which adikodrati (*supernatural*) and tend to mystery, 3) more emphasize on the essence than formal and ritual terms, 4) emphasize on love as fundamental of relationship among humans, 5) believe in fate and tend to be submissive, 6)be convergent and universal, 7) momot and non-sectarian, 8) tend to symbolism, 9) tend to mutual assistance, *guyub*, intimacy and peace, and 10)less competitive and immaterial (Suyanto, 1990: 144).

Nrima becomes characteristic of Javanese. It means that do not expect other people's belonging and not be jealous of other's happiness. They believe that life in the world is well arranged by God so they do not need to work hard to get something. Happiness is important to be owned by every family in facing problems and conflict in daily life (Herusatoto, 2008 dalam Miranti, 2014: 3-4).

According to Pranowo 2003 (in Ni Wayan Sartini, 2009; 33-34), stated that expressions in Javanese culture form its society to have high dignity, as follows:

- Being *aja dumeh, aja adigang, aja adigung, aja adiguna,* is always emphasized on Javanese so that they become people who are low profile, good behavior, and respecting other people.
- *luwih becik alon-alon waton kelakon, tinimbang kebat kliwat* has values that one of Javanese' life attitude is they do not want to fall in reaching what they want. The word *alon-alon* implicitly means *ways*. So, *alon-alon* is a way of how people reach their purpose because the most important is criteria such as *waton kelakon* (must be revealed) rather than *kebat kliwat* (in hurry but fail)

Behavior and view should be practiced by a leader. *Hamangku, hamengku, hamengkoni.*

- *Hamangku* means behavior and view of being responsible toward his obligation. *Hamengku* means behavior and view of being *ngrengkuh* (confess as his obligation. *Hamengkoni* means always brave to protect in any conditions.
- *Nglurug* tanpa bala, menang tanpa *ngasorake*, means all problems can be solved well by himself without underestimating other's dignity who have a problem with him.
- Behavior and view of *weweh tanpa kelangan* (give without losing something) because a leader *sugih tanpa bandha* (rich without wealth).
- *Sepi ing pamrih rame ing gawe* means in taking any job should work seriously and sincere without thinking rewards. Working and not requiring rewards.

Method of the Study

Methods and Reason of Using Qualitative

To find data about family's education with Java culture background in creating peace in society with main elements which should be obtained based on point of problem formula, objective, and advantage. Therefore, the researcher uses the qualitative method.

The reason of using qualitative is that the problem is temporary, tentative, and will spread out or change after the researcher in the field (Sugiyono, 2007; 283).

Instrument of the Study

The instrument of the study is meant as a tool used to measure natural and social phenomenon which is observed. In this study, the main instrument is the researcher herself but after the problem is obvious and certain, it will be developed a simple instrument expected can fulfill the data by observation and interview.

Subject of the Study

Location of the study is in Pati, Central Java, subject of the study is six parents in teaching their children with Java philosophy which they have.

Data Type

This study is explored from primary and secondary data resource. The primary resource is data resource which directly gives data to the data collector. The secondary resource is data resource which indirectly gives data to the data collector, for example, trough other people or document (Sugiyono, 2007:308-309).

Primary data resource can be obtained from interview toward peace education in a family with Java culture background. Secondary data resource can be obtained from legal documents or available literature which relate to investigated phenomenon and from public mass media, journal, book, paper, and research report which cover about peace education and Java culture.

Technique of Collecting Data

In this study, collecting data is not guided by theory but guided by facts found in the field. The technique of collecting data is a strategic step in the study because the main purpose of the study is to get data. Without knowing the technique of collecting data, the researcher will not get data which is based on the established standard. There are some techniques of collecting data which is used by researcher in this study, they are:

Semi-structured interview

According to Esterbeg, this type of interview belongs to in-depth interview category which the implementation is more freely than a structured interview. The purpose of this type of interview is to find the problems more openly which the party is asked some opinion and idea (Sugiyono, 2007:320). This interview reveals about the condition of observation.

This study belongs to qualitative research so the researcher conducts this study by using honest observation. The researcher in conducting data collection states honestly to data resource that she is conducting the study (Sugiyono, 2007:312). The researcher also uses observation of passive participation which is the researcher comes to the place of research but she does not get involved in the activity in that place.

Documentation

The document is a record of events that have passed. It can be in the form of writing, picture or monumental work from someone. It can be in the form of writing such as a diary, history of life, story, biography, rule, and policy. The researcher uses this method to obtain data about peace education in the family with Java culture background.

Test of Data Validity

To know whether the data is valid or not, the researcher conducts a test of data validity by using triangulation technique. Triangulation in testing this credibility is meant as checking data from many resources, techniques or ways, and time. Resource triangulation is conducted by checking the obtained data through many resources. Technique triangulation is conducted by checking data on the same resource with a different technique. Time triangulation is by checking with the interview, observation, other technique in different situation and time (Sugiyono, 2007: 372-374).

Technique of Data Analysis

Technique of analyzing data in this study will be conducted before going to the field, during in the field, and after finish in the field:

<u>Analysis is conducted by researcher before going to the field</u>

This analysis is conducted toward the result of preliminary studies' data or secondary data which will be used to determine the focus of the study. But this focus is still temporary and will be developed by the researcher during in the field.

<u>Analysis is conducted by researcher during in the field</u>

Data analysis in qualitative research is conducted during the process of collecting data and after it is finished in a certain period. During the interview, the researcher conducts analysis upon answers which have been interviewed, if the answered is less satisfied, the researcher will continue some questions until the credible data is obtained. Miles ad Huberman (1984) stated that data analysis is conducted interactively and continuously until it is finished, so the data is full. Activities in the data analysis are data reduction, data display, and conclusion (Sugiyono. 336-337).

Result of the Study

Portrait about practice of peace education which reflexes in Pati people, Central Java with Java culture who are Muslims is found by researcher as follows:

<u>Ways of teaching devotion to parents</u>

Result of interview with Titik Musidah stated that:

> "Parents give an example of daily activity by speaking politely and kindly and not shouting. Finally, children will imitate it"(the result of a personal interview on June 7th, 2016).

Added interview by Asna Muazzizah that:

> "Little by little, children are thought to speak *boso kromo*" (Result of a personal interview on June 6th, 2016).

Based on the result of an interview with respondents above shows that parents apply peace education by training that communicating with elder people should be politely and kindly. Education from home will be made as guidance by children, for example of how to communicate with other people outside such as larger society with culture diversity, custom or habit which are different with him so by speaking politely, which is not rude or anarchist, someone can solve the occurred problems.

Ways of teaching behavior toward siblings

Result of interview with Titik Musidah stated that:

> "With siblings, we have to be harmonious and not apart because apart with siblings can restrict livelihood and shorten age (the result of a personal interview on June 7th, 2016).

Added interview by Asna Muazzizah that:

> "We always develop tolerance with siblings in order not to differ one to another. Keeping good relationship by doing silaturahim, avoiding behavior which causes enmity such as not talking each other and quarrel" (result of personal interview on June 7th, 2016).

Based on the result of an interview with respondents above shows that parents apply peace education by applying tolerance, keeping harmony with siblings, maintaining silaturahim and not doing behavior which causes enmity toward siblings.

Ways of teaching behavior toward other people

Result of interview with Titik Musidah stated that:

> "Relationship with a neighbor should be maintained because the relation of neighbor is more than siblings. If we are not kind to a neighbor, our life will be less happy and uncomfortable because if there is happiness or difficulty, the first one who is closest is neighbor" (the result of a personal interview on June 7th, 2016).

Added interview by Moh. Khodzafi stated that :

> "Applying human's value as social being in habit of life and the importance of growing up positive culture" (the result of a personal interview on June 6th, 2016).

Result of interview with Syafiq stated that:

> "We imitate Nabi Muhammad SAW with his attitude or *sunnah*. We always do well to other people, be polite, and kind to others" (the result of a personal interview on June 7th, 2016).

Based on the result of an interview with respondents above shows that parents apply peace education by a lesson about human as social being which always care, help each other, do goodness.

Ways of teaching behavior toward foes

Result of interview with Syafiq stated that:

> "We always pray those people in order to get hidayah (guidance) from Allah SWT. We should enclose to them and persuade them to be willing to meet us again" (the result of a personal interview on June 7th, 2016).

Added interview by Asnah Muazzizah that:

> "We always do well and are close to them. We teach them to always do charity to someone who is unfriendly with us and we pray them" (the result of a personal interview on June 7th, 2016).

Based on the result of an interview with respondents above shows that parents apply peace education by still doing well toward someone who is unfriendly with us and not takes revenge with hatred.

Ways of solving difficulty of life

Result of interview with Syaifudin stated that:

> "Keeping trying physically and spiritually based on ability and be *tawakkal* to Allah SWT" (the result of an interview on June 7th, 2016).

Added interview by Asnah Muazzizah that:

> "Praying that we have done can make us be avoided from difficulty little by little. Therefore, we as a human should keep trying with an expectation that everything will be made easier, only Allah who we ask and only Allah, the giver, who will give us everything" (result of a personal interview on June 7th, 2016).

Based on the result of an interview with respondents above shows that parents apply peace education by having faith that life difficulties can be faced patiently, keep trying, be *tawakkal* to Allah, The greatest, and also not do anything which will bother other people or break one's right which ends to social conflicts.

Ways of reaching future

Result of interview with Syafiq stated that:

> "We should always emphasize on public concern. We should always do goodness in anything. We should sustain our power and thinking in order we look fresher. We should be able to save money in order our life is better" (the result of a personal interview on June 7th, 2016).

Added interview by Syaifuddin that:

> "To obtain future, it is needed many ways among others are: be an optimist, be confident, keep trying based on ability, and pray or be *tawakkal* to Allah" (the result of a personal interview on June 7th, 2016).

Based on the result of an interview with respondents above shows that parents apply peace education by emphasizing public concern, doing goodness, sustaining our power and thinking in order we look fresher, saving our money in order our life is better. Moreover, to obtain future, it is needed many ways among others are: be an optimist, be confident, keep trying based on ability, and pray or be *tawakkal* to Allah.

Dicussion

To create a harmonious and peaceful life, it can not only be at a glance. Whatever it takes a long time but it does not matter to still build the piece. An effort to create a piece can be performed by education both formal and informal. If the causes of conflict and kinds of violence source from human, solution or effort to create peace should come and be done by human itself.

Implementation of piece education which is conducted by Pati people, Central Java by training that communicating with elder people should be politely and kindly. Education from home will be made as guidance by children, for example of how to communicate with other people outside such as larger society with culture diversity, custom or habit which are different with him so by speaking politely, which is not rude or anarchist, someone can solve the occurred problems.

According to Pepper, Java culture since a long time ago is known as the highest culture which keeps many great values such as ethics and manner at home or public. How to deliver an opinion, talk to elder people, make a dress, eat, and treat other people, etc have existed in Java culture (Djajasudarma; 1997:12).

Implementation of peace education can be in the form of being tolerant toward others, sustain intimacy with siblings, keep silaturahim, and not doing activities that can cause conflict toward siblings. As a social being, we should care, help each other, do well toward someone who is unfriendly with us and not takes revenge with hatred.

Research of Yohanes Kartika Herdiyanto & Kwartarini Wahyu Yuniarti in 2012, about culture and peace: harmony in Java's local wisdom in facing the changes after earthquake in Yogyakarta, found that taking began decision, relates to problem-solving after earthquake, with rembug obeyed by all people and all personal willing which are not suited with the decision should be got over.

According to Wulandari (2010), to build condition of society from the smallest level to the biggest level, for example, country, inside of everyone should be applied tolerance with other people, attention, empathy, cooperation, and respect toward other people. It is very important to be realized that our society is plural and multicultural. And in that such situation of society, the most important is understanding that one person to another is different in many things.

In facing life difficulties or reaching future, we should be an optimist, be confident, patient, keep trying based on ability, and pray or be *tawakkal* to Allah. The greatest, and also not do anything which will bother other people or break one's right which ends to social conflicts. Based on Suyanto (1990:144), characteristics of Java culture are religious, not-doctrine, tolerant, accommodative, and optimistic.

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COMMUNITY DEVELOPMENT DRIVEN CORPORATES: CASE STUDIES OF BEYOND COMPLIANCE CORPORATES

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Abstract

Community development (comdev) is compulsory to be implemented for corporates pursuing beyond compliance of proper (business performance rating) and intended to alleviate the poverty, to create people's welfare and also to nurture a good relation between corporates and community. Social mapping, programs and activities, monitoring and evaluation of comdev are directed by the corporates. Good comdev requires full involvement of people in identifying their problems and to find their own solutions heading to self-reliant community. This study observes two corporates participating Proper, one has gained green rank and another obtained gold rank of proper. The data gathered include corporate policy of comdev, the organization unit of the corporates dealing with comdev and governance of comdev.

The study found that organization unit of CSR, social mapping, involvement of people, the role of local leaders and the role of community development officer (cdo) determine the successful of community development. The successful of community development is characterized by the improvement of people's income, people's capability organizing their group, creation of social cohesion and environmental sustainability and clear road map heading to self-reliance community. Unsuccessful comdev is indicated by unequal distribution of economic impact, dependent community, social zealously among people and unclear road map of comdev.

Keywords: comdev-beyond compliant corporates-socio-economic and environmental impacts

Introduction

Business performance rating (proper) is an excellent program promoted by Ministry for Environment and Forestry as incentive and disincentive, and control approaches. The result of evaluation for participating industries are classified as black (violate the law), red (fulfill partly requirement, blue (comply with regulation or fulfill the requirement), green and gold (*beyond compliance*). Corporates categorized as beyond compliance, in addition to fulfilling the minimum requirement, have adopted Environmental Management System (EMS), practiced reduce, reuse and recycle (3R)

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principles, created innovation of production process through cleaner production, and also implemented community development funded through *CSR*. The evaluation of Green ranking is based on self-assessment documented by participating corporates, while for Gold ranking candidates, the evaluation is focused on implementing community development and verification to the field.

People who live nearby industries exploring and exploiting natural resources are generally poor and they really expect CSR's corporate help eradicate their poverty. Community development requires full involvement of people in identifying their problems and finding their own solutions heading to self-reliant community. While community development through CSR is directed by the corporates, are comdev's programs working well? Are comdev's programs able to create people's welfare?

Literature Review

Business administrative thinking is a combination of thinking in which business activity does not only pursue a profit but also internalize the interest of public at large. The attention to the public does not only merely relate to good product but also associate with the interest of public in relation with job opportunity and informal sector creation such as food stall, groceries, home stay and other services. In addition, the corporate also has to take attention the social and environmental impacts of its activities. Velasquez (2002) reiterates that business ethics include environmental concern. This is parallel with Nugroho (2006) ideas in which corporate must fulfill the principle of three bottom lines namely profit, people and planet. CSR is an expression of business ethics covering responsibility to corporate employees, consumer, supplier and society at large.

Based on Proper regulation, there are three types of CSR: (1) charity: is an effort of the corporate to meet the community need by providing basic consumption need, financial assistance etc. (2) infrastructure: is providing educational and religion facilities, road, clean water, electricity, etc. (3) capacity building: is providing trainings for community such as sea weed culture, composting, home industry, etc. (4) community empowerment: creating self-reliance community. The fourth type of CSR requires community involvement at the earliest stage of planning. *Proper* data of 2015 showed that CSR's allocation for community empowerment improved to be 72.98%, compared to 37.96% in 2014.

By definition, community empowerment is a strategy to help people to identify their problems and to find their own solutions. The involvement of people is a must and started at the earliest stage of planning. Hudson (1979) classifies community empowerment as trans-active planning in which dialog between facilitator or planner and community (target group) is intensively conducted. Friedman (1986) called community empowerment as social learning. Friedman further noted that planning is a political process in which people are actively involved since the stage of problem identification.

Buchholz (1998) as quoted by Shrivastava categorizes community empowerment as eco-centric management in which the goals are oriented toward sustainability and quality of life and stakeholder welfare, and the organization is characterized by participative decision making and decentralized authority.

Research Method

This research is based on my observation as member of Proper's Advisory Council with the main task is to evaluate the candidates of beyond compliance corporates. As part of the task, I have read through the document submitted by corporates, evaluate the presentation of Gold candidate holders, and verify them at the field. The scope of research focuses on CSR's policy of participating Proper, the governance of CSR and the impacts to the community. This research utilized the case study of two corporates, one gained green rank and the other obtained Gold rank.

Result and Discussion:

<u>Corporate's Policy on CSR</u>

The organization unit dealing with CSR of Green Proper Corporate (fertilizer company) is under PKBL (Partnership Program and Environment Facility). There are also other units dealing with CSR namely Department of Environment and Public Relation. PKBL focuses on providing funding in the form of loan for group of people having or initiating small enterprises. The scope of targeted groups are not only

Bontang vicinity but also other regencies and even other provinces within Kalimantan. PKBL's interest is more on allocation of budget and not on how the funding distributed enabling people to be self-sufficient community. They have community development officer (CDO) but are not intensively working at the villages. To a certain extern, PKBL acts as Bank Proposal receiving proposals from community, selecting them, and providing a funding. Lack of coordination among units deal with CSR stimulates unsustainably CSR's project.

On the other side, the organization unit, deals with CSR at Gold Proper Corporate (liquefied natural gas corporate), is centralized under public relation department with CDO placed at each village to coordinate and to monitor the activities. CDO along with local leader and member of the community formulate a road map heading to self-reliant community. They are successful in finding local hero as pioneer of activities at village level. The best practices of comdev have been replicated at other places.

The Organization of CSR

The criteria to evaluate beyond compliance corporates with green and gold rank consist of environmental management system, energy efficiency, emission reduction, water conservation, 3 R (reduce, reuse and recycle) of hazardous waste, 3 R of non-hazardous waste, bio-diversity and community development. Each criteria is weighted equally, so that each criteria has a portion of evaluation of 12.5%.

Evaluation of green rank is based on written document submitted by participating corporates. The evaluation component consists of eight component follows: (1) corporate's policy and governance system of CSR starting from planning, organizing and controlling, (2) organization structure and its job description, number and qualification of people dealing with comdev, (3) budget allocation of CSR, (4) social mapping, (5) implementation including the participation of other parties contributing CSR project, (6) monitoring and evaluation, (7) social relation consisting of internal and external corporates, and (8) publication and recognition by other institutions.

From eight components, the weakness experienced by the corporates is related to formulating social mapping. Social mapping was generally done by consultant and did not involve the people in charge on CSR and also with minimum participation of community. Consequently, some CSR programs or projects are not related with social mapping and are not based on need assessment. The beneficiaries are limited to elite people in the community. The project did not work because lack of need assessment. The lack of pioneer at each project leads to unsuccessful of project. Loan distributed to people is not accompanied with proper extension and intensive monitoring. Consequently, only few recipients could develop their small enterprises.

The evaluation of gold rank corporates is fully related to *community development* divided by two stages. The first stage is presentation at Proper Advisory Council regarding the profile and the vision of corporate, innovation of production process, bio-diversity and community development. If the presentation is considered excellent, then followed with second stage in which corporate will be visited and verified by the Advisory Council.

Conclusions

The solid and centralized organization dealing with CSR is one of the key successes implementing CSR. Social mapping must involve people in charge of CSR and community to ensure the sustainability of project. It is required to identify and find pioneer at local level and full involvement of local people throughout the planning process until evaluation. Good CSR requires road map heading to self-reliant community.

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HUMAN RESOURCES QUALITY LINKED TO SATISFACTION LEVEL OF MATERNAL AND CHILD HEALTH SERVICES

Tri Lestari Hadiati[1] & Santoso Hadi[2]

Abstract

This research focuses on the relationship between local human resources and the satisfaction level of maternal and child health services in UPTD Plantungan Health Center in Platungan district, Kendal. This research is aimed for a) analyzing human resources quality, (b) analyzing the satisfaction level of mother and child health services, (c) analyzing the relationship between local human resources and the satisfaction level of maternal and child health services. This research uses an explanatory approach. The sampling technique used is incidental random sampling technique of 50 people. The data is collected by using questionnaire, observation, interview, and literature study. Furthermore, the data is analyzed by using qualitative and quantitative methods, including cumulative score to calculate the variable. On the other hand, the hypothesis test is analyzed by using product moment method.

The results of this research are: (1) the quality of human resources is 76.66% which is categorized as good enough. Thus, the quality of human resources in providing services to maternal and child health patients has been running quite well and representing the standard of operating procedures; (2) the level of satisfaction of maternal and child health services is around 68.57% which is categorized as enough. Thus, the level of community satisfaction of maternal and child health services provided by the health center is high. (3) There is a significant relationship between the quality of human resources with the level of satisfaction maternal and child health services in UPTD Plantungan Health Center, Plantungan district, Kendal. This is proven by the calculation result of 0.298 by the number of respondents (N) of 50 people at a significance level of 5% and the obtained r table = 0.279, then 0.298 rh> from 0.279. Thus the hypothesis of whether there was a relationship between human resources quality and human satisfaction level maternal and child health services in UPTD Plantungan Health Center, Kendal was accepted.

Keywords: health services, intellectual quality, physical quality and health, spiritual quality.

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Introduction

According to Law No. 36 of 2009 concerning Health, a health care should care for mothers and children so that they can live a healthy life based on what is already mandated in the Act of 1945 Article 28 H paragraph (1). The program's objectives of Maternal and Child Health (MCH) has achieved the capability of healthy living through increased optimal health status, for mothers and their family as well as increasing the health quality of the children to ensure the optimal growth and development, which is the basic needs in improving the quality of human beings (Ratminto, 2002).

However, there are problems occurred in maternal and child health services field, especially in UPTD Plantungan Health Center Kendal, where the satisfaction level of the services provided was still disappointing (pre-survey on 13 to 20 October 2015). This was shown by the presence of some patients who still complain about the health services there. The complaints range from the quality of the drugs given, the decency of the rooms and building, and the quality of the human resources.

The lack of skills of the medical staffs in providing the services is still being complained by the community, as it greatly affects health services given. The community assumes that there were less skilled experts, as proven by the fact that there was still no health progress after treatment. Patients who take medication on Maternal and Child Health also found the lack of facilities, with the decency of rooms and medical equipment and the quality of drugs given becoming a major issue.

Viewed from a wide range of patient complaints, the satisfaction of health care was basically determined by four factors: human resources, medicines, equipment, and supporting facilities. The problems mentioned indicate the lack of success in carrying out the functions of first-level health care center.

Survey of Public Satisfaction in Kendal is still far from national development planning. In other words, public services including health services have not yet met the expectations of customers and the community (Marzuki, 2002). Moreover, maladministration often occurs which means that there are still many weaknesses in administration services (Setiyono, 2004), which impacted in the health care services. Regarding the performance of the health staff in providing services to the public, discrimination in providing services (collusion and nepotism) frequently occurs.

Inadequate information given to the public about mother and child health (MCH) resulted by the lack of knowledge about the dangers of malnutrition, maternal chronic energy deficiency (CED), and postpartum mother chronic energy deficiency (KEK) also occurs. The quality of the health care services is also influenced by many factors, including lack of facilities and infrastructures, the shortage of health workers at rural level, geographical factor (mountainous region), and the quality of human resources (Prasdjasto, 2007).

The writers, with these considerations, have conducted a research entitled: Quality of Human Resources in Health Center Satisfaction Linked to Maternal and Child Health Care (PHC UPTD Plantungan Study In the District Plantungan Kendal).

Problem Formulations and Research Objectives

The problem formulations in this research are: first, how is the quality of human resources at the local health center? Second, what is the level of satisfaction of health services for mothers and children in the region? Third, is there a link between human resources quality and community satisfaction level of Mother and Child Health (MCH) services? The goals of this study are: first, to analyze the quality of human resources in the health center; second, to analyze satisfaction level of maternal and child health services; third, to analyze the relationship between human resources and service satisfaction level of maternal and child health centers UPTD Plantungan.

Theoretical Framework

<u>Independent variable (X) as human resources quality</u>

Human resource planning has been defined as the process of determining man power requirements and the means for meeting those requirements in order to carry out the integrated plans of the organization. Human resources planning or workforce planning (Malayu, 2009) can be defined as a process of determining the need of labor based on forecasting, development, implementation, and control of these needs that are integrated from the organization’s plan to increase the number of employees, proper staffing, and effective economy. Mangkunegara (2001:5) stated that human resources planning is important for the sake of individual employees, the organization, and nation.

Components which should be taken into account are the achievement of the organization's objectives as well as human resources auditing and forecasting. There are two systems of human resources planning (Ratminto & Atik, 2007), which are budget labor planning and workforce preparation programs. There are three interests in human resources planning (Sudarwan, 2011), which are individual interests, organization's interests, and national interests.

<u>The components of human resource planning</u>

There are several components which should be taken into consideration in human resources planning. Those are organizational planning purposes, human resource auditing, and human resource forecasting. In human resources auditing, the aspects which have to be taken into account are the quality of the workforce, determination, listing the capabilities (skills), turn over, and internal changes.

<u>Dependent Variable (Y) as the satisfaction level of maternal and child health services</u>

Barata (2006) stated that the success of the excellent service program depends on the alignment of skills, attitudes, appearance, attention, action, and responsibility in the implementation. Developing the excellent service can be achieved by harmonizing factors of Ability, Attitude, Appearance, Attention, Action, and Accountability (responsibility).

Public service is not just an administrative issue. Barata further explained that it was important to fulfill the wishes of the public. Therefore, it is necessary for the public servants to be prepared in order to achieve good quality services. Furthermore, Dwiyanto (2006: 145) stated that the public service must contain preference values which exist within society, because society is dynamic and the character of the public services should also shift constantly to pursue society development.

Regulations

The government on July 16, 2009 has confirmed the existence of a new law No. 25 of 2009 of public services. The law of public services was published to build public trust of the public services performed by the government to keep up with the expectations and demands of all citizens, efforts to reinforce the rights and obligations of every citizen, the realization of the responsibility to accomplish human rights obligations for every citizen, and the realization of the responsibility of the state to carrying out public services.

Furthermore, according to PERMENPAN-RB No. 16 2014 regarding Guidelines of Satisfaction Society Survey, the implementation of public services should include covering, requirements, procedures, services time, fees or tariffs, product specifications, executive compensation, behavior implementer, notice of services, complaints , suggestions, and feedback to achieve better public services.

Barata (2006: 38) argued that service performance should be greater than expectations. If the service performance shown is greater than customer expectations, the services are considered special or very satisfactory because the services given are at the optimal stage. So, satisfaction is the compatibility between expectation and reality. Therefore, employees at UPTD PHC Plantungan district including doctors, midwives, nurses, and dietitians should use minimum services standard of health in serving maternal and child patients. By applying a minimum standard of service health, it is expected to improve service satisfaction of maternal and child health in the health center, as well as to achieve the national goals and mission. The program's objectives of Maternal and Child Health (MCH) should achieve the capability of healthy living through increasing optimal health status, in order for mothers and their family to achieve *Norma Keluarga Kecil Bahagia Sejahtera* (NKKBS) as well as increasing the living standard of the children to ensure the optimal growth and development which is the basic needs of human qualities improvement.

In dealing with patients, staffs in the health centers need to remember the six indicators of minimum performance service standards rating or SPM. Minimum standard of health services for mothers and infants must be implemented such as the requirement of pregnant women to visit and stay in contact with a health worker for ANC in accordance with the 5T standard with the frequency of visits at least 4 times during pregnancy. 5T standards are: first, height and weight measurement; second, blood pressure measurement; third, fundus measurement; fourth, TT immunization and fifth, the administration of iron tablets. Technical and non-technical monitoring indicators are developed through PWS-KIA. These monitoring indicators are used by program manager experts in a healthcare environment including access indicators: first, an indicator of pregnant women coverage, indicators of deliveries by skilled health personnel, indicators of netting early risk factors by the public and health workers, neo-natal indicator; second, non-technical monitoring indicators to motivate and communicate the progress and operational issues of KIA activities to the regional government, so that they can help the health care service should there be any problem. These indicators are used in various administrative levels. In this case, it is very important for equity of MCH services to have access to reach the monitoring and technically modify an indicator of equity to be understood by the regional government.

Discussion and Data Analysis

Human Resources Quality

First, the physical and health quality of the staffs in health center of UPTD Plantungan District, Kendal is in medium level of physical fitness, posture, and living environment. Second, the intellectual level of the health staffs, which includes education, training, personal development, and experience, is also medium. Some of the staffs achieved their undergraduate degree and some are not which makes them unqualified for the duties and functions as public health servants, and thus a further training is needed. Training courses for doctors such as herbs; areas in medicine expertise; training for midwives including implant installment training, IUD insertion training, nutrition training, and fields of obstetrics; nutritionist training, including nutrition training, five basic immunization completion training, and integrated service. Personal development is expected to be useful in carrying out the suitable duty based on their experience in the field, so that it can be applied in the health-suitable field. Third, the lack of mental qualities of the employee at the health center including religious tolerance, honesty, responsibility, enthusiasm, commitment to duty, discipline, competence and motivation, work ethic, productivity, and sense of justice is also found. Thus, it is expected to improve the competence of employees in the health field, so it can be useful for the improvement of services in the field of public health (W Riawan, 2005).

The health staffs in UPTD Plantungan should have had qualified human resources such as: intellectual (knowledge and skills) qualities, physical health, and mental qualities. In a broad sense, they should have had high level of honesty, religious tolerance, responsibility, prioritizing obligations, discipline, motivation, and legal awareness. The role of human resources in achieving satisfaction of health services for mothers and children is needed. In this study, the writers took a sample of 50 respondents. For more details, it can be seen from the table as follows:

Questionnaire table no.7 s /d 17

Number	Criteria						Average	Category
Indicator	G	Ge	P	Vp	B	Sum		
A. Health and Physical Quality								
(7) Health and Physical Fitness	0	44	6	0	0	100 (50)	88 %	Good
(8) Staffs Living Environment	0	45	5	0	0		89 %	Good
B. Intellectual Quality								
(9) Education and Skills	0	38	12	0	0		76 %	Good Enough
(10) Qualification	0	39	11	0	0		78 %	Good Enough
C. Spiritual Quality								
(11) Knowledge and technology mastery	0	40	10	0	0		80 %	Good
Number	**Criteria**						**Average**	**Category**
Indicator	G	Ge	P	Vp	B	Sum		
(12) Religion	0	38	12	0	0		76 %	Good Enough
(13) Honesty	0	44	6	0	0		88 %	Good
(14) Spirit	0	38	12	0	0		76 %	Good Enough
(15) Duty	0	46	4	0	0		92 %	Good
(16) Discipline	0	45	5	0	0		90 %	Good
(17) Motivation, work ethic, and productivity	0	43	7	0	0		86 %	Good enough
(18) Rights and duty based on UUD 1945	0	44	6	0	0		88 %	Good enough

Source: data tabulation

To determine the percentage of human resource quality by comparing the data obtained with the data base as follows:

1. Total items for questioner = 12
2. Total respondents = 50

3. Maximum Score = 5

From the results of the questionnaire tabulation of human resource quality, it is obtained values can be seen as follows:

1. Score obtained from tabulations of data = 2300
2. Ideal score = 3000

Then the percentage of human resources quality can be seen as follows:

1. $$\text{Score} = \frac{\text{Achieved Score}}{\text{Desired score}} \text{ X } 100\%$$

1. $$N = \frac{2300}{50 \times 5 \times 12} \text{ X } 100\%$$

$$N = 76.66\ \%$$

The cumulative scores obtained for the variable of human resources quality categorized as good enough (76.66%) for indicators of physical health, intellectual, and mental quality indicators.

Satisfaction Level of Maternal and Child Services (KIA)

In achieving the successful implementation of maternal and child health program, human resources is required. According to the writers, if the quality of the human resources exceeds the expectations of the patients, they will get service satisfaction (Indiahono, 2000). To see the level of service satisfaction, the writers conducted a study of patients of maternal and child health at the UPTD Plantungan Health Center by distributing questionnaires for the 50 respondents. These respondents are asked to fill the questionnaires according to the indicators as follows, including the requirements made by officers, service procedures, service time, cost of service, product specifications, type of service, service competence, behavior, notice of service, handling and complaints as well as suggestions and feedback. The result can be seen in the table below:

Questionnaire no 20 S/d 39

Number Indicators	G	Ge	P	Vp	B	% Total respondents	Average	Category
(20) Terms and Condition	0	24	26	0	0	100 (50)	52 %	Low
(21) Procedure	0	23	27	0	0		54 %	Low
(23) Service time	0	22	28	0	0		56 %	Low
(24) Time Management	0	29	20	1	0		58 %	Low
(25) Cost	0	20	28	2	0		56 %	Low
(26) worthy cost	0	24	25	1	0		50 %	Low
(27) Product Specification	0	30	20	0	0		60 %	Enough
(30) Service Competence	0	24	26	0	9		48 %	Low
Number Indicators	G	Ge	P	Vp	B	% Total respondents	**Average**	**Category**
(33) Behavior	0	19	31	0	0		62 %	Enough
(34) Information	0	24	26	0	0		52 %	Low
(35) Handling and Complaints	0	27	23	0	0		54 %	Low
(38) Suggestion and feedback	0	17	32	1	0		64 %	Enough
(39) Suggestion and feedback	0	15	32	3	0		64 %	Enough

Source: data tabulation

Furthermore, the percentage of satisfaction level of maternal and child health services at the UPTD Plantungan Health Center is determined by comparing the data obtained. It can be seen as follows:

1. Total items in questionnaire = 21
2. Total respondents = 50
3. Maximum score = 5

The results of the questionnaire in data tabulation service quality level of maternal and child health at the UPTD Plantungan Health Center can be seen as follows:

1. Achieved Score = 3600
2. Ideal Score = 5250

The acquired level of quality maternal and child services in UPTD Plantungan Health Center can be seen as follows:

2.
$$\text{Score} = \frac{\text{Achieved Score}}{\text{Desired Score}} \text{ X } 100\%$$

1.
$$N = \frac{3600}{50 \text{ x } 5 \text{ x } 21} \text{ X } 100\%$$

1.
$$N = 68.57\ \%$$

The cumulative scores for the variable level of satisfaction of maternal and child health services obtained is 68.57% and is categorized as enough, especially on indicators of requirements, procedures, time of service, timeliness of service, inspection fees, decency tariff treatment, product specifications, competencies services, behavioral services, edicts service, handling and complaints, suggestions and feedback.

Closing

Based on the analysis above, it can be concluded that the human resources quality is categorized as good enough. Thus, the quality of human resources owned by UPTD Plantungan Health Center is compatible with the competence standards in health. On the other hand, the satisfaction level of maternal and child health services is categorized as enough. It means that the mother and child patients in UPTD Plantungan feel not too satisfied of the health services provided by officers.

Furthermore, there is a significant relation between the human resources quality and the satisfaction level of maternal and child health services at the UPTD Plantungan Health Center. This is shown by the results of calculations obtained at .298 after r table consultation with the number of respondents (N) of 50 people at a significance level of 5% was obtained r table 0.279. So rh .298> .279 rt. Thus, the hypothesis that there is a relationship between human resources quality and the satisfaction level of maternal and child health services in UPTD Plantungan Health Center is accepted.

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MULTICULTURAL EDUCATION TO PREVENT HORIZONTAL CONFLICT

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Abstract

Indonesia is known as a pluralistic society consisting of a variety of ethnicities, races, religions, and languages. This pluralism can realize national integration as the embodiment of national unity. On the other hand, when social disintegration appears among the society plurality, it can lead to horizontal conflict. Therefore, conflict prevention can be done through multicultural education. The purpose of this study was to identify the characteristics of horizontal conflicts and analyze the horizontal conflict prevention through multicultural education. This research was conducted in Sidoarjo Regency using descriptive research with qualitative approach. The results showed that preventing horizontal conflicts in Sidoarjo Regency through multicultural education to the community has been quite effective to realize national integration. It is seen by the raised awareness of inclusive diversity; appreciation of the diversity of language; develop the attitude to not prejudice; anti-discriminative in terms of ethnic and race; appreciate the differences in ability; and appreciate the age difference.

Keywords: multicultural education, prevention, horizontal conflict

Background

Indonesia is known as the pluralistic society that consists of a variety of ethnicities, races, religions, and traditional languages. The pluralistic society is a different society based on the horizontal groups. It has the potential to form a national integration as the embodiment of national unity. On the other hand, when the disintegration appears among the pluralistic society it will then create conflict horizontally.

Kartono (1980) stated that conflict is a form of impact, collision, incompatibility, conflict, fight, opposition, and antagonistic interaction. Based on the characteristic of Indonesian society that is pluralistic, it has the potential in causing a conflict as a result

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of the failure of interaction among the societies. Potential conflict is the multiculturalism which will bring disruption toward the diversity of ethnicity, race, culture, and religion. According to Maliki (2010) the conflict of SARA in Indonesia cannot be separated from social and economic gap among the groups in society.

Pluralistic society has spread across Indonesia including in Sidoarjo. Sidoarjo regency is one of the areas that cannot be separated from the plurality of the population in terms of diversity of religion, ethnicity, and race. Based on the data from BPS Sidoarjo (2014) the total of society in Sidoarjo regency by the religion is; Islam (2.603.136 people), Christian (58.547 people), Catholics (13.777 people), Hindu (2.453 people), and Buddha (6.943 people). Based on the findings, religious differences embraced by the society of Sidoarjo regency did not create the conditions that disrupt the peace of society. The condition of inter-religious relation in Sidoarjo regency is quite conducive. However, it does not mean that the escalation of conflict in Sidoarjo regency does not arise at all. Sidoarjo Regent, Saiful Illah, said that inter-religious conflict remains a threat in the development of harmony of religious life. One of the causes is the problem of economic inequality and injustice in religious life and society.

> "Development of the harmony of religious life is still an important job, remembering that religious conflict is still being a threat. There are a lot of factors that create conflict by the name of religion such as economic inequality, a feeling of "excommunication" and injustice behavior towards a group of religious people." (Source: News HUMASPROTOKOL, Sidoarjo; 9 November 2014).

In addition, there are another social conflicts rooted in assets, such as a conflict of economic land on Larangan Market Sidoarjo in 2002 that spread to the ethnic conflict of Java and Madura, conflict among groups of fishermen Mandangin Sampang Island and Kisik Pasuruan in the waters of Sidoarjo related to the conflict of shrimp fishing location (August, 2009). Some of the horizontal conflict cases that happen cause a loss in feeling safe, the fear of society, environmental damage, loss of property, and psychological trauma. Therefore, there should be a prevention of horizontal conflicts through multicultural education in order to achieve national integration. According to Anderson and Cusher (1994: 320) multicultural education is defined as the education about pluralistic cultural. Thus, multicultural education has an important role for the development of the individual personality to grow the tolerance to face the pluralism in society. Based on the explanation above, the researcher is interested to conduct a research related to the characteristic of horizontal conflicts including religion, race and ethnicity in Sidoarjo regency and the prevention of horizontal conflict as a result of the diversity of religions, races and ethnicities in Sidoarjo through multicultural education.

Theoretical Framework

Conflict

The term "conflict" etymologically comes from the Latin "*con*" which means together and "*fligere*" which means impact. In general terms it contains a series of social conflicts between the phenomenon of personal disagreement from class conflict to the international conflict and war (Elly and Usman, 2011: 345). Based on Government Regulation No. 2 of 2015 on Implementing Regulations of Law No. 7 of 2012 on the Handling of Social Conflict mentioned that social conflict is a fight or physical impact of violence between the two communities or more that take place within a certain time and have broad impact with the result of feeling insecurity and social disintegration that disrupt national stability and obstruct national development. In addition, Robbins (1984) adds that the conflict is a process to compensate the efforts of others by impeding everything that causes frustration in achieving the goals.

The Characteristics of Conflict

Dahrendof (in Soekanto, 2007: 79) explains the characteristics of conflict in social organization as follows:

- The social system is always in a state of conflict
- The conflict is caused by the existence of conflicting interests which cannot be prevented in the social structure
- These interests tend to polarize into two contrast groups
- The conflicting interests reflect the differential distribution power among the dominant and controlled group
- The explanation of conflict will lead to new conflicting interests, which in certain condition causes conflict
- Social change is the consequences of a conflict which cannot be prevented in various types of patterns that have been institutionalized.

Types of conflict

According to James A.F. Stoner, and Charles Wankel in Wirawan (2010: 22) there are five types of conflict, they are:

- Intrapersonal conflict is a conflict of someone with her/himself. Conflict occurs when at the same time someone has two wishes which are unlikely to be met at once. Interpersonal conflict is a conflict between someone with another because of different interest or desire. This often happens between two people of different status, job position, work area, etc.
- Conflicts between individuals and groups. This is often related to the way of someone in facing the pressures to achieve conformity, which is emphasized to them by their work group.
- Conflicts between groups within the same organization. This conflict is a type of conflict that often happens inside the organizations. Conflict between line and staff, labor and management are two kinds of conflict areas in groups.
- Conflicts between organizations.

Conflict Prevention

Conflict prevention is one of the efforts in resolving the conflict that aims to minimize the problems faced by the conflicting side. Based on Government Regulation No. 2 of 2015 on Implementing Regulations of Law No. 7 of 2012 about Social Conflict Management mandates several organizing activities such as conflict prevention efforts to strengthen religious harmony; increase the community forum; increase awareness of the law; civil defense education; socialization of legislation; education and training of peace; civic education; character education; research and mapping potential areas of conflict; institutional strengthening of early warning systems; religious education and the cultivation of the values of national integration; capacity building; poverty reduction; strengthen access of local wisdom; strengthen social harmony; and other activities that is suitable with the legislation certainty.

Multicultural Education

Multicultural education is an educational strategy applied to all kinds of subjects by using the cultural differences that exist among the students such as differences in ethnicity, religion, language, gender, social class, race, ability, and age so that the process of learning can be easier and more effective. Multicultural education is given at the early age at school environment in order to prevent social conflicts in society. From the early age, every student will be given a knowledge that has an important role in daily life to face the differences as part of a multicultural society. Some aspects of multicultural education (Yaqin, 2005) include:

- Build an inclusive paradigm that can accept the diversity of opinion and understanding of other religions which have a base of divinity and humanity.
- Respect the diversity of languages through egalitarian attitude and behavior and also respect the differences.
- Develop the attitude to not prejudice and to tolerate those of different ethnicity and race through mutual respect and respect for others who come from different ethnic and race backgrounds.
- Respect for those different in ability through building awareness to not perform discrimination actions against the disabled.
- Respect for differences in age by not giving the limitation of age for a person who wants to study at the school, if the person has the ability and the willingness that has been set as per the school rule.

Imron Mashadi (2009) describes that multicultural education aimed to create a strong nation, progressive, fair, and prosperous without distinguishing the ethnicity, race, religion, and culture. Sutarno (2008: 1-24) adds some goals of multicultural education including eight aspects, they are: ethnic and cultural development; personal development; clarification of values and attitudes; to create the equality of educational opportunities for all students of different race, ethnicity, social class, and cultural group; to help people gain the knowledge, attitude and skill required in carrying out roles as effective as possible in a democratic-pluralistic society and also required to have interaction, negotiation, and communication with others in order to create a society with a good attitude for the goodness; the equality of educational excellence; strengthen personal for the social reformation; and also has a national knowledge.

<u>Principles of Multicultural Education</u>

There are three principles of multicultural education proposed by Tilaar (2004) as follows:

- Multicultural education based on pedagogical human equality (equity pedagogy).

- Multicultural education aimed at the realization of Indonesian intelligence and to develop Indonesian's scientific knowledge as well as possible.
- The principle of globalization does not need to be worried if the society knows each and every good and bad value of it.

Research Methodology

This research was conducted using descriptive research through qualitative approach. The focus of this research is the characteristic of horizontal conflict and horizontal conflict prevention as a result of the diversity of religious, race and ethnicity through multicultural education. This research was conducted in Sidoarjo regency. The informants of this research were the National Unity and Political Sidoarjo Regency of Conflict Prevention Organization, Head of Sidoarjo Police District (Polres), staff of Inteligent Kodim (military district) Sidoarjo Regency, head of the religion institutions (Majelis Ulama Indonesia Sidoarjo Branch Chairman of Muhammadiyah Sidoarjo Branch Management of Nahdlatul Ulama Sidoarjo, pastor and monk) and also the society (representatives of the conflicting side, and LSM). The data was collected through interviews, observation, and documentation. The data analysis used Miles & Hubberman data analysis.

Result and Discussion

<u>Characteristics of Horizontal Conflict Include Religion, Race and Ethnicity in Sidoarjo</u>

The total population of Sidoarjo regency is 2,684,856 people (2013). It is one of the areas that can be categorized as plural. That pluralism is also reflected as a part of the Indonesian nation that consists of a variety of religions, races, and ethnicities. Some of the impacts can be seen from two sides, the positive side and the negative side. Judging from the positive side, the pluralistic society can be a national identity. However, judging from the negative side, the pluralistic society may cause a social conflict. Thus, it needs a synergy between the stakeholders in order to create a unity and integrity of the pluralistic nation.

Similarly, Sidoarjo regency cannot be separated from the existence of a social conflict. As mentioned in Indonesian Government Regulation No. 2 of 2015 which states that social conflict is a conflict or physical impact of violence between the two communities or more that happens in a certain time and has a wide impact that causes insecurity and social disintegration that disrupt national stability and obstruct national development. If it is seen from the pluralism based on religion, Sidoarjo regency has a majority Muslim population with 2.603.136 people. While others are Christian, Catholic, Hindu, Buddhist, and Confucian, which, based on the population, is a minority. Meanwhile, if it is seen from the ethnicity and race, Sidoarjo society consists of different races and ethnics including natives and new comers from outside Sidoarjo like Javanese, Maduranese, Bataknese, etc.

Based on the results of research in the field, pluralistic society horizontally is not always proportional or in a good condition. However, some cases in the field show that some disagreement among the pluralistic society cause a potential of horizontal conflict. It is also in line with the statement of the Head of Sidoarjo Police District (Polres) which states that during his time as Sidoarjo Police's intelligence, he assesses if the condition of the Sidoarjo society can be said as conducive. Various cases related to horizontal conflicts in Sidoarjo can be solved properly so that it does not cause such a large effect like losing the sense of national unity.

In addition, he also says that the Sidoarjo society has a high tolerance to others so that the conflict can be minimalized. Some parties that are involved in the conflict or the ones who reach a settlement can coordinate well. Based on the field monitoring, several horizontal conflict areas in Sidoarjo has been identified by sub unit Intelkam Police Sidoarjo in the period of 2012-2015.

Table 1

The Data of Potential Conflict in Sidoarjo Regency in Period of 2012-2015

No.	The First Side	The Second Side	Year	Location/Place
1.	Group of Syiah refugee	Pok Suni (NU, FPI, Ansor)		Rusunawa Puspo Agro Taman Sidoarjo
2.	Followers of Ahmadiyah in Sawotratap-Gedangan	Villagers of Sawotratap Gedangan (NU, Muhammadiyah)	2012	Sawotratap-Gedangan
3.	Pastor Movi Buyung	Villagers of Perum Tas III Popoh-Wonoayu	2012	Perum Tas III Popoh-Wonoayu

4.	Jama'ah of Majelis Tafsir Al-Qur'an (MTA)	Jama'ah of Pondok Pesantren Al Hamdani Siwalanpanji	2013	Siwalanpanji-Buduran
5.	Group of Jama'ah Anshorut Tauhid (JAT) leader Abu Bakar Ba'asyir and committee chief Ustadz Akhwan Jemain	Villagers of Suwaluh-Balungbendo Angkatan Muda Demokrat Indonesia (AMDI) GP. Anshor/Banser	2014	Suwaluh-Balungbendo
6.	The Church Advens Albatros Father House	Society around the Church in Sidoarjo Regency	2013	Sidoarjo
7.	Pastor Dasilva H.S.	Villagers of Wage-Taman		Wage-Taman
8.	Pastor Walter Pauran	Citizen of Perum Park Royal Regency Sidokerto-Buduran	Oktober 2014	Perum Park Royal Regency Sidokerto-Buduran
9.	Pastor Walter Pauran	Citizen of Perum Park Royal Regency Sidokerto-Buduran	Novembe r 2014	Perum Park Royal Regency Sidokerto-Buduran

Source: Primary Data compiled by the researcher (2016)

Based on data from Table 1 above it is shown that the horizontal conflicts that occurred in Sidoarjo were mostly caused by religious factors. Some explanations related to the characteristic of horizontal conflicts in Sidoarjo is also confirmed by the facts in the field by one of the intelligence in Sidoarjo. Mr. G (using initial) explains some cases of religious conflicts that occurred. The first, Islamic Center Mosque Suwaluh-Balongbendo which is sealed because of Anshorut Tauhid group activity under the leadership of Abu Bakar Ba'asyir with the chairman Ustadz Akhwan Jemain. Their activities disturbed the society around the Mosque. It is a speech and religious activities which are considered as incompatible and inappropriate activities. They are the followers of extreme Islamic loyalist (*Islam Garis Keras*) and indoctrinate the followers with the purpose to not recognize the Constitution and Pancasila (against the country). The second one is Pondok Pesantren Al-Ma'hat which is located in Penambangan-Balongbendo under the leadership of Ustadz Syaifuddin. Religious teachings are indicated to deviate from the norms in a society, indoctrinating the followers to betray the country and provide military training to the followers. Some of the followers are prepared to be sent to Ambon and Poso. In addition, the Pesantren is not listed in Sidoarjo Education Center. The third is Pesantren Al-Qhozini MTA in Siwalanpanji-Buduran. The activity of MTA disturbs the society around Siwalanpanji village. The aqidah which is taught by MTA is against the aqidah in Siwalanpanji. It allows the followers to eat dog meat, forbid to do tahlil, etc.

Characteristic of religious conflict in Sidoarjo is a condition where there is a conflict and the lack of understanding among the people of the same religion. This is indicated from the religious activities of each follower which is considered disturbing others. However, so far some of the conflicts that occur among people of the same religion in Sidoarjo are controlled condition. Some of the stakeholders involved in resolving the conflict can coordinate and cooperate well.

The explanation of the characteristics of horizontal conflict in Sidoarjo above, completed by one of the representative of non-governmental organization in Sidoarjo represented by Mr. Kasmuin who states that horizontal conflict in Sidoarjo is quite minimal. It is based on the characteristics of the Sidoarjo society who have a high awareness of tolerance among the society. But I would like to point out a few things. A few years ago there had been reports by various local media of Sidoarjo that there had been an inter-ethnic conflict in the Larangan market, Sidoarjo. Based on his observation and experience, it needs to be clarified based on the facts on site. Facts on site indicated that the conflict was because of fight of the stall between the local seller and the new comer from Madura. So far the characteristic of horizontal conflict in Sidoarjo is not caused by the difference of religion, ethnicity, or race but rather a conflict between the interests of individual.

In addition, a similar statement is also delivered by Mr. Suwarno as the representative from Nahdlatul Ulama who states that some of the conflicts he knew are the conflict among the ethnic groups that occur between Javanese and Maduranese, are instead caused by the individual’s interest. However, because it has been exposed by the media, it is considered as inter-ethnic conflict so that the news can attract the public at large. In addition, for a religious conflict related to the construction of a church which has been rejected by the society around it, this is because of the inappropriate building permit at the beginning of the construction with the fact in the location.

Horizontal conflict in Sidoarjo has a characteristic which is suitable with the theory mentioned by Dahrendof (in Soekanto, 2007: 79) which is that conflict is caused by the conflicting interests that cannot be prevented in the social structure, the interests of the society is polarization in two opposing groups, and social changes happen as the consequence of a conflict that cannot be prevented in various types that have been institutionalized.

Multicultural Education to Prevent Horizontal Conflict in Sidoarjo

Horizontal conflict in Sidoarjo has the potential to disrupt the peace of society. In addition, the conflict will also weaken the local integration as the basis in embodiment of national integration. Therefore, conflict prevention has an important role in avoiding and minimizing the impact of the conflict, it is social disintegration in society. As mentioned by Yaqin (2005) that multicultural education is an education strategy which is applied to all the subjects by using the cultural differences that exist among the students such as differences in ethnicity, religion, language, gender, social class, race, ability, and age so that learning becomes easier and more effective. Multicultural education becomes one of the important components as the conflict prevention. Based on the facts in the location, it is shown that multicultural education which is given in the school environment has a significant influence in giving knowledge to the society from an early age. It is also delivered by the academics as one of the informant in this research who explains that multicultural education is one of the useful tools in preventing the horizontal conflict. After the society get an education at early age 'till adult, unconsciously they get knowledge related to multicultural education that focuses on education of respect and tolerance of each other. It is done through classroom learning by giving the multicultural material on the relevant subject. In addition, the practice can also be done through study tour or visit to the areas that can reflect the diversity of culture.

The development and improvement of multicultural education, especially in the school environment needs to be done, as an educational reformation and improvement to the whole education system in Indonesia. Some things that can be done first, is the addition of multicultural materials in actualization of the various cultures that exist in this country and cultures around the world. All the subjects can contain multiculturalism as the basic of multicultural nationalism. Second is the independent subject. This is meant that multicultural education as an idea, the reformation movement and the process can be well-planned systematically. Third, is the planned programs and practices from educational institutions. Multicultural education related to the demands, needs, and aspirations of the different groups. Consequently, multicultural education cannot be identified as the actual practice of the study or educational program only. The educators who practice the meaning of multicultural education will describe the various programs and practices related to the equality of education, women, ethnic group, language minorities, low-income groups, and poor people.

In addition, the findings indicate that multicultural education is given to the society outside the school environment can be provided through a variety of meetings and certain forums that engage the broader society. Based on informants' explanation which consists of the National Unity and Political Sidoarjo Regency of Conflict Prevention Organization, head of the religion institutions, intel in Sidoarjo and society, explain that conflict prevention in Sidoarjo have been done through inter-religious harmony forums, Vigilance Society Forums, communication of intelligence areas, informal meetings such as *cangkrukan*, and other society gatherings. Those forums play a role in growing tolerance among the diversity of society.

However, the different thing delivered by the representative of non-governmental organization who states that the horizontal conflict prevention in Sidoarjo does not run maximally due to the local government policy in supporting the horizontal conflict prevention. In their opnion, the policy to prevent conflict is quite minimal because of the limited budget and impartiality of local government in programs and local policies in preventing the horizontal conflict in Sidoarjo. Society empowerment in order to prevent religious conflicts through multicultural education is rarely socialized intensively on the whole society, especially in Sidoarjo. So it can be concluded that multicultural education as horizontal conflict prevention in Sidoarjo has not been done maximally yet. That is because the multicultural education is given only in educational environment but it is not yet supported by the strengthening of local government policy. Multicultural education is only given through the formality in environmental education which is the education program from the central government. It is necessary to strengthen and support implementation of multicultural education for the society, both in educational environment and outside as the basic in forming national integration.

As aspects of multicultural education delivered by Yaqin (2005), multicultural education as conflict prevention in Sidoarjo has been done such as the first, build an inclusive paradigm which can accept the diversity of opinion and understanding of other religions that have a base of divinity and humanity. Second, respect the diversity of language through egalitarian attitude and behavior and also respect the differences. Third, develop an attitude to not prejudice and tolerance of the difference in ethnicity and race through mutual respect and respect for others who come from different ethnic and race backgrounds. Fourth, respect for differences in ability through building awareness to not perform discriminating actions against the disabled and normal people. Fifth, Respect for differences in age by not giving the limitation of age for a person who wants to study in the school, if the person has the ability and the willingness that has been set as per school laws. From the five aspects of multicultural education above, all have been done maximally through learning in school although it does not have a specific curriculum that is related to the study of multiculturalism. In addition, outside the educational environment, a support from local government through the formulation of policies that organize the empowerment of society in growing multiculturalism is also still not optimally performed.

Conclusion

Characteristics of horizontal conflict in Sidoarjo occur because a group of people who have different norms opposite of each other in social life. Based on the result of this study, it is shown that the majority of horizontal conflicts occurred in Sidoarjo are religious conflicts where each side feels that there is an application of norm which is held by each group opposing each other.

Horizontal conflict prevention in Sidoarjo done through multicultural education is quite maximal. It is done through a process of teaching and learning in educational environment, although multicultural education does not have a specific curriculum and it is still given to the subjects relevant to the study. In addition, outside the educational environment the formulation of local government policies, especially on empowering the society through multicultural education is still rarely socialized intensively to the whole society, especially in Sidoarjo.

Suggestion

There should be a review related to determining curriculum in educational environment, especially for the development of multicultural education study in a planned and sustainable manner. It needs to strengthen the values of Pancasila as the basic of multicultural education given at an early age in educational environment which is starting to fade at this time.

It needs a support from the government in forming the programs for both local and central areas that take solidarity as the priority among the ethnicity, race, and religious as a reflection of multicultural education for the broader society.

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THE NEED OF INTEGRATED, CREATIVE AND MASSIVE CAMPAIGN TO ENCOURAGE READING HABIT AMONG INDONESIAN STUDENTS

Dedi Rumawan Erlandia[1]

Abstract

In this modern era, almost every citizen of developed countries maintain reading as an integral part of their life. We can see how people in countries such as Japan, England, and France developed reading as one of the habits of their life. When waiting for the bus, on the way to work, or even on an excursion, they do not leave the habit of reading. Unfortunately, the people of Indonesia, one of the most populous countries in the world, do not put reading as an important part of life. UNESCO (2012) explained that the index of reading interest in Indonesia only reaches 0,001. It means every 1,000 inhabitants, only one person who had interest in reading. Meanwhile, the Central Bureau of Statistics (2006) showed that the number of Indonesian citizens who made reading as a source of new information is about 23.5%, far below watching television (85.9%) and listening to the radio (40.3%). This condition should become our deep concern and needs a huge movement to handle it.

An integrated, creative and massive campaign is needed to encourage the Indonesian citizens, especially the high school students as young generation to improve their reading habits. This campaign could be conducted through creative ways, for example through music, film, etc. This movement should be able to change the negative mindset of young people toward the reading habit, which is considered as boring. As we know, knowledge is power and only by reading can the young generation gain much knowledge. This campaign should also be integrated with a variety of media. Hopefully with this reading movement, Indonesia can produce knowledgeable society with the qualification to compete with other nations in the world.

Keywords: Campaign, Reading, Students, Reading Habits, Knowledgeable Society

Introduction

Indonesia is an archipelagic country with a number of islands as many as 17,508. Based on BPS (Central Bureau of Statistics) census in 2010, the country's coastlines stretches 81,000 km, with their indigenous tribes numbering 1,128 and 583 local languages. Indonesia is blessed with abundant natural resources, amazing natural

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beauty and incredible cultural richness. With a population of 237,641,326 million people, Indonesia should be able to establish, maintain, and develop those richness. Unfortunately, the majority of Indonesian people do not have enough knowledge and qualified expertise to manage such property. Only a small number of people who actually enjoy it.

Good education will produce a qualified, skilled generation. Indonesian youth, as the country's future leaders should be prepared to accept the responsibilities from their predecessors to lead this country. They must become the generation that have the insight, good personality, considerable expertise, and of course the spirit of patriotism. To build a generation like that, of course, education is needed to encourage the youth to continue to increase their knowledge and insight, as well as to accustom themselves to read. Through the reading culture, the quality of education can be improved, which in turn can improve the quality of human resources. By reading habit, the Indonesian youth can develop themselves continuously throughout their life. Therefore, to achieve the purpose of educating the nation quickly, it is important to establish the habit of reading. Reading is learning and reading is an integral activity of the educational activities. The movement to encourage Indonesian people, especially the youth, to accustom themselves to read must be supported in order to create a reading and learning society, characterized by qualified human resources as the instrument of national development towards a civil society.

In developed countries, such as Japan, the culture of reading is a habit that has become a necessity for the people. Reading has become a part of their daily lives. Thus, even though their nation does not have as many natural resources as Indonesia, Japan is able to become one of the economic giants in the world. They are also able to rise quickly from the downturn of the destruction of their main cities, Hiroshima and Nagasaki after being bombed by America and the allies in World War II. It could happen because they have a qualified society who always work hard, committed to time, reads a lot and is patriotic. One example can be seen by how they use their time effectively by reading. When in public transport, in a train, even during an excursion, they do not leave their reading habit.

Based on data from the World's Most Literate Nations, compiled by Central Connecticut State University in 2016, Indonesia in the literacy rate ranked in second-bottom position of the 61 countries surveyed, and only better than Botswana, a country in the southern African region. The ranking was based on a descriptive study by testing a number of aspects, which included five categories, namely: libraries, newspapers, educational system input and output, and the availability of computers. Other data showed that the levels associated with education and reading skills of Indonesian society is very alarming. Hadiwidjoyo (2009) and Asri (2012) describes several things, including:

1). The population of Indonesia searching for information more from television and radio than read a book or other media. The World Bank report no.16369-IND (Education in Indonesia from Crisis to Recovery) mentions that the reading level of sixth-grader aged children in Indonesia is only able to achieve a score of 51.7 below the Philippines (52.6), Thailand (65.1) and Singapore (74.0).

2). Data from Central Bureau of Statistics (BPS) in 2006 showed that the population of Indonesia who made reading as a source of new information is about 23.5%, below watching television (85.9%) and listening to the radio (40.3%).

3). The results of the UNESCO survey showed that Indonesia is the country with the lowest reading interest in ASEAN. (Republika, Wednesday (26/1)).

4). Based on the five-year study released by Progress In International Reading Literacy Study (PIRLS) in 2006, which involved elementary school students, Indonesia ranked 36 of the 40 sampled countries. Indonesia's position was only better than Qatar, Kuwait, Morocco, and South Africa, (Chairman of the Center for Social Marketing (CSM), Yanti Sugarda in Jakarta, Wednesday (7/7)).

5). Research Human Development Index (HDI) released by the UNDP for literacy in 2002 ranked Indonesia 110th out of 173 countries. The position was then dropped one place to 111 in 2009.

6). A report by CSM about comparison of the number of must-read books for every high school students in 13 countries produced the result as follows: United States 32 titles of books, The Netherlands 30 books, France 30 books, Japan 22 books, Switzerland 15 books, Canada 13 books, Russia 12 books, Brunei 7 books, Singapore 6 books, Thailand 5 books, and Indonesia 0 book.

7). Kompas (Thursday, June 18, 2009) stated that the reading culture of Indonesian society occupied the lowest position of the 52 countries in East Asia based on data reported by the Organization for Economic Cooperation Development (OECD), said the Head of Archives and Library of Surabaya City, Arini. She said, the OECD also noted 34.5 percent of Indonesian people are still illiterate.

8). Statistical data from UNESCO in 2012 mentioned that the index reading interest in Indonesia reached 0,001. It means every 1,000 inhabitants, only one person who has interest in reading. Data from UNDP was also surprising that the adult literacy rate in Indonesia was only 65.5 percent. While Malaysia had about 86.4 percent.

9). Based on Central Bureau of Statistics (BPS) data, the amount of time spent in watching television of Indonesian children was about 300 minutes per day. This amount was bigger than that of the children in Australia, who only spent 150 minutes per day and United States who only spent 100 minutes per day as well as Canada who only spent 60 minutes per day.

10). Data issued by the Central Statistics Agency (BPS) in 2003 can be used as a description of the reading interests of Indonesian citizen. The data showed that Indonesia's population aged over 15 years who read newspaper on Sunday was only 55.11 percent. While reading a magazine or tabloid was only 29.22 percent, 16.72 percent storybooks, school textbooks around 44.28%, and the reading of science books was only 21.07 percent.

11). The other data also showed the same. In 1992, the International Associations for the Evaluation of Education (IEA) conducted a study of reading skills of fourth-grader students in 30 countries of the world. The conclusion of the study stated that Indonesia ranked 29th.

12). The results of the tests carried out by Trends in Science Study (TIMSS) in 2003 toward the eight-grader students in 50 countries in the world resulted with Indonesian students being ranked 36th.

13). The growth of the printing industry in Indonesia per year seemed to be expanding. There are around 7,760 print industries. However, it is still mediocre compared to other countries. China has at least 90,000 printing industries, while Italy has 45,000 industries.

14). Availability of books in Indonesia is also very limited. China with a population of 1.3 billion people is able to issue 140,000 new titles every year. Vietnam with 80 million inhabitants publishes 15,000 new titles per year, Malaysia, who has a population of 26 million published 10,000 titles, while Indonesia with 220 million people is only able to publish 10,000 titles per year.

The data above show that Indonesia is experiencing problems in the field of education, as the reading culture of Indonesian citizen is very low. However, reading as an integral part of the educational process is one of the main factors that will support the advancement of a nation. Without a structured and sustainable movement in promoting interest in reading, Indonesia will experience problems in the long term. It is difficult to produce a qualified generation if the students are lazy to read. So what causes the low reading interest in Indonesia?

Fauzie (2009) describes some of the factors causing low reading interest of students in Indonesia, in general. First, the cultural heritage of their parents or genetic determinism. Someone who was raised by parents who love to read will have a tendency to love reading. Because of this, parents should set an example, encourage, and create a conducive environment for the children to read. Second, environmental determinism. Environment in this case consists of playmates, communities, colleagues, and teachers. People who do not like to read is also caused by the environment. The people in which the students socialize every day can influence the students’ behavior. It must be realized that the environment also determines the students' reading interest.

Third, the learning system and curriculum. The curriculum in Indonesia has made students tend to be passive and just listen to the teacher teaching in the classroom rather than searching for information or knowledge over what is taught in schools. This condition must be considered by the policy makers before establishing a certain curriculum. Fourth, many emerging technologies and entertainment. Wide variety of video games and more interesting television shows have distracted students from the books, added by the increasing number of malls, karaoke, and a recreation park. The role of the teacher and the family is very important to monitor direct the students. Games and entertainment venues can make the children addicted. Fifth, the lack of facilities to obtain reading supplies and high prices of books. Price of books in Indonesia are relatively expensive. This causes the parents not to buy books except for the books required by the school. It must make serious attention from the government. Sixth, laziness. Now is the modern era, with a modern environment. Technology can also make students lazy. Students can easily get information from Google for school assignments. They make the students reluctant to think and work hard. They are not interested anymore to get the source from books.

Social Campaign

During this time we often misunderstand that the campaign has always been associated with political activities. Though not necessarily so. Charles U. Larson in Venus (2004) divided the campaign into three categories, namely:

1. Product-oriented campaigns. It is a commercially-oriented campaign activities, such as new product launches.
2. Candidate-oriented campaign. It is politically oriented campaign, such as the election campaign.
3. Ideological or cause-oriented campaign. It is a campaign that are specifically religious or social, with the aim of social change.

Campaign which encourages people to increase interest in reading is included into the category of cause-oriented campaign. The campaigners are expecting for a change of society (the students). They hope the students and the Indonesian people in general to become citizens who love to read.

Perloff (2010) explained that campaign can be defined broadly as purposive attempts to inform, persuade, or motivate behavior changes, in a relatively well-defined and large audience generally for non-commercial benefits to the individuals and/or society within a given time period by means of organized communication activities involving mass media and interpersonal support.

Campaigns involve more than clever slogans. They are systematic, organized efforts to mold social attitudes through the use of communication. From the definition and explanation from Perloff, it can be said that campaign is an attempt to inform, persuade or motivate behavior change on a particular target, which is done at a certain period, usually involving the media, mass media and private channels. Anet (1986) added that campaign is a communication process. This means that the campaign process will involve the source, communicator, message, channel, receiver, feedback and effect. Ferguson (1999) explains further that the communication objectives attempt to change or reinforce the audience level of knowledge (cognitive influence), change or reinforce how the audience feels about the subject (attitudinal influence), change or reinforce audience behaviors (behavioral influence).

From the description of Ferguson, it can be noted that the purpose of the communication is to change or strengthen the level of knowledge, attitudes and behavior. It is also in line with the objectives of the campaign, although the campaign objectives usually focus more on behavior change. Social campaigns are intended for social change into a more positive direction. Gani explained that social campaign is a communication process that is done to disseminate important messages to the societies.

The campaign is required when there are a lot of innovation or ideas that are important to be conveyed to the public. For example, a campaign about the importance of reading. The idea of the benefits of reading should be conveyed to Indonesian people, especially the youth so that changes in education can be achieved. Thus, the acceleration of development can be carried out well. Tampubolon (2015: 6) explains that readers can obtain two kinds of knowledge, namely, new information from readings and ways of presenting thoughts in essay. So, in addition to enriching the knowledge, further reading can also increases the power of reason. So, for an avid reader, he/she not only will gain new information, but also increase the power of reason. Tarigan (2015: 9) stressed that a reader will obtain the information, including the content, and interpret the meaning of the passage. Let us ponder what will happen if 237,641,326 million Indonesians love to read.

Social campaign "REBORN (Reading Becomes Our Tradition)" as a Concern

"REBORN (Reading Becomes Our Tradition)" was a social campaign whose main objective is to raise awareness amongst the senior high school students in the city of Bandung about the importance of reading. The campaign itself encouraged the students to get used to reading and develop a reading habit in their neighborhood. This campaign was carried out by students of Communication Management class of 2011, supervised by four lecturers namely Hussein Nawawi, M.Sc., Hadi Suprapto Arifin, M.Sc., Dr. Antar Venus and Dedi Rumawan E. (the writer). This campaign lasted for nearly three months, from April 1 to June 30, 2013 through the stages as follows:

Campaign Preparation (April 1 - May 26, 2013)

In the preparatory stage of this reading campaign, the committee did some research through: distribution of the questionnaires to the target audience; field observation; in depth interviews with credible sources and the literature study. Interviews were conducted with some of the main sources including: Tika Bisono (celebrity and psychologist), Jalaluddin Rachmat (communication expert), Antar Venus (lecturer and Chair of Communication at Teurapetik Indonesia), and senior high school students. This research was conducted as a basic materials of the campaign, so it can be more effective and academically accountable. After this research activity was completed, the results were then processed and used as a basic material to make message designs. At this preparatory stage, the committee also held campaign training for all actors of the campaign by a campaign strategists. This had to be done in order to give the knowledge and common information about the campaign. And also to avoid misunderstanding among the campaigners in the field.

Picture 1 : Campaign through Radio

Source: Mankom Student 2013

Implementation Phase of the Campaign

Fields Campaign (27 Mei- June 24, 2013)

This stage began with:

1) Opening Campaign (May 27, 09:30 to 11:00 a.m., in Fikom Unpad). The ceremonial event was an activity of the initial phase of the campaign. We invited internal officials of Fikom Unpad, namely the Dean and his staff, the Chairman of the Department and the students' organization. The event at the opening were welcoming speech from the Dean, balloon flights, cutting the ribbon, commitment of readings, theatrical flash mob, and the signing of the campaign messages;
2) Reading Seminar (May 27, 1:00 p.m. to 4:30 p.m., at Bale Santika, Jatinangor). The theme of this seminar was: *Building a Bright Future through Reading*. In this seminar, we invited professional speakers related to the issue, included: Dr. Jalaluddin Rachmat (communication expert and author of best seller

'Psychology of Communication'), Indi Taufiq (author of novels), Rogers Oganda Siahaan (from XL Axiata), etc. Participants of this seminar were senior high school students.

3) Initial Selection of Young Reading Ambassador (May 27, 10:30 a.m. to 12:00 p.m., at the Santika Hall), at this early stage, reading ambassador candidates competed by answering a variety of questions related to national awareness and general knowledge. Of all the participants, 12 students are selected to go through the next selection stage;
4) Field Campaign (May 27, 11-12.30, the campaigned at Unpad Jatinangor campus; June 2, 6:00 a.m. to 10:00 a.m., in the car free day, and June 2, 11:00 a.m. to 2:00 p.m., parade in Bandung and public oration in Monument Perjuangan, Jln. Dipatiukur). The campaign was conducted in four places, namely in Unpad Jatinangor campus, car free day, Jalan Raya Bandung and in the Monument Perjuangan. The parade was done by conveying messages through various campaign media and speeches. One of the events on the fieldcampaign in car free day was introducing the 12 finalists who had passed the initial selection of Reading Ambassador. After the activities in car free day, the campaign continued in Balai Rumawat Unpad DU from 12:30 p.m. to 2:00 p.m. The second selection of the 12 candidates of reading ambassador to get the big 5 was then held. We divided the committee into two groups, who handled the parade in Bandung in one group, while the other working on the semifinal of Reading Ambassador selection.

Picture 2: Message Desain

Source: Mankom Students 2013

5) Campaign through Media (May 27-a 24 June). We conveyed campaign messages through electronic media (televisions, radio, etc.), online media (Twitter, Facebook, YouTube, etc.), printed media (newspapers, magazines, etc.), and through the above and below the line media (banner, stickers, flyers, etc.);

Picture 3: Reading Campaign Activities in front of Monumen Perjuangan

Source: Mankom Students 2013

6) Main Event of Campaign and Grand Final of Reading Ambassador Selection (June 5, 10:00 to 21:00, in Unpad Dipatiukur Bandung). This activities were

the culmination of the REBORN campaign. Main events including bazaar of books, grand finale of Reading Ambassador, oration about the importance of reading, as well as theatrical, art, and music performance. Final winners of the Reading Ambassador were: Anisa Sekar Pratama (SMAN 7) as the first prize winner, with Rana Ramadana P. (SMA BPI 2) and Tina Septiani (SMAN 8) as the runner-up and 2nd runner-up, respectively. The main event of field campaign also featured some theatrical, and art performances, with the performers delivered the messages about the importance of reading.

Picture 4: Campaign at Car Free Day

Source: Mankom Students Unpad

Campaign Evaluation and Closure (25-30 June 2013)

The committee did three kinds of evaluation, namely formative evaluation, to measure the strengths and weaknesses of the campaign, as well as strategies for the implementation of the campaign. The evaluation process is to measure the effects and the direct result of the campaign, what and how much has been achieved. The evaluation is held to measure the effects of the campaign. All done in order to know how far the effectiveness of the campaign is. This evaluation used for further campaign activities. The last event of the series of this campaign was the closing ceremony. Here the committee discussed and evaluated various things about this social campaign and made strategy for the future.

Results and Discussion

After campaigning REBORN (Reading Becomes Our Tradition), and examining some reading campaigns that have been carried out, either by governments, or non-governmental organizations (NGOs) or the parties concerned, the writer can take some important notes that must be considered in the campaign, namely:

<u>The formative research is very necessary before conducting the campaign.</u>

The campaign is an alternative solution for the problem of low interest in reading amongst the Indonesian people, including students. The campaign carried out must be tailored to the target audience in order to achieve the objectives that have been set. Therefore, before the campaign, the committee has to do some research first (formative research). Snyder (Gudykunst, 2002) cited by Venus (2004: 164-165) explains that formative research can be done in terms of planning a campaign aimed at constructing a better campaign program. The phrase 'better' is usually characterized by a 'five right things' namely: the right focus of the campaign, the right target audience, right messages, the right channels, and the right change agents. Formative research (Klingemann et al, 2002) is aimed to empirically demonstrate the existence of problems that needs to be addressed through the activities of the campaign, analyze the state or condition of awareness, attitudes, and behavior of audiences on the campaign object and determine benchmarks for the evaluation of the campaign. Before the campaign, research can be done through distributing questionnaires, interviews, observation, focus group discussions and literature study.

<u>SWOT and PEST analysis is needed in planning a campaign</u>.

Both of these analyzes can be used prior to the campaign. SWOT (Strength, Weaknesses, Opportunity, and Threat) and PEST (Political, Economic, Social and Technology) can be applied to determine whether the committee will be able to carry out campaign activities that have been planned or not. We will also find out what are the factors that will support the success and also that will hamper it.

Target audience of a Campaign who are numerous and widespread require a large budget

The campaigners do not hesitate to engage the concerned parties that are related to issues such as the government, sponsors or individuals. According to Simmons (1990), quoted in Venus (2004: 185-186), there are several categories of funding that can be used on almost all kinds of campaigns that are relatively standard, namely: core personnel, temporary employees or employees who work in times of need, contracted personnel service, fringe benefits, production services, maintenance services, disposable materials, capita objects (in the form of a typewriter, computer, fax machine, file cabinets), media charge, traffic costs (distribution costs), transportation costs, communication costs, rental place (work space), entertainment, and contingency reserve (unexpected costs). So, the campaigners have to work hard to get funding in order to conduct the campaign successfully.

Campaigner needs to involve many parties (stakeholders)

The parties involved in a campaign depend on the issues that will be delivered and the target audience. When issues were raised in a campaign, for example 'the importance of reading for the students', of course, people such as teachers, Ministry of Education, and others will get involved. In addition, the campaigners can involve volunteers who care about the campaign issues that are raised. Perloff (2010) explained that campaigns were particularly likely to succeed when the practitioners involved the community by building community participation into campaign conceptualization and design. The involvement of many parties is a necessity in running a campaign.

The campaign takes time and continuous.

The time duration of a campaign depends on the purpose of the campaign. Social change will not happen by just holding a campaign only for three days. The campaigners have to keep the target audience of the campaign to stay within the campaign objective, so it requires a continuous campaign.

The campaigners must be people who are well-informed, knowledgeable and committed

Preferably, campaigners are equipped with knowledge and skills through a training before running a campaign. This is to avoid confusion and failure in the field. Venus (2004: 200) emphasizes that as soon as the campaign personnel are recruited, they must take part in training, whether they are in technical or non-technical division, relating to various aspects of the process that will be executed during election campaign.

The campaign should use various channels.

Campaigners should use a variety of media outlets, personal or impersonal. Campaigners should not only use the mass media, but also can use interactive media such as social media or even come face to face with the target audience of the campaign. As described by Perloff (2010) that the campaigns are particularly subject likely to succeed when practitioners choose media channels that are often viewed by members of the target audience and coordinate efforts across media, and repeat messages over time and in different media and interpersonal channels.

Campaign communicators must be people who have high credibility.

Communicators with a high credibility will be helpful in order to achieve the objectives of the campaign. Amongst students, we can involve a well-known celebrity to convey campaign messages. Azwar (1979) explains that credibility is a set of perceptions about the nature of communicator. Credibility changes depending on the audience’s perception, the topics covered, and the situation. The higher the credibility of the communicator, the wider acceptance of the campaign will be. So, a credible person can ease the acceptance of the message and therefore the aim to impact a social and behavioral change will not be so difficult to reach.

Timing and budgeting management are very important.

Without setting a strict time, then it is likely that the campaign will not run as planned. The longer the campaign, the more budget is needed. It is necessary to arrange a schedule or timeline in which the details of the campaign can be planned. Michael (2012) stressed that the timeline is the part of the campaign plan that describes when the tactics will be implemented on the campaign. Implementation of the campaign programs with good time management will be appreciated by the parties concerned.

The evaluation of the campaign is an important step in a campaign.

Evaluation is an important step in a campaign. Without a good evaluation, the same mistakes can be repeated when conducting another campaign. In that case, the evaluation can be used as material for ongoing campaign improvement, or for activities of the forthcoming campaign. Rachmat in Venus (2004) describes four types of evaluation, such as *formative evaluation,* which is to measure the strengths and weaknesses of the campaign, as well as strategies for the implementation of the campaign or campaigns. The *process evaluation* is to measure the effects and the direct result of the campaign, what and how much has been achieved. *The effect evaluation* is to measure the effects and the changes arising from the campaign and *the impact evaluation* is to measure the effects to measure campaign in the long run.

Messages of the campaign must be designed clearly, interesting and tailored to the target.

Design of the message should be made based on the goal of the campaign to be conducted. Campaigners should never make the same messages to the audiences who have different characteristics. Campaigners should also use creative design and content as well as interesting structure of the message in order to attracting the attention of the target audience. Perloff (2010: 337) described that the campaigns are likely to succeed when practitioners understand the audience well. Messages are also more likely to succeed if they fit the psychological needs of audience members, use entertaining characters, visuals, and themes that weave together different messages and segment the audience into different subgroups, fittings messages more exquisitely to the orientations of specialized groups.

From the description above, our country still has problem related to students' reading habit. We must be all aware because it will have the impact in the future. That's why we need a national movement to overcome the problem. An alternative solution to increase the reading habit, especially the students is through an integrated creative and massive campaign.

An integrated campaign is needed to bring a more effective social change. Reading campaigns that have been conducted by many parties seem to walk on their own, without any coordination among the various parties concerned. To solve this serious problem, all parties need to walk hand in hand. The campaign must be done together with the same messages and same goals, though in different ways. The government should map the problems and find the solution together. It must become the national issue and the government must include the problem in their national policy. Reading campaign aimed at the students, either junior or senior high school, can involve parties who often interact with the students, such as teachers and families. So, campaign activities can be integrated with school programs and family life.

Creativity in running a campaign is also very important. A monotonous and boring campaign will just be a waste of time, money, and energy. Therefore, a campaign must be planned. Campaign messages that are delivered should be designed to reach students (youth) with ease. Campaign messages should also be designed as attractive as possible in order to attract these students' attentions. The messages delivered must be able to draw attentions, penetrate minds, affect feelings, and stimulate interests. Therefore, a research before conducting a campaign is very important. Messages delivered through the media or personally must give the impression that reading is fun beneficial.

Also, to implement a more massive social change, a massive campaign is needed. Data showed that the reading interest and habit of Indonesians, including students are considered very low. Then this should concern us all and should become common interest. The government and society should conduct a massive campaign together and involve various parties, such as scholars, parents, teachers, celebrities, NGOs, culture observers, etc. The campaign be conducted massively and sustainably in order to achieve the goals.

Those are the alternative solutions to increase interest to read, establish a reading habit and culture among students. In order to achieve success of the social campaign about the importance of reading, in addition to integrated creative and massive campaigns, the quantity and quality of infrastructure should also be improved. A library with complete books as well as comfortable and conducive atmosphere will also support an increase of students' interest to read. Besides that, the price of the books is also an important factor. Supportive parents and comfortable environment for students to learn and read are other factors that will support the improvement of reading habit and reading culture among students.

TRANSNATIONAL RETAILERS IN INDONESIA: LOCAL POWER RELATIONS MATTER

George Martin Sirait, Ph.D.[1]

Abstract

Debates on the globalization of retailing lie on two main accounts that are globalist perspective and institutionalist perspective. In general, the former argues that transnational retailers are capable of expanding their global strategy and practices to anywhere on the globe leading to convergence tendency while the latter argues that transnational retailers are embedded in particular national institutional and regulatory frameworks leading to divergence tendency. This paper tests both perspectives in labour relations area by comparing two leading transnational retailers operating in Indonesia. It investigates process and outcomes of labour relations in the selected firms using actor-centred institutionalist approach. The study used extensive in-depth interviews and secondary data and applied a multi-level analysis to examine interactions of different actors in the different level of institutional settings. The findings of the study partially support the institutionalist thesis, which underlines the impact of national institutions in shaping the behaviour of transnational retailers, which in turn engender different outcomes. However, unlike mainstreaming institutionalist accounts, this paper argues that while institutions do matter, in a situation where enforcement is weak and legal exit options exist, power relations between labour and capital in a different level of negotiation arena better explain the differences of labour outcomes in the compared transnational retailers.

Keywords: transnational retailers, actor-centred institutionalism, local power relations, divergence, convergence, labour relations.

Introduction

Retailing has emerged as one of the driving forces of economic globalization in which Indonesia is part of this global phenomenon (Natawidjaja, Reardon, and Shetty 2007). Although foreign retail operations are not entirely new, the influx of foreign direct investment since 1998 has fundamentally changed the structure of the Indonesian retail sector in terms of capital ownership, retailing formats, the spatial distribution of stores and consumer targets (Sirait 2012). Liberalization has also stimulated the revival

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of some domestic players, making them serious competitors for transnational retailers (Mukoyama 2004).

Theoretical framework

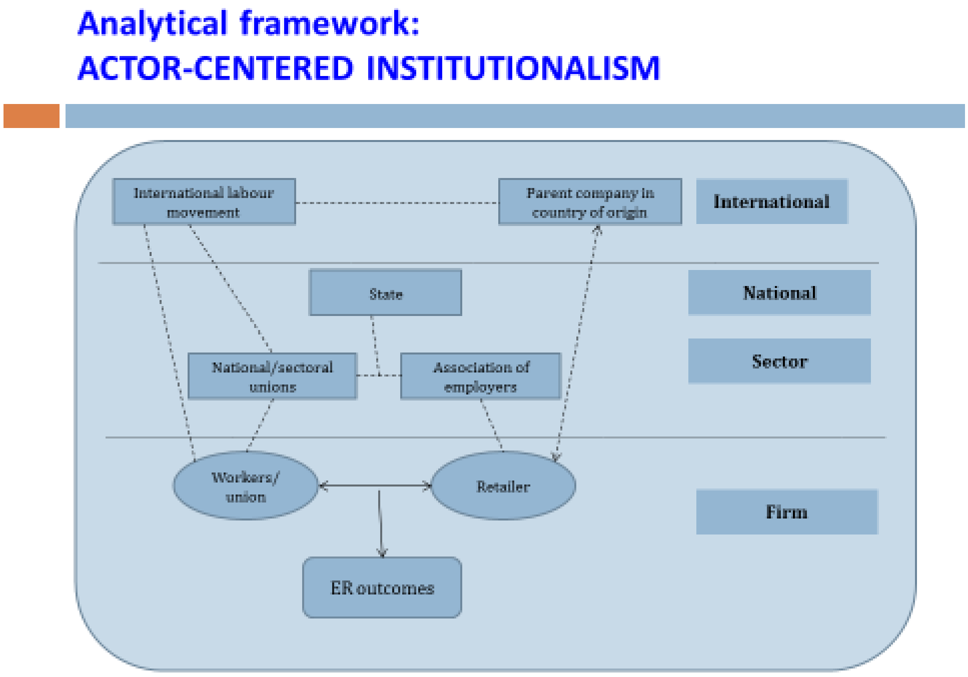
There are two broad arguments about the impact of globalization on national labour relations, namely convergence and divergence theories. The classic convergence theory in the literature on industrial relations can be found in Kerr et al.'s *Industrialism and Industrial Man* (1960), in which it is argued that the logic of industrialism, primarily driven by economic and technological forces, would necessarily lead toward a common web of rules and formal arrangements in the industrial relations sector. Or, as Kerr et al. (1960, 248) put it, 'The thrust of progress also serves the cause of uniformity, and gradually there is less difference between various categories of workers and industries in each country.' According to this approach, employment practices in industrialized nations would be necessarily be characterized by labour flexibility, hierarchical and bureaucratic systems of work organization, conformist labour organizations, and pluralistic industrialism. These features were associated with pluralist democracy, as adopted by the US.

With the increased speed of economic globalization and economic integration, in the 1990s globalist theorists, in turn, challenged the divergence thesis, arguing that the neoliberal Anglo-American model would supersede the diversity of national systems and a convergence of industrial relation's systems would necessarily follow. Proponents of this thesis argue that, compared to the post-war convergence thesis, this new version is less deterministic (Godard 2004, 231).

Comparative capitalism school has been strongly influencing the resurgence of the convergence-divergence debate in industrial relations since the early 2000s. Deeg and Jackson (2007) have identified three major analytical frameworks in this school, namely Varieties of Capitalism (VoC) (Hall and Soskice 2001), social systems of production (Hollingsworth and Boyer 1997), and national business systems (Whitley 1999). The first takes a firm-centred approach to characterizing institutions in terms of incentives for coordination, the second compares nations in terms of a wider typology of governance mechanisms, and the last links coordination and governance by focusing on the internal organization and capacities of business firms. Among these, the VoC approach—either it's original or modified versions—has been increasingly used in industrial relations study (for instance, Bamber, Lansbury, and Wailes 2011; Hamann and Kelly 2008).

In broad terms, there are three major criticisms of the VoC approach that is relevant to this study. First, the approach is static (Streeck and Thelen 2005). Institutions, which govern actors' interactions, viewed as constraints that limit and shape actors' behaviour. As a result, the VoC framework is unable to explain institutional change. Second, the approach underestimates the importance of underlying conflict between labour and capital. As Godard (2004, 249) has argued, recognition of this underlying conflict is necessary for explaining the development of institutional arrangements over time. Third, the VoC approach cannot explain variation within countries (Deeg and Jackson 2007). While national institutions shape employment relations in different countries, there are commonalities between employment practices at the sectoral level within countries and between countries, a tendency that Katz and Darbishire (2000, 263-283) describe as 'converging divergences'.

Drawing on previous theoretical contributions, this paper applies an analytical framework that locates actors at the centre of institutional analysis. This framework envisions employment relations outcome at the firm level as the result of power relations between embedded and networked actors, namely transnational retailers and organized labour, which is operated in different institutional arenas. Starting with employment outcomes at the firm level—that is the most obvious way of analysing the impact of institutions on employment relations—the analysis goes on to investigate power relations between actors at the national and supra-national levels.



Employment outcomes are determined not only by firm-level imperatives, strategies and relations and the context (commercial, institutional) in which they occur but by the relationships of firm-level actors with actors operating at other levels, both national and international. This extended conceptualization of the industrial relations arena beyond the commonly recognized national level allows for better understanding of the influence of transnational retailers' home country settings through the so-called 'country-of-origin effect', but also of trade unions' supra-national networks which can provide support and resources to host country unions.

Methodology

This study uses multiple case studies with the period between 1998 and 2010 under particular investigation. Three retailers were selected, namely Carrefour Indonesia, Hero, and Matahari, which represent the largest modern retailers in Indonesia in terms of sales (Planet Retail 2012). They control approximately 22 percent of market share in the retail market and dominate large retail formats (supermarkets and hypermarkets) (Sirait 2012). With regard to spatial distribution, they are the most expansive, having established stores in all major cities. This geographic spread beyond their traditional base in Greater Jakarta is greatly enhanced their capacity to influence labour institutions. In addition to their influence in the product market, these retailers are the largest providers of waged employment within Indonesia's modern retail sector, collectively employing more than 36,000 people.

Variations in the retailers' countries of origin allow for a comparison of the influence of different domains of national business systems, or national varieties of capitalism when firms expand overseas. Matahari is a domestic-owned retailer. Hero, initially also a national firm, is now a subsidiary of the Hong Kong-based Dairy Farm International, one of the most important regional retailers in Asia. Carrefour Indonesia is a subsidiary of the French Carrefour Group, the second-largest global retail player in terms of sales.

The three firms also vary in terms of the structure of their workforce and the ways in which they engage with their employees. In terms of a workforce structure, two of the firms (Carrefour and Matahari) are significantly more reliant on casual and outsourced labour than the third (Hero). In terms of worker representation, two (Hero and Carrefour) are unionized, while Matahari is not. This variation allows comparison of the extent to which different industrial relation's structures in each firm affects employment outcomes. This analysis, in turn, provides the baseline data for further examination of how and why retailers operating within the same institutional framework develop different industrial relations practices.

Primary data collection centred on multiple levels within each firm in the Greater Jakarta region, where the retailers' operations are mainly concentrated. Each retailer selected three to four store as samples. Qualitative data collected through face-to-face in-depth interviews using semi-structured interview techniques in two phases of fieldwork. The first from July to November 2011 and the second from September to November 2012. The first fieldwork phase focused on gathering information about employment patterns and the labour process in each of the three firms, while the second focused on industrial relations. During these two periods of fieldwork, 75 in-depth interviews were conducted, consisting of 49 interviews with individual workers; 14 interviews with labour union leaders at the company, national, and international levels; seven interviews with management in the three firms; four interviews with government officials from the Ministry of Manpower and Transmigration (hereafter the Ministry of

Manpower), the Ministry of Trade and the provincial wage council; and one interview with an official from the Indonesian Retailers Association. In addition to interviews, data gathered through observation in each sample store to assess independently visible employment outcomes.

Secondary data gathered from the firms' annual reports, collective labour agreements, relevant articles in the media, and union mailing groups. Secondary data on firms obtained from annual reports published on their official websites and on the Indonesian Stock Exchange website, where two of the three firms listed. Time series data concerning the number of stores, sales, and employees drawn from multiple annual reports. These reports were also useful for documenting general statements concerning the firm's strategies. Other secondary data used includes collective labour agreements, which obtained from union leaders during interviews. Relevant articles in the mass media, covering issues such as strikes, also collected. Union mailing lists used to stay abreast of developments and of union perspectives on firms' employment relations practices.

Labour relations in three cases

There is much in common in employment patterns among the three retailers. Similarities are particularly evident in the organization of work, where the product market environment has overwhelmingly influenced firm-level outcomes. All firms rely heavily on internal training systems also found commonalities in skill formation as, in the absence of industry-specific training institutions. Minimum wage setting mechanisms have, largely and successfully protected low-level workers, although loopholes exist which leave non-standard workers unprotected. Yet, despite operating in a similar product market environment and under the same institutional and regulatory framework, the three firms also exhibit some important differences in employment patterns. Divergence was most evident in the level of job security, with the vast majority of Hero's workers continuing to enjoy permanent employment status, a benefit not available to employees of Carrefour Indonesia and Matahari. Another area in which significant firm-level differences exist is remuneration. Although the total value of take-home pay in Hero may not be as high as that of other retailers, Hero workers at different job levels receive relatively similar benefits, allowances, and coverage that is more inclusive when it comes to wage increases. By contrast, remuneration in Matahari and Carrefour Indonesia shows significant gaps across job levels. These differences cannot, however, be explained by 'country-of-origin' effects or by explanations that emphasize institutional avoidance or weak law enforcement. It is the construction of industrial relations at the firm level and negotiations between industrial relations actors. This explains the differences in employment outcomes at the micro level.

Employment pattern & outcomes

	Carrefour	Hero	Hypermart
Job security	Contract (apprentices)	90% permanent	Contract (daily workers)
Work organization	Team-based	Team-based	Team-based
Remuneration	Minimum wage Function-based	Minimum wage + CLA Function-based	Minimum wage Function-based
Training	Firm-based	Firm-based	Firm-based
Labour union	Multiple / weak National network	Strong National & international network	Not independent No network

Despite operating under the same national labour institutional framework, industrial relations practices in the three retailers vary considerably. The table below shows, Matahari tends to apply a unitarist approach while Dairy Farm's Indonesian subsidiary, Hero, has implemented a pluralist approach, which best matches that intended under Indonesia's national labour regulations. Carrefour's practices, meanwhile, fall between these two approaches.

Industrial relations in the three retailers

	Carrefour Indonesia	**Hero/Dairy Farm**	**Matahari**
IR model	Limited pluralist	Pluralist	Unitarist
Employee representation	Multiple unions	Single union	Non-union
	Carrefour Indonesia	**Hero/Dairy Farm**	**Matahari**
Employer strategy	Regulated market	Micro-concentration	'Bleak House'
Union strategy	SPCI: adversarial SPNIBA-ARI: partnership	Social partnership	Management-controlled
Collective bargaining	No firm-wide CLA	Firm-wide CLA	No CLA
Union networks	Sectoral, national	Sectoral, national and international	No network

Sources: Multiple, including annual reports and interviews.

While national labour regulations protect workers seeking to form independent trade unions and allow multiple unions at the firm level, the extent to which these provisions respected differ in the three retailers. Both Hero and Carrefour recognize the existence of a union and the latter allows multiple unions to exist in the firm. Matahari has sought to avoid unionization of its workforce by providing support for an existing worker's association historically controlled by management. The extent to which the firms have engaged in collective bargaining also differs significantly. The pluralist Hero has maintained a series of collective labour agreements that cover almost all workers in the firm, while the limited pluralist Carrefour has (begrudgingly) allowed an existing collective labour agreement within an acquired chain to continue. Because of its unitarist approach, Matahari does not engage in any collective bargaining, although it permits formalistic bipartite consultations. In short, while the national institutional framework does influence both transnational and domestic retailers to some extent, each firm has its own way of constructing these national institutions at the micro level, leading to the divergence of industrial relations practices within each firm.

Various factors are responsible for this divergence. Rather than simply pointing to weak law enforcement—although to some extent it does contribute to variations in practice—the experience of these three firms suggests that pressure from collective actors play a significant role. In a context where law enforcement is weak, unions' capacity to contest an employer's strategies in translating national institutions depends on multiple and interrelated factors. Membership density and capacity to mobilize members are clearly critical in this respect, as shown in SPHS's experience in relation to both aspects and SPCI's experience with the latter. In addition, labour union structure, as well as union strategy, dictates the level of pressure unions can exert to challenge an employer's agenda. Meanwhile, country-of-origin effects—associated with national capitalism—appears to have a relatively weak effect. The France-based Carrefour has taken maximum advantage of weak law enforcement in Indonesia to further an anti-union stance that is evident, but more controlled, in the home country. By contrast, Dairy Farm's home context of weak industrial relation's institutions and no history of collective bargaining has not prevented it from working with a relatively strong and independent union in Indonesia.

Although the firm level is critical in shaping employment outcomes, power relations in areas outside the boundaries of the firm also play a part. As discussed in the previous chapters, one of the immediate impact on firm level outcome comes from negotiation at regional and sector level in relation to the minimum wage. For example, SPHS joined ASPEK and other unions in a series of massive street rallies demanding an increase in the regional minimum wage in accordance with decent living standards and the implementation of the national social security system.[2] The union movement's improved bargaining power at a regional and sectoral level has resulted in significant annual minimum wage increases, which have had an immediate impact on wages at the firm level. The result of these regional and sectoral negotiations has also provided additional ammunition for SPHS in negotiations over additional wage increases. For

[2] See 'Aksi demo tanggal 4 November 2010' and 'Aksi demo tanggal 10 November 2010' on the SPHS official website, available at www.sphsherounion.com.

example, after several attempts to negotiate salary increases ended in deadlock, on 29 April 2013 the union announced a three-day strike to demand a 14 percent wage increase and an improvement in the wage scale structure.[3] Management immediately agreed to re-enter negotiations. The parties cancelling the planned strike and agree on 12 percent increase in wages[4].

The efficacy of union campaigns at this level influenced by the national system, both in terms of support (or opposition) through legislative and policy measures, and the extent to which those measures are enforced. This is the evident of the case of SPCI's campaign on behalf on contract workers in the retail sector, which described earlier. With the support of KASBI, the national level confederation to which SPCI belongs, SPCI won cases in both the industrial and supreme courts. However, Carrefour management declined to implement the judicial decision, arguing that while other retailers were engaged in exactly the same practice, they should not be punished (Interview with SPCI leader, 9 October 2012). The court's decision is not forcing the company to comply. Despite this case confirmation that law enforcement is weak, the judicial decision, in this case, marked a victory for organized labour at different levels in its attempts to contest employers' capacity to exploit exit options in the system.

The added power of networks is not confined to affiliation with a national federation or confederation. High-level negotiations between the UNI Global Union and Dairy Farm headquarters in Hong Kong were clearly vital in its Indonesian subsidiary's decision not only to recognize the emerging independent union but also to work with it through a social partnership model. As shown above, this decision has led to the implementation of a pluralist model of industrial relations in the firm's subsidiary, which has generated quite distinct employment outcomes. The success of this high-level negotiation, however, should not overshadow the importance of the pressure exerted on the firm's Indonesian management by the local union, the existence of which predated Dairy Farm's acquisition of Hero (Interview with Kun Wardana, Director of UNI APRO Indonesia, 19 August 2011). As observed by a former SPHS leader, 'The success of the

[3] See, 'Rencana aksi mogok kerja menuntut kenaikan upah dan perbaikan struktur skala upah', available at www.sphsherounion.com/2013_04_01_archive.html.
[4] See, 'Mutual Agreement of Salary Increase in 2013 dan pembatalan rencana aksi mogok kerja', available at www.sphsherounion.com/2013_05_01_archive.html.

social partnership at Hero is the result of a strong SPHS, negotiations by UNI at Dairy Farm headquarters, and thirdly, ASPEK, which facilitated the connection between SPHS and UNI' (Interview with Muhammad Hakim, 23 August 2011). These interrelated campaigns by networked actors suggest that such networks can simultaneously strengthen unions' bargaining power in different arenas of negotiation.

However, negotiations in the international arena are not always effective. While the UNI Global Union has contributed to the establishment of a pluralist model of firm-level industrial relations at Hero, it failed to achieve the same outcome in the case of Carrefour, despite having had an international framework agreement with Carrefour Headquarters since 2000 (Papadakis 2008). The international framework agreement states that the global retailer guarantees the right of employees to join a trade union of their choice, the right to engage in collective bargaining, and the protection of employees and their representatives against union busting. It also commits the company to joint monitoring of the agreement with UNI. Yet, in the case of Carrefour Indonesia, this agreement did not deliver the expected outcomes. According to the Director of UNI APRO Indonesia, UNI reminded Carrefour Indonesia management several times about the international framework agreement, but to no effect (Interview with Kun Wardana, 19 August 2011). UNI's failure to enforce this agreement resulted in SPCI's withdrawal from ASPEK, UNI Global Union's Indonesian affiliate, in 2008.

It is also important to note that intervention by national and international union organizations tend to focus on a limited number of issues, namely freedom of association, wage levels, and job security. These organizations have little interest in matters related to working time or work schedules—a key determinant of the quality of retail work (see, Carré et al. 2010; Baret, Lehndorff, and Sparks 2000)—or in training. The company-level union is wholly responsible for this 'internal' issue. In terms of the recent emergence of Indonesia's independent labour movement, this partial focus is understandable. The need for it to prioritize those issues seen as having the greatest impact on workers.

Conclusion

By investigating labour relations in the three largest transnational retailers in Indonesia, this study found both similarities and differences in labour pattern and outcomes at the firm level. The similarities at the firm level came from market pressure associated with competition in the globalized retailing and national regulations and institutions. Meanwhile, the differences in labour outcomes at the firm level were a result of power relations in micro-politics as well as at broader levels as a response to weak law enforcement and exit options existing in national regulations and institutions.

As such, the paper argues, despite the increasing globalization of retailing, labour outcomes have not diverged into the single pattern as predicted by globalist proponents. It partly supports the institutionalist accounts, which argue that national regulatory and institutional frameworks play a significant role in the diverging outcomes among countries. However, the expected similar outcomes at the firm level —as a consequence of national regulatory and institutional frameworks—did not fully happen, too. Using actor-centred institutionalist approach, the paper argues, despite globalization of retailing pressures, power relations of actors at the micro level that network with other actors at broader level determines the outcomes of labour relations in global or transnational companies. In other words, not only national institutions, local power relations matter to make different outcomes of globalized retailing.

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CHAPTER 6
REGIONAL AUTONOMY AND DECENTRALIZATION (II)

COASTAL ABRASION IN SAYUNG DISTRICT DEMAK REGENCY: A CALL FOR A MORE RESPONSIVE POLICY

Hartuti Purnaweni[1]

Abstract

Abrasion, or coastal erosion, has become a factual phenomenon that frequently occurs globally, and also in the northern coastal area of Java Island. Accordingly, it has led to a serious environmental problem. There has been at least 32,400 kilometers of the total length (80.000 kilometers) of Indonesian coastlines with a high risk of abrasion down the years. In the northern coast of Central Java, the abrasion has affected 5,500 hectares, spreading over ten regencies and municipalities. Sayung District in Demak Regency is one of the areas affected by such environmental damage. Public service concerning this environmental problem has not been optimally provided. Therefore, a study is necessary to find out the abrasion condition, and responsiveness of the local government of Demak Regency to the abrasion. This study was limited to Sriwulan Village, an area located next to the territorial border between Demak Regency and Semarang Municipality, the capital city of Central Java Province. Coastal abrasion and sea water tide in Sayung District have caused a decrease in the fishpond area use as much as 582.5 hectares. Part of the area has been temporarily flooded by sea water, while there are some points that have been permanently flooded. The local people have taken measures to mitigate by raising their house foundations and roads, in particular those who preferred staying in the abrasive area to moving to other places. Despite the apparently negative impact of the abrasion on the local people of Sriwulan, the government has not yet officially confirmed that the abrasion in Sriwulan is a hazard. The government claims that the current situation in Sriwulan is not a kind of hazard according to Article 1 of Act 24/2007 on Hazard Management. In addition, the government is also lacking responsiveness to the factual situation on the field. It tends to be reluctant to accommodate the problem into the existing public policy. Therefore, a more responsive public policy is necessary.

Keywords: abrasion, Sayung, hazard, policy, responsiveness

Background

The implementation of development has been performed nationwide, including Central Java Province. The province is situated between two coastlines: north and south. Both of coastal areas are the places for remarkably dynamic cities and regencies as well

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as centers for economic growth. Semarang as the capital city of the province is a city situated in the northern coast area of Java Island. As part of the coastal area, the city relies its economic growth on its coastal activities.

Coastal area plays a very important role for the economic growth of many cities in the world, including in Indonesia. As a result of the growing population, changes in the nature and intensity of economic activities, issues of land and water uses have become increasingly important (Fulazzaky and Gani, 2009), including issues of coastal management. Many activities and lots of funds have been focused for coastal development. However, the developmental output is hampered by many kinds of natural hazards such as abrasion, subsidence, and sea water elevation. The northern coast of Java has been frequently suffering for these phenomena, caused by many aspects, either natural-borne or human-made such as in the form of coastal reclamation of one area that affects another area (Purnaweni, 2010).

Abrasion has been a serious environmental problem. Coastal damage due to the abrasion has become a real threat. At least 32,400 kilometers of the total length (81,000 kilometers) of the Indonesian coastlines are in a high risk of severe abrasion down the years (Supriharyono, 2000). A long-term abrasion is believed to threat the sustainability of many infrastructures in the coastal areas.

Coastal area is rich of natural resources. However, the current progress has been witnessing more serious problems threatening the sustainability of the area. Abrasion occurs in many places in Indonesia and several studies have already discussed such issue. Baru (2011) studied perception and adaptation strategy of the coastal community in Ende in response to the effect of the sea tidal wave. This study found that the abrasion in the Ende coastal area has been severe. Flood occurred frequently in housings and settlements, lasted 1-4 hours a day, therefore causing abrasion.

The coastal abrasion has led to a more serious concern as the threats it poses have become more serious. In Central Java northern coast the abrasion has affected 5,500-hectare area for the past few years, affecting 10 regencies/municipalities. The areas with the high impact of abrasion are Semarang Municipality, Kendal, and Pekalongan Regencies in the western part, and also Demak, Pati, and Rembang Regencies at the eastern part of the province.

Demak Regency is one of those suffering from the abrasion (Municipal Agency of Development Plan of Demak Regency, 2000; Marfai, 2015). Changes in coastal environment are very subtle in the coastal area of the regency. The coastline continues to shift, in particular due to the abrasion. Such condition has affected the life structure of the coastal area as well as the development and public administration practices in the regency.

Four districts are detected to have a high risk of abrasion in Demak Regency, i.e. Sayung, Karang Tengah, Bonang, and Wedung, with Sayung are heavily affected. However, no significant physical developments by the government appear so far. Has the government ignored the local people of Demak as such that they keep struggling their lives against the great power of nature, which can be so-called a hazard? Apparently, the government has not well practiced the principles of good governance.

Inadequate public service provided by the government to the local people of Demak, in particular those living in Sayung District, has led to the need for a research to find out the abrasion and the government response to it especially by Demak Regency Government.

This study was limited to Sayung, a district close to Demak-Semarang borderline. The locus of the study was then restricted further to Sriwulan Village, which is situated at the border with Semarang City, the capital city of Central Java which is the center for many activities in the province, including environmental and coastal area management.

Literature Review

<u>Abrasion</u>

According to Sunarto (2010), abrasion is an event when the coastline is eroded by sea water due to the sea level elevation. The sea level elevation is caused by melting ice in the poles. Marfai (2015) claims that the loss of terrestrial area in the coastline due to sea current, wave, morphological/lithological conditions, and the existence of coastal vegetations as well as human activities that tend to be destructive is more precisely referred as coastal erosion than abrasion. He adds that abrasion is the opposite condition to accretion, a surplus of particular area in the coastline due to sedimentation, which forms a new terrain.

Coast

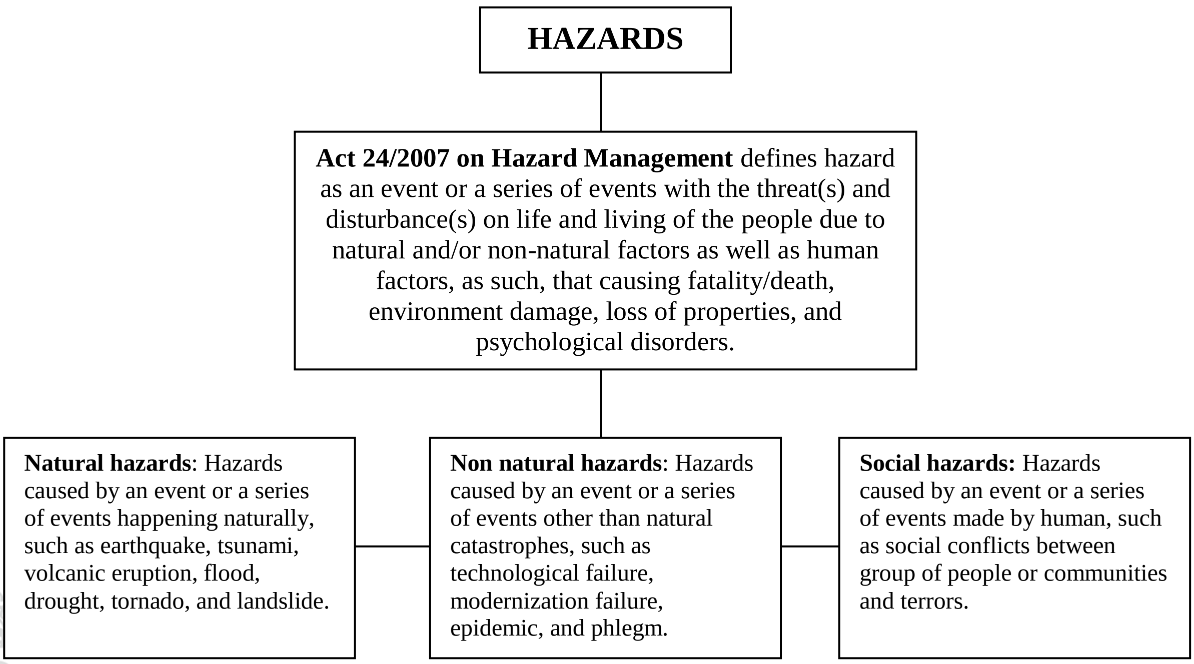
The National Agency of Survey and Mapping Coordination (Bakosurtanal, 1990), in Sutikno (1993:1), defines coast as a counter-affecting path between terrestrial and, which possesses particular geospherical characteristics, i.e. (a) towards the terrain characterized by marine physical natures (tidal effect, water-friendly vegetations) and maritime social and economic aspects (fishermen villages); and (b) towards the sea, which is characterized by natural processes and human activities affecting the terrain.

Hazard

Chapter I of General Requirements of the Article 1 of the Act 24/2007 on Hazard Management defines hazard/as an event or a series of events with the threat(s) and disturbance(s) on life and living of the people due to natural and/or non-natural factors as well as human factors, as such, that causing fatality/death, environment damage, loss of properties, and psychological disorders. Such definition also explains that hazards can be derived from nature, non nature, and human. Therefore, the Act 24/2007 also includes the definitions of natural hazard, non natural hazard, and social hazard.

Figure 1. Types of hazards according to Act 24/2007 on Hazard Management

Definition and Types of Hazards



Responsiveness

The government, in principle, is present to provide services to the public. It is made not for a self-fulfillment, but for serving the people, creating any possible conditions as such that the public is capable for developing their proficiency and creativity towards common goals. The paradigm of government has shifted from rule government to good governance. The government does not merely rely on regulations and laws as practiced in the under the rule government paradigm. Instead, it must enforce involvement of all public elements, inside or outside bureaucracy (Widodo, 2001).

There are good governance elements, such as defined by the United Nations Development Programme (UNDP) as quoted by the State Administration Institution (LAN, 2000) that good governance characteristics are participation, rule of law, transparency, responsiveness, consensus orientation, equity, effectiveness and efficiency, accountability and strategic vision.

Public administration as a state body has a mission to fulfill public interests and responsibility for the public it serves. There have been three important concepts of the public administration responsibility to the public, i.e. accountability, responsibility, and responsiveness (Widodo, 2001).

Discussion

In Dahuri (2004:1-2), a coastal area, in which the coast to be the part of it, possesses a strategic status because it is the place where the changes in terrestrial to aquatic ecosystem are taking place in a sustainable manner. In the coastal area, there are abundantly coastal resources in the forms of natural and environmental resources. Unfortunately, abrasion occurs to become an impending factor as well as a threat for the public administrators in Demak Regency in general, and Sriwulan Village in particular.

Abrasion in Sriwulan Village

Abrasion is a process of eroding coastline by destructive sea wave and current. It is also known as a coastal erosion. The damage of the coastline due to abrasion is triggered by the disorder of natural balance in the affected area. Even though abrasion is caused by natural symptoms, human has been frequently accused to be the major cause (National Agency of Hazard Management, --)

In 2002, the Provincial Agency of Environmental Impact Control (Bappedal) of Central Java recorded as many as 145.50 hectares of coastal area in Demak lost by the abrasion. However, the abrasion-induced damages then increased five times by 2005, hitting 758.30 hectares (Municipal Agency of Environmental Impact Control of Demak Regency, 2000). The economic value is definitely remarkable.

In Sayung District, abrasion and sea level elevation in the fishpond area have decreased the land use function of the pond as much as 582,5 hectares. The area has been sunk, either temporarily or permanently, by the sea water. The permanently sunk area is then gradually lost and turns into sea. The abrasion threats frequently found in some parts of Demak Regency have tended to increase (Municipal Agency of Development Plan of Demak Regency, 2000). In addition to geographical and geological factors, climate change also contributes to the phenomenon of abrasion. Indeed, coastal and small island communities in Southeast Asia face daily threats from the impact of climate change and climate-related hazards (Hiwasaki, 2015).

The study revealed that abrasion that occurred in Sriwulan coastal area had already been severe. Flood occurred in settlements and housings, in particular in the full-moon period as the sea level elevated. Accordingly, there was a significant change in the coastline. Rice fields became lost. Informants and observation of this research reported that symptoms were found in which the area had currently been turning into the sea, and diminishing social and economic values the area previously had. The fishponds were also affected because the brackish water had turned into the sea water.

The local people had taken measure to mitigate, as reported by Hiwasaki (2015) that in the Southeast Asian countries the communities use local materials and methods to prevent and/or mitigate hazards, and adapt to and prepare for them. In Sriwulan, the local people are forced to periodically elevate their house foundations and roads in order to avoid the water. These efforts were particularly taken by those who preferred staying in the current places to moving to other areas. They insist to stay because of their daily living in the coastal area or because of strong bond with the area. However, there also some people who preferred moving from Sriwulan because they could no longer stand the frequent abrasion. Most of the people who moved from Sriwulan are usually have strong financial ability, or those who are from outside of Sriwulan. The abrasion had a significant implication on the village-level public administration in terms of mutation data of the population, which was apparently poorly recorded, as was acknowledged by a staff at Sriwulan rural administration.

The Municipal Government of Demak Regency had already provided aids in the forms of activities or programs intended to Sriwulan, such as coastline empowerment by the Regencial Office of Maritime Affairs and Fishery, and also housing and road restoration by the Regencial Office of Public Works.

Government Responsiveness

Abrasion has affected the life of the local people of Sayung District, Demak Regency since 1980s. However, this problem keeps haunting them, constitutes an increasing trends. There have been various policies made and applied by the government of Demak Regency to overcome the abrasion, but this abrasion is a fundamental thing the government underachieved through a mutual agreement.

While the abrasion occurring regularly had been catasthrophic to the local people of Sayung in general and Sriwulan in particular, the government did not officially claim the abrasion as a hazard under the definition of "hazard" in the Article 1 of the Act 24/2007 on Hazard Management. It stated that hazard is as an event or a series of events with the threat(s) and disturbance(s) on life and living of the people due to natural and/or non-natural factors as well as human factors, as such, that causing fatality/death, environment damage, loss of properties, and psychological disorders.

As abrasion and its effect greatly disturb the daily life of local people in Sriwulan, they insist to claim it as a hazard. However, the definition under the Act 24/2007 details that a natural hazard is one caused by an event or a series of events happening naturally, such as earthquake, tsunami, volcanic eruption, flood, drought, tornado, and landslide. The Article 1 does not state explicitly that abrasion is part of the natural hazards, which cause a problem in the public administration process.

A staff from the Municipal Office of Environment of Demak Regency explained that the government had difficulties to determine the status abrasion in Demak area, including Sriwulan. The informant stated the followings:

> *"Abrasion is not explicitly mentioned in the Act 24/2007 as part of hazards. It poses difficulties for the local government of Demak Regency because the funding to be allocated will also be on a different basis. If the abrasion is defined as a hazard, the funding will be more easily collected and allocated. At the Municipal Office of Hazard Management of Demak Regency, confusion was also clearly seen concerning the funding for managing the abrasion in the affected areas".*

Therefore, determining a hazard status was so complicated that the coastal erosion/abrasion was currently held on the bay without any concluding remarks albeit the fact that Sriwulan was vulnerable to hazard according to the point 14 Chapter 1 Article 1 of Act 24/2007. The point states that an area vulnerable to hazard is one due to geological, biological, hydrological, climatological, geographical, social, cultural, political, economic, and technological conditions for particular length of time loses its ability to prevent, suppress, be ready for, and minimize negative impacts of the danger. In this case, the danger posed to Sriwulan was abrasion.

The study found clearly that loss suffered by the local people in Sriwulan had been severe. The abrasion kept hitting the area at a worrying scale. The phenomenon did not represent the requirement of the Articles 5-9 of the Act 24/2007, in which both central and local governments have authorities and responsibilities for preventing hazards. The Act requires that the Hazard Management by both central and local governments includes: (a) minimizing risk of hazard and matching the risk with developmental program; (b) protecting community affected by the hazard; (c) restoring post-hazard conditions; and (d) allocating fund for Hazard Management adequately into the income and spending budget plan.

Articles 10-25 require the role of Governmental Institutions in preventing hazards along with their structure, duty, and function, such as the National Agency of Hazard Management (BNPB) and Provincial/Municipal Agency of Hazard Management (BPBD).

The exclusion of the abrasion from the hazard category had left the local people of Sriwulan and the Regencial Government of Demak disappointed due to the abrasion severe impact on their daily lives. An informant from the Regencial Office of

Environment reported that a proposal had been endorsed to the central government concerning the explicit definition of abrasion in the policy on the Hazard Management. However, the proposal had yet to be responded.

The government was proven irresponsive to the factual phenomenon in the community. Widodo (2009) expects that policies to be drafted to accommodate the interests and aspirations of the people in Sriwulan Village. Abrasion had clearly negatively affected the local people, but it had not been accommodated into any existing public policy.

Conclusion

Based on the description explained, a responsive policy on abrasion is needed to make public administration in Sriwulan Village in particular, and in Demak Regency in general works better to serve the public.

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EMPLOYMENT POLICY IN THE WAGE PROVISION OF FEMALE WORKER/LABOUR IN INDUSTRIAL SECTOR IN THE PUTTING-OUT SYSTEM IMPLEMENTATION AT SIDOARJO REGENCY

Luluk Fauziah[1] & Mashudi[2]

Abstract

The implementation of putting-out system has affected negatively to female workers/labours as they are paid with low wage, demanded to full-time working, have difficult access to get social security (*Jamsostek*), and imbalance issues regarding employee rights in the company. The purpose of this study aims to describe the implementation of employment policy in the wage provision of female workers/labours in the industrial sector with the adoption of putting-out system. It also attempts to explain the supporting and restricting factors of it.

This study employs a qualitative approach which focuses on the meaning and action from the experience of a group of people and social behaviour in general. It attempts to show empirical evidence of government and private sector naturalistically. Data were collected through observation, interview and documentation. The collection of data included three activities. They are (1) the process of entering the study site (getting in); (2) during the study site (getting along); and (3) data collection (logging the data). Data analysis includes data collection, data reduction (selecting and sorting raw data), data display (synchronisation), and drawing conclusion/verification.

The results of the study show that, 1) employment policy is carried out as an effort to improve the quality and productivity of human resources, community development, and to increase prosperity in order to improve the competitiveness of the region, 2) the restricting factors comes from the identification of weaknesses from government institutions as the main actor such as the lack of funds and limited planners in the employment sector, despite having an existing employment regulation as the supporting factor of the implementation that must be taken into account.

Keywords: employment policy, industrial sector, putting out system

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Introduction

Background of the Problem

Law No. 13 of 2003 Article 88 paragraph (1) and (2) says that; worker is one of elements which help in achieving the goal of national economic development. Therefore, workers are entitled to earn a decent living for humanity. The government set a wage's policy that protects workers. The aims is not only to ensure a decent life for workers and their families, improve productivity and increase purchasing power, but also is expected to drive economic growth, expansion of employment, curb inflation and reflect fairness to the achievement of national development goals.

There are companies/ regency / industries / home industries in Sidoarjo that employ women workers by applying *putting-out system*, the system works by splitting a set of work into a number of components, each component is done separately by the worker. The working mechanism is set up by the company, using the wage contract system where the work could be done at the workers' home. This is called invisible homeworks. Putting-out System application highly exploited workers because they receive low wages while working all the time to chase the required target. Moreover, they do not receive social security and other rights which workers get in the company (Sihite, 2000: 109)

Wages become the central point of conflict between workers and employers. For workers, the wage is a right as a reward for service and work they have done in order to reach a final result of the object or service. Wages is also a component of revenue to ensure the lives of workers and their families, as well as mean to improve their quality of life. Meanwhile for employers, wages are a component of cost of production of goods and services that can possibly be suppressed.

According Hafifudin (2008: 6) wages are often caused a problem that would not go over in industrial relations, any form of legal entities and organizations in the enterprise. The wage is a particularly complex issue for policy makers in companies because workers demand for renewal and evaluations each year. Furthermore, it will be more difficult when the policy makers face the problem of limited company's ability to pay wages in accordance with the nominal value of Regional Minimum Wage.

The presumption quality of women workers is low causing lags in many ways. To make some necessary efforts through Gender Mainstreaming, a strategy to integrate gender into the mainstream of development is needed by placing women as subjects to perform various analyzes and evaluation, such as: 1) the extent to which women are involved in development programs; 2) how the quality of women; 3) what obstacles faced by women; 4) what efforts are needed to improve the quality and participation of women; 5) factors that influence gender relations; and 6) how to solve problems faced by women. This framework will produce an identification of women empowerment, especially women workers (Sukesi, 2002).

The wage's differentials also shows evident of discrimination against women. Although education and work experience between men and women are equal, but the feedback they receive is not the same. The study found that women in industrialized countries earn 77% of the average wage received by men, while in developing countries, women earn only 73% of the average wage received by men. It shows that the position of women is not equal to men despite their equal capability (World Bank Policy and Research, 2000). As it has happened in Sidoarjo, female workers receive lower wages than male workers. Women receive fewer wages than men even though they work in the same place.

Statement of the Problem

Based on the problems described above, the formulation of the problem are: how is the implementation of employment policies done in the industrial sector toward the wage of female workers with the adoption of putting-out system in Sidoarjo?; and what are the supporting and inhibiting factors that influence the wage of female workers in industrial sector with the adoption of putting-out system in Sidoarjo?

Research purposes

The research aims to analyze and describe the implementation of employment policies in the industrial sector toward the wage of female workers with the adoption of putting-out system in Sidoarjo; and supporting and inhibiting factors that influence the wage of female workers in industrial sector with the adoption of putting-out system in Sidoarjo

Previous Studies

Sofia, Aya Cut. 2008. The Conditions and Impact of Putting-out System against Domestic Women Workers.

Research result; working conditions of putting-out system in Bojongrangkas village whether male and female workers in general have a kinship with the owner of the industry. In the hiring, kinship system is preferred, but it does not affect the wages. The research aims at finding out how the working conditions work for men and women who work with putting-out system. A quantitative approach is done by using a survey method. Scope of the study: The SMEs of industrial bags, Bojongrangkas Village, Ciampea district, Bogor, West Java.

Jefta Leibo and Qori Lia Andrawati. 2008. Women Employment and Application of Putting-out System in the Industry of Convection Sector in Rural Area

Research result; the work process is still running on production activities in convection industry with putting-out system. It says that the owner of convection of contracting work by giving a piece of fabric to the workers to be sewn at home, and waging systems variously are calculated based on the amount of completed goods. The aim of research is to find out the individuals who involve in the exchange between *gerji* with the skipper in the production process of convection. It used quantitative research method. The scope of research is in the village of Kali Wedi Klaten.

Implementation of the Policy

Implementation of the policy is a crucial stage in the process of public policy. A policy program is implemented in order to have the desired effect or purpose. Ripley and Franklin (1982: 4) argued that the implementation that is happens after the Act is stipulated which then gives authority programs, policies, profit or a type of real output (tangible output).

Implementation is a dynamic process. The implementers of activities get results in line with policy objectives. According to Lester and Stewart Jr. (2000: 104), implementation is a process and output. The success of policies implementation is measured from the process and whether the objectives of outputs is achieved or not.

<u>Home-based Work</u>

Home-based work (homework or home-based work) is more related to industrial production at home rather than in a factory or office. For more in-depth portrayals, here are some of the structural elements of the type of work by Allen and Wolkowitxz, in Hadiz, 2004: 205):

1. Home-based work is not a petty commodity production of various kinds of production / goods produced.
2. Home-based work is a work for renting in a broad sense, either through a contract with one or more traders and businessmen.
3. Home-based work is generally in the form of wage labor that is based on the unit of production (per piece) and not on the number of hours worked.
4. Home-based work is causalized which means the prospect of providing continuous employment can not be guaranteed depending on demand.
5. Time home-based work is very loose, unbound by the employer institution.
6. The location and home-based work space should be given special attention. The house as a workplace basically is also the location of the residence of the household.

Household industry means home industry, but they do not differentiate between the relationship and the position of the employer and labor. The workers work for themselves or working with some people in the household or hiring one or more members who come from outside. Small sweatshop industry does not emphasize on the severity of the job and the worker's status is not guaranteed. Outwork means working outside the factory in the domestic environment; home or place of residence of workers is the location of production. Hence, putting-out work is a form of production where mostly all of the production process was moved from the center to the settlement processing. The *putting-out* is illustrated by the transfer of the production process (the construction) which becomes the core of home-based work. The purpose of the putting-out system in this study is to show that the transfer system or the production processing that should be done inside the company, is done in each house of women workers instead.

The Women in Development Approach is used in this research. The rationale is that women are an untapped resource that can contribute to economic development. This view has a big impact, such as efforts to popularize a project to increase women's earnings (Moser, 1989). This approach emphasizes on increasing income so the policies can be seen as improving the skills and increasing women's productivity. While the need for more emphasis on Gender and Development and the fight for justice is based on gender.

Wage

Law No. 13 of 2003 on Labour, set firmly and clearly the remuneration. "Wage" exactly starts from Article 88 to Article 98. For more explanation about remuneration, several passages of the Act cited as follows: Article 88 paragraph (1) every worker has the right to earn a decent living that meets for humanity; (2) to realize earnings that meet a decent livelihood for humanity as referred to in paragraph (1), the government set a wage policy that protects workers; (3) wage policy that protects workers referred to in paragraph (2) shall include a) the minimum wage, b) overtime wage, c) wages are absent from work due to hindered d) wages are absent from work due to other activities outside of work, e) wages for right to take a rest, f) the form and manner of payment of wages, g) fines and deductions from wages, h) the things that can be calculated with wages, i) the structure and scale of wages proportioned, j) wages for severance payments, k) wages for income tax calculation.

Definition of wages, contained in ILO conventions or the Protection of Wage. Indonesia also follows the reference with a little adjustment. Definition of wages adopted by Indonesia in accordance with Government Regulation No. 08 of 1981 on the Protection of Wages is a reception as a reward from the employer to the employees for work or services that have been or will be made, declared or assessed in money terms, as set by an agreement or legislation, and is paid on the basis of agreements between employers with workers, including benefits both for the workers and their families (Suwarto, 2003; 188). From that definition, wages on the one hand is worker's rights and obligations of the employer, on the other hand the workers are obliged to give time, energy and thoughts to work or provide services. In addition, the state also adopts that wages has a social nature which wages and allowances should be able to meet the familiy's needs.

Remuneration of policies are arranged so there is balance leverage which able to increase worker productivity and production growth as well as increase the income, welfare of workers and people's purchasing power. Therefore the minimum wage policy in order to achieve the level of wages should be adjusted by certain criteria with an appropriate way. Various stakeholders see the wages of the respective sides are different. Workers saw wages from different sides with employers yet similarly to the government. For workers, wages are a source of income used to meet their needs. In accordance with the purpose of one's work, through increased wages, well-being can be improved. Because when wages grew, the more likely a person to be able to meet and improve their lives, such as meeting the needs of food, clothing, shelter, health, recreation and etc.

Research Methods

Types of research

This study is a qualitative research, particularly the meaning and action as well as the experience of a group of people and social behavior in general. Type of research is descriptive that attempts to show government and private's action naturalistically. Terminology qualitative research is a set of techniques and processes of non-statistical research is used to gather data on social phenomena.

Informant

Informants in this study are determined based on purposeful sampling method control the information related to the topic and research problems (Patton, 1990 in Baker and Gentry, 2006). They are the head and staff Dinsosnaker, head and staff BPMPKB, religious and community leaders, NGOs and women care sector of women workers.

Method of collecting data

Data were collected by digging and collecting primary and secondary data with observations, interviews and documentation following on the steps mentioned by McNabb (2002; 282): "the major methods used to collect qualitative data include; 1) participation in the group setting or activity; 2) personal and group interviewing; 3) observation; and 4) document and cultural artifact analysis.

Data Collection Process

In the data collection phase, there are three kinds of activities are confirmed also by Lofland and Lofland (1984) that there are three activities (1) the process of entering the study site (getting in); (2) getting along in the study site; and (3) data collection (logging the data).

Data Analysis Research

Data analysis was performed from the beginning and throughout the process of research, compile data management and analysis of data as in (Miles and Huberman in McNabb, 2002; 368)

> "data management includes two important steps. First, managing data begins with organizing the collection process. This includes preplanning, careful selection of the sample or situation to be included in the study, and achieving the researcher's entry into and acceptance by the group".

Validity of Data Research

Each study is always concerned about the creation of the research is valid, accurate and reliable and can be justified scientifically. It is necessary to check the validity of the data. It carries implications for the validity of the findings (Lincoln & Guba, 1985).

Results and Discussion

Employment Policy Implementation under the Wage of Women Workers in the Industrial Sector with the Adoption of Putting-out System

Implementation of employment policy in Sidoarjo is inseparable from the Law No. 13 of 2003 on Labour and the Goverment Regulation No. 38 of 2009 about RPJMD 2009-2014 mandates to realize the vision of the mission of the Provincial Government of East Java, namely gender mainstreaming in all fields. This is consistent with the vision, mission and strategy of development about expanding employment; improving the effectiveness of poverty reduction and economic empowerment of the people, especially the low class society; improving the quality of life and the role of women; ensuring gender equality; improving the security and order of the rule of law; respecting the human rights; creating of a highly qualified workforce; boosting industrial relations and working conditions; improving the welfare of workers and their families towards a decent income; and ensuring the settlement of industrial disputes. Employment policies run as an effort to improve the quality and productivity of human resources, community development and improved welfare in improving regional competitiveness. This is consistent with what is conveyed by Head of the Labour Inspection as follows:

> "The policy of employment in Sidoarjo referrs to employment policies both at the international, national as well as at the provincial level. Employment policy has been prepared as in Sidoarjo strategic plan, it has been running quite well, though at the level of implementation, monitoring and evaluation has not been maximized. This is due to both internal and external constraints of Department of Social and Labor itself, i.e, limited human resources and funding sources that are very influential on the impact of policy implementation (The results of the interview, 13 April 2016).

Policy implementation process can be successful in life, less successful or failed altogether. It can be seen from the results (outcomes) achieved in the implementation of the policy. However, the problem related to remuneration, particularly female workers, with the adoption of putting-out system still has a gap. This indicates that the expected output is still not achieved well.

Remuneration systems are usually associated with the structure of its personnel. The amount of wages and benefits of labor is determined by such factors such as the length of work, type of employment, position, and their employment status. The company implements a tiered employment status in such like the daily contract workers, fixed daily workers until fixed monthly workers. Great changes affect wage levels, facilities, or benefits received by workers. For fixed monthly workers, wages are not affected by the number of days or working attendance. While the non-permanent employees and a fixed daily workers, the wage cuts will be charged if they do not come to work as conveyed by Head of Industrial Relations Labour and Welfare Workers Department of Social and Labor of Sidoarjo:

> "A daily worker is appointed as the monthly labor after a tenure of two years [the fastest]. But most companies do not have the provisions governing the promotion monthly workers. So many workers who have worked more than 10 years is still a fixed daily workers "(The results of the interview 25 April 2016).

<u>Supporting Factors of Employment Policy in the Wage Provision of Female Worker in Industrial Sector in the Putting-Out System</u>

Strategic planning and implementation carried out in systematic, organized, focused and sustainable to consider the factors that hamper or support the process of implementation. As it has been described by the Secretary Department of Social and Labor of Sidoarjo as follows:

> "The implementation may not run as expected, because there is possibility to meet either supporting or inhabiting when implement policies. Moreover, matters related to the budget were a large amount [and] if there is no sufficient financial support as the number of small, medium and large development increases in Sidoarjo. While the rules associated with the policy should be conducted on an ongoing basis." (The results of the interview, May 23, 2011).

Factors that hamper the implementation of employment policies in the wages of women workers and the industrial sector lie in the interests of corporate ownership. Policy-making process requires actors to consider the existing sources. Thereby, inhibiting as well as supporting factors in the implementation of the policy is related to the role of the Department of Social and Labor as an institution that became the main actor which has many shortcomings, e.g the lack of funds and limited personnel planners of employment sector. Nevertheless, there are regulations concerning employment as a supporting factor of implementation that must be considered.

Suggestions

Sidoarjo Regulation No. 9 of 2008 on Employment Services needs to be reviewed. In the other hand, Goverment Regulation No. 38 of 2009 on RPJMD East Java Province 2009-2014 and Law Number 13 of 2003 on Labor Article 88 make a positive contribution to the passage of the labor market in the district of Sidoarjo, in line with the various ILO conventions that have been ratified by the government.

Review on female worker in the industrial sector with the adoption of putting-out system is needed. The condition of the company is that they still use a traditional production which depends on energy caused by increased the application of putting-out system. Yet, their fate gets less attention and placed in a weak position in terms of the economy, the welfare and legal protection.

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FISCAL DECENTRALIZATION AND ECONOMIC GROWTH IN INDONESIA

Aksa Nugraha[1]

Abstract

The new era of regional autonomy and fiscal decentralization in Indonesia began in 2001. The relationship of fiscal decentralization and economic growth has been analyzed by researchers in many countries through numerous studies. However, these studies do not always find the same conclusions. The principal objective of this study was to investigate whether fiscal decentralization in Indonesia leads to economic growth. By using a panel-data analysis from 33 provinces in Indonesia over the period 2005–2014, the results provided evidence that fiscal decentralization has a negative association with provincial economic growth. To further the examination of the finding, this study analyzes the composition of expenditure of local government and its influence on growth in the fiscal-decentralization framework. The results reveal that spending allocation of local governments on personnel expenditure, other expenditure, and even capital expenditure actually harms regional growth.

Keyword: Fiscal decentralization, Economic growth, Autonomy

Introduction

Fiscal decentralization has been a global trend since the 1990s (Ter-minassian, 1997). The growth of implementing fiscal decentralization has occurred in many countries, and not only in countries that have a federal system but also in countries that have a unitary state system, including those that implement a system of autocratic centralism. Lee and Gilbert (1999) demonstrate that 63 out of 75 developing and transitional countries have been—and are—implementing fiscal decentralization, including Indonesia.

Mardiasmo (2009) states that the increased attention to fiscal decentralization does not necessarily reflect the failure of central planning because there is a belief that fiscal decentralization can be an effective tool for improving the efficiency of public

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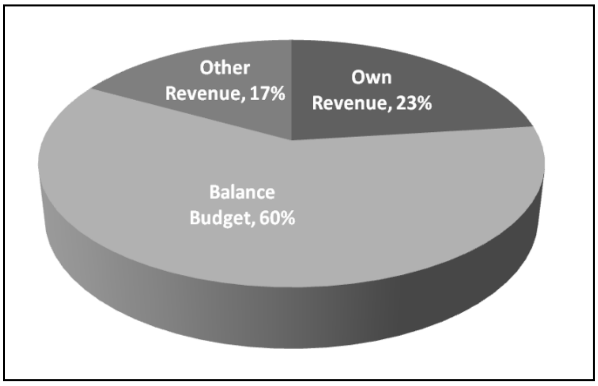
spending. This idea indicates that there is potential for a country to achieve economic efficiency in the provision of public goods at the local level.

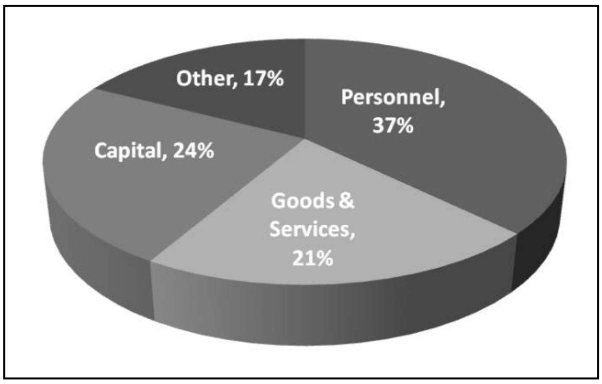
The government of Indonesia made a serious effort to apply fiscal decentralization after the financial crisis of 1997/1998 hit Indonesia. The new era of regional autonomy and fiscal decentralization in Indonesia began in 2001. Since decentralization was implemented in Indonesia in 2001, local-government income levels have increased throughout Indonesia. The local government now has the authority to use its fiscal resources, including the revenue from taxes and charges and revenues from natural resources according to local government's authority. In many countries that adopt decentralization, the power of local government to collect local tax and retribution is performed to provide quality services to local citizens and guarantee the citizens that public services are improving, so that the citizens will be more satisfied with the government's efforts (Bahl & Linn, 1992).

Local revenue sources in aggregate can be divided into three main parts: own revenues, balance funds, and other revenues. Graph 1 demonstrates that the percentage of own local revenue in all regions in Indonesia is relatively small, representing approximately 23 percent of total revenues. In general, the budget of local governments in Indonesia is dominated by the contribution of the central government in the form of the balance fund.

Graph 1. Local Governments' Revenue Composition in 2014



Graph 2. Local Governments' Expenditure Composition in 2014



Source: Ministry of Finance of Republic of Indonesia

The highest expenditure of local governments in Indonesia is for personnel (Graph 2). In 2014, local governments allocated 37 percent of total expenditure for personnel expenditure, while only 24 percent was allocated for capital expenditures. This high level of local-government spending for consumption reduces the fiscal space for promoting economic growth as a prerequisite of poverty reduction.

The relationship of fiscal decentralization and economic growth has been analyzed by researchers in many countries through numerous studies. However, these studies do not always find the same conclusions. Some studies demonstrate that fiscal decentralization affects economic growth positively (e.g., Akai and Sakata, 2002; Thiessen, 2003; Desai et al., 2003). In contrast, studies conducted by Zhang and Zou (1998), Davoodi and Zou (1998), and Xie et al. (1999) find that fiscal decentralization affects the economic growth negatively. The studies conducted by Woller and Phillips (1998) and Baskaran and Feld (2009) failed to see any effect of fiscal decentralization on economic growth. Yamoah (2007) states that one of the reasons there are differences in the findings of such studies is the different approaches researchers use when examining fiscal decentralization.

Therefore, this study investigates whether there is evidence for an increase in regional economic growth resulting from the implementation of fiscal decentralization in Indonesia. This study contributes insights on the nexus between fiscal decentralization and growth. First, almost all existing studies of the effect of fiscal decentralization on growth in Indonesia have concentrated on a particular province or local government. This study not only examines this effect on a national scale but also (to the best of the author's knowledge), it is one of the first to use data of central-government expenditure in every region. It is anticipated that these data will be more appropriate for describing the relationship between fiscal decentralization and regional growth in Indonesia. Second, unlike much of the literature, this study examines certain fiscal indicators more closely by analyzing the elements of local-government spending (personnel, goods and services, capital, and other expenditure) so that it can be revealed which specific components of fiscal decentralization are influencing growth.

This study aims to produce findings that can help inform policy makers in Indonesia about the strengths and weaknesses of fiscal decentralization and assist them to design improved economic growth and welfare policies.

Data

This study uses panel data that is a combination of time-series data and cross-sectional data, which is secondary data. The collected data include 33 provinces in Indonesia for the 10-year period 2005–2014. Currently, Indonesia has 34 provinces, but given that the thirty fourth province was created in 2013, to uniform the data in this study, the author merges this province to its origin province before splitting. Thus, the total amount of data used in this study include 330 observations. The data in this study are obtained from the Republic of Indonesia's Central Bureau of Statistics (BPS) and Ministry of Finance (MoF).

Specification

The model used to analyze the effect of fiscal decentralization on regional economic growth is adopted from Xie et al. (1999) and Akai and Sakata (2002) as follows:

$$\Delta Y_i = \alpha_0 + \beta_1 \Delta Y(-1)_{it} + \beta_2 Population_{it} + \beta_3 Investment_{it} + \beta_4 Openness_{it} + \beta_5 Education_{it} + \beta_6 FDIndicator_{it} + \beta_7 YearD_{it} + \varepsilon_{it}$$

Where i and t refer to the province and year, respectively; ΔY is the provincial economic growth (regional GDP per capita) that is stated in percentages; ΔY(-1) depicts the economic growth per capita in a previous year; and Population is the growth rate of the citizens in each province. Investment and Openness are the portion of change of investment value and trade value in relation to the previous year's regional GDP. Education is the ratio of secondary-school graduates aged 15 years and older to the total population in each province and FDIndicator states the fiscal decentralization measures from various perspectives; these are the main explanatory variables observed, for which this study uses six indicators. YearD is time as a binary variable (dummy), so the total time dummy in this model are the t-1 time periods.

The fiscal-decentralization variables used in this study adopt those developed in Akai and Sakata (2002) and Wibowo (2008). First, RI (Revenue Indicator) is the ratio of local-government revenue without considering revenue sourced from central government (fiscal balance funds) to local-government and central-government total revenue. This indicator measures the authority of local government based on the total revenue obtained from various revenue sources.

Second, EI (Expenditure Indicator) computes the proportion of local-government expenditure to local-government and central-government expenditure in the regions. This indicator aims to measure the breadth of the authority delegated by the central government to the local government based on the amount of expenditure.

Third, the AI (Autonomy-Indicator) references the degree of fiscal independence. It is measured by the local government's own revenue share of its total revenue. There are four AIs used in this study. AI—the ratio of a local government's own revenue to its total revenue—has two parts. One does not consider fiscal balance (AI-1) and another does consider fiscal balance (AI-2). AI-1 refers to the local government's real fiscal independence, and AI-2 represents its actual independence from the central government. These two ratios are developed from a fiscal decentralization study in the US conducted by Akai and Sakata (2002). Referring to Wibowo (2008), the ratio of a local government's own revenue to its total expenditure is represented by AI-3, and the ratio of a local government's own revenue to its fiscal-balance revenue is represented by AI-4. The AI-3 indicator measures the level of the local government's autonomy in funding its own spending, and the AI-4 indicator measures the local government's capacity to decrease the local government's dependency on fiscal balance from the central government.

The parameter α_0 is the intercept that informs the endowment of economic growth in each province and β is the parameter estimation to measure the coefficient of independent variables. Table 1 below summarizes the variables used in this study.

Empirical Results

Baseline

This section discusses the findings obtained in the study. Before deciding which method to use in this study (from PLS, FE, and RE), the study performed some statistical testing. First, a comparison was performed of the PLS and FE methods using the Breusch–Pagan test. The results suggest that the PLS is not fit to analyze the panel data in this study. Subsequently, the Hausman test was applied to determine the best method of the FE and RE methods for estimating regression models. Based on the test results, the study concluded that the FE was the best method to use to analyze the panel data in this study. In addition, to pick up any variation in the outcomes over time, the year dummies were employed in this model.

The baseline results obtained by the FE estimations are presented in Table 1. The first regression consists of a constant, and variables of initial growth, population growth, fiscal decentralization, and time FEs. The study then observes the mark of the coefficient and its significance on the fiscal-decentralization variables as sequentially inserting the control variables (Openness, Investment, and Education) in the following three regressions. Therefore, these regressions offer a full suite of analyses in relation to the potential correlation between fiscal decentralization and growth.

Table 1. Regression Results (Baseline)

Dep. Var: Per Capita RGDP Growth				
	(1)	(2)	(3)	(4)
Indep. Var.				
_cons	10.65***	10.83***	10.84***	23.28**
	(3.07)	(3.19)	(3.24)	(2.27)
Growth1	-0.460***	-0.460***	-0.460***	-0.459***
	(-4.72)	(-4.64)	(-4.63)	(-4.61)
Population	-0.0393	-0.0418	-0.0418	-0.0572
	(-1.38)	(-1.33)	(-1.33)	(-1.86)
RI	-61.37	-75.44	-75.76	-26.31
	(-1.10)	(-1.34)	(-1.34)	(-0.34)
EI	-7.533*	-7.863*	-7.883*	-7.534*
	(-1.93)	(-1.95)	(-1.96)	(-2.02)
AI1	0.710	1.494	1.486	0.0613
	(0.71)	(1.11)	(1.07)	(0.05)
AI2	-2.453	1.358	1.411	-0.572
	(-0.22)	(0.12)	(0.12)	(-0.05)
AI3	-3.855	-7.528	-7.573	-5.692
	(-0.31)	(-0.54)	(-0.55)	(-0.48)
AI4	2.307	2.544	2.550	2.426
	(0.94)	(1.09)	(1.11)	(1.19)
Openness		-1.085	-1.084	-1.577
		(-1.27)	(-1.26)	(-1.49)
Invest			0.0646	-0.123
			(0.13)	(-0.18)
Educ				-23.24
				(-1.57)
2005.year	0	0	0	0
	(.)	(.)	(.)	(.)
2006.year	-0.203	-0.200	-0.194	-0.114
	(-0.23)	(-0.22)	(-0.21)	(-0.15)
2007.year	0.594	0.868	0.869	0.285
	(0.59)	(1.08)	(1.07)	(0.27)
2008.year	0.678	1.005**	1.008*	0.232
	(0.96)	(2.07)	(2.00)	(0.26)
2009.year	0.472	1.091**	1.092**	0.156
	(0.97)	(2.14)	(2.14)	(0.33)
2010.year	1.114	1.623***	1.620***	0.344
	(1.59)	(3.32)	(3.35)	(0.33)
2011.year	1.249	1.989***	1.988***	0.302
	(1.39)	(4.00)	(4.01)	(0.20)
2012.year	1.621**	2.566***	2.565***	0.792
	(2.13)	(4.76)	(4.72)	(0.60)
2013.year	1.863***	2.699***	2.695***	0.634
	(5.61)	(4.07)	(3.93)	(0.63)
2014.year	0.936**	1.831***	1.833***	-0.366
	(2.30)	(3.20)	(3.22)	(-0.32)
Adjusted R^2	0.28	0.30	0.30	0.32

The results demonstrate that the approximate coefficient on expenditure decentralization (EI) has a negative sign and is statistically significant at the 10 percent level in all regressions (see columns 1 to 4 of Table 1). This finding indicates that the further decentralization of expenditure may directly impede economic growth. Therefore, if the degree of expenditure decentralization (EI) changes from 0.1 to 0.2, the coefficient of -7.5 implies that the growth rate drops by 0.75 percent. It is not in line with the results of a prior study by Akai and Sakata (2002) but is consistent with the research conducted by Davoodi and Zou (1998).

The revenue-decentralization (RI) variable reveals a negative coefficient but is statistically insignificant. This result is most likely related to the design of fiscal decentralization in Indonesia. The central government is currently focusing on expenditure and continues to control local revenue. The central government has the authority to impose tax strategically and then distribute taxes to provinces and provide power to the local government in spending.

Insignificant effects were also found in the regressions for all AIs, which are represented by AI1, AI2, AI3, and AI4 in this study. That is, this research was unable to identify the effect of fiscal decentralization on local economic growth with confidence when revenue decentralization and AIs were used as indicators of fiscal decentralization.

If own revenue is a representation of the independence of a region from the central government, the lack of own revenue's role on local-government revenues explains why all four AIs do not have a significant effect on economic growth. The cause of the low ability of the region to explore sources of local revenues is the high degree of centralization in taxation by the central government and/or the limited potential of local resources that can be optimized to increase local revenues. This condition is a reflection of whether the regions have a high level of dependency on transfer of balance funds from the central government.

In relation to the other controlled variables in the regressions, the initial growth-per-capita RGDP is negatively significant. The negative coefficient on this variable indicates how quickly the Indonesian economy recovered from the shocks and was able to return to normal growth.

Population growth has a negative sign but is insignificant; only in the full model regression does it become significant. This result demonstrates that with a higher population, if additional people do not increase output initially, the total output generated will be divided among more people, thus causing lower output to be received by each resident.

The coefficients of Openness and Education were found to be negatively insignificant. This means that the variations were small enough that relative to the data's accuracy to estimate their effect on growth. The study was not able to distinguish any difference with confidence.

The coefficient of Investment was also insignificant but had a positive sign in regression three and negative sign in regression four. This indicates that the investment climate in regions does not provide sufficient incentive to investors for investing their money in various sectors. Infrastructure, the quality of the workforce, law uncertainty, political instability, and local regulation are some factors that affect the investment climate in different regions.

<u>Extension</u>

Davoodi and Zou (1998) argue that one of the factors of fiscal decentralization that affects development is the composition of government spending. Therefore, to further the examination of the finding of an adverse association between fiscal expenditure decentralization and regional economic growth, this study analyzes the composition of expenditure of local government and its influence on growth in the fiscal-decentralization framework. The aim is to find out which expenditures negatively affect growth.

The study divided local-government spending into four areas: personnel expenditure, goods and services expenditure, capital expenditure, and other expenditure. The final component, other expenditure, refers to government spending on activities that are not included in the former three categories and are usually used as reserve spending to address unforeseen issues and problems.

EI is measured by the ratio of local-government expenditure to total local-government and central-government spending. All expenditure components are also divided by total local-government and central-government spending. Subsequently, these are used to substitute for EI in the model and the author re-estimates.

The first column in Table 1 presents the regression results. In general, the control and fiscal-decentralization variables have similar coefficients, both in sign and magnitude. Only the effect of population growth became insignificant in this regression, and the sign of AI2 became negative with the same magnitude.

The results of local spending in the areas of personnel, capital, and other have a negative and significant effect on growth, while spending in the area of goods and services has a positive sign but is not significant. The results demonstrate that local governments have not been able to maximize their spending authority to spend money according to local priorities and needs that can act as a stimulus for the regional economy. Even the portion of capital expenditure that should make a significant contribution to the improvement of public welfare was found to be an obstacle for the local economy. Davoodi and Zou (1998) note that excessive expenditure by local government on the wrong spending items can lead to poorer growth even if the local government has full authority over spending.

However, all the ratios that examine the different expenditure categories are relative measures and none of them are able to reveal whether the level of spending itself has an effect on growth. Thus, the study added two new variables into the latter model. The first variable was defined as the ratio of the level of local-government expenditure to RGDP (LSRGDP). The other variable was measured by the level of total local- and central-government expenditure over RGDP (TSRGDP). The regression results are presented in column 2 of Table 2. The coefficients LSRGDP and TSRGDP have the right direction but are not significant. This means that there is no direct effect on the level of either local-government or total-government spending on the economic growth in the provinces.

Table 2. Regression Results (Extension)

Dep. Var: Per Capita RGDP Growth Indep. Var.	(1)	(2)
_cons	23.72**	22.74**
	(2.29)	(2.15)
Growth1	-0.461***	-0.466***
	(-4.65)	(-4.63)
Population	-0.0527	-0.0411
	(-1.61)	(-1.11)
Openness	-1.566	-1.485
	(-1.53)	(-1.45)
Invest	-0.180	-0.0617
	(-0.25)	(-0.08)
Educ	-22.15	-20.42
	(-1.56)	(-1.44)
RI	-28.64	-18.13
	(-0.36)	(-0.24)
AI1	-0.246	-0.542
	(-0.18)	(-0.36)
AI2	-0.776	0.806
	(-0.07)	(0.07)
AI3	-7.213	-8.199
	(-0.59)	(-0.63)
AI4	2.562	2.673
	(1.23)	(1.09)
EI_Personnel	-13.93*	-13.90
	(-1.71)	(-1.64)
EI_Goods	2.761	1.873
	(0.27)	(0.20)
EI_Capital	-9.294*	-9.717*
	(-1.87)	(-1.79)
EI_Others	-2.983*	-3.241*
	(-1.86)	(-1.75)
LSRGDP		0.668
		(0.19)
TSRGDP		0.576
		(0.25)
Adjusted R^2	0.32	0.32

Conclusion and Recommendations

The principal objective of this paper was to investigate whether fiscal decentralization in Indonesia leads to economic growth. By using a panel-data set of 33 provinces in Indonesia over the period 2005–2014, the results provided evidence that fiscal decentralization has a negative association with provincial economic growth.

Fiscal decentralization in Indonesia refers to expenditure autonomy of local governments that is principally funded by funds transfer from the central government. With this design, fiscal decentralization emphasizes the local government's discretion to spend its budget based on needs and priorities in each area. The practice of transferring funding to local governments has a great deal of flexibility and leads to a high level of discretionary spending, which means that the local government has full authority to utilize funds according to public policy and local priorities. However, expenditure autonomy will be less effective if spending is allocated principally to activities that are less productive.

The principal challenge for fiscal decentralization in Indonesia is no longer to provide the greatest amount of funds possible to the regions, but how to ensure that local governments can utilize the available funds wisely to enhance public welfare. The results of this study reveal that spending allocation of local governments on personnel expenditure, other expenditure, and even capital expenditure actually harms regional growth.

Therefore, it is necessary to implement efforts to improve the quality of local-government spending. First, local government must rationalize its expenditure on personnel. Rationalization of personnel spending requires not only the role and involvement of local governments but also active participation of the central government, particularly in relation to the determination of employee formation in the provinces. It is expected that this strategy would create additional fiscal space for capital expenditure.

Second, monitoring the spending performance of the local government provides incentives for good performance, as well as providing technical assistance to those left behind. This step can help local governments build a system of allocation of resources according to their needs.

Third, levels of authority and discretion of local governments in managing and allocating spending should be differentiated according to regional capacity. Regions that have better capacity to allocate resources efficiently might have greater discretion in the allocation of their budget, while areas that continue to demonstrate capacity constraints might be allowed a lower level of discretion in handling their budget.

However, local governments have very limited authority in relation to local taxing power as the consequence is that the regions have a high level of dependency on transfer from the central government in the form of balance funds. These might explain other fiscal indicators in these results, the revenue decentralization (RI) and all AIs (AI1, AI2, AI3, and AI4) have a weak relationship with the economic growth.

The low contribution of own revenue in the structure of local revenue due to policies relating to the authority of taxation and levies does not fully support the implementation of fiscal decentralization. A limited tax base and limited authority in setting the tariffs, as well as the difficulty of finding the types of taxes and levies that meet the criteria as stipulated in the legislation are the reasons for which local governments find it difficult to adjust the revenue when balance funds from the central government are not sufficient to meet the entire expenditure needs. To enhance the ability of regions to fund their spending and at the same time increase local accountability, efforts to strengthen local taxing power are required.

However, the lack of competence of local-government personnel in setting regional income instruments might have adverse implications on the local investment climate, which in turn could slow regional economic growth. Therefore, capacity building for government officials both at the central and regional levels is necessary. The provision of training and technical support will enhance the quality of local and central-government officials. Capacity building in these areas should be accompanied with proper systems and procedures in planning, budgeting, implementation, monitoring, and evaluation.

As noted, this preliminary study found a negative effect of fiscal decentralization on regional economic growth. In line with the work of Thiessen (2003), future research should examine whether the relationship between economic growth and the fiscal decentralization in Indonesia is uniform with a bell-shaped pattern that indicates fiscal decentralization affects economic growth positively when the degree of decentralization remains low, and affects economic growth negatively when there is a high level of fiscal decentralization.

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Appendix

Table A1. Statistic Summaries

Variable	Obs	Mean	Std. Dev.	Min	Max
province	330	17	9.536365	1	33
year	330	2009.5	2.876643	2005	2014
Growth	330	4.265252	2.979437	-21.424	29.34
Growth1	330	4.159961	3.408807	-26.544	29.34
Population	330	2.104273	3.148022	-15.04	35.08
Openness	330	.8637273	.9857753	0	6.1
Invest	330	.0227537	.113931	-.70843	.81392
Educ	330	.4489397	.1105429	.185	.7996
RI	330	.0042412	.0050179	.0001	.03
EI	330	.6580476	.1204634	.1245	.92
AI1	330	.5808918	.2119557	.0707	1
AI2	330	.1560433	.1095777	.0169	.6795
AI3	330	.1605164	.1137288	.0193	.7011
AI4	330	.2558785	.3103825	.0187	2.8604

Table A2. Average Degree of Fiscal Decentralization by Province and Indicator over the 2005-2014 Period

Province	RI	EI	AI1	AI2	AI3	AI4
ACEH	0.006	0.654	0.218	0.070	0.073	0.111
NORTH SUMATRA	0.007	0.666	0.660	0.206	0.212	0.311
WEST SUMATRA	0.003	0.675	0.592	0.136	0.137	0.179
RIAU	0.004	0.835	0.727	0.139	0.145	0.174
JAMBI	0.002	0.708	0.646	0.134	0.137	0.171
SOUTH SUMATRA	0.003	0.697	0.648	0.131	0.136	0.168
BENGKULU	0.001	0.657	0.548	0.099	0.100	0.124
LAMPUNG	0.003	0.681	0.591	0.147	0.149	0.202
BANGKA BELITUNG	0.001	0.737	0.689	0.150	0.157	0.195
RIAU ISLAND	0.002	0.764	0.755	0.184	0.186	0.250
DKI JAKARTA	0.016	0.155	0.945	0.583	0.606	1.644
WEST JAVA	0.017	0.658	0.681	0.265	0.267	0.458
CENTRAL JAVA	0.013	0.667	0.637	0.208	0.215	0.324
YOGYAKARTA	0.002	0.517	0.635	0.221	0.227	0.355
EAST JAVA	0.016	0.664	0.698	0.245	0.250	0.397
BANTEN	0.005	0.683	0.750	0.331	0.340	0.636
BALI	0.004	0.656	0.756	0.345	0.353	0.680
WEST NUSA TENGGARA	0.002	0.642	0.617	0.128	0.130	0.169
EAST NUSA TENGGARA	0.001	0.607	0.549	0.082	0.084	0.100
WEST KALIMANTAN	0.002	0.684	0.604	0.120	0.123	0.155
CENTRAL KALIMANTAN	0.002	0.724	0.595	0.095	0.099	0.117
SOUTH KALIMANTAN	0.003	0.714	0.656	0.183	0.197	0.264
EAST KALIMANTAN	0.007	0.842	0.609	0.142	0.150	0.191
NORTH SULAWESI	0.001	0.553	0.557	0.120	0.127	0.159
CENTRAL SULAWESI	0.001	0.645	0.560	0.107	0.104	0.138
SOUTH SULAWESI	0.004	0.613	0.585	0.157	0.160	0.223
SOUTH EAST SULAWESI	0.001	0.667	0.525	0.082	0.083	0.100
GORONTALO	0.001	0.616	0.507	0.087	0.090	0.109
WEST SULAWESI	0.000	0.679	0.469	0.058	0.060	0.069
MALUKU	0.001	0.541	0.437	0.060	0.061	0.071
NORTH MALUKU	0.001	0.616	0.489	0.061	0.063	0.071
WEST PAPUA	0.002	0.741	0.120	0.030	0.031	0.043
PAPUA	0.007	0.759	0.116	0.044	0.043	0.086

STUDY OF DISTRICT TYPOLOGY IN CIANJUR REGENCY WEST JAVA PROVINCE

Fernandes Simangunsong[1]

Abstract

Focus of the study is to map the typology of districts in Cianjur Regency, West Java Province after the enactment of the latest administrative law, Law No. 23 of 2014 on Local Government in lieu of Law No. 32 of 2004. Study ontypology of district carried out in Cianjur Regency was to assess workload of *camat* (head of district) in implementation of main duties and functions in daily basis instead of to question whether a district was good or bad, or developed or not. The establishment of this typology of district was unlike any other establishment in other districts depending on the aim and purposes. Even if it was the same, then the aim would depend on each regional policies, geographical conditions, and dynamics of the society. This study was of application model of policy in district capacity assessment with 3 models of approach to determine whether all districts in Cianjur regency was Type A or Type B. Database for this typology is coming from population size, area size, and number of villages/subdistricts. If a district falls into typology A, then it is considered to have heavy workload in comparison to typology B. This study was conducted to all 32 districts in Cianjur regency. The result showed that, with assessment of Model I, there were 11 districts of typology A, and 21 districts of typology B. As with assesment of Model II, after scoring in reference to Government Regulation No. 18 of 2016 on Local Agencies with two variables of general and technical, the result showed that all districts in Cianjur regency in 2016 were categorized into typology A and none of them was categorized into typology B. For assessment of Model III with 5 variables, it showed that districts of typology A were 10 districts, and of typology B were 22 districts.

Keywords: Typology, Districts, Local Government

Introduction

Law on Local Government is one of political policies designed to provide administrative format to support the sturdiness of *Negara Kesatuan Republik Indonesia* (NKRI) (Unitary State of the Republic of Indonesia). One of the efforts to maintain the integrity of NKRI was that governmental structure should be centralized. This revision

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idea came from unity, while pluralism of societies was simply accomodated. Common view recognizes that centralized government has become increasingly less popular due to its incapability to appropriately understand local values or sentiments of local aspirations. Public would feel more secure and peaceful with local government closer to them both physically and psychologically (Bonne Rust, 1968). It is assumed that a government closer to its people and more understanding of public needs can be realized only through decentralized government, a government authorized to autonomically govern its local potentials to meet its own need.

Paradigm shift of local government in Indonesia, through several policy instruments of law such as Law No. 5 of 1974, Law No.22 of 1999, Law No. 32 of 2004 on Local Government replaced by Law No.23 of 2014 on Local Government, has changed the status of district from administrative area to working area for local agencies. The change of status would influence the function of services provided by district administration. District administration as a local agency is represented with some authorities from regent/mayor. Without this representative authority, *camat* (head of district) wouldn't be able to administrate the activities legitimately (Wasistiono, 2002: 82).

Considering the job characteristic, district is preferably categorized into rank of line agency or referred as regionality line agency. Activities of camat and staff are operational in nature, 'to do, to act" in providing public service directly. Line agency in district organization are the divisions that define the quality of front line officer, which means that the improvement of quality of human resource at district level should begin from line agency, by providing trainings on technical job as well as its service management (Wasistiono, 2002: 36).

According to Ryaas Rasyid, there are three true functions of government: service, empowerment, and development. The success in achieving government mission can be seen from its capability to deliver those three functions.

Generally, according to Sadu Wasistiono (2002: 44), main obstacles that become the weakness of district in providing public service are including:

1. Conflict of interest between relevant agencies;

2. Lack of personnel resource in district, thus delegation of authority become less effective if not supported by knowledge and skills.
3. Limited facilities and infrastructures, as these are the media to accelerate the delivery of service process.
4. Lack of financial resource, which is one of necessities in the implementation of activities, thus representative of authority is necessarily supported by operational funding.

Considering the past experience on implementation of regional autonomy that prefer the principle of real and responsible autonomy by emphasizing more on autonomy as obligation rather than right, then Law No.22 of 1999 replaced by Law No.32 of 2004 on Local Government has emphasized more on **delegation of authority of autonomy to regency/city** based only on the principle of decentralization in form of extensive, real, and responsible autonomy.

From theory of regional autonomy, Law No.5 of 1974 used **Fused Model** (B. C. Smith). Autonomy of this model incorporates the implementation of decentralization and deconcentration principles within an institution. This can be seen in the case of, for example, administrative area at the level of province that is also autonomous region level I (uniteritorial and unipersonal) and, similarly, administrative area at the level of regency/municipal that is also autonomous region level II.

On the other hand, Law No.22 of 1999 used combined model between **split model** at the level of regency/city and **fused model** at the level of province. With this combined model, deconcentration at the level of regency/city and below has very limited role. Deconcentration principle can only be applied at the level of province, except for five key authorities from central government. This change has obviously influenced the status of district. In Law No.5 of 1974, district is governmental administrative area, while in Law No.22 of 1999, district is working area for camat as the local agency of regency and city" (Article 1 clause m of Law No.22 of 1999).

In Article 1 No. 24 of Law No. 23 of 2014 on Local Government, it is stated that: "District, or in any of its other names, is a part region of regency/city and is headed by a camat". Regency/city establishes district to **improve the coordination in administration, public services, and public empowerment of villages/subdistricts**.

Based on the definition stated above, it is acknowledged that district is not administrative area anymore, thus camat is not a territorial leader with authority as territorial ruler anymore. According to Law No.22/1999 junc to Law No.32/2004, district administration is merely the working area for district head as the local agency, thus the status is approximately equal to other local agencies in the district such as Head of Branch Office, Head of Local Technical Implementation Unit (*Unit Pelaksana Teknis Daerah* (UPTD)). However, camat has the authority for general administrative duties represented by regent/mayor.

Furthermore, in Government Regulation No.41 of 2007, the status of district administration organization is not stated clearly, whether included as staff agency (regional secretariat), line agency (regional office), or local technical agency (institution or offices). Based on the characteristics, district is preferably classified as line agency, specifically referred to as **regional line agency**. This classification is necessary to be distinguished from technical line agency as attached to regional office. As regional line agency, camat's main function is as line agency which is "*to do, to act*", which means that activities by camat and staff are operational in nature, and providing public service directly.

According to its source, authority can be distinguished into two types, attributive and delegated authority. Attributive authority is authority attributed and given to an institution or an official according to law and regulations, while delegated authority is authority derived from delegation of authority from higher institution or official.

In Law No.5 of 1974, camat as territorial leader has attributive authority and also representative authority. Attributive authority of camat as territorial leader is stated in Article 80 and 81 of Law No.5 of 1974, whereas representative authority of camat is derived from higher territorial leader (regent/mayor).

On the other hand, according to Law No.22 of 1999, instead of having attributive authority, camat only has representative authority. This is clearly stated in Article 66 clause (4): "Camat is delegated with some of administrative authority from regent/mayor". Without representative authority from regent/mayor, camat is unable to administer the activities legitimately.

In Article 225 of Law No. 23 of 2014, it is stated that "Camat, as mentioned in Article 224 clause (1) is authorized to:

a. Administer general administrative affairs as mentioned in Article 25 clause (6);
b. Coordinate community empowerment activities;
c. Coordinate the implementation efforts for peace and public order;
d. Coordinate the implementation and enforcement of regional regulations (*Perda*) and regulations of regional leader (*Perkada*);
e. Coordinate the maintenance of facilities and infrastructures for public service;
f. Coordinate the implementation of administrative activities administered by local agencies at districts;
g. Establish and control the implementation of activities in villages and/or subdistricts;
h. Implement administrative affairs under the authority of regency/city that are not implemented by working unit of local agencies of regency/city in districts; and
i. Implement other duties according to law and regulations.

In the previous regulation, Law No.32 of 2004, in addition to delegated authority, camat also has attributive authority to, as stated in Article 126 clause 3, including:

a. Coordinate community empowerment activities;
b. Coordinate the implementation efforts for peace and public order;
c. Coordinate the implementation and enforcement of law and regulations;
d. Coordinate the maintenance of facilities and infrastructures for public service;
e. Coordinate the implementation of administrative activities at district level;
f. Establish the implementation of subdistrict and/or village administration;
g. Provide public services included in its scope of duty and/or unimplemented at subdistrict or village level.

Fundamental changes in the authority of camat from what was stated in Law No. 32 of 2004 to Law No. 23 of 2014 is confirmation on duties of camat in **implementation of general administrative affairs**. General administrative affairs, as stated in Law No. 23 of 2004 Article 25 clause (1), includes:

a. Developing concept of nationalism and national resilience in consolidation of the application of *Pancasila* (The Five Principles), implementation of *UUD 1945* (The

1945 Constitution of Indonesia), preservation of *Bhinneka Tunggal Ika* (concept of Unity in Diversity), as well as maintenance of integrity of *Negara Kesatuan Republik Indonesia* (Unitary State of the Republik of Indonesia).

b. Fostering national unity;
c. Fostering the harmony of intra-ethnic, inter-ethnic, inter-religious, inter-racial, and inter-group relations in order to promote the stability of local, regional, and national security;
d. Handling social conflicts according to law and regulations;
e. Coordinating the implementation of duties between government institutions in the region of province and regency/city to solve any emerging problems by considering principles of democracy, human rights, even distribution, justice, privilege and specialness, potentials and regional diversity according to law and regulations;
f. Promoting democratic life based on *Pancasila*; and
g. Implementing of all administrative affairs that are not under the authority of local government and not implemented by vertical institutions.

The fundamental change in status and authority of district in normative aspect has not been complemented with changes in implementation level. Cianjur regency government, in addressing the change of law and regulations, has enacted several Regional Regulations and Regent Decrees on district administration. The policies enacted are still unable to optimally address the problems in districts. Problems in districts of Cianjur regency can be identified as follow:

1. Unoptimal representative authority from regent to camat. Unfortunately, there isn’t any further action to address this problem by establishment of operational manual and technical manual for each regional technical institution/office, therefore camat and staff are still unable to properly implement the delegated authority;
2. District organizations are not varying, thus irresponsive in providing services due to unoptimal implementation of authority given to camat;
3. Budgeting for districts are not varying and inappropriate with workloads according to aspects of typology;

4. Work system of districts still has not been able to meet public needs due to lack of evaluation on public services;
5. Establishment of districts is not based on aspects of representative authority, population size, area size, and number of subdistrict or village;
6. Lack of perceptual uniformity between local agencies regarding the importance of the delegation of authority from regent to camat in Cianjur regency;
7. Lack of government readiness in preparing camats and staff on the aspect of human resource, both quality and quantity, to be delegated with authority from regent.

Based on several indications stated above, then the problem statement to be questioned about is "How is the typology/classification of districts in Cianjur regency according to Law No. 23 of 2014 and Government Regulation No. 18 of 2014 on Local Agencies?"

Concept Framework

Representative authority from regent/mayor to camat should be based on typology of the district. Typology of district is description of potential capacity and problems in working area of district. Therefore, it is obvious that representative authority from regent/mayor to camat is varying from one district to the other. Delegation of authority from regent/mayor to camat may utilize these two patterns:

1. **Pattern I** : uniform in all districts;
2. **Pattern II** : uniform in certain general authorities in addition to specific authorities according to characteristics of region and population.

With spirit of "diversity in unity" as implied in Law No.22 of 1999, Law No.32 of 2004, and Law No. 23 of 2014 and in order to provide excellent public service, theoritically the representative authority from regent/mayor to camat should apply pattern II. This pattern II would provide service closer to public through principle of "close to the customer", especially when local government did have political desire to to encourage district as service center. For that reason, it is necessary to classify and select the types of service to delegate to camat according to typology of each district. Through varying representative authority according to objective condition of the district, these advanced strategic steps can be taken:

1) Reorganization of the work system of district administration according to its characteristic and typology;
2) Estimation of minimum budget for each district;
3) Estimation of necessary supporting facilities and infrastructures;
4) Resetting of territorial border between districts, if necessary, by using the approach of service to replace the approach of administrative area;
5) Resetting of which administrative authorities to delegate to camat so that district can be more empowered.

The success of Cianjur regency government to provide public service depends on, one of them, the accuracy in territorial planning of district and subdistrict/village. The accuracy of territorial planning is influenced by many variables such as population size, number and types of authority, area size/regional characteristics, and number of subdistricts/villages. By measurement and evaluation on those variables, typology of district can be defined and then made as the guide to reorganize the work system of district as well as to estimate minimum budget according to workload and responsibility of each district.

For the purpose of convenience, varying districts are classified according to the characteristic of population and region, and the typology is defined as well to specify the weight for each classification. According to Law No. 23 of 2014 Article 223 clause (2), district typology is defined by these 3 variables:

1. Population size;
2. Area size;
3. Number of villages/subdistricts.

According to Government Regulation No. 18 of 2016 on Local Agencies, it is defined by these 2 variables:

1. General variable
2. Tehcnical variable

And based on academic opinion, these 5 variables are used to define the typology of district:

1. Population size;
2. Area size;
3. Number of villages/subdistricts;
4. Social characteristics;
5. Regional characteristics.

From variables above, there are at least two types of district:

1) Type A, which is district with heavy workload;
2) Type B, which is district with light workload;
3) The typology can change according to the development of organization in adaptation with environment and its authority. Therefore, it is necessary to have review periodically, such as every 3-4 years, or incidentally according to any changes on its authority.

<u>Reorganization of the Work System of District Administration</u>

To achieve organizational goal, it is essential to have effective work system. Organization is considered as goal pursuer, thus key element for organization to success is system that support the smoothness of task implementation. The system is established by considering feedback and scope of control in it, enabling continuous monitoring of activities. This feedback is used to keep the system on track by identifying any deviation thus fixing it. The system consciously coordinates the activities of several components directed to achieve the goal together and to reduce or avoid any overlap between those components. In other words, according to perspective of system, organization is the concentration of attention directed toward multiple components of organization, as well as the synergy between those components.

Organization of district is one of local agencies consisting of interrelated and mutually cooperating components in order to achieve organizational goal. Organization of district in administering activities is based on Law No. 23 of 2014 on Local Government and Government Regulation No. 18 of 2016 on Local Agencies, as well as Government Regulation No. 19 of 2008. Reorganization of work system of district is based on the typology of each district and refers to prevailing law and regulations, namely Law o. 23 of 2014 and Government Regulation No. 18 of 2016 on Local Agencies.

The reorganization of work system of district is preceded by considering the typology of the district to see the characteristics thus able to identify the need as well as influential factors in order to achieve the goal.

Estimation of Minimum Budget for District

Every organization requires budget support for administering duties, and so does district organization. As local agency, budget for district derives from regency local budget (*APBD*). In general, for ease of calculation, budget was made uniform for all districts. This approach should be left behind, because of irrational and unfair. Regency should make budget formulation for districts according to local financial capability as well as **other determinant variables**in addition to variables used in definition of typology above, such as:

1. Extent of authority given;
2. Types and number of public service;
3. Regional characteristic, such as agriculture, commerce and service as well as industry

For the purpose of convenience, there are three categories of budget for district:

1. Category A, highest category given to district with high workload;
2. Category B, given to district with low workload.

With such categorization, minimum budget for each district will be more proportional and fair. Meanwhile, development budget will depend on priority scale determined by regency/city and local parliament (*DPRD*).

Theoretically, minimum number of personnel needed by each type of district would depend on the extent of district organization. The bigger the structure of organization, the more personnel needed. This depends on the workload within certain period divided with average ability of personnel in finishing the work. In general, local government still haven't had personnel competency standard, thus the number of personnel for each Local Government Agency (*SKPD*) has been rarely allocated proportionally. Each type of district requires different qualities and technical competencies due to different problems and challenges. For example, district with mountainous or plantation characteristic would require personnel with specific competencies in that field, because it is in that field that community need service more. And thus for district with coastal characteristic would require personnel with technical competencies specified in fisheries and maritime-related field. Only by this way, local potentials of the district can be promoted optimally and eventually will lead to improvement of community welfare. In the practice, up to today, it seems that the allocation uses the easy way, by which only using the approach of average number (regarding the the number of personnel) and irrelevant placement of personnel with their technical competencies (quality).

Considering incomplete technical competency standard for personnel, distributive approach can be implemented by: (1) allocating same number of personnel for same type of district, (2) allocating personnel with specific technical qualification for districts with different potential and geographical characteristic accordingly, and (3) considering the types and number of livelihood, because to some extent it represents GDP (or *PDRB* in Indonesia) of the district, while GDP of the district represents the types and number of services expected by public.

Research Method

Approach used in this study was application model of policy in assessment and evaluation of the typological pattern of district. The population was all 32 districts in Cianjur regency. Sampling techniques used was saturated sampling, and analysis units as the objects of study were units of organization, namely camat's office, and individuals including:

1. Camat (head of district)
2. Officials of district related with impelementation of district administration system and procedures.

Identification of variables was based on agreement, as well as by literature study, direct observation on-site, and discussion with stakeholders. Operationalization of variables, such as to define the workload of camat, is to determine the typology or classification of districts in Cianjur regency by using 3 models:

Model I : This study uses these 3 variables as stated in Law No. 23 of 2014 Article 223 clause (2):

1. Population size;
2. Area size;
3. Number villages/subdistricts.

Model II : This study uses these 2 variables as stated in Government Regulation No. 18 of 2016 on Local Agencies:

1. General variables;
2. Technical variables.

Model III : This study uses these 3 variables as proposed by academic opinion:

1. Population size;
2. Area size;
3. Number villages/subdistricts;
4. Social characteristics;
5. Regional characteristics.

Then, each variable in Model III was elaborated into these subvariables:

1. Population size, measured by these indicators:
   a. Population size;
   b. Number of head of household.
2. Area size, measured by these indicators:
   a. Area size;
   b. *Orbitasi*.
3. Number of villages/subdistricts, measured by these indicators:
   a. Number of villages/subdistricts;
   b. Number of wards (or *RW* in Indonesian).
4. Social characteristics, measured by these indicators:
   a. People with social welfare issues (*Penyandang Masalah Kesejahteraan Sosial* (*PMKS*));
   b. Criminality;
   c. Coaching of street vendors (*PKL*);
   d. Poor people.
5. Regional characteristics, measured by these indicators:
   a. Transportation;

b. Communication;
c. Economy;
d. Availability of basic services.

Meanwhile, for variables of Model II from Government Regulation No. 18 of 2016 on Local Agencies, they were elaborated into these subvariables:

1. General variables:
   1.1. Population size in the regency
   1.2. Area size of the regency
   1.3. Amount of Local Budget (*APBD*) of the regency
2. Technical variables:
   2.1. Area size of the district
   2.2. Number of villages/subdistricts
   2.3. Population size of the district

Data collection techniques used for this typology study of districts were:

1. Document study, that is activities to collect data derived from documents, rules, and other relevant references in the field of study;
2. Questionnaire, that is activities to collect data by spreading list of questions according to field of the study;
3. Interview, that is activities to collec data by direct communication with parties that are competent and aware on the problems being studied.

Evaluation method used was scoring system with extraction method, namely the method of average score that consider data distribution, where each variables or indicators consist of 3 categories: score 1 for the lowest, score 2 for medium, and score 3 for the highest. In weighing the variables, it was assumed that every variables have different weight according to the role they carry in the implementation of administration, development, and sociality. In Law No. 23 of 2014 on Local Government, Article 223 clause (2), it is stated that workload of district that will determine the classification of the district into Type A or B is based on **population size**, **area size**, and **number of villages/subdistricts**.

Defining of classification or typology refers to Law No. 23 of 2014 by considering those 3 variables. In the discussion on Typology of District with all camats in Cianjur regency, it was aggreed that defining of typology of district in Cianjur regency, in addition to variables of population size, area size, and number of villages/subdistricts, it is necessary to also consider variables of **social characteristics** and **regional characteristics**. It was argued that both variables also affect the workload of camats in implementing their duties. Based on the agreement with all camats, then typology/classification of district in Cianjur regency were defined by 3 models:

1. Model I: Study to define the typology/classification of district according to Law No. 23 of 2014 on Local Government, Article 223 clause (2), which the classification of district is based on **population size**, **area size**, and **number of villages/subdistricts**. Weight for each variables is that population size is 40%, area size is 35%, and number of villages/subdistricts is 25%.
2. Model II: Study to define the typology/classification of district according to Government Regulation No. 18 of 2016. Criteria for typology of Local Agencies to define the type is based on these variables:
   a. General variables have weight of 20%; and
   b. Technical variables have weight of 80%.
3. Model III: Study to define the typology/classification of district based on academic opinion and conformed to Law No. 23 of 2014 on Local Government, Article 223 clause (2), by which classification of district is based on population size, area size, and number of villages/subdistricts and added with consideration of local characteristics consisting of: **Social characteristics** of the district, measured from: 1) People with social welfare issues, 2) Criminality, 3) Coaching of street vendors, 4) Number of poor people; and **Regional characteristics**, measured from: 1) Transportation, 2) Communication, 3) Economy, and 4) Availability of basic services. As for weight for each variables are:
   a. Population size : 25%
   b. Area size : 20%
   c. Number of villages/subdistricts : 10%
   d. Social characteristics : 25%

e. Regional characteristics : 20%

According to the purpose to achieve in this study, types of data collected in the survey were quantitative and qualitative. Quantitative data is about quantitative number that describe the information on typology of district. The data would explain about effectiveness level of authority delegation from regent to camat and its implications to organizational structuring and budgeting of district, as well as to performance evaluation of district organization. For qualitative data, most past of it was obtained by questionnaire. It was processed based on grouping of the tendency of respondents' qualitative response. The data was collected and processed by various softwares. Before analysis on the problems being studied and data collected, there was grouping of data by data compilation. In data compilation, the collected data was presented in various classification and displays for readability purpose. Main source for the data was the result of *need assessment* from district. Analysis methods used were: (a) Descriptive method, and (b) Analysis based on different weight of importance according to the role in implementation of administration and implications to organizational structuring and budgeting of district, as well as performance evaluation of district organization.

Table Category of Evaluation for Model I

No	Variabel	Weight	Low score	Medium score	High score	Total low scores	Total medium scores	Total high scores
1.	Population size	40%	100	200	300	40	80	120
2.	Area size	35%	100	200	300	30	60	90
3.	Number of villages/ subdistricts	25%	100	200	300	30	60	90
	Total					100	200	300

According to table above, scoring for typology of districts in Cianjur regency is based on 3 variables. Law No. 23 of 2014 on Local Government Article 223 clause (1) classifies district into 2 types: Type A and B. Scoring and weighing of all districts will be grouped into those 2 types:

1. Type A, that is district with score above average or within interval score of 200 ≤ TS ≤ 300
2. Type B, that is district with score below average or with interval score of 100 ≤ TS ≤ 199.

As for score interval, it was obtain by subtracting the total maximum number subtracted with total minimum number and then dividing it into 3 parts as follow:

$$Range = \frac{Total\ maximum\ score - total\ minimum\ score}{2}$$

$$Range = \frac{300 - 100}{2}$$

$$Range = 100$$

A district would be categorized into Type A if the accumulation of total score in each variables multiplied with the weight of each variable has total at least 200, and a district would be categorized into Type B if the accumulation of total score in each variables multiplied with the weight of each variable has total at least 100 and at most 199. Measurement on Model II is based on Government Regulation No. 18 of 2016 Article 53 clause (4), by which typology of district is defined according to calculation result of the score of both general and technical variables, and thus typology of district is grouped into 2 types:

a. Type A, if the score calculation of the variables is more than 600; and
b. Type B, if the score calculation of the variables is less than or equal to 600.

Table Criteria of General Variables for Model II

No	Indicators&Interval classes	Scale of Score	Weight (%)	Score
1	Population size (people)		10	
	a. ≤ 100,000	200		20
	b. 100,001 – 200,000	400		40
	c. 200,001 – 500,000	600		60
	d. 500,000 –1,000,000	800		80
	e. > 1,000,000	1,000		100
2	Area size (km^2)		5	
	a. ≤ 150	200		10
	b. 151 – 300	400		20

	c. 301 – 450	600		30
	d. 451 –600	800		40
	e. > 600	1,000		50
3	Amount of Local Budget (Rp)		5	
	a. ≤ 250,000,000,000	200		10
	b. 250,000,000,001 - 500,000,000,000	400		20
	c. 500,000,000,001 – 750,000,000,000	600		30
	d. 750,000,000,001 – 1,000,000,000,000	800		40
	e. > 1,000,000,000,000	1,000		50
	Total		**20**	

Table Criteria of Technical Variables for Model II

No	Indicators&Interval classes	Scale of Score	Weight (%)	Score
1	Area size of district (km^2)		20	
	a. ≤ 5	200		40
	b. 6 – 10	400		80
	c. 11 – 50	600		120
	d. 51 – 100	800		160
	e. > 100	1,000		200
2	Number of villages/subdistrict (or equivalent)		35	
	a. ≤ 5	200		70
	b. 6 – 10	400		140
	c. 11 – 15	600		210
	d. 16 – 20	800		280
	e. >20	1,000		350
3	Population size of district		25	
	a. ≤ 2,500	200		50
	b. 2,501 – 5,000	400		100
	c. 5,001 – 10,000	600		150
	d. 10,001 – 15,000	800		200
	e. > 15,000	1,000		250
	Total		**80**	

Based on standard for scoring in table above, calculation of variables of typology is score of general variables added with score of technical variables, thus classification of the type of district can be briefly stated as follow:

Table Category of Evaluation for Model II

No	Interval of total score	Evaluation Category	Typology of District
1.	TS > 600	High/heavy workload	Type A
2.	TS < 600	Low workload	Type B

In the measurement on Model III, weighing of each variables and subvariables is based on agreement of each respondents then accumulated to obtain weight of variables and indicators.

Table Classification of Variables and Indicators

Based on Weight and Sub-Weight

No	Variables	Indicators		Weight
1.	Population size	1.	Population size	25%
		2.	Number of head of household	
2.	Area size	1.	Area size	20%
		2.	*Orbitasi*	
3.	Number of villages/ subdistricts	1.	Number of villages/subdistricts	10%
		2.	Number of wards	
4.	Social characteristics	1.	*PMKS*	25%
		2.	Criminality	
		3.	Coaching of street vendors	
		4.	Number of poor people	
5.	Regional characteristics	1.	Transportation	20%
		2.	Communication	
		3.	Economy	
		4.	Basic services	
		Total		**100%**

Based on standard for scoring in table above, then classification of the type of district can be briefly stated as follow:

Table Category of Evaluation for Model III

No	Interval of total score	Evaluation Category	Typology of District
1.	200 ≤ TS ≤ 300	High/heavy workload	Type A
2.	100 ≤ TS ≤ 199	Low workload	Type B

Results

Based on explanation in previous section about the study on typology of district in Cianjur regency, it can be concluded that:

1. Study on typology of district carried out in Cianjur Regency was to assess workload of camat in implementation of main duties and functions in daily basis instead of to question whether a district was good or bad, or developed or not. The establishment of this typology of district was unlike any other establishment in other districts depending on the aim and purposes. Even if it was the same, then the aim would depend on each regional policies, geographical conditions, and dynamics of the society.Study on typology of district in Cianjur regency used 3 models. Model I was to assess typology of district by using these 3 variables as enacted in Law No. 23 of 2014: population size, area size, and number of villages/subdistricts, Model II was to assess typology of district by using general and technical variables as enacted in Government Regulation No. 18 of 2016 on Local Agencies, and Model III was to assess typology of district by using 5 variables with specific weight and sub-weight of importance according to opinion and agreement with respondents. Those 5 variables are population size, area aize, number of villages/subdistricts, potential areas, and number of communication and transportation facilities.
2. Based on assessment by **Model I** on 3 variables regarding typology of district, there were 2 types of district: Type A and B. There were 11 districts of type A, and 21 districts of type B.

Districts included as Typology A (7 districts)

No.	Districts	Score interval	Score
1.	Cibeber	200 ≤ TS ≤ 300	300
2.	Cibinong		300
3.	Cidaun		300
4.	Agrabinta		250
5.	Campaka		250
6.	Cikadu		250
7.	Sukanagara		250
8.	Cugenang		230
9.	Cikalong kulon		220
10.	Leles		220
11.	Pagelaran		220

Districts included as Typology B (21 districts)

No.	Districts	Score interval	Score
1.	Bojong picung	100 ≤ TS ≤ 199	180
2.	Cianjur		180
3.	Cilaku		180
4.	Ciranjang		180
5.	Campaka mulya		180
6.	Naringgul		170
7.	Pasirkuda		170
8.	Sindang barang		170
9.	Takokak		170
10.	Karang tengah		150
11.	Kadu pandak		150
12.	Mande		150
13.	Tanggeung		150
14.	Cijati		100
15.	Cipanas		100
16.	Gekbrong		100
17.	Haurwangi		100
18.	Pacet		100
19.	Sukaluyu		100
20.	Sukaresmi		100
21.	Warungkondang		100

3. Based on assessment by **Model III**, from the score calculation on 2 variables of general and technical according to Government Regulation No. 18 of 2016 on Local Agencies, it showed that all districts in Cianjur regency fall under category

of Type A and none of them falls under category of Type B. For better display, see table below:

Typology of Districts in Cianjur Regency

by Model II according to Government Regulation No. 18 of 2016

No.	District	Area size	Score	Number of vil/subdis	Score	Population size	Score	Total score of technical factors	Total score of general factors	Total scores	Type
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11 (9+10)**	**12**
1.	Agrabinta	192,65	200	11	210	33.139	250	**660**	**200**	**860**	**A**
2.	Bojongpicung	88,34	160	11	210	85.334	250	**620**	**200**	**820**	**A**
3.	Cianjur	26,15	120	11	210	186.008	250	**580**	**200**	**780**	**A**
4.	Cibeber	124,73	200	18	280	146.087	250	**730**	**200**	**930**	**A**
5.	Cilaku	52,53	160	10	140	121.198	250	**550**	**200**	**750**	**A**
6.	Ciranjang	34,81	120	9	140	84.932	250	**510**	**200**	**710**	**A**
7.	Cugenang	76,15	160	16	280	85.236	250	**690**	**200**	**890**	**A**
8.	Cikalongkulon	144,02	200	18	280	80.404	250	**730**	**200**	**930**	**A**
9.	Campaka	143,75	200	11	210	50.172	250	**660**	**200**	**860**	**A**
10.	Cibinong	235,48	200	14	210	50.472	250	**660**	**200**	**860**	**A**
11.	Cidaun	295,51	200	14	210	55.992	250	**660**	**200**	**860**	**A**
12.	Campakamulya	74,27	160	5	70	21.526	250	**480**	**200**	**680**	**A**
13.	Cikadu	188,66	200	10	140	35.177	250	**590**	**200**	**790**	**A**
14.	Cijati	49,02	120	10	140	29.436	250	**510**	**200**	**710**	**A**
15.	Cipanas	67,28	160	7	140	97.945	250	**550**	**200**	**750**	**A**
16.	Gekbrong	50,77	160	8	140	52.015	250	**550**	**200**	**750**	**A**
17.	Haurwangi	46,18	120	8	140	60.962	250	**510**	**200**	**710**	**A**
18.	Karangtengah	48,53	120	16	280	151.255	250	**650**	**200**	**850**	**A**
19.	Kadupandak	104,41	200	14	210	40.018	250	**660**	**200**	**860**	**A**
20.	Leles	114,32	200	12	210	29.066	250	**660**	**200**	**860**	**A**
21.	Mande	98,79	160	12	210	82.469	250	**620**	**200**	**820**	**A**
22.	Naringgul	281,32	200	11	210	38.928	250	**660**	**200**	**860**	**a**

Where:

Typology of District based on Article 53 clause (4) of Government Regulation No. 18 of 2016

Typology A > 600

Typology B ≤ 600

4. Based assessment by **Model III** on 5 variables for typology of district: population size, area size, number of villages/subdistricts, potential areas, and number of communication and transportation facilities, there were 2 types of district: Type A and B. There were 10 districts of Type A and 22 districts of Type B.

Table

Districts included as Type A (10 Districts)

No.	Districts	Score Interval	Score
1.	Cibeber	200 ≤ TS ≤ 300	260
2.	Cilaku		240
3.	Ciranjang		200
4.	Cugenang		260
5.	Cikalong kulon		210
6.	Campaka		240
7.	Cibinong		210
8.	Cidaun		210
9.	Campaka mulya		240
10.	Cikadu		230

Districts included as Type B (22 Districts)

No.	Districts	Score Interval	Score
1.	Agrabinta	100 ≤ TS ≤ 199	190
2.	Bojong picung		150
3.	Cianjur		150
4.	Cijati		120
5.	Cipanas		150
6.	Gekbrong		100
7.	Haurwangi		120
8.	Karang tengah		160
9.	Kadu pandak		120
10.	Leles		160

11.	Mande	140
12.	Naringgul	190
13.	Pacet	120
14.	Pagelaran	160
15.	Pasirkuda	140
16.	Sukaluyu	100
17.	Sukaresmi	100
18.	Sukanagara	190
19.	Sindang barang	140
20.	Takokak	140
21.	Tanggeung	120
22.	Warung kondang	100

5. Organizational structuring of district according to Government Regulation No. 18 of 2016 on Local Agencies are as follow:
   a. District of Type A, consists of 1 secretariat with 2 subdivisions, and maximum 5 sections, with organizational structure as follow:
      1) Camat;
      2) Secretary of camat, supervising:
         a) Subdivision of General and Personnel Affairs;
         b) Subdivision of Planning and Finance.
      3) Section of Governmental Affairs;
      4) Section of Peace and Order;
      5) Section of Economy and Development;
      6) Section of Sociality;
      7) Section of Population;
      8) Group of Functional Positions.
   b. District of Type B, consists of 1 subdivision of administration, and maximum 4 sections, with organizational structure as follow:
      1) Camat;
      2) Subdivision of Administration;
      3) Section of Governmental Affairs;
      4) Section of Peace and Order;
      5) Section of Economy and Development;

6) Section of Population and Sociality;

7) Group of Functional Positions.

Recommendation

Based on conclusion above, it is recommended on the typology of district that:

1. Typology of districts in Cianjur regency should be the guide to reorganize and restructure the work system of district gradually and comprehensively according to workload of each district.
2. It is necessary to have further study on optimal reorganization of district, especially on several main problems by considering policies in priority such as by:

   Revision on the substance of the authority of camat. It is necessary to resort and reselect some of the authorities that might be delegated to camat regarding the extent of the authorities and their impacts,

   a. It is especially authority of licensing and recommendation within the scope of district
   b. Restructuring the organization, which is by establishing the organizational structure according to the typology and mapping the functional positions to be occupied by related personnel.
   c. Reorganization of personnel, which is by considering the typology and without disregarding the quality and the quantity, including tour of study of camat and staff.
   d. Reorganization of logistics, facilities and infrastructures, which is by giving priority to districts with heavy workload.
   e. Rebudgeting, which is by reestimating the amount of budget according to typology of district. Districts with heavy workload should be provided with more budget than districts with less workload.

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