

Intermestic Learning in Indonesian Decentralization Policy Change: A Capillarity Process

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Abstract

This study aims to understand the process of Indonesian decentralization policy change in 1999 as an interplay of international and domestic (intermestic) ideas and actors. It shows the importance of discourse role in the policy change process that across political domain. Eventually, domestic and international dichotomy in the process of policy change are not applicable due to the thatched ideas and actors who bring a certain discourse and influence the learning process. Because of the learning process was involving international and domestic actors, the process of learning in policy change is referred to as intermestic learning.

Keywords: policy change, discourse, intermestic learning, capillarity process

1. Introduction

In the policy study, policy change process tends to be studied as a domestic matter. It's all about domestic orientation, by domestic actors and in a domestic scope. But there are many similarity time and characters of policy change in the world, such as democratization waves (Huntington) and decentralization waves (Conyers, 1983; Rondinelly, 2007), etc, moreover in globalization era as a borderless world. So, there is a theoretical challenge to the policy study in the term of the process of policy change.

As well as in examines, the problem of Indonesian decentralization policy change process in 1999, it often studied as respond to domestic political dynamic: respon to separatism movement (Turner and Podger, 2003), the result of local capitalist class struggle (Lane, 2013), respon to dissatisfaction of local government (Aspinall & Fealy, 2003), and decentralization as reducing the central state burden (Rasyid, 2004; Haris, 2007, Simanjuntak, 2004, Shah et al, 1994). In another way, decentralization policy change in Indonesia seen as international pressure (debt trap): Schmidt, 1989; Abrahamsen, 2000; Hadiz, 2004; Said, 2005.

Thus the paradigm of local government system changed fundamentally and called "big bang" (The World Bank Report, 1999). The government system has changed from hierarchical to participatory (Una, 2004) and from executive heavy to legislative heavy (Sarundajang, 2005). Actually, the idea of decentralization has been exist in Indonesia indeed since its independence. There was a debate in formatting state system, between decentralization vs centralization. Therefore some regulations of local government tends to decentralization (UU 22/1948, UU 1/1957). But, in the New Order era, Indonesia become a centralistic state in more than 30 years for stabilizing development. Even in early 1990s there are some efforts supported by academicians, NGOs/INGOs activists, and donors to ask participation room and division of authority between central and local government to reduce the desire of separatism. Interestingly. In that decade decentralization has become a trending global idea because most developed and developing countries changed to be more decentralized. The question is, **"How the interplay of international and domestic influence in the Indonesian decentralization policy change in 1999?"**

2. Material and Method

a. The Metodology

Theoretically, there are three approaches in the policy change process: domestic, international, and transnational. In the domestic approach, policy change is about domestic interest, domestic actors, and in domestic scope. As examples in this approach are Institutional model which institutional interest base, rational model which individual interest base, pluralis model which group interest base, and advocacy coalition model which belief system base. Slightly different with other models in domestic approaches, advocacy coalition model describe policy change process as continuous learning among two or more advocacy coalitions in the domestic sub-system who have different policy idea base on their policy belief. They try to influence the process of policy change to fit their policy belief and with their resources. So the process of policy change is not only political but also cognitive process. In the international approach, policy change described as external interest and involving international actors, i.e more developed countries, international donors, and international organizations. As examples in this approaches are neorealis (systemic) model, global preferences (liberalis) model, and structuralis model. And last but not least, in the transnational approach, discourse/idea/knowledge and transnational actors have the main role in the policy change process. As examples in this approach are network model, epistemic community model, constructivis model, and deliberative model. In the globalization era, the transnational approach is more valuable to explain the complexity of policy change process because of the borderless world. However, some models in transnational approach are not clearly enough to explain how the interplay of international and domestic influence in the process of policy change. Therefore author will use an alternative model to analysis the borderless phenomenon in the process of policy change. The position of the alternative model can be seen in the table below.

Table 1. Approaches in the policy change process

Variables Model	Actors/ Level of Analysis (Who)	Policy Change Process (How)	Influencing Factors (Why)
Domestic Approach			
Institutionalis	State/Institution	Black Box/Decision Making	National/Institution Interest
Rational Actor	Individual	Cost and Benefit Calculation	Individual Interest
Pluralis	Groups	Bargaining/Policy Making	Group Interest
Advocacy Coalition	Advocacy Coalitions in the Domestic Subsystem	Political and Cognitive Process/Learning	Believe System/Discourse/Idea/Knowledge
International Approach			
Neorealis (systemic)	Great Countries	Conflict	Great Countries Interest
Global Preferences (Liberalis)	International Organizations	Cooperation/Consensus	International Organization Interest

Structuralis	Global Class	Conflict (Exploitation)	Hegemonic Class
Transnational Approach			
Network	Domestic and International Actors	Conflict or Cooperation	Network interest
Epistemic Community	Domestic and International Actors	Learning or Hegemonic	Idea/knowledge
Constructivis	Domestic and International Actors	Contruction or Deconstruction	Global Norms
Deliberative	Domestic and International Actors	Deliberative or Social Communication	Discourse or Counter Discourse
Intermestic (Proposed Model)	Advocacy Coalitions and Epistemic Community Networks in the Domestic and International Subsystem	Political and Cognitive (Learning) Process	Believe System/Discourse/Idea/Knowledge

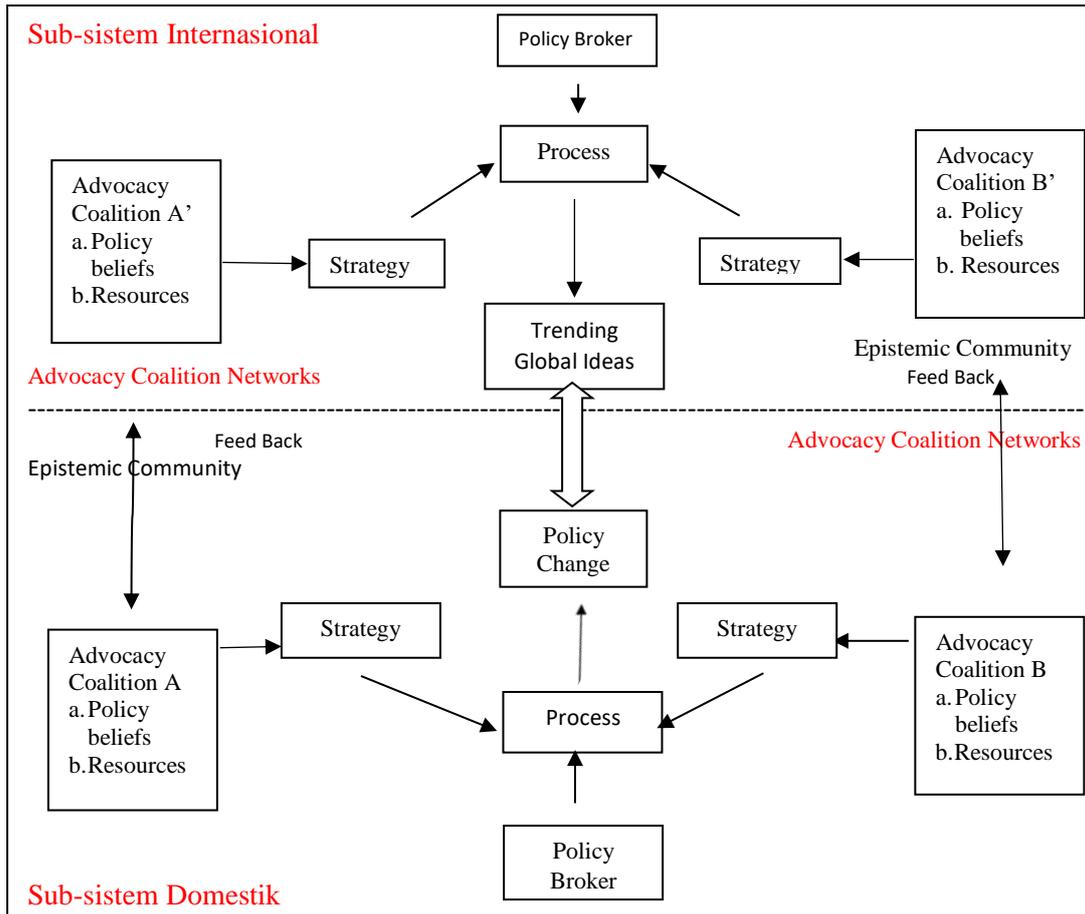
Source: processed by author

b. Alternative Framework for Analysing Policy Change Process: Intermestic Model

As consequence of globalization, the movement of ideas and actors which increasingly cross-border have main role in the policy change process and provide opportunities for the establishment of the networks of actors who have the same policy beliefs. Domestic advocacy coalitions who fought the decentralization policy idea will be more easily to make networks with international donors or international NGOs who support the same idea and make a transnational advocacy coalitions networks. With their resources and policy beliefs they influence the process of policy change in a way to social learning that intermestic. Social learning entails lessons about the social construction of policy problems, the scope of policy, or policy goals (May, 1992).

Thus, to explain the Indonesian decentralization policy change process in 1999 that's borderless, the author use an alternative framework that consist of two main concepts; the modified of Advocacy Coalition Framework (Sabatier and Jenkins Smith, 1993) and Epistemic Community (Haas, 2002). The modification of advocacy coalition framework help author to understand the mapping of the pro cons of the decentralization discourse in te domestic and international sphere as well as their networks and the social learning that they did. While the epistemic community have main role to strengthen the discourse/ideas that the networks brought to influence the policy change process. It describes in this table bellow.

Table 2: The Intermestic Model of Policy Process



Source: Modification of the subsystem of Advocacy Coalition Framework from Sabatier, Paul A & Jenkins-Smith.1993. Policy Change and Learning: An Advocacy Coalition Approach. Boulder: Westview Press.

In this study, author use qualitative method and build argumentations by discourse analysis. The explanation of result and discuccon will be managed in some parts:

- Part one, decentralization as a global discourse.
- Part two, the intermestic learning process of policy change in Indonesian decentralization policy.
- Part three, the crisis and policy change.

3. Result and Discussion

As a discourse, decentralization inevitably raises a variety of interpretations, perspectives, approaches, etc. which can lead to the seizure of a claim on the authority in a discursive process. Generally, there are 3 interpretations of decentralization discourse, i.e adminstrative decentralization, political decentralization, and economic decentralization. Administrative decentralization is often called deconcentration that based on the efficiency of public services. Decentralization in this form was seen just rhetoric and closer to centralization. While political decentralization is often called devolution. In this form decentralization is in line with democratic principles, so participation and delegation of power from central to local government is more important. Then economic decentralization describe about the importance of market economy, so government has role to realize market efficiency.

In Indonesia, centralization vs decentralization is the one of great debates since colonial era [8]. Belanda has introduced decentralization idea in 1903 and 1922. From historical experience of Indonesia since the independence era, although the character of governance policy is decentralization, but in its implementation the portion of the decentralization policy has never been greater than centralization. Moreover in the New Order, although the idea of governance as outlined in Law No. 5 of 1974 is intended to accommodate the principal of democracy for development as a global trending idea in the 1970s [9], but practically the central and local government relations are very centralistic because the priority only in administrative decentralization.

In the New Order era, the position of the central government is very strong. This is not only because the government has been succeed to quell sparatism movements in some regions that arised, but also because of the oil boom that strengthen the financial resources of the State. So, the central government role in the development was not only as a facilitator of development, even organize, finance and control throughout the planning and implementation of development in the national and regional levels. The central government seemed to be "Santa Claus" for the regions because the regions can only meet 30% -40% of the overall expenditure needs of local or regional routine. This situation assessed by a group of pro-decentralization makes it very inefficient because subsidies larger center than the region's own local revenues and the area became more helpless.

In the late 1980s, the debate of centralism vs decentralism in Indonesia became a hot issue because although political stability can be maintained by the central government but the stability of the economy began to falter due to falling oil and gas prices on the international market. This phenomenon end the oil boom that affect the modality of development process in Indonesia. Therefore, the idea on the need for decentralization in the management of national development amid global changes that reduce the sources of state revenue from oil and gas sector while the debt burden increased sharply (Nasution, 1989). This idea was brought and shared by economist, scientists administration, as well as political and government scientist, either individually and through their professional organization such as ISEI, PERSADI, MIPI, etc. The sharing idea was through seminars, workshops, and assistancies to the governments until the mid of 1990s. Moreover there was a global trend idea about reinventing government from the new of public manajement (David Osborne and Peter Plastrik, 1997). So, because of declining government revenues from the oil sector affect the government's ability to finance the development and the the popularity idea of reinventing government in that time make the government began to accept the idea of participation in the development process from the private sectors.

At the same time donors provide aid and funds directly to INGOs / NGOs in Indonesia as well as promoting the involvement of NGOs in the implementation of development, particularly programs aimed at the poor. As a result, hundreds of NGO-oriented development in the 1980s was formed, not only in Jakarta but also in the provincial capital and district (Ibrahim, 1991). It is called as the "decade of advocacy and networking" (Mahasin, 1989). The NGOs in the 1980s also did intensive interaction with the international NGO to form networks and coalitions to improve the bargaining position of the government. The networks formed at the national or local level, even internationally as INGI (International NGO Forum on Indonesian) which in 1992 was changed to INFID (International NGO Form on Indonesian Development), and PDF (Participatori Development Forum) (Suharko, 2005).

Although in the mid of 1990s there are consensus that decentralization is important to realize in Indonesia, however the next debate is what decentralization form?

Administrative, political, or economic as priority? Each discourse supported by epistemic communities of administrative, political, and economy that all based on scientific argumentation.

In 1997, Indonesia hit by economic and political crisis. The crisis dropped the New Order regime and presented the reform regime with all its fundamental changes, including the decentralization policy in 1999. Decentralization law No. 22/1999 contains 134 articles and replaced the previous Law No. 5/1974 was found no longer suitable for the present situation. It is also includes 19 articles regarding village government regulation as an amendment to village law No. 5/1979. The government also established Law No. 25/1999 on Fiscal Balance contains 33 articles dealing with the fundamentals of new local government financing. In 2000 the central government set up four stages of the implementation of decentralization, such as initiation stage in 1999-2001; installation stage in 2001-2003; consolidation stage 2003-2007; and application stage on 2007-onward.

The crisis and fall of the centralization New Order appeared the opportunity of strengthening of political decentralization as a solution for Indonesia in reform era. MPR in the last session brought in the issue just a few days after Soeharto's resignation. The Assembly decided that implementation of the previous decentralization program did not reflect the essence of local autonomy policy as mandated in the Basic Constitution, UUD 1945, especially article 18. The previous government failed to meet decentralization agenda. The MPR urged the new government of Habibie to begin with the new system. And then Habibie formed Team 7, which consists of political scientists that most graduates the US to form a system of local governance. contents of this policy is very different because it leads to participation and the division of authority between the central and local government as priority.

Although political process of policy change started in 1998, but according to author the learning process of policy change which engaged some advisers including international donors and INGOs actually has been persisted, even since the late 1980s as described previously. They were urging the government to end centralised policies, insisting that the dependency of local government created by centralization and uniformism had resulted in poor service delivery to the people and neglecting of the regions. In more a decade, idea of decentralization has been shared in many forums and assistances among liberal epistemic which supported decentralization idea.

4. Conclusion

The policy change of decentralization policy in Indonesia consists of two processes, political and intermestic learning. The intermestic learning involving epistemic communities and transnational advocacy coalition who struggle their belief systems in the policy change process. The prospects for decentralization policy in Indonesia could only be bright if the central government is willing to strengthen its endorsement to decentralization discourse, maintaining the commitment to supervise implementation, and correcting some of its unnecessary and improper decisions and consistently preparing all regulations and technical guidelines for local governance. By all means, the role of idea that brought by International donors, INGOs, NGOs, academicians, politicians, and journalist are very important in guarding the idea reformation in Indonesia decentralization policy. This can be analogous to the process of capillarity in physics where liquid can seep through certain media so that it moves from one vessel to another. The process of capillarity occurs in the process of ideas in a policy change, including in the process of policy change in decentralization in Indonesia after reform.

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