PROBLEMS OF REGIONAL AUTONOMY IN CONTEMPORARY INDONESIA

JOHN D. LEGGE

INTERIM REPORTS SERIES

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Southeast Asia Program
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A Note Concerning the *Interim Reports Series*

One of the distressing aspects of contemporary scholarship is the substantial interval that often intervenes between the completion of field research and the first appearance of writings descriptive of its findings. American scholarship relating to Indonesia has been no exception, and here this delay has been particularly regrettable inasmuch as the extent of research being undertaken is so limited. With respect to much of the research carried out in post-revolutionary Indonesia there has been a lag of two to three or more years between the termination of field work and the first publication describing its results. From this situation stem a number of unfortunate consequences. Scholars and others having a serious interest in the country, Indonesians as well as Americans, are sometimes required to wait so long before seeing the results of such research that when finally available its importance to them has appreciably diminished. Moreover, because they are kept for so long in the dark as to the course and character of this earlier but as yet unreported work, they frequently are obliged to spend time in unnecessarily laying foundations their predecessors have laid but not yet divulged and in undertaking analysis of data similar to that already collected and analyzed or largely analyzed. Thus all too often contemporary students of Indonesia waste much precious time and effort in duplicating or roughly duplicating what has already been done or is in the process of being completed, instead of utilizing such materials, building on them, and possibly refining them. Parenthetically it might be observed that some of those perfectionists who insist that their name appear in print only when attached to a body of material wherein each word has been given its final polish are deprived of what might well have been healthy and useful criticism by those who would have been interested in reading their work at some earlier stage of its processing. Also this reluctance to publish findings sooner sometimes puzzles Indonesians, because frequently for several years they look in vain for some published account of research for which they smoothed the way or in which they actually participated. Consequently some of them tend to doubt the usefulness of American scholars undertaking research in their country.

The object of the Cornell Modern Indonesia Project's *Interim Reports Series* is to avoid insofar as possible the situation described above. Wherever feasible those undertaking research in connection with our project will prepare preliminary reports concerning salient aspects of their study well before publication of their relatively finished monographs or articles. Our object, then, is to make available in provisional form what we believe to be some of the more important of our findings soon enough to be of maximum usefulness to others engaging in studies relating to Indonesia or having a serious interest in the topics with which our work is concerned. It is our hope that by doing so we will be of help both to interested Indonesians and to students of Indonesia in the United States and other countries. In thus submitting *Interim Reports* for early publication the members of our group will generally be doing so prior to command of all relevant data or before this data has been completely analyzed. Certainly they will be submitting them without having had an opportunity to cast them in finished written form. It should therefore be emphasized that these preliminary reports are to be considered as explicitly tentative and provisional in character. It is our expectation that most of them will be followed by later publications bearing on the same subject of a less tentative and more solid character. We hope that our *Interim Reports* will elicit candid and open criticism from interested persons reading them. For we believe that thereby we will benefit, and that in many cases such criticisms will point the way to better analysis of the data in hand and/or further research on facets of the subject so far not adequately covered. Thus we cordially invite and welcome such criticism. We would appreciate it if those inclined to offer it would write to the author in question, c/o Cornell Modern Indonesia Project, Southeast Asia Program, Department of Far Eastern Studies, Cornell University, Ithaca, New York.

George McT. Kahin
Director

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PROBLEMS OF REGIONAL AUTONOMY

IN CONTEMPORARY INDONESIA

John D. Legge

INTERIM REPORTS SERIES

Modern Indonesia Project
Southeast Asia Program
Department of Far Eastern Studies
Cornell University
Ithaca, New York
1957

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PREFACE

This Interim Report represents the preliminary phase of a study by Dr. John Legge of regional problems and decentralization in Indonesia. While it concerns the same general subject dealt with by Gerald Maryanov in his Interim Report of March 1957 (Decentralization in Indonesia: Legislative Aspects), it is more historical in approach and gives considerably greater emphasis to functional--in contrast to legal--aspects of decentralization. In addition, being based upon later field research, it incorporates more recent data. A second monograph by Dr. Legge based upon further field research is scheduled, with the expectation that it will be published in late 1958 or early 1959. The author of this report holds a Ph.D. in History from Oxford University and is a faculty member of the Department of History at the University of Western Australia.

Ithaca, New York
July 25, 1957

George McT. Kahin
Director

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FOREWORD

The following essay is based in part upon observations made during a six months' visit to Indonesia between August 1956 and January 1957. After an initial period of five weeks spent in the Autonomy and Decentralization Division, Ministry of Internal Affairs, visits were made to three provinces--East Java, Central Sumatra and Sulawesi--where, through the courtesy of local officials, facilities were provided for the study of the local government system at all levels. While it is necessary to draw attention to these geographical limitations of the enquiry, the three provinces were deliberately selected as samples with a view to enabling the study of varied and contrasting situations, and the observations made in the paper are couched in general terms. A further qualification must be made. The visits to Central Sumatra and Sulawesi were concluded before the changes of government in those provinces in December 1956 and March 1957. The comments referring specifically to the situations in these provinces have therefore been outstripped by events. It may be assumed, however, that the more permanent problems of local government planning will remain, and it has been thought desirable to describe the situations in the two areas as they were observed, except that some reference to subsequent changes is made in the concluding section of the paper.

As an Interim Report, this paper necessarily raises more questions than it can attempt to answer. The role of political parties in the local sphere, for example, is a subject in itself. In particular, party activities at the kabupaten level must necessarily be of the greatest importance in preparing for the establishment of third-level governments. Again, there is need for more extensive investigation of the role of the pamong pradja in the provisional local government system as it was established under R. I. Law 22 of 1948. The opinions expressed on this point in the following pages are tentative and need further testing. Of more fundamental importance for the whole study is the problem of the innumerable variations in the character of the village throughout the archipelago. The extent to which individual villages may be ready to participate with their neighbors in the establishment of the basic level of local government remains at the moment an open question which can probably be answered only through gradual experiment. But much light could be thrown on the problem by comparative studies in different areas. These questions and others like them can only receive tentative treatment in the following pages.

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I would like to express my thanks to the Carnegie Corporation of New York, the Cornell Modern Indonesia Project and the University of Western Australia for their assistance in making this study possible, and to the officers of the Indonesian Ministry of Internal Affairs who gave active assistance and encouragement to the enquiry.

University of Western Australia
May 1957

John D. Legge

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CHAPTER I

INTRODUCTORY

The circumstances of Indonesia's struggle for independence, and especially the Dutch tactic of attempting to rally support outside Java by pressing for the establishment of a federal state to which sovereignty would be transferred, gave the question of local government in Indonesia a controversial character which it still possesses. The wide variety of regional differences to be found in the archipelago provided Holland with a basis for her claim that only a federal system would meet the needs of the country. To the de facto Republic which had proclaimed its independence from Holland on August 17th, 1945, however, such an argument appeared as an unconvincing disguise for a determination on the part of the Dutch to divide and rule--either to split the nationalist movement apart or, failing that, to retain as much influence as possible by capitalizing on the regional feelings of the Outer Provinces. The Republic, claiming to represent the authentic voice of Indonesia, therefore opposed a federal solution, at first unsuccessfully. When sovereignty was transferred to Indonesia in 1949 it was, in fact, transferred to a federal state--the Republic of the United States of Indonesia--amongst the constituent members of which were the states (negaras) and special regions (daerah istemewa) set up hastily by Holland during the previous years in the areas under her control. The original "Republic of Indonesia," much truncated, was merely one member of the federation. But the ideal of a unitary republic remained an important nationalist aspiration, and within a few months, partly through the process of merging the individual negaras into the old Republic and partly through the decision of the federal parliament itself, the federal state was transformed into the unitary "Republic of Indonesia."

Though the member states of the federal republic thus voluntarily agreed to vote themselves out of existence, the regional feelings which the Dutch had sought to manipulate during the years of revolution were genuine enough, and were not eliminated overnight by the constitutional change. In consequence the new Republic was forced to profess its intention to concede a large measure of regional autonomy within the unitary state. (1) Progress

(1) Local autonomy was promised in the provisional constitution of 1950.
Article 131 (1) The Division of Indonesia into large and small regions possessing the right to control their affairs (autonomous) together with the form of their governmental arrangements will be fixed by law having regard to the representative and deliberative system of the state.
(2) To each region will be given the greatest possible degree of autonomy for the management of its own affairs.

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in making good this profession has been slow. A provisional local government system was established in Java and parts of Sumatra and Borneo on the basis of a law passed in 1948 by the original, pre-federation Republic of Indonesia, and in the remainder of the archipelago on the basis of a 1950 law of the State of East Indonesia, the largest of the negaras established by the Dutch. The former law was intended to provide the pattern eventually for the whole of Indonesia. As will be seen in the following pages, these two basic laws were never implemented in full, and pressure continued for the creation of a permanent system of local government in which genuine autonomy would be conceded. It was not until November 1956, however, that a new basic law was accepted by parliament. The new law represented a third attack on the problem. In 1954 an earlier draft bill failed to secure parliamentary approval. In 1956 a revised draft was prepared, but this too was the subject of far-reaching amendment before a final draft was accepted.

Indonesia's plan for extensive local autonomy within the framework of a unitary state has often been discussed as though it represented the Republic's answer to the Dutch federal proposals of 1946-9--as though, that is to say, the two alternatives were concerned with precisely the same problems of government. This is misleading. The Dutch case depended on two arguments--that relating to the obvious supremacy of Java in terms of population concentration and sophistication, and that relating to the diversity of ethnic groups and social organization throughout the archipelago. Though often bracketed together, the two points are quite distinct. It is true that the Dutch federal proposals and the Indonesian plan for decentralization were both concerned with the first of these points--the problem of "Java versus the rest." Javanese predominance might, theoretically, be balanced either by the formation of other states and the creation of a federal system, or, alternatively, by the granting of wide powers of self-government within the framework of a unitary system. However, the second problem--that of Indonesian diversity--is a problem of a different character. While it is true that great diversity does exist from area to area--a diversity expressed in language differences, differences in social organization, differences in religious belief, differences in material culture, etc.--it is also the case that, outside the cities, the effective political and social units, based on traditional groupings, are usually very small in area and population, extending barely beyond the village or complex of villages. This problem would not be touched by the creation of a federation which would have to be composed of units of reasonable size and competence. It was impossible for the Dutch, in their attempt to establish such regional states after the war, to find any basis in customary organization on which to build, and the results of their efforts remained artificial in character. Even if it could have been argued that, given time, the new states would have developed a community of interest, based at the least upon a broad regional consciousness, the problem of local administration for a diversity of peoples and cultures would still not have been solved. It would still have been necessary, within each state, to meet local needs by the concession of further autonomy

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to a more immediate local level. Thus, though the federal proposals of the Dutch and the decentralization proposals of the Republic were each concerned, in a sense, with regional autonomy, they were not concerned with it in the same sense. While the federal idea related to the problem of limiting the power of a central government and balancing the power of Java by the establishment of other states, it did not really offer a solution to the more basic difficulty posed by the existence of a multitude of small and diverse units. By contrast the local government plans of the Republic, while they have included a recognition of the fears of Java's dominance, have been directed equally towards the difficulties arising from the smallness and diversity of character of the local unit.

Following from this it may be argued, in extreme form, that the task facing the central Government of Indonesia today is that of extending its authority to the base of society, of securing "government in general" in a situation where immediate local consciousness is much stronger than any feeling of national identity. The planning of a local government system reflects the difficulty. Attempts have been made to combine the surrender of powers to local authorities with the retention of a considerable measure of central supervision and guidance, until such time as local governments themselves may become instruments which can assist in the maintenance of central authority. This may prove a contradictory task. In any case the Republic's plans for local autonomy have, in consequence, something of a colonial flavor about them. This is true not merely in form--the system of units and organization used at the local level today stems from, and bears many detailed resemblances to, programs of administrative and political decentralization in Indonesia before the war--but also in essence. Even though Indonesia is now an independent sovereign state its task at the local level is not altogether different from that of an alien government attempting to establish and preserve its authority in the "subject" society, at least regarding those matters which touch its own interests. And this affects the form in which local self-government may be developed.

This view, stated somewhat uncompromisingly here, may be tested by reference to two issues which have proved to be major ones in the drafting of a local government law--the question of central Government supervision over autonomous local bodies, and the question of forming or selecting a basic geographical unit of local government. It is proposed, in this paper, to outline briefly the original legislation for local autonomy, to examine the formal implementation and the actual workings of local government during a period of transition, and then to give particular attention to these two issues, which affect primarily the two lower levels of autonomy. Finally attention will be given to the "federal" problem arising from the persistence of broad regional feelings and of regional resistance to the center. This problem relates to the first level of autonomy.

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CHAPTER II

BASIC LEGISLATION FOR THE PROVISIONAL PERIOD

In approaching the question of local self-government in Indonesia it is possible and helpful to make a preliminary distinction between two broad types of situation to be found in the archipelago. On the one hand there are the areas such as Java, Madura, and, to a lesser extent, Sumatra and Borneo, where the central government, both in colonial times and at present, has maintained its own centralized administrative system reaching right down to the basic territorial unit--the village. Secondly there are the areas such as the greater part of Celebes, the Moluccas and the Lesser Sundas, where agreements between the Indies Government and local rulers (Long or Short Contracts) granted a degree of recognition to self-governing states (swapradja) within the colonial framework, and where the lower administrative structure was thus more independent of the center. In the first type of situation, immediately above the desa, negeri, or other basic unit of village organization, stood the central government or at least its lower administrative reaches. In the second type of situation the meeting place between the government and the governed was not the village but the self-governing state. Above the swapradja stood the government. Below it lay its own administrative organization, maintaining contact with the village. The ruler of a self-governing state possessed some little measure of independence but he was required to enforce decisions of the Indies government. Both geographically and politically this distinction can only be maintained in very broad terms. In the western part of the archipelago there were self-governing states--the four states of Java, for instance--and in the eastern part there were areas under direct rule. Further, there were wide differences in size and competence and organization between one self-governing state and another, just as there were innumerable forms of social organization for the directly ruled communities. But, in spite of exceptions, an awareness of the broad distinction between the two types of situation, and of the fact that the two were, on the whole, geographically separate also, is important for an understanding of post-war experiments in local government. It has proved difficult for the independent Republic of Indonesia to prepare a uniform system which can be applied to the whole country. The fact that, in the eastern islands, the State of East Indonesia (Negara Indonesia Timur) created by the Dutch during the revolutionary period had already prepared its own local government system before the formation of the unitary state in 1950, has added further complications. It is proposed here to give attention primarily to the local government law of the original Republic of Indonesia--R. I. Law 22 of 1948--as that law, since August 1950, has been applied to Java, Sumatra and Borneo, and has served as a model for the drafting of a new basic law for the whole country. The corresponding local government law for the State of East Indonesia--

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N. I. T. Law 44 of 1950--which has continued to operate in the remainder of the country, will be referred to briefly by way of comparison and contrast only. These two laws were both "basic laws" (undang-undang pokok); further legislation was required actually to establish the systems of local government for which they provided.

R.I. Law 22 of 1948

Units of Local Government

In laying down the basic forms which were intended to provide the pattern for the eventual development of autonomous local governments in Indonesia, Law 22 of 1948 took, as its point of departure, the extremely centralized administrative system which the Republic had carried over in its essentials from the pre-war Dutch administrative system as it had existed in Java. Now, as then, the administrative hierarchy consists of six levels by which authority is passed down from the central Government to the localities. The island is divided into provinces, each under a Governor. Provinces in turn are divided into residencies under Residents. Residencies are divided into kabupatens (regencies) under Bupatis. Kabupatens are divided into kewedanaan (districts) under Wedanas. Kewedanaan are divided into ketjamatans (sub-districts) under Tjamats. And, finally, each ketjamatan is composed of a number of desas or village complexes at the head of each of which is an elected official, the Lurah. At the apex of the pyramid stands the Ministry of Internal Affairs. With the exception of the Lurah, who is strictly a village official, the officers administering this pyramid of territorial divisions form a distinct administrative service of the central Government--the pamong pradja. (1) It is an important feature of the post-revolutionary situation that the service, in becoming completely Indonesian, has inherited something of the paternal traditions of the European colonial administrator.

Law 22 sought to modify the extreme centralization of this administrative system by transforming three of the levels of the

(1) In colonial times the regent, formerly a hereditary office, was the highest level of the service in Java to be staffed by Indonesians. Above that level administrative officials--Governors and Residents--were Dutch. The pattern varied outside Java. In Sumatra, for instance, the European service penetrated one stage lower. Sumatra was a "Government" divided into residencies. Beneath the residents assistant residents administered a territorial division approximating roughly to a Javanese regency. Beneath that division in turn a European controller administered a lower sub-division, below which came districts and sub-districts under native officials. In areas where local rulers were recognized by the Indies Government, European officers advised and guided the internal administration of the principality.

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hierarchy into levels of local self-government. The levels in question were the province, the kabupaten and the desa. Provinces, kabupatens and desas were to become "self-governing regions" (daerah swatantra) possessing wide powers of autonomy over their own affairs. Provision was made also for municipal governments at two levels. Large towns were to be equivalent in status to a kabupaten and small towns were to be equivalent to a desa. A distinction was made between two types of power to be exercised by a swatantra. There was the right to deal with matters described as the "household affairs" (rumah tangga) of the region. (2) In these matters the regions were to exercise powers of autonomy. Secondly there were other fields in which local governments might perform an auxiliary role, assisting in the execution of central government tasks delegated to them by law, or of tasks belonging to and delegated by a higher local government level. (3) Such "co-operating administration" was termed medebewind. The powers of autonomy were not enumerated in detail in Law 22, but it was provided that they were to be elaborated subsequently in the further establishing legislation which was required actually to establish each region as a region of local government under the basic law. (4) Establishing legislation eventually listed such fields as irrigation, maintenance of roads and public buildings, supervision and development of agricultural programs, control of fisheries, maintenance of health services, maintenance of veterinary services, matters of social welfare, supervision of marketing and distribution. (5) (It is not clear from the wording either of Law 22 or of the several establishing laws setting up autonomous provinces, kabupatens and municipalities whether this definition of matters falling within the sphere of autonomy was intended to be exclusive or whether other matters which were not listed but were nonetheless clearly of local concern might be held to fall within the term "household affairs," and be subject to the initiative of local governments. (6))

(2) R. I. Law 22, Articles 1 and 23 (1).

(3) Article 24.

(4) Article 23 (2).

(5) See below, p. 34-5, for the complete list of fields to be surrendered as it was set out in the earlier establishing legislation.

(6) Law 22, Article 28, dealing with the legislative powers of local representative assemblies, spoke in general terms of the ability of such assemblies to deal with the "interests" of the region (Art. 28 (1)), but the appended analysis of the law appears to equate this with the "household affairs" covered by Art. 23. See below pp. 35 ff. for a further discussion of this point and of variations in wording in more recent establishing legislation.

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Institutions of Local Government

The institutions through which original self-government was to be conducted were to be similar for all three levels. For each local government region were to be established two councils--a representative council (Dewan Perwakilan Rakjat Daerah, usually abbreviated to DPRD), to be elected in a manner to be determined by law, (7) and an executive council (Dewan Pemerintah Daerah, usually abbreviated to DPD) to be elected by and from the members of the representative council according to the method of proportional representation. (8) The representative council, the DPRD, was entrusted with legislative powers in the fields falling within the competence of the region. Legislation was not to deal with matters which were already dealt with in legislation of the central parliament or of a higher level of local government, nor was any level of local government to deal with matters falling within the defined sphere of action of a lower level. More generally legislation of a local government was not to conflict with legislation of the central parliament or of a higher level of local government. (9) The executive council, the DPD, whose members were collectively and individually responsible to the DPRD, was entrusted with the day-to-day conduct of government, (10) executing decisions of the DPRD, administering the various fields of activity belonging to the region, and performing such other functions as were specifically conferred in the law. (11)

In each region there was to be a Head of the Region (Kepala Daerah) who was to be the chairman of the DPD as well as general supervisor of the local government in question. This office was not to be entirely elective. It was to be filled by appointment made by a specified authority representing the central Government, but such appointments were to be made in each case from a list of at least two and not more than four candidates submitted by the DPRD of the region concerned. Thus the kepala daerah of a province was to be appointed by the President from the list of candidates nominated by the DPRD of the Province. The kepala daerah of a kabupaten or a large town was to be appointed by the Minister of Internal Affairs from a similar list proposed by the DPRD concerned. And the kepala daerah of a desa or a small town was to be appointed

(7) Article 3 (4).

(8) Article 13 (1).

(9) Article 28.

(10) Article 34.

(11) E.g., certain powers of supervision of the conduct of local governments at a lower level and of the budgets of lower local governments were given to DPD's also. Powers in medebewind might be surrendered to either a DPD or a DPRD (Article 24). If such powers were surrendered to the DPD it would not be responsible to the DPRD for its handling of that function.

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in similar fashion by the kepala daerah of the province in which it was situated. (12) It was provided that a kepala daerah could be removed by the appropriate authority at the request of the DPRD concerned, though it was not obligatory for the authority to accede to such a request. (13) The position of kepala daerah was important to the whole plan. Besides his chairmanship of the executive council he was also given certain powers of supervision to be exercised on behalf of the central Government. His signature was necessary for ordinances of the DPRD. He was also empowered to delay the operation of decisions of the DPD or the DPRD of his region if they appeared to him to conflict with higher legislation or to be contrary to the general interest. In the event of such action the matter was to be reported to the President in the case of provinces, and to the DPD of the next highest level in the case of other local governments. If no contrary decision was made by those authorities within three months the original decision would then come into effect. (14)

Special Regions

In addition to autonomous provinces, kabupatens, desas and municipalities, provision was made also for the formation of "special regions" (Daerah Istemewa) composed of units or groups of units which, because of their character or historical traditions, did not lend themselves to the ordinary classification. The so-called "self-governing states" which had been brought under Dutch authority by means of the short or long contracts, and which had been subject to a species of indirect rule in colonial days, might be expected to fit into such a category. A special region might be equivalent in status to a province, a kabupaten or a desa. (15) The significant difference between a daerah istemewa and an ordinary swatantra concerned the method of appointing the kepala daerah. In a special region appointment to that position was to be made by the President from the family which had formerly exercised power in the area, if it still retained that power, provided that the appointee was suitable in terms of his ability, justice, and loyalty. (Normally the kepala daerah would be the traditional ruler.) In making the appointment attention was to be paid to the customary law of the region. (16) Though the method

(12) Article 18 (1, 2, 3).

(13) Explanatory appendix para. 24. The power of the central Government to remove such an officer on its own intiative without any request from the DPRD is not specifically provided, but it appears to be assumed by officers of the Ministry of Internal Affairs.

(14) Article 36 (1, 2, 3).

(15) Article 1 (2).

(16) Article 18 (5). For daerah istemewa provision was also made for a deputy kepala daerah. 18 (6).

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of appointing the regional head was the only formal difference between a special and an ordinary region, in practice the only such region which has been established (Jogjakarta) possesses rather more power than its ordinary counterpart--a province--since it retained, in large measure, the power it had formerly exercised as a swapradja in addition to those specifically surrendered by its establishing law.

The Position of Kepala Daerah

In some respects this system of regional units and authorities followed the pattern set, somewhat half-heartedly, by the pre-war Dutch experiments in political decentralization. Provinces, regencies and municipalities had been established during the 'twenties and 'thirties, with councils able to exercise a measure of responsibility over local matters. But there are vital differences. Election of councils on the basis of universal suffrage and the disappearance of the European members of councils were natural changes. A more crucial feature of the new plan concerned the proposed change in the relationship between the central Government's administrative service and the local government system. In the pre-war experiments the head of the local government system at each level was the central Government's chief executive officer in the region. The Governor of a province was also chairman of the provincial executive council. In a Kabupaten the regent, also essentially a central official, possessed a similar dual function. Thus a close connection was preserved between the central administrative hierarchy and the system of local autonomy. Law 22 proposed, in theory though not, as it turned out, in practice, to dispense with that tie. The office of kepala daerah and chairman of the DPD was still to be combined with that of chief administrative officer of the region. But an elective element was introduced in that appointment was to be made, as has been noticed, from a list of nominees chosen by the representative council. Thus the chief executives of regions would no longer be members of an official service though they would still combine two types of activity. In theory the full flourishing of the new local government system was expected to eliminate the need for a separate administrative service of the central Government. (17) The local governments themselves were expected to take over, on behalf of the center, the responsibility for the administration of lower units within their territory (e.g. kewedanaan and ketjamatan within a kabupaten) if such administration continued to be required. Though Law 22 is not clear in defining his position and duties it would seem that the kepala daerah was intended to co-ordinate local and central activities. The explanatory

(17) Article 46 (2) provided that administrative divisions would continue to exist until they were abolished. The appended explanation to the Law makes it clear that such abolition involved also the abolition of the pamong pradja. In particular the office of resident was expected to become obsolete in the very near future. (See note on Article 46. Also explanatory appendix--para. 35.)

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appendix to the law, in fact, described him as a representative of the central Government, with reference to such administrative duties, (18) though the same document described him elsewhere as an organ of the regional government. (19) His power to delay decisions of the DPD and DPRD were to be exercised, of course, on behalf of the center.

Briefly, according to Law 22 the kepala daerah was intended to exercise a dual function. As chairman of the DPD he was to be head of the local government with some responsibility to the DPRD. Secondly he was entrusted with the supervisory powers over his councils under Article 36. But, in addition to these two specific functions, there were further duties to be performed on behalf of the center, though these were not defined in the Law. As head of the region the kepala daerah was to be the representative of the central Government in the area, supervising the execution of governmental tasks which did not fall within the competence of the local government, and exercising the same type of co-ordinating function as had formerly fallen to the lot of the appropriate officer of the pamong pradja, or central administrative service, i.e. the governor in the case of a province, the bupati in the case of a kabupaten, and the mayor (wali kota) in the case of a town. It might be said that the new proposal reversed the pre-war arrangement. Formerly a central administrative official was appointed as head of the region. Now the incumbent of the office of regional head was also to perform some of the duties formerly belonging to a central administrative official.

Obviously the concept of the dual role of the kepala daerah had its theoretical difficulties. The fact that he was an organ of the local government, bearing a responsibility together with his colleagues on the DPD to the representative body on the one hand, and with responsibility on the other to the higher levels of administration, left open the possibility of a conflict of interest between the two capacities--a conflict which was particularly likely to occur in view of his specific power to delay measures of the local councils which appeared to him to be contrary to the general interest or to run counter to the measures of higher governments. The exercise of this temporary veto was not intended always to be left as a matter of discretion. Since the kepala daerah did owe a duty to the central Government it could be assumed (and has been assumed) that he could be instructed by the Ministry of Internal Affairs to delay any matter which was known to be pending, and in which the Ministry felt itself to have a contrary interest to that of the elected authorities of the region. If used in this way the veto power could become the central element in the system of supervision which the center felt it necessary to maintain over local bodies. Obviously the position of kepala daerah, as provided in the law, called for great qualities of skill and tact if a clash of interest was to be avoided.

(18) Law 22, explanatory appendix, para. 35.

(19) Ibid., para., 22.

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In actual practice, as will be seen more fully below, the role of kepala daerah has been rather different from that envisaged in the basic law, since the normal procedure laid down in the law for the appointment of these officers was not followed. Law 22 contained an emergency clause which enabled appointments to be made for the time being directly by the central government without any reference to the wishes of the representative councils in the regions concerned. (20) The Government availed itself of this escape clause. Of major importance was the fact that, in so doing, it simply appointed the appropriate members of its own administrative service, the pamong pradja, thus following pre-war practice. Governors became kepala daerah of provinces, bupatis became kepala daerah of kabupatens, and mayors became the kepala daerah of towns.

This practice had broad implications for the total plan. Though Law 22 referred to a dual function for the kepala daerah, in reality, as has been suggested, it would have been more accurate to distinguish three functions rather than two:

1. The chairmanship of the DPD;

2. Supervision of DPD and DPRD under Article 36; and

3. Administration to be performed for the central Government by an official of that Government.

Law 22 placed the first two of these in the hands of the kepala daerah (his dual function) and assumed that the third function would gradually become superfluous or, alternatively, become the duty of the local government. In practice, with the appointment of officials as kepala daerah, all three functions were retained and were concentrated in the hands of a single person in each area. Strictly speaking, however, the distinction remained between the duties of governors, bupatis and mayors as pamong pradja on the one hand, and the dual functions of the kepala daerah on the other. For example, the general co-ordinating and administrative duties of the pamong pradja did not pass to the local governments whose field of activity was to that extent restricted. But in another respect the distinction was blurred. While, according to Law 22, the supervisory function was to be exercised as part of the responsibility of the kepala daerah, not as part of that of the pamong pradja, the appointment of pamong pradja to that office tended to confuse the separate roles, and undoubtedly strengthened the element of supervision.

These consequences were deliberate. The decision to appoint directly to the office, rather than from a list of nominees submitted by the DPRD, and the accompanying practice of appointing existing officials, was due partly, no doubt, to the fact that if the position had been given the semi-responsible character envisaged in the law the Government would have been faced with the necessity of making immediate readjustments in its administrative

(20) Article 46 (4).

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system in order to cope with the considerable body of unemployed officials which would have been created. The plan was to allow the pamong pradja to become superfluous gradually, not at one stroke. But there was also present the conviction that close official control and supervision of autonomous governments was a necessity for the time being. While in theory a kepala daerah appointed from a list of nominees according to the normal procedure laid down in Law 22 was intended to owe loyalty to the center as well as to the elected council, and was intended to exercise supervision over the local government on behalf of the center, the officials who were actually appointed owed loyalty to the center by virtue of the structure and traditions of the administrative service itself, and they were thus far more independent of the pressures of local politics. (21)

Central Supervision

The power to delay the operation of decisions of the DPD or the DPRD of a region, conferred upon a kepala daerah by Law 22, and greatly strengthened in practice by the fact that central officials were appointed as kepala daerah, represents a major control device by which the central Government was able to supervise and perhaps to check the actions of local bodies. This type of supervision was termed "preventive" supervision. (22) A further control device embodied in the law was the fact that the three levels of autonomy, like the six levels of administration, were hierarchically arranged. Provinces, while concerned with the fields of activity

(21) The fact that the office has, in practice, been filled not merely by direct appointment but by the direct appointment of officials needs stressing since it has sometimes been ignored in treatments of the subject. E.g. L. S. Finkelstein, "The Indonesian Federal Problem," Pacific Affairs, Vol. XXIV, No. 3, September 1951, points out that Law 22 envisages the kepala daerah as having a dual function--that of representative of the central Government and that of chairman of the DPD. But in discussing the actual situation he speaks of the role of existing regional heads as though it was in conformity with the intentions of the Law. In fact, however, the dual role exercised in practice by, e.g., a bupati is not the same as the dual role envisaged in Law 22 for a kepala daerah for the simple reason that "bupati" is an official rank, and a bupati proper is a member of the pamong pradja. It is instructive to compare a Bupati/Kepala Daerah in Java with the Kepala Daerah of, e.g., Minahasa who is appointed from a list of nominees in the prescribed manner under N. I. T. Law 44 (which has no escape clause). The Kepala Daerah of Minahasa has a dual function according to the law, but, as is to be expected, he is a very different type of person, and his loyalties are naturally very different from those of a Bupati/Kepala Daerah in Java.

(22) Explanatory appendix to Law 22, Article 36.

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specifically assigned to them, possessed a supervisory power over kabupatens within their boundaries, and so on down the scale. Indeed it was through this hierarchy of authorities that the preventive supervision of the kepala daerah was made effective. It has been seen that in the case of a delaying veto imposed by the kepala daerah the fact was to be reported within seven days to the President in the case of provinces and to the DPD of the next highest level in the case of other local governments. Thus the imposition of a delay immediately brought the question before a higher level. The higher authorities had three months in which to make a decision, in the absence of which the original decision would then go into effect.

Besides considering cases in which a kepala daerah of a lower level had exercised his preventive veto, DPD's were themselves given a power of preventive supervision with regard to eight matters which were specified in the Law. The matters in question were the remuneration and travelling expenses to be granted to members of the DPRD (Article 7), the preparation by a DPRD of a guide for the conduct of affairs by the DPD (Article 15), the remuneration of DPD members (Article 16), the terms and conditions for appointment to and employment in the civil service or a region (Article 21), regulations enacted jointly by more than one region to cover matters of common interest (Article 27), regulations concerning criminal offenses (Article 29), the raising of loans (Article 33), and the annual budget (Article 39). Regulations governing these subjects were not to go into effect until they had been approved by the appropriate higher authority--by the President in the case of provinces and by the DPD of the next highest level in the case of other councils. If the higher authority made no decision to the contrary within three months the regulations so referred could go into effect, except that the authority concerned had the power to impose a further three months' delay if it wished. (23) In the case of rejection of a regulation, provision was made for an appeal to the DPD of the next highest level again (or to the President in the case of regulations of second-level governments which failed to secure the approval of the provincial DPD).

The hierarchical organization of local governments enabled provision to be made for a third type of control device. In addition to their power of preventive supervision and their power to decide questions referred after the exercise of the preventive veto of a lower kepala daerah, DPD's had the power to repeal decisions already made by the DPD or DPRD of the level below them, if they conflicted with the general interest or with higher legislation. This type of action was termed "repressive" supervision. (24) For provinces this power rested with the President.

Finally, provision was made for the direct intervention of the central Government itself where, in the opinion of the center, a regional government was neglecting its tasks. In these circum-

(23) Article 30.

(24) Article 42.

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stances a central instruction could be issued in the form of a Government Regulation requiring the local government to act in a certain manner. (25)

N. I. T. Law 44 of 1950

With the formation of the unitary State in 1950, R. I. Law 22 of 1948 was used as the basic local government law for the whole western part of the archipelago. For the eastern islands which had together formed the State of East Indonesia (Negara Indonesia Timur) a law of that State--N. I. T. Law 44 of 1950--had already been promulgated before August 1950 and it has continued to serve as the basic law for local government within the administrative provinces of Sulawesi (Celebes), Maluku (Moluccas) and Nusa Tenggara (Lesser Sundas) into which East Indonesia was now divided, except that the administration of the aw was transferred from the State of East Indonesia to the central Ministry for Internal Affairs. In general the main principles of N. I. T. Law 44 resembled those of R. I. Law 22. The same type of hierarchy of autonomous levels was planned, with the executive council at each level exercising a general supervision over the local authorities of the next lowest level. Naturally because of the very different administrative history of these islands the actual territorial divisions which were selected to become autonomous units were not identical with those of Java. East Indonesia had no counterpart to the kabupaten, for instance. Before the war the area had been a patchwork of self-governing states of varying size and development, together with several directly ruled areas. Many of the principalities were far too small to be effective as units of self-government immediately below the provincial level, and, as a means of securing a greater degree of uniformity, the Dutch, in setting up the State of East Indonesia, had attempted to fashion a new territorial form, the "daerah" (the term literally means simply "region") based on unions or federations between contiguous communities which might be ethnically or culturally different, but which were politically and economically interdependent. In Law 44 the daerah unit was used as the second level of autonomy, below the province, and it was rated as roughly equivalent to the kabupaten elsewhere. (In practice, as will be seen, the thirteen daerahs established by 1950 were further subdivided in subsequent years, to meet local demands and, in some cases, to make the unit more internally coherent.) The third level of autonomy was to be composed of the constituent parts of the daerah unit.

Provisions for the appointment of a regional head was precisely the same as that laid down as normal procedure in Law 22. An important difference between the two laws, however, was that in Law 44 there was no escape clause which enabled the central Government to make direct appointments to that office during a transitional period. The rank of kepala daerah in East Indonesia was thus filled by the center in each case from a list of nominees

(25) Article 25.

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submitted by the DPRD, except, of course, in the case of "special regions," where, as in western Indonesia, a member of the former ruling house was to be appointed.

A further difference between the two major areas, though this was not written into the basic legislation, related to the method by which powers were to be conferred on the local bodies. It has been seen that in the areas where Law 22 operated, powers were to be surrendered to the local government by the central Government. In the case of East Indonesia the reverse procedure was followed. The powers assumed by the central Government were defined, and the undefined remainder were left to the local government until such time as this distribution was revised by the center. This method followed that used by the Indies Government in making its contracts with swapradja in the past. The net result has been to leave local governments with a greater range of powers than has been the case in the rest of the Republic. It will be seen that the method by which powers are to be distributed has been one of the issues at stake in the preparation of a new local government law to embrace the whole of Indonesia. On this question, as on others, the central Government has been forced to compromise between its own desire for a uniform system and its need to recognize local demands.

Law 22 and Law 44, between them, provided a broad legal basis for the actual institution of local governments after 1950. How far they were adequate to meet the twin problems of regional feeling and efficient administration naturally depended upon the manner in which they were applied.

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CHAPTER III

THE PERIOD OF TRANSITION:

FORMAL ARRANGEMENTS, 1950-56

Law 22 of the Republic and Law 44 of the State of East Indonesia were both designed to secure, within their respective areas of operation, a greater degree of standardization in a very varied situation. As a result of many factors--the methods by which Dutch authority had been extended over the outer islands in the first place, the character of Dutch experiments in political decentralization in the '20's and '30's, the ad hoc practices of the Republic during the revolutionary struggle, the creation of new states to counterbalance the Republic during the same period--there existed in 1950 a wide range of units possessing autonomy, if they possessed it at all, on a great variety of legal bases. There were municipalities possessed of powers which derived from pre-war Dutch enactment. There were self-governing states drawing their authority from the old long and short contracts made by the Dutch with existing rulers. There were new units created by Holland for tactical reasons during her conflict with the Republic (e.g. the Daerahs of East Indonesia) and based to a greater or lesser degree on pre-war forms. (1) There were bodies set up within the Republic in the course of the struggle (e.g. National Committees - KNI) which survived into the period of independence and served as the basis for councils until such time as more uniform provision could be made. The application of Law 22 in Java, Sumatra and Borneo, and of Law 44 in the remainder of the country, gradually reduced the differences as autonomous governments were established in varying degrees of completeness under the new laws, or as local governments already established under other enactments were brought under the new laws and were thus given a new statutory authority.

(1) Schiller, A. A., The Formation of Federal Indonesia (The Hague, 1955), pp. 89 ff., distinguishes eleven types of local government form used by Holland during her efforts to lay the foundations for a federal state of Indonesia. Of these six are described as being based upon, or as resembling, pre-war forms--self-governing lands (swapradja), neo-lands or neo-swapradja, federations of swapradja, neo-group communities, local autonomous units of Java and Sumatra (e.g. Regencies) and municipalities. The remainder are described as governments novel in origin and structure and include the negaras or states, the daerahs of East Indonesia (which really break down into swapradja, neo-swapradja, or federations of swapradja), supervisory districts of East Indonesia, autonomous constitutional units (special regions), and the federal district.

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Since Law 22 was a "basic law" (undang-undang pokok) two further steps were required to implement it. (a) Further legislation was required actually to establish the autonomous areas envisaged in the basic law and to fill in the details not covered by that law--the exact area to be constituted as an autonomous area in each case, the number of members of the DPRD and the DPD in each case, and the exact powers to be conceded to the level in question. (b) The establishing law, though it defined powers more exactly, did not actually transfer them, and a further Government Regulation was required for that step. (2)

Between 1950 and 1953 establishing legislation was passed to create three provinces in Java (East Java, Central Java and West Java), to divide the province of Sumatra into three provinces (North Sumatra, Central Sumatra and South Sumatra), and to establish the province of Kalimantan (Borneo). In addition, two of the former self-governing stages of Java, Jogjakarta and Paku Alam, were constituted as a daerah istemewa with the status of a province. (The remaining two states in Java, Surakarta and Mankunegaran, were absorbed into the province of Central Java.) Greater Djakarta was a special case and was established as a municipality with the status of a province. In 1956 a number of new provinces were carved out of existing ones--a Province of Atjeh was separated from the remainder of North Sumatra, and Kalimantan was divided into three provinces instead of one--West, South, and East Kalimantan. Further subdivision was foreshadowed in Central Sumatra to confer provincial status upon Djambi and Riau, before the pace was forced by the course of events in that province in December 1956. (Irian Barat (West New Guinea) has also been constituted as a province, though the territory remains in Dutch hands.)

During the same period lower levels of autonomy below the province--kabupatens and large and small municipalities--were also established (or re-established) in Java and Borneo. Similar authorities were established in parts of Sumatra also, but by Governors' Decrees, not under the provisions of Law 22. It was an experimental move. Whereas in Java the kabupaten unit had existed before the war both as an administrative and as an autonomous unit, those set up in Sumatra were new units from both points of view. Though it was easy enough to create kabupatens on the

(2) It is necessary to distinguish between various instruments: a Basic Law (Undang-undang Pokok); a Law (Undang-undang); an Emergency Law (Undang-undang Darurat) which could be issued in certain circumstances by the Government in advance of parliamentary approval; a Governmental Regulation (Peraturan Pemerintah) issued under the authority of a Law; a Ministerial Regulation (Peraturan Menteri) issued by a Minister. The establishment of autonomous governments required legislation or emergency legislation. The surrender of particular powers, the provision of a procedure for selecting DPRD's, etc., were the subjects of Government Regulation. The provision in detail of a procedure for selecting DPD's was the subject of Ministerial Regulation.

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Javanese pattern as administrative divisions in Sumatra, it was another matter to confer self-governing powers upon those divisions at the same time. The Councils established under Governors' Decrees lacked, for some time, the powers of regulation and execution which belonged to their Javanese counterparts. Their activities were limited to discussion and advice to bupatis, and assistance to the provincial government in the execution of provincial tasks. In 1956 further legislation under Law 22 at last regularized the situation in Central Sumatra only; councils were given a proper statutory basis and brought into line with kabupaten DPRD's in Java.

In eastern Indonesia a similar process of bringing local authorities under a single law was under way, though it was more gradual in character. As late as 1956 there were still no autonomous provinces in the former State of East Indonesia. The provinces of Sulawesi (Celebes), Maluku (Moluccas) and Nusa Tenggara (Lesser Sundas) were administrative provinces only, and consideration was being given to the desirability of further dividing these regions before conferring self-governing institutions at the provincial level. At the lower levels the situation was more complex than was the case in western Indonesia, partly because the State of East Indonesia had enjoyed a more substantial existence than had any of the other negaras established by the Dutch before 1949, and had proceeded further in the evolution of new types of autonomous units within the State. In these daerahs composed of federations of self-governing states, many councils had been formed, even before Law 44 of 1950 had been passed but, for the most part, these were of an advisory character only. The substance of power remained with councils of rulers of states. In Bali, for example, the existing swapradja were united to form one daerah, with effective power in the hands of a council of Radjahs (Dewan Radjahs), though an elective body was also created. Legislation was, theoretically, the task of both councils jointly, but, in practice, the Council of Radjahs had power to enact Ordinances alone in cases of disagreement. Broadly similar arrangements were established in Sumbawa (federation of 3 swapradja), Sangihe-Talaud (federation of 6 swapradja), Central Sulawesi (federation of 15 swapradja), Sumba (federation of 16 swapradja) and Flores (federation of 9 swapradja). As a variation on this pattern the daerahs of South Sulawesi, North Sulawesi and North Maluku were composed of a mixture of federations of swapradja and neo-swapradja. (South Sulawesi was composed of a federation of 30 swapradja and 8 neo-swapradja; North Maluku was enforced by a federation of 3 swapradja and 1 neo-swapradja; and South Sulawesi--a more complicated example still--was composed of a federation of 1 swapradja, 1 neo-swapradja, and four federations of swapradjas.) In addition there were other areas, such as the formerly directly ruled areas of Minahasa and Lombok, which were now each constituted as a single neo-swapradja, with its own council, and there were reconstituted municipalities such as Makassar and Ambon.

Though these territories had been formally established during the existence of the State of East Indonesia, the degree to which

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they possessed institutions of self-government in active operation varied widely. The daerahs had the right to make their own electoral regulations, but only Minahasa (including, until 1953, the city of Manado) did so. (Provision was made there for the direct election of a DPRD, a method which has since been adopted in the latest local election law for the whole of Indonesia, in contrast to the system of indirect election laid down in an earlier local electoral law for the areas operating under Law 22.) Other councils were elected under Governor's emergency regulation (e.g. Makassar), or were appointed on a basis of representation of political parties. In any case the giving of a final shape to the local government system of Sulawesi, Maluku and Nusa Tenggara under N. I. T. Law 44 has been delayed pending reconsideration of the precise areas which are to be established as autonomous units immediately beneath the provincial level. The daerah units as defined during the existence of the State of East Indonesia were regarded as being roughly equivalent to a kabupaten and were intended to take over the powers exercised formerly by Residents. The object was therefore to form territorial units of sufficient size and development to make that possible, hence the federation of small swapradjas into larger units. But since the formation of the unitary state there has been pressure from particular areas for the division of daerahs, if not into their constituent swapradja parts, at least into smaller groupings. For example, the large daerah of South Sulawesi which consisted of 30 swapradja and 8 neo-swapradja has been divided by Government Regulation of the unitary Republic, 1953, into seven daerahs still of the same (i.e. kabupaten) status. And it is likely that some of the seven will again be subdivided further. In all, the original thirteen daerahs had become twenty-six daerahs by the end of 1956. A final settlement, when it is made, will not be under the provisions of the old N. I. T. Law 44 but under the new comprehensive basic law for the whole country.

While the eastern islands have proved more complex and less adaptable to a uniform system, it is also the case that even in Java, Sumatra and Borneo, where Law 22 was regarded as a model capable of extension in modified form to other areas, the intentions of the law were only followed in part.

In the first place, though the law provided for three levels of autonomy, in fact the only third-level local governments to be established, even in Java where the system could be expected to be most complete, were small towns (kota ketjil). Nowhere was the desa or its equivalent made into an autonomous area under the provisions of the new law. From provision made during the colonial period customary units such as the desa of Java, the negeri of western Sumatra, or the marga of southern Sumatra, had secured a measure of formal recognition, and customary procedures had been subjected to some degree of adaptation to the needs of centralized government. The Javanese desa, for instance, though the details of its organization vary from place to place, already elected its headman, the lurah, and its village assembly was already a functioning

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body with at least some basis in custom. It is difficult to say how far the institution of village meetings still conformed to traditional patterns, and how far, under Dutch rule, in its various phases, the processes of discussion and election in the desa had assumed an entirely new character. The point is that a working system of supervised autonomy over immediately local matters did exist already in the desa, and it would have been a little odd to have imposed on that system the novel and more formal arrangements prescribed for kabupatens and provinces by Law 22. For that reason, and for the reason also that the desa was subsequently judged to be too small in terms of area and population to serve effectively as the basic unit of local government, the Ministry of Internal Affairs began to have second thoughts about the wisdom of Law 22 in so far as it concerned the desa. The product of the second thoughts will be described below. Here it is sufficient to point out that, while representative assemblies and executive councils were established at the kabupaten and provincial levels, the village continued to operate on what had come to be its customary lines--autonomous up to a point, but autonomous in a manner not prescribed by the new law.

Secondly, it has already been noticed that, for the time being, an escape clause of Law 22 was used to enable the kepala daerah to be appointed directly by the central Government instead of indirectly from lists of nominees submitted by the representative assemblies; and it has been stressed that, in exercising this power, the government simply appointed appropriate members of its pamong pradja. Bupatis were thus to serve as kepala daerah in kabupatens, combining the tasks of chairmen of executive councils and heads of the autonomous governments on the one hand, and, on the other, that of central Government official, supervising the autonomous government on behalf of the center. Since the kabupaten remained an administrative division for those central Government purposes falling outside the scope of autonomy, the bupati, of course, continued also to be the officer to whom the lower administrative ranks of wedana and tjamat were responsible, and who, in turn, was responsible to the resident, the governor, and, through them, to the central Government. The same collection of tasks devolved upon the governor at the provincial level. In other words, whereas the law envisaged regional administration eventually being taken over by the autonomous governments, at whose head would stand a man who combined the functions of local leader with some of those formerly possessed by a central administrative official, for the time being, through the retention of the central administrative service an even greater integration of autonomous government and central administration was achieved.

Thirdly, though an electoral act was passed to govern the election of representative bodies in the autonomous regions (Law 7 of 1950 providing for indirect election of DPRD's), in fact the councils established in the autonomous provinces, kabupatens and municipalities were, with one exception, not filled by election for the time being. The exception was the Daerah Istemewa Jogjakarta where, in 1951, an indirect election was held for the DPRD

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according to the terms of the electoral law. (3) Elsewhere the central Government argued that problems of inadequate administration in local areas, and the difficulty of securing uniformity in the surrender of powers to areas of widely differing experience and capacity, made it impossible to establish fully autonomous bodies immediately. For these reasons the Government relied on another escape clause in Law 22 which allowed for the appointment, not election, of temporary councils (DPRD Sementara) in a manner to be determined by Government Regulation. In 1950 the controversial Government Regulation No. 39 was issued under Law 22, (4) and provided for the appointment of representatives on the basis of established party and other organizations. Political parties and other groups such as labor unions or women's organizations were entitled to representation on kabupaten or municipal councils if they possessed a central Executive and were established in at least three kabupatens in a province and with ketjamatan branches in those kabupatens. Members of the provincial DPRD's were to be chosen by the DPRD's of kabupatens and large towns, which were thus to act as a kind of electoral college for the representative councils of the first level of autonomy.

Though Government Regulation 39 allowed for a reasonable solution to the problems of the transitional period it contained one feature which brought it under fire in parliament. A procedure was laid down in the regulation for selecting candidates put forward by major parties and other organizations up to the full number of seats provided, in the establishment law, for the DPRD of the province, kabupaten or municipality concerned. But it was further provided that, when the full number of candidates had been selected, parties and organizations still unrepresented were entitled to one member, and the size of the councils was to be increased accordingly beyond the stated figure to enable this extra representation to be achieved.

This provision for extra council membership was open to easy abuse. It was possible for recognized parties who had already secured their representation on councils by the normal procedure to attempt to increase their representation by forming sub-organizations. The sub-organizations, theoretically independent, could then claim one representative under the provision allowing for the extra members. There was, in any case, likely to be some disagreement as to which parties and groups were parties and groups within the meaning of the Regulation, and, in practice, it was never easy to distinguish between organizations of a genuinely independent charac-

(3) In the eastern part of the archipelago a number of local elections were held, notably in Minahasa, Makassar and Sangihe-Talaud.

(4) Government Regulation No. 39 was the third attempt to make provision for temporary council membership. Two previous Regulations (Government Regulation No. 10 of 1950 and "Government Regulation in place of a Law" No. 2 of 1950) had not been approved by the interim parliament of the old Republic.

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ter and those either closely connected with a major party or perhaps formed solely for the purpose of obtaining a council seat. Doubtful practices of this kind did occur, and were associated particularly, though not exclusively, with the Masjumi Party. In the kabupaten of Blitar (East Java), to give one example, the establishing law provided for a council of 10. Under the normal procedure laid down in Government Regulation 39, the Masjumi Party obtained 2 representatives and 8 other parties and groups obtained 1 each. The council seats were thus filled. Then, under the extra membership clause, membership was given to 7 other groups--farmers' organizations, women's organizations, youth organizations, labor organizations. All of these associations had been founded by the Masjumi or were Islamic in basis and connected, at least indirectly, with the Masjumi. (5) On a council now swelled to 17, members of Moslem organizations had thus secured an effective representation of 9 members--an absolute majority.

This consequence of the application of Government Regulation 39 was not be found universally, but it occurred sufficiently often to give cause for complaint to other parties, and, in particular, to the P.N.I. which felt that it had been outwitted. The situation provided the background for the Hadikusumo Motion which, in 1951, was one of the factors bringing about the fall of the Natsir Cabinet. The Natsir Government was dominated by the Masjumi, and supported by the P.S.I. (Socialist Party), P.I.R. (Persatuan Indonesia Raja) and Parindra (Partai Indonesia Raja). The P.N.I. was in opposition. In January 1951, Hadikusumo (P.N.I.) brought forward a motion for the disallowance of Government Regulation 39, the freezing of councils already established under that Regulation, and the immediate preparation of plans for a fuller and more democratic regional autonomy. This motion, sponsored by the P.N.I., was also supported by two of the Government parties--P.I.R. and Parindra--whose continued backing was necessary for the Government's majority. The motion was accepted by parliament on January 22, 1951, and, in consequence, Assaat, the Minister for Internal Affairs, resigned since he held the view that the motion could not be implemented at that time. When Cabinet supported the position of the Minister, and refused to accept the decision of the House, P.I.R. withdrew its two Ministers from the Cabinet and the Government, recognizing that it no longer commanded the confidence of parliament, took the only course open to it and resigned.

The formation of a new Cabinet proved a difficult task, and it was not until April 1951 that the Sukiman Government, led by

(5) Islamic Farmers' Federation (Sarekat Tani Islam Indonesia), Islamic Youth Movement (Gerakan Pemuda Islam Indonesia), and its female branch (G.P.I.I. Puteri), Masjumi Muslima, Muhammadijah, Islamic Laborers' Association (Sarekat Buruh Islam Indonesia), and the Islamic Teachers' Union (Persatuan Guru Islam Indonesia).

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Masjumi and P.N.I. and including a number of smaller parties such as P.I.R., Parkindo and Catholic, was sworn in. On the particular point which had been at issue--the formation of regional councils on a more democratic basis--the new Government found itself as helpless as its predecessor. While promising to find a way of implementing the January Motion as soon as possible, the Government pointed to the difficulty arising from the absence of any uniformity in existing local government machinery throughout Indonesia. In fact no solution was reached, and the Wilopo Government in 1952 was still repeating the same arguments as its predecessors to explain the lack of progress in the field of local autonomy. Though the Wilopo Cabinet was not able to secure a permanent settlement of the problem by establishing councils based on election, it was responsible for one important advance in the giving of some effective content to the temporary council system which actually existed. It was during this administration that substantial powers were actually transferred for the first time to the kabupatens and provinces which had been established earlier. (It was then, too, that the Province of Kalimantan (Borneo) was set up, though no action was yet taken to regularize the position of the kabupatens established by Governor's Decree in Sumatra.) But for the time being such councils as did exist were still those which had been formed under the provisions of Government Regulation 39. After Parliament had accepted the Hadikusumo motion no further use was made of that Regulation, but a compromise agreement was reached whereby the councils already established were allowed to remain in being. In fact they continued in office until 1956. The areas where the Regulation had not already been implemented remained without any council at all. In the Province of East Java, for instance, the formation of a temporary council under the Regulation had been delayed by disagreement as to whether the R.K.K.S. (Rukun Kampong Kota Surabaja)--a system of community organizations established by the Communist Party, and strong enough to compete with the official local administrative system in Surabaja--was an organization within the meaning of Regulation 39 and therefore entitled to representation on the Provincial Council. The question had not been settled before the disallowance of the Regulation in January 1951, and the Province therefore lacked a council until new provision was made in 1956. For cases like this an emergency law (Undang-undang Darurat 7 of 1954) eventually filled the vacuum by entrusting council powers to the kepala daerah. The province of Central Sumatra was another example, though of a slightly different kind. Its old temporary council had been dissolved in 1950. Pending the formation of a new temporary council under Regulation 39 another Government Regulation (1/51) provided for the local government to be in the hands of a small body of four to six members chosen by the Minister on the recommendation of the Governor. This body was to exercise the powers of both DPRD and DPD. Though this was intended to be a temporary stop-gap only, the new temporary council had still not been established by the time of the Hadikusumo motion, and the small substitute council established under Regulation 1/51 remained in existence until 1956.

In 1954, under the first Ali Sastroadmidjojo Government, a new draft basic law to replace both R. I. Law 22 and N. I. T. Law 44

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was considered by parliament, but was withdrawn after an unfavorable reception, and the question remained in cold storage. The successful holding of the long delayed general election in 1955 at last made the possibility of local elections much more of a practical proposition, and in 1956 the Ministry of Internal Affairs was making its preparations towards that end. As a first step the old local electoral law (7/50) which had been used only in elections for the DPRD in the Daerah Istemewa Jogjakarta was repealed, and replaced by a new law (19/56) which provided for direct, rather than indirect elections, based on a system of proportional representation. In each case the whole daerah was to form one electoral district. A second step was the preparation of a new basic law for the whole country. The provisions of the new draft, which was based on the draft bill of 1954 but contained some crucial changes, will be discussed more fully below. It was passed in amended form in November 1956, after prolonged negotiation between the Minister and Party leaders, and was promulgated in the following January as Law 1 of 1957.

Finally, since a settlement of the whole question of local government at last appeared to be in sight, it was decided to dissolve the "temporary" councils (DPRD Sementara) where they had existed under the old Regulation 39, and to create new "transitional" councils (DPRD Peralihan) in all areas, to bridge the gap between the operation of the old law and the eventual introduction of the new. Law 7 of 1956 provided that members of the DPRD Sementara would terminate their tenure of office on July 1st, 1956. Law 14 of 1956 then provided for the setting up of the new transitional councils which were to last for no more than one year, by which time it was hoped that the new basic law would have been passed, and councils could be established on a permanent basis in accordance with that new law and the new electoral law. The transitional councils were themselves not to be based on election but on the next best thing--the returns of each area in the general election of 1955. Parties would be entitled to so many seats on the basis of their performance in each area in the general election. After the calculation of their entitlement they would simply nominate candidates for appointment to the council (appointment being made by the Minister, for provincial bodies, and by provincial governors for those of the lower levels). In other respects (e.g. the relation of DPD to DPRD and the role and method of appointment of the kepala daerah) the arrangements which had prevailed hitherto during the provisional period were to continue.

The new Law applied to all areas except those in which N. I. T. Law 44 of 1950 was current, and except Daerah Istemewa Jogjakarta, whose elected council was not due to expire until 24th December, 1956. For these areas the question of whether to establish transitional councils under Law 7 of 1956 was left to the discretion of the Minister.

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The law was implemented by a series of Ministerial Regulations. (6) Shortly afterwards further legislation provided, somewhat tardily, for the proper regulation of kabupatens and municipalities in Central Sumatra (Laws 8, 9 and 10 of 1956). A further part of the impressive body of legislation concerning autonomy consisted of the two laws already referred to, one dividing Borneo into three provinces and the other carving out a new province at Atjeh from part of Northern Sumatra.

The formal implementation of the Ministry's plans for local autonomy under the new basic law was still to be achieved at the time of the general political crisis of February and March, 1957, but at least by the end of 1956 councils on a much more representative basis than formerly were established over a much wider area than formerly, and experience in practical local government was being gained as a foundation for future plans. The following section deals with some of the characteristics and some of the problems of the system as it had developed in practice by the closing months of 1956.

(6) Ministerial Regulation 4/56 provided for the establishment of preparatory committees of party members to consider the election returns and agree to the distribution of seats as between parties. Reg. 5/56 fixed the number of members for the DPRD Peralihan and the DPD Peralihan for Djakarta. Regs. 6, 7 and 8/56 fixed the numbers of members for the provincial, kabupaten and municipal councils of West, Central and East Java respectively. Ministerial Regulation 9/56 provided for councils in the divisions of Jogjakarta. Finally, Regulation 17/56 gave specific instructions for the selection of the DPD Peralihan by and from the members of the DPRD Peralihan.

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CHAPTER IV

THE TRANSITIONAL SYSTEM IN OPERATION, 1956

By late 1956, though there still remained a bewildering variety in the character, past history and the legal bases of local units and local institutions in western Indonesia, the establishment first of the DPRD's and DPD's Sementara and then of the DPRD's and DPD's Peralihan had introduced a much greater degree of uniformity into the two higher levels of autonomy in the western part of the archipelago than had existed six years earlier. The newly established kabupatens of Sumatra, for instance, were certainly not yet equal in maturity to their Javanese prototypes, but they were coming to possess more than a formal similarity. In the Daerah Istemewa Jogjakarta, also, there were still important differences from the general Javanese pattern. At the Daerah Istemewa (province) level, the region, because of its past history as two swapradja (Jogjakarta and Paku Alam), possessed rather more complete powers than did the normal province. For the same historical reason, however, the kabupatens within the daerah were less developed as autonomous regions than was the case with kabupatens outside the daerah. While kabupatens in the provinces of Java had been given councils during colonial times, the equivalent divisions within the states of Jogjakarta and Paku Alam had remained merely as administrative units. But differences such as these were gradually being reduced, perhaps at the expense of the picturesque. Kabupaten councils were established in the four kabupatens of the Daerah Istemewa by the end of 1956.

There remain, of course, differences in degree of development from area to area and from level to level. The fully fledged province possesses a large-scale governmental organization to administer the powers surrendered to that level. In East Java, for instance, behind the impressive Governor's Office and Secretariat in Surubaja stands a separate administrative complex housing the offices of the autonomous government of the province--health, agriculture, public works, veterinary services, etc.--which exist here on a scale hardly to be matched in the humbler and more homely circumstances of Bukittinggi, the capital of Central Sumatra. At the kabupaten level in Java there is also a smoothly running organization, whether in a large kabupaten such as Malang or a small one such as Pasuruan, though, as will be seen below, the powers so far surrendered to the kabupaten level are much fewer in number as well as more restricted in character than those given to the higher level.

Councils and Their Composition

Now that an elective element had been introduced indirectly by the operation of Law 14 of 1956, whereby DPRD's are to be composed of party nominees appointed in accordance with each party's

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entitlement, as calculated on the basis of the general election returns in each area, the main outlines of the representative system, as it is intended to be under the new electoral law, are beginning to emerge. The DPRD's now in existence are composed of members of the major parties established in the region concerned, and in approximate proportion to their respective strengths in that region. They have with due formality elected their chairmen and vice-chairmen. They have also elected their DPD's whose members, though still under the chairmanship of an appointed governor, bupati or mayor, and still subject in their decisions to his power of veto, are assuming responsibility for the administration of local services. The area of responsibility is divided amongst individual members--health to one, public works to another, and so one. The frequency of their meetings varies, but a common arrangement is for monthly DPRD meetings and weekly DPD meetings. The size of councils at each level varied slightly from area to area. In Java all provincial DPRD's were to be composed of 60 members and DPD's of 6 members including the kepala daerah. DPRD's varied between 20 and 30 members, with a DPD of 6 in all cases. The DPRD's of large towns varied between 15 and 25 with a DPD of 6 in all cases. The DPRD's of small towns varied between 10 and 15 with a DPD of 4 in all cases.

Naturally the system of proportional representation which was used in the general election, and which is to be used in local elections also according to the new electoral law (19 of 1956) makes possible the survival of many parties. Nevertheless it is worth noting that the introduction of the elective principle for the transitional period, even though it has been adopted only in a substitute form, has brought about a drastic reduction in the number of parties represented. Whereas there were something in the neighborhood of ten parties represented on the old "temporary" local councils in Java, there are now usually only from four to six parties represented on the new "transition" councils. The major ones in all cases are the N.U., P.K.I., P.N.I. and Masjumi. (In East Java, for example, N.U. and P.N.I. are represented on all councils of kabupatens or towns, P.K.I. is represented on all but three, and Masjumi on all but one.) The other parties which have still managed to keep a foot in the door include P.R.I., Katholic and Parkindo, but there are to be found in far fewer councils and, where they are represented, in far fewer numbers than the big four. In general, it may be said that while Government Regulation 39 encouraged the mushroom growth of parties, since all organized parties could claim representation merely on the grounds of their existence, the 1955 general election eliminated the less hardy growths, though proportional voting still allows a multi-party system.

A natural result of the application of electoral figures to regional councils is that it has thrown into sharper relief the differences in party strengths from area to area. In Central Sumatra the Masjumi party is much stronger than it is in Indonesia as a whole, and has been able to obtain, in many areas, an absolute majority on DPRD's, despite the difficulty of doing so under a

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proportional system. Similarly in East Java the N.U. and the P.K.I. have a greater strength than either of them possesses in other areas, or at the national level, and they have each been able to win absolute majorities in councils in that province. (1) In a multi-party system these natural variations in local strength may lead, in any particular region, to inter-party alignments and adjustments which run counter to the policies of the parties concerned at the national level. While party discipline is not strong and voting may not always follow rigid party lines, it is broadly true that, in areas where the N.U. predominates, Masjumi tends to oppose N.U.-P.N.I. coalitions. This often places it in the position of supporting P.K.I. members on general issues. In areas where the P.K.I. is strong, on the other hand, the other three major parties form a united opposition.

A feature of the council system which deserves comment concerns the relationship between the representative body and the executive body, and the method of selecting the latter by and from the former. Though the representative council, the DPRD, is based on proportional representation, it might have been expected that the executive council, the DPD, would be formed by the usual method of straight-out election, so that the party or group of parties which could command a majority of the DPRD would secure executive control also. That is not the system used. The executive is intended to reflect the party composition of the DPRD as the latter is intended to reflect the composition of the electorate, and the proportional system is therefore used at this stage too. It is used, however, in a special form. According to a ministerial regulation (17 of 1956) the party complexion of the DPD is determined automatically in advance by simply applying the principles of proportional representation to the party distribution in the DPRD. The calculation, in other words, is made in the abstract, once the DPRD composition is known. Then each party whose strength entitles it to membership of the DPD puts forward two candidates for each seat to which it is entitled. The DPRD then chooses between the two candidates by a straight vote. It is obvious that this procedure may yield a very different result from that which might be obtained if a ballot according to the proportional representation system were held in the normal way. In the latter case the resulting DPD would be in proportion to the votes actually cast, and those votes might not necessarily be cast by each party for a nominee from its own ranks. Briefly, in a normal ballot it would be possible for any prearranged coalition of parties to be reflected in the final result, and in fact that method is used in the areas where N. I. T. Law 44 operates. But in the areas covered by R. I. Law 22 the composition of the DPD automatically reflects the actual party distribution of the DPRD, and makes no allowance for the fact that parties may choose to act in concert in order, perhaps, to outweigh a stronger rival.

The automatic procedure can have odd consequences. Where a party has an absolute majority in the DPRD there is no problem.

(1) The Communist Party was not represented in the "temporary" councils, but by 1956 it had made up much of the ground it had lost as a result of the abortive Madiun Affair of 1948.

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And in other cases, too, the DPD does usually bear a reasonable relation to the intentions of the parties composing the DPRD. But it is nevertheless possible in certain circumstances for a DPD, so far from representing a majority of the DPRD, to be so constituted as to be at odds with the representative body. If one party just falls short of an absolute majority in the DPRD it may be opposed by all other parties, but it may still be in a position to command a majority of seats on the smaller executive. In one case studied the P.K.I. possessed 14 out of 30 seats in the DPRD. It was possible, therefore, for it to be outvoted by a combination of all other parties. But its strength as the most powerful single party entitled it to 3 of the 5 DPD seats. Had the selection of the DPD been made by an ordinary ballot according to proportional representation, the combination of anti-P.K.I. parties would have gained 3 DPD seats and the consequent executive majority.

This type of alignment is, admittedly, rare. A more common and more serious consequence of the method laid down in the Ministerial Regulation for the selection of DPD members arises from the provision that, though the entitlement of each party is automatically determined, the actual members in each case must be chosen by the DPRD from two candidates put forward by the parties. It has happened in a number of cases that, where the P.K.I. has been entitled to one seat on the DPD, the anti-communist majority of the DPRD has refused, through large-scale abstention, to elect either of the two candidates advanced by the P.K.I. In these cases the Ministry has been powerless to persuade the councils to obey the intentions of the Ministerial Regulation, and the DPD's in question (including the DPD of the Province of West Java) have remained one member short. (2) This kind of recalcitrance on the part of local governments forms one of the arguments of the central Government in support of the view that central supervision over local autonomy is still required for the time being. But it must be noted that it arises from a defect in the voting machinery. It would not arise if the alternative method of a straight ballot, still according to P.R., were held.

For that matter it is not easy to see exactly why the proportional system should be used for this particular operation, except that the idea of decision by general consensus would appear to be a characteristic of Indonesian political procedure. At the level of immediate local politics (the second and third levels of autonomy) where executive tasks are relatively simple, and where the issues involved are of a "parish pump" variety rather than of a profound political nature, easy co-operation between members of widely differing political parties may be not so difficult to achieve. At the provincial level the disadvantages should be more apparent, and the creation of unwieldy coalitions might be expected to limit

(2) E.g. Pasuruan kabupaten, East Java, where the DPRD consisted of 18 N.U., 7 P.N.I., 3 P.K.I., and 2 Masjumi members. According to proportional representation the DPD should have been composed of 3 N.U. members, 1 P.N.I. member, and 1 P.K.I. member. But neither of the P.K.I. candidates was able to secure a majority of votes from the DPRD.

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executive programs to the lowest common denominator. (3) For this reason it would appear that the desire to ensure that all major political groups are represented could be adequately satisfied by providing for such representation on the legislative council, leaving the DPD as an executive depending for its existence on its ability to retain the confidence of the legislature.

The quality of local government must depend, of course, upon the quality of those who are available to serve as members of the representative and executive councils. Naturally the lower levels of autonomy must compete with the higher levels, including the national level, for the services of capable political leaders. With the election of the new Parliament in 1955 and of the Constituent Assembly in the same year, there were many cases of DPRD and DPD members moving from the local to the central arena. (4) However, in most cases studied there has been a reasonable carryover of members from the "temporary" councils to the "transitional" councils, suggesting the gradual growth of a core of professional or part-time political leaders who can find scope for their ambitions in local government service. The occupational background of members is not broad. The greatest single occupational group to be found on councils is composed of civil servants, a fact which is reminiscent of the local councils established during the colonial period and which is reflective of the character of the social élite catered for by the council system. (5) Other groups are small tradesmen, religious leaders, teachers, labor leaders and industrial workers. Only isolated exceptions are drawn from the agricultural population. The latter fact bears closely upon the general attitude of the Ministry of Internal Affairs towards the degree of independence which may safely be conferred on local authorities. It is argued that only when the councils can reflect the aspirations of the great mass of the agricultural population can the Government's own means of controlling that population--its administrative service--be safely dispensed with.

While representative and executive bodies are now in operation and have assumed responsibility for the making of regulations in certain fields of local government, for executing those regulations, and for administering a number of local services, the fact remains that it is not yet completely accurate to speak of local "government." It is still the case that the new "autonomous" bodies

(3) This would seem even more likely were the idea of an all-party executive extended to the national level, as was proposed by the President in his "Conception" of February 21, 1957.

(4) E.g. in Malang kabupaten (East Java) all but three members of the DPRD Sementara were elected to Parliament, the Constituent Assembly, or the provincial DPRD, leaving only three experienced members available for the new DPRD Peralihan in 1956.

(5) This group formed from a third to a half of the membership of 8 second- and third-level councils studied in East Java, and of 4 in Central Sumatra. In the newly appointed DPRD of the province of East Java 23 of the 60 members were civil servants.

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can exercise only a severely limited role. Firstly, since the kepala daerah and chairmen of the DPD is still, at the same time, the chief executive officer of the central Government in the province, kabupaten or municipality, the prestige of the local government tends to be overshadowed by that of the center, even where local matters are concerned. Secondly, it will be seen that the character of the powers surrendered to the local level also reflects the subordinate position of the local authority.

The Kepala Daerah

Since the intentions of Law 22 with regard to the method of appointing the kepala daerah have never been applied, the local government system in its "temporary" and its "transitional" form has been but a pale shadow of the system as envisaged in that law or as planned for the future. This fact has been a major ground of complaint by critics of the interim system who have argued that it has been no more than a device for disguising the continuance of central Government control.

Certainly it is true that, since the DPRD's have had no say in the selection of their regional heads, the role of these officials as central Government servants has been more apparent than their role as leaders of the local government. Naturally with the training and tradition of official service behind him a member of the pamong pradja would be expected to be a different type of person from a kepala daerah appointed by the prescribed procedure. Though, in theory, a kepala daerah appointed by the procedure laid down in the law was still to be charged with the task of balancing the desires of his regional council against more general considerations of national interest, any kepala daerah so appointed would surely be extremely reluctant to impose any check upon resolutions of his DPRD or his DPD, which would be composed of his political colleagues, presumably of like mind with himself. In such circumstances it would be natural for the national interest to be interpreted in such a say as to make it consistent with local demands. As it is, the reverse has been the case. The Ministry has been able to rely with certainty upon the obedience of its servants in imposing a delay on local ordinances and in subordinating local wishes to its own interpretation of the national interest. Given the appointment of officials to the office, the machinery provided by Law 22 gave an effective means of ensuring central control. The "preventive" supervision provided under Article 28 (6) (requiring the signature of the kepala daerah to local ordinances) and Article 36 (empowering the kepala daerah to delay matters where, in his opinion, decisions of DPRD or DPD conflicted with higher legislation or with the general interest) was so much the more effective when the Ministry was in a position simply to instruct its own officials to impose their veto with regard to a particular matter which was known to be pending. It could then ensure that the matter was raised by stages through the hierarchy of local governments until it was eventually brought officially to its own notice. For example, a kabupaten decision vetoed by the kepala

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daerah would be referred to the DPD of the province, as required in Law 22. If the DPD of the province approved the original decision of the kabupaten DPRD or DPD, that approval would constitute a decision of the provincial DPD which might then be the subject of a similar delaying veto by the kepala daerah of the province, and the matter would then pass for decision to the Minister acting in the name of the President. The watch-dog function of the pamong pradja, of course, was intended to produce the same effect where the central Government had no prior warning and had issued no prior instruction. (6)

The character of the system as it has operated is reflected most clearly, perhaps, in the accepted titles of regional heads. It is worth noting that, though in strict terminology the term kepala daerah is supposed to denote a different function or area of activity from that of a governor, or bupati, or mayor, and though the official designation of these officers is "Gubernur/Kepala Daerah, Bupati/Kepala Daerah, Wali Kota/Kepala Daerah, in practice the pamong pradja rank is invariably used by itself--Governor, Bupati, Wali Kota. And this practice is more consistent with the facts as they have been up to the present.

Yet, in spite of objections raised in principle against the combination of the two positions in the same hands, it must be admitted that, in practice, the direct appointment of the appropriate members of the pamong pradja to the office of regional head has worked surprisingly well. Certainly there have been cases where governors and bupatis have found themselves at odds with their councils. But these have been exceptional. For the most part regional heads have managed to establish a good working

(6) In the cases studied there were a number of examples of both uses of the preventive veto--by central instruction to the kepala daerah of provinces and kabupatens, and by the original initiative of kepala daerah themselves. Where matters on which the central government has a contrary interest do manage to slip past the supervision of the kepala daerah it is sometimes possible for the center to impose a repressive veto under Article 42, even on levels lower than the province. In one case studied, an ordinance of the DPRD of Bogor (Kota Besar) had been approved by the Wali Kota/Kepala Daerah. Since it concerned the remuneration of DPRD members it was subject, under Article 7 (2), to the preventive supervision of the DPD of the next highest level--the province of West Java. The provincial DPD in fact approved the ordinance, and this decision was, in turn, approved by the Governor of the province. The Ministry, however, was opposed to the original measure. Since it was, by this time, too late to secure the veto of the kepala daerah, it was forced to resort to a Presidential "repressive" veto, under Article 42 (1), of the provincial DPD decision approving the Kota Besar ordinance. In this way an ordinance of a second-level local government was revoked at two removes, as it were. Such a procedure, however, would not have been possible had the original ordinance been that of a third-level government, not a second-level government.

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understanding with their councils. While party representatives in Parliament have directed their fire at the retention of a veto power in the hands of central officers, these attacks do not seem to have awakened strong echoes in the daerahs themselves, where the issue of central supervision appears to have been of much less moment in practice than one would expect in theory. In fact the power of veto has rarely been used. The credit for that fact must lie partly with the political skill of governors and bupatis who have been able, by personal contact with council members, to resolve potential differences between councils and center before they became issues on the councils. In exercising this skill a governor or a bupati was, of course, aided by the mere fact that he was in a position to impose a veto if it did come to the point. But, in addition to this legal power, there has been a more intangible factor present also--the fact that he was a person of authority. The mystique of authority still counts for much in political relations in Indonesia. A governor or a bupati or a mayor is the more easily able to reach a good understanding with the members of his council, considered as individuals rather than as party representatives, because of the mere fact that he embodies in his person the authority of the central government in the region. This applies particularly to the kabupaten level where the bupati is regarded in his area less as the head of an autonomous government than as the symbol of a higher power. It is a paternal authority which he represents. He is the father of his people and it would be unwise for the student of political relations in Indonesia to ignore the special flavor expressed, for instance, on the occasions when a bupati--or for that matter his subordinates, the wedanas and tjamats--speaks paternally to the lurahs of his region. Even at the more sophisticated level of kabupaten or provincial political activity something of the same relationship survives, and there is room for careful study of informal as well as formal methods of decision-making by regional representative and executive councils.

Naturally this attitude to authority may be expected to change. There are already signs that the chairman of the DPRD, a person chosen by the council itself, is coming to be an important focal point in local affairs, and this in itself must weaken the traditional position of the bupati or the governor. Again, the tendency of members of the pamong pradja to acquire a party affiliation is bound to blur the present distinction between official neutrality and the conflict of political pressures, especially when some members of the administrative service have sought political office. Amongst the civil servants who, as was indicated above, have become the largest single occupational group on kabupaten or provincial councils, are many members of the pamong pradja. It is always possible that a low-ranking officer, a wedana or a tjamat, may be chosen as a chairman of a DPRD or a member of a DPD. This must necessarily affect his relationship towards his superiors in the service, since it will tend to confer upon him, in his political capacity, a roughly equal status with the officer to whom he is responsible in his professional capacity. It is argued by some that the pamong pradja as a service should

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stand aside from politics. But this is a difficult ideal to achieve, since, in recent years, many higher appointments in the service have been made, partly, at least, for political reasons. An ambitious regional officer can hardly be blamed for attempting to safeguard his future advancement by acquiring political connections.

But these are long-term elements of change. In the present situation, though the political affiliations of the administrative official have laid him open to the charge of using his influence in matters of national politics, as in the elections of 1955, his neutrality in local government politics seems not to have been seriously impaired, and so far his prestige has been such as to overshadow that of popular representatives. In these circumstances his special position within the system of autonomy has not, except in a few difficult cases, constituted the source of friction which one might have expected from a study of the formal machinery of local government, or from a consideration of parliamentary criticisms of the system. The new basic law, however, has radically changed the character of the kepala daerah. The nature of the alteration and the problems which the application of the new law will pose will be separately considered in the next chapter.

Powers

The limited and experimental nature of local government during the period of transition is further reflected in the method by which powers have been divided amongst the several levels of autonomy and in the character of the powers themselves. In general Law 22 provided that each level of autonomy should manage its own "household" affairs (rumah tangga). In the establishing legislation by which provinces, kabupatens and municipalities were actually set up the concept of household affairs was further elaborated in a list of subjects. But it is to be noticed that, instead of allotting different general fields of activity to the two levels so far created, the same list of fields, with the exception of one item, is given to each level. The actual responsibility of the province in the specified fields differs, of course, from that of the kabupaten or the municipality, and a more exact definition is provided in the appendix to each law. The full list of headings is as follows:

I. The maintenance of a DPRD and of the general organization which goes with it (Urusan Umum).

II. The execution of laws and regulations passed by that council (Urusan Pemerintahan Umum).

III. Control of public lands (Urusan Agraria).

IV. Public works--irrigation, roads and public buildings (Urusan Pengairan, Djala2, dan Gedung2).

V. Agriculture, Fisheries and Co-operatives (Urusan Pertanian, Perikanan dan Koperasi).

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VI. Veterinary services (Urusan Kehewanan).

VII. Control of handicrafts, internal trade and industry (Urusan Keradjinan, perdagangan dalam negeri dan perindustrian).

VIII. Control of labor (Urusan perburuhan).

IX. Social welfare (Urusan Sosial).

X. Marketing, distribution, price control, etc. (Urusan Pembagian--distribusi).

XI. Information (Urusan Penerangan).

XII. Education (Urusan Pendidikan, pengadjaran dan kebudajaan).

XIII. Health (Urusan Kesehatan).

XIV. Traffic control (Urusan Lalu-lintas)--for province only.

XV. Operation of the region's own enterprises (Urusan Perusahaan).

This imposing array of subject is limited by two factors.

(a) Though all of the subjects are enumerated in the establishing legislation for all provinces and kabupatens they have not all been surrendered in fact. As has been noticed already, the actual surrender of each power (except I and II) requires a separate legal instrument. In fact by the end of 1956 only seven powers had been transferred to provinces--public works, agriculture and fisheries, veterinary services, control of industry, social welfare, education, and health--and only two powers--public works and health--to the kabupaten level.

(b) Even those powers that have been surrendered are not always quite as extensive as might be assumed from the list of general headings. The explanatory appendix attached to each establishing law makes it clear that, in the case of many of the fields listed, the role of the autonomous government is to be merely that of assistant to the central Government in the case of provinces, and to the province or the center in the case of kabupatens. This limitation is effected partly by the specific classification of many of the powers as "medebewind" rather than as "otonoom." For example, under the heading VIII--Labor--the five activities to be entrusted to the province are all specifically described as medebewind. For the most part they comprise the provision of statistical information to the central Ministry of Labor. But even where the powers to be surrendered are not specifically described as medebewind their character is often, in effect, not more than that of giving assistance to the center. The education power surrendered to provinces is a clear example. The duties surrendered, though not described as medebewind, are limited to primary schools only, and even then are concerned mainly with the erection and care of primary school buildings and the provision of equipment for those schools.

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All other educational matters--the drafting of curricula for all schools, the inspection of all schools, the training of teachers, etc.--remain matters for the central Ministry of Education. It is not intended to suggest that, in these particular fields, full provincial autonomy would be more desirable than central control--that education would be better handled, for instance, on a provincial rather than a national basis. The examples are chosen because they do illustrate a general limitation placed on provincial autonomy, a limitation to be found not just in the fields of labor and education but in other fields also.

To summarize the situation very briefly: apart from headings I and II, only two of the fields to be surrendered to the provincial level can be described as fields of substantial autonomy, with room for full local initiative and full local control. These are Public Works and Health. All of the remainder are, in greater or less degree, powers of medebewind, whether so described in the explanatory appendix to the establishing act or not. The same comment applies in an even greater degree to the kabupaten, to which level, in any case, only public works and health have so far been surrendered.

However, in spite of these limitations, it may be possible to interpret the legislation in such a way as to allow a slightly greater area of operation for the local government. The question arises from the provision in the basic law which provides that each autonomous government shall manage its own "household affairs." (7) It is doubtful whether the list of powers set out in the establishing laws is intended to constitute an exhaustive definition of "household affairs" and thus to indicate the full scope of activity of the local government, or whether the term may be held to include other matters of clearly local interest which fall outside the list but which may be handled by the local government on its own initiative, subject only to the general provision that such initiative must not infringe the legislation of a higher level. This point is not made clear either in the basic law or in the earlier establishing laws for the provinces in Java and Sumatra, though the statement in the basic law that matters included in the concept of rumah tangga would be determined in the establishing legislation for each region (8) suggests the narrower interpretation. (9)

(7) Articles 1 and 23.

(8) Law 22, Article 23 (2).

(9) Article 1 of Law 22 provides that Indonesia shall be divided into three levels of autonomy which "have the right to regulate and arrange their household affairs themselves." Article 23 (1) provides that the DPRD shall regulate the household affairs of the region. The next paragraph continues: "Matters which are included in the rumah tangga mentioned in para. 1 are to be determined in the establishing law for each region. The question would appear to turn on the words "are included" (Hal-hal jang masuk urusan rumah tangga....)." Article 28 dealing with the

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However, changes in wording in more recent establishing legislation suggest that the wider interpretation was intended, or, at least, has since come to be favored. The legislation establishing kabupatens and large and small municipalities in Central Sumatra was substantially different from that establishing autonomous governments in Java. While a list of subjects was included (the same subjects as those already listed for Java) it was further provided that the autonomous governments had the right to deal with matters not dealt with by the central Government or by the provincial government until higher legislation decided otherwise. (10) A similar provision was included in the legislation dividing Kalimantan into three provinces, (11) and in that creating the province of Atjeh. (12) These later formulations would appear to indicate a trend in the direction of allowing a greater degree of flexibility in the conferring of powers upon local governments. It will be seen that the trend is continued in the new basic law of 1957.

In addition to the specific powers surrendered, each level of autonomy, according to Law 22, has a general supervisory role to play with regard to the levels below it. Since the third level up to the present has been established only in towns, this task has belonged primarily to the province, though, in practice, kabupaten DPD's do exercise a degree of informal supervision over the affairs of the desa. (13) Supervision is most important, perhaps, in financial matters. The provincial DPD considers kabupaten

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legislative powers of DPRD's empowers the DPRD to legislate for the "interests" of the region, but the general explanation attached to the law, in elaborating this article, equates "interests" with the rumah tangga dealt with in Article 23, and thus does not clear up the ambiguity.

(10) Law 8/56, Article 8; Law 9/56, Article 8; Law 12/56, Article 8. These three laws provided for the transfer to the kabupaten or municipality of some of the listed powers by the province, not the central government. This was merely because, in the absence of autonomous governments of the second level, the powers of such governments had been surrendered to the province already.

(11) Law 25 of 1956, Article 81. A roughly similar provision had been included in the law establishing the original province of Kalimantan (Emergency Law 2 of 1953, Article 75).

(12) Law 24 of 1956, Article 13.

(13) "Desa affairs" is usually one of the executive tasks which are parcelled out amongst the members of the kabupaten DPD's, even though, strictly speaking, this field of activity does not properly belong to the autonomous kabupaten. The extent to which the DPD member responsible for desa affairs really does perform a serious task varies from kabupaten to kabupaten, and depends upon informal arrangements made with the administrative service in the area.

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and municipal financial estimates and makes an initial determination of their budgets. It also considers requests from kabupatens and municipalities for central government loans, and recommends acceptance of such proposals to the Ministry for Internal Affairs. In addition, as already noticed, the provincial DPD has power to set aside regulations and decisions of lower councils.

Organizational Complexities

The role of local governments as assistants to the center and the consequent interlocking of local government machinery with that of the several central Government departments concerned has given rise to certain organizational complications. The field of education may again serve as an example. It has been seen that the province is entrusted with the maintenance of primary schools and the supply of equipment, while the remaining responsibility rests with the Ministry of Education. Each province has its own Education Office for the administration of its allotted responsibility. It also maintains branches of that office in the kabupatens. But the Ministry of Education, too, maintains its own provincial offices and kabupaten offices for the primary school inspectorate, its separate provincial offices for the supervision and inspection of lower secondary schools (SMP) in the province, and a separate office for the administration of mass education programmes. (The inspectorate for the higher secondary schools--SMA--is established in Djakarta, not in each province.) Thus the general field of education in each province is divided between a number of separate offices (14) though the nature of their work makes close co-operation imperative. That is particularly true in such kabupatens as Pasuruan, where compulsory education is the subject of experiment. The experiment is financed by the Ministry but supervised by the autonomous province.

Even in fields where local control is comparatively full, the fact that the same power is surrendered to all levels has its peculiar consequences. The field of health is a case in point. The province has power to establish and maintain its own hospitals and it pays and controls its own staff. It also has educational responsibilities in the training of orderlies and midwives. The kabupaten has similar powers. The fact that medical services are in any case inadequate and doctors inappallingly short supply removes any danger of overlapping between the two levels. But the Ministry of Health also operates directly in the local field, supervising local health services in technical matters, maintaining its own hospitals, and running a number of national campaigns against malaria, framboesia and tuberculosis. Any kabupaten doctor is expected to assist in the execution of the central campaigns

(14) In Central Sumatra, for example, there are three offices of the central Ministry in Padang (Inspectorate of SMP, and of foreign schools, and the office of Mass Education) and three in Bukittinggi (Inspectorate of primary schools (SR), of technical education, and of religious education).

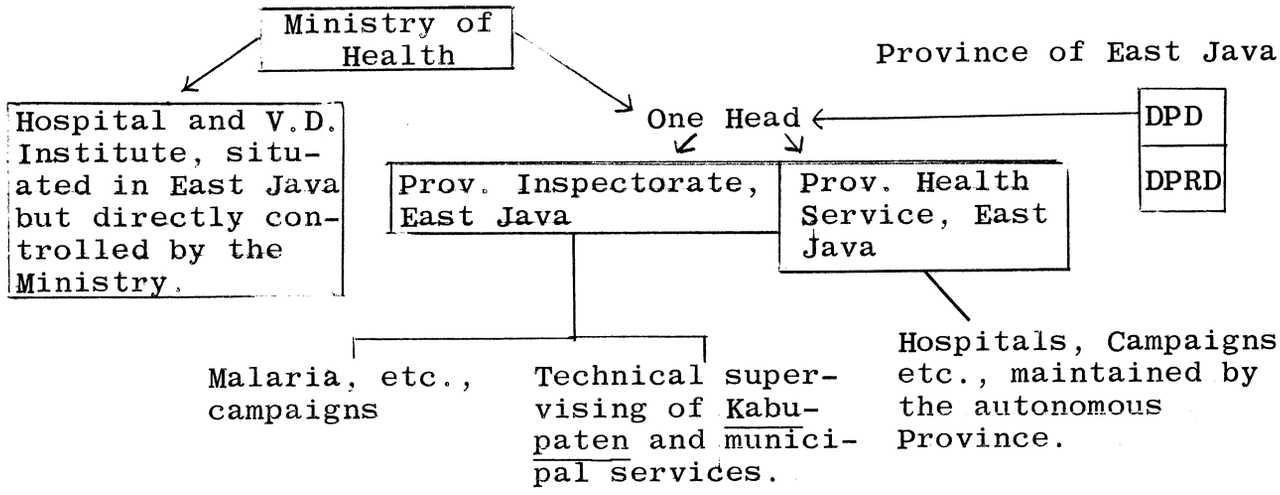
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as well as performing his own duties for the autonomous local government which employs him. In fact, also, because of the shortage of doctors, most of those employed by kabupatens and provinces are supplied by the Ministry and can be transferred by the Ministry, although they are paid by the local authority. (There are rare cases where a kabupaten has actually appointed its own doctor, and in these cases it retains full control over him. The Ministry of Health is still his ultimate superior for technical matters. But it cannot transfer him. But these are exceptions. For the most part official doctors are not merely under the Ministry for technican supervision. They belong to the Ministry and are simply on supply to the local government.)

In this situation there should be, ideally, in each province (a) an Inspectorate of the Ministry of Health (i.e. a branch office of the Ministry) to control the direct activities of the Ministry in the province and to exercise technical supervision of the professional servants of the local governments; and
(b) an office of the provincial health service, controlled (except in technical matters) and financed by the autonomous provincial government. In fact, the chronic staff shortage has decreed otherwise. In most cases the two offices are combined in a single building and under a single head. A description of the organization of health services in the province of East Java and in one kabupaten in the province will illustrate the complexity of the situation.

The chief health officer in the province of East Java, though paid by the province, is both provincial Inspector of Health--for the Ministry of Health--and head of the province's own Health service. (He also happens to be an Inspector General of the Ministry of Health--a special advisory position--and the W.H.O. officer in the province.) As Inspector he is responsible for the conduct in the province of the campaigns conducted by the Ministry against malaria, framboesia and typhus. He is responsible, too, for the technical supervision of kabupaten health services. He is not responsible, however, for a central Government hospital and a venereal disease institute which happen to be situated in the province. These are directly under the Ministry of Health. Secondly, as chief health officer in charge of the provincial health service, he is responsible for all the strictly provincial activities in the field, including the operation of two hospitals (at Malang and Madiun); an anti-malarial campaign run by the province in addition to the central campaign, and financed from a section of the provincial budget which allows for measures to combat "epidemic and endemic diseases"; and the training of medical auxiliaries for the province. In his two capacities he is responsible for two budgets--one relating to his administration of the central funds which are allotted to the provincial office in its capacity as provincial branch of the Ministry, and one relating to his administration of the health services of the autonomous province.

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Something of a similar duplication occurs at the kabupaten level. In the kabupaten of Pasuruan, for example, there is one hospital maintained by the autonomous kabupaten, and one maintained by the autonomous municipality (Kota Ketjil) of Pasuruan. The kabupaten doctor is responsible to the DPD of the kabupaten for all kabupaten health services, including the hospital and the polyclinics in the area. He is also technically responsible, through the sub-inspectorate of Malang Residency, to the provincial Inspectorate in Surabaja, and ultimately, of course, to the Ministry. He is expected to assist in the conduct of central campaigns in the kabupaten. And he is responsible for the supply of statistical information to the Ministry. Further, since he was originally supplied by the Ministry and is merely on loan to the kabupaten, he is responsible to the provincial Inspectorate in more than a technical sense. The provincial inspector can transfer him within the province. And the Ministry can transfer him beyond the province. Finally, as an added complication in Pasuruan, is the fact that the staff shortage has again forced a combination of position and one man serves as both kabupaten doctor and municipal doctor.

This duality of character of health services at all levels is not necessarily a disadvantage. Indeed, at the provincial level it can be a positive advantage for an administrator who knows what he wants and who can bend to his purposes whatever organizational devices happen to exist. Certainly the provincial health officer in East Java is untroubled by his multiple personality. At least he always knows what he is doing, even if he might not be clear at any point in exactly which capacity he is doing it. Ultimately it might be possible for all of the executive tasks in a province to be the responsibility of the province considered as an autonomous region. In the meantime the combination of the offices of provincial inspector and chief of the provincial health service is perhaps more rational than an organizational plan which attempted to define the two areas of responsibility more sharply and to divide those areas between two officials.

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Finance

The subordinate role of local governments, which was apparent in the character of the powers surrendered to them, is further reflected in their financial dependence upon the center. Local authorities do possess their own sources of revenue, but these are limited and do not yield nearly enough to meet the costs of maintaining local services. As a result the greater portion of local income at all levels is supplied annually in the form of a direct grant-in-aid from the central Government.

For the lower levels of local government--kabupatens and large and small municipalities--the main local sources of revenue are: (a) taxes levied by the local authority itself--bicycle tax, entertainment tax, dog tax, vehicle tax, etc.; (b) the reversion of a certain proportion of taxes collected by the central Government from the region concerned, e.g. the household tax, 5% of which is returned to provinces and 15% to kabupatens; (c) returns from services provided by the local government, e.g. water rates, hospital charges, charges for the use of space in markets, etc.; (d) returns from enterprises operated by the local authority, e.g. swimming baths and, in some instances, cinemas. Of these sources by far the most important in the case of kabupatens is the return from the administration of markets. For small and large towns, water supply and markets together form the major items of income. But even so central subsidy still provides the most important share of the annual budget. Though the exact proportion of central subsidy to local revenue naturally varies from area to area, the 1956 estimates for the kabupaten of Probolinggo in East Java may be cited as a fairly representative case for Java. In that area local sources were expected to provide a revenue of Rp. 4,200,000 (Rp. 2,100,000 of which was expected from markets). A subsidy of Rp. 4,150,000 was still required from the central Government to meet an estimated expenditure of over Rp. 8,000,000.

Provinces are in far worse case since they do not have the same opportunities for rates and charges as those enjoyed by kabupatens and municipalities, or rather they do not have these opportunities in proportion to their greater financial need. The province of East Java in 1956 required an estimated subsidy of Rp. 369,000,000 from the central Government in a total budget of Rp. 412,000,000. Only Rp. 7,000,000 was expected from provincial taxes and charges.

The fact that all local governments are so dependent upon the central Government for their revenue means an accompanying limitation upon their freedom to spend their revenue. Supervision of financial matters is conducted through the ordinary supervisory machinery. The budgets of local governments must be approved in the first instance by the DPD of the next highest level. Kabupaten budgets, that is to say, must be considered by the DPD of the province whose task is to compare and balance the demands of kabupatens of the whole province before making a recommendation to the Ministry for Internal Affairs. Provincial budgets must be

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approved by the Ministry itself. A final allocation as between local authorities is determined by the Ministry which must act, of course, within the general limits set for it by the Ministry of Finance. The final allocation for each area includes provision for the technical departments--health, agriculture, etc.--maintained by the local authority. These are not financed directly by the central Ministry within whose field they fall. A local government may also receive special assistance for a particular task to be performed for a central Ministry. The several pilot experiments at present being conducted in compulsory education offer one example. In cases such as this the Ministry of Finance makes a special allowance for the project, but the actual disbursement is still made through the Ministry for Internal Affairs.

Local governments may also borrow from the central Government for particular purposes and again the projects must pass the scrutiny of a higher authority. The object of the loan and the exact details of its application must first be approved by the Ministry of Internal Affairs, and the Ministry of Finance, and, in the case of the lower levels of autonomy, by the province also. The provincial DPD again acts as an initial filter for such proposals, considering in detail the nature of the works to be financed from the loan, the validity of the estimates of costs, etc., and it must balance each request against others from within the province. It then passes on the request together with its recommendation to the Ministry.

The dependent financial relationship has been one of the major sources of grievance on the part of regional governments. Taken together with the limited nature of the powers surrendered and with the retention of close official supervision through the person of the kepala daerah, it must obviously affect the ability of the decentralization plan to secure one of its main objects--the conciliation of regional feeling. In effect that object has been subordinated to a second major object--the development of the local government system almost as an auxiliary to the old central administrative system for the purpose of providing general government in Indonesia.

Civil Service

Each autonomous government maintains its own civil service, organized, of course, on functional, not regional, lines. Regional administration, as has been seen, remains the function of the central Government's own administrative service. The activities of the civil services of the autonomous provinces, kabupatens and municipalities are confined to the running of those services which have been surrendered by the center.

Recruitment and the drawing up of regulations governing payment, terms of service, pensions, etc., are the responsibility of the local bodies themselves, except that the Ministry of Internal Affairs issues a general guide in these matters, and the local bodies are expected to conform reasonably closely to that guide,

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so that the risk of anomalies as between the services of different areas, or between all of them and the center, may be reduced to a minimum.

One serious problem facing local governments, and the central Government too for that matter, is the shortage of trained personnel, whether administrative or technical, which still exists at the present time. Indeed one of the severest indictments which can be levelled against Dutch colonial administration is that it left such an inadequate supply of qualified Indonesian doctors, engineers, agriculturalists or administrators for the service of the young Republic. As far as technical officers are concerned it is usually necessary for local authorities to borrow trained men from the central Government. As has been noticed already, almost all doctors employed by the health services of provinces, kabupatens and municipalities are in fact supplied by the Ministry of Health. In cases like these the officers remain the servants of the central Government, though they are paid by the local government. (One problem which arises here is that often the only persons available for local services are of senior rank and the local authorities are not in a position to pay the higher salaries required or, if they are, they are likely to create anomalies in their own payrolls.) But the shortage of non-technical personnel is also serious in many areas and it is necessary for civil servants to be borrowed by the local government from the central Government. In Central Sumatra towards the end of 1956 the majority of the senior officers staffing the several provincial services were central civil servants on loan. In makeshift circumstances such as these it is not surprising that senior officials should complain of the dubious ability of their subordinates to make decisions, of their tendency to pass on decisions which should be made at a lower level, or alternatively, to make decisions on matters which should go to a higher level, of their slowness in passing on matters which have to be considered by several sections of an office, and, in general, of their ignorance of proper procedures and the lack of administrative traditions. In addition, the poor living conditions of public servants and the low remuneration which compels many of them to seek other employment, such as teaching in the afternoons and evenings, are hardly conducive to good service. For reasons such as these any communications between departments, between lower and higher levels of local governments, or between local governments and the Ministry of Internal Affairs are apt to be interminably slow and productive of great frustration for civil servants and local governments alike.

A start has been made in the direction of providing a core of trained officials at least for the provincial level. Through the assistance of the Ministry for Internal Affairs a number of men from each province has been sent each year for training in public administration and related fields at the Gadja Mada University, Jogjakarta. These men are now beginning to filter back to their respective provinces, and some are employed in the autonomous side. But for the lower levels of autonomy the problem continues.

While the several departmental offices of each local government are separately established and are staffed by the region's own servants, the close connection which is still maintained, through the persons of governors and bupatis, between central

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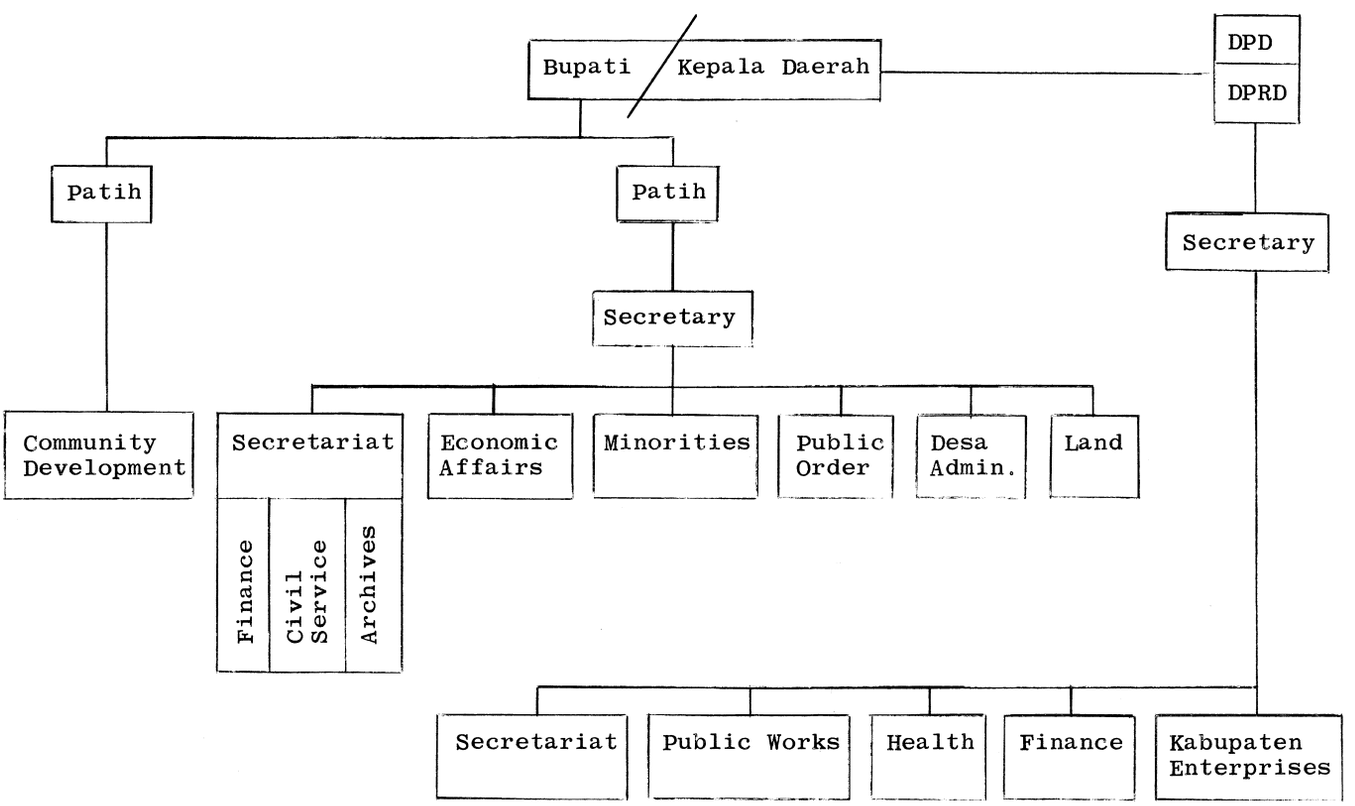
Government administration and autonomous affairs, has given a dualistic character to the central secretariat of both province and kabupaten. The double function of the bupati, for instance, as pegawai (official) and as head of the autonomous kabupaten government, is reflected in the organization of his office. If portrayed diagramatically a reasonably clear division of functions is apparent between those sections of the office which are concerned with central matters and those which are concerned with local government matters. In practice the two sides are apt to interlock--a fact which is not without its advantages for general efficiency. The accompanying chart is based on the organization of the kabupaten office in Malang, but the organization is typical, and is duplicated in essential character at the provincial level also.

Assessment

The experiment of the transitional period has been successful enough, as far as it has gone, in Java, though the events of December 1956 make it clear that it has been less successful in Sumatra. Even in Java, however, it is clear that it has been a very limited experiment. The dual role and divided responsibility of the kepala daerah and the narrow character of the powers surrendered to provinces, kabupatens and municipalities, constitute severe restrictions upon autonomy. Whether they are necessary restrictions is another matter. In these circumstances it is difficult to assess the potentialities of the transitional system as a means of meeting either of the problems for which it is designed: the problem posed by regional resistance to control by Djakarta, and the problem of government in a society based ultimately upon a multitude of small customary units. Certainly it may be doubted whether the kabupaten as a unit of autonomy can contribute very much to either of these problems. It is too small in territorial extent to offer a point of focus to broad regional feeling, but not small enough to fall within the horizon of the village. From an administrative point of view, admittedly, the kabupaten is, perhaps, the most important link in the chain of command. At this level all of the affairs of the region are effectively centered in the hands of the bupati, who is the terminal point for the lines of authority passing down through wedanas and tjamats. The bupati, of course, is responsible in turn to the resident and the governor, but theirs is a much more general supervision than that which he exercises over the officers below him. However, it is doubtful whether the kabupaten is as effective a unit from the point of view of autonomy as it is from the point of view of administration. Attention has already been drawn to the fact that, with some exceptions, the members of kabupaten councils are not drawn from the rural population. There are, it is true, identifiable regional interests which can be handled well enough at the kabupaten level. Water supply in towns which do not have municipal status, and other public works, are cases in point. But these are matters which touch the interests of a small élite. They do not directly affect the village inhabitant. And it may be argued that, pending the establishment of a lower

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ORGANIZATION OF OFFICE OF BUPATI/KEPALA DAERAH, KABUPATEN MALANG



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and basic level of autonomy, the responsibility for such tasks might better be redistributed between provinces and municipalities. Certainly if a third level of autonomy were established the importance of the kabupaten must inevitably be reduced both as an administrative and an autonomous unit. It is the absence of the third level which gives some point to the present use of the kabupaten as a unit of autonomy. But, because of its basically unrepresentative character, its use does not really succeed in solving the problem posed by the absence of a third level.

A somewhat different situation may be observed in the areas covered by N I. T. Law 44 of 1950 where the daerah unit, though theoretically of the same status as a kabupaten, appears to provide a more effective unit for the expression of local aspirations. One example may be helpful in providing a contrast to the Javanese scene.

An East Indonesian Contrast

Minahasa is not typical of the local government pattern of Sulawesi, Maluku and Nusa Tenggara. Economically well-developed on the basis of copra exports, and unhampered politically by the survival and recognition of any traditional ruler, it has enjoyed a more developed experiment in local self-government than has been the case in the swapradja which comprise the major part of the three eastern groups of islands. At the same time it does illustrate the important differences in style between the provisions and operation of the N. I. T. Law 44 of 1950 and the R. I. Law 22 of 1948.

Before the war Minahasa was one of the four areas in the eastern islands which were under direct rule. (The other three were Gorontalo, Ambon and Lombok.) As a result of Dutch experiments in decentralization both Minahasa and the city of Manado received their own councils, though the government of the municipality was subordinate to that of the region. At that stage both the mayor of Manado and the regional head of Minahasa were appointed officials. After the war, with the formation of the State of East Indonesia, Minahasa (including Manado) became in 1948 a "daerah" and provision was made by a Presidential Regulation for a council composed of nominated party representatives on roughly the same basis as that obtaining elsewhere in Indonesia. Law 44, which was passed two years later, made little change to the situation already created In 1950 the Minahasa DPRD availed itself of its right to draft its own electoral Ordinance (Peraturan Pemilihan DPRD Minahasa) and the first election was held under this Ordinance in June 1951. The elected DPRD in turn elected its DPD and submitted to the Ministry of Internal Affairs a list of candidates for the position of kepala daerah. Minahasa thus became the first region in the Republic to elect its local council, though it was closely followed by the Daerah Istemewa Jogjakarta, where elections were held two months later under the first general

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regional electoral law of the Indonesian Parliament (Law 7 of 1950). The Minahasa electoral ordinance provided for direct elections, in contrast to Law 7, which prescribed indirect election. It has remained in operation up till the present time. However, when the term of the present council, elected in 1956, expires in 1959, the next election will be held under the new all-Indonesian local government electoral law (Law 19 of 1956) which was passed last year to replace Law 7 of 1950. The new law, as has been noticed, provides for direct elections on something approaching the Minahasa pattern rather than the indirect form used in Jogjakarta.

The present government of the daerah does not include the city of Manado. In 1953 Manado was separated from daerah Minahasa and constituted as a separate daerah of equal status, with its own DPRD, DPD and kepala daerah.

There are a number of important differences to be noticed between the system of local government established in Minahasa and that established in kabupatens in the areas covered by R. I. Law 22. In particular the post-war status of the daerah as a "neo-swapradja" (15) has affected the method of defining the powers to be exercised by the regional government and the character of the region's administrative service. Further, the role of the kepala daerah has been a little different in practice, though not in theory, from that to be found in Java.

Powers

It has been seen that in the western islands of the archipelago powers have been specifically surrendered to the local governments by the central Government. This practice had been established before the war by the Dutch in their creation of local governments in areas of direct rule. By contrast the swapradja, bound to Holland by contract, were permitted to retain such powers as were not specifically claimed by the central Government. When Minahasa received limited institutions of local self-government before World War II the normal practice in directly ruled territories was followed, and a defined list of subjects was surrendered to the region. After the war, under the State of East Indonesia, Minahasa was classified as a neo-swapradja, which meant, amongst other things, that the method to be followed in conferring powers was to be that used in the case of the former indirectly ruled states, i.e. central powers (the powers to be exercised by the Government of East Indonesia) were defined, and the residual powers remained with the local government. The method appears, on the whole, to

(15) A law of the Indies Government enacted in 1946 provided for governments in directly ruled territories, which were to be granted all or part of the powers which, in the indirectly ruled areas, were vested in the governments of the self-governing States. Schiller, op. cit., p. 99. These were termed "neo-swapradja" and were intended to be governments of the same type as a swapradja.

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be preferred by local leaders for the simple reason that the defining of specific powers, whether for the center or for the region, tends to have a limiting effect. In this case the limitation was placed upon the center--the Government of East Indonesia until 1950, and the Government of the Republic of Indonesia after the formation of the unitary state in that year. The fact that the limitation is voluntarily incurred by the central parliament and may be reversed at the will of the central parliament, distinguishes such a method from the distribution of powers in a federal system. But, in practice, there is something of a federal element present when powers are divided in this way. However, the implementation over the whole of Indonesia of the new basic local government law passed in 1956 would have the effect of introducing, even in Minahasa, the method whereby local powers are defined and specifically surrendered by the center.

The Administrative Service

In the former self-governing states the responsibility for the administration of districts and sub-districts was left to the recognized local ruler, aided, of course, by officers of the Indies Government. This has continued to be the case since independence. Whereas the lower administrative ranks in directly ruled areas have been subject directly through the chain of command to the Ministry of Internal Affairs, in swapradja they have been responsible to the government of the swapradja in the first instance. Minahasa's post-war status as a neo-swapradja has placed this area in the latter category. The regional administration of the area has been a responsibility of the DPD, and District and Sub-district Officers (Hukum Besar = Wedana, Hukum Kedua = Tjamat) are appointed by, and are responsible to, the DPD.

Kepala Daerah

It has been seen that N. I. T. Law 44 of 1950, unlike Law 22 of 1948, contained no escape clause allowing for the appointment of a kepala daerah directly by the Ministry during the interim period. When the elected DPRD in 1951 submitted its list of four candidates to the Minister, therefore, he was bound to make his choice from that list. This alone would appear to indicate a greater measure of local independence than was permitted in Java where the regional head continued to be an appointed official. But even in Minahasa central control has been exercised over the activities of the local government in no uncertain manner, and the freedom of the local representative council to determine, within limits, the person of the local chief executive has been questioned. In practice the Minister of Internal Affairs claimed, and claimed successfully, the power to set aside the choice of the DPRD for the position of kepala daerah, and even to dispense for a period with the DPRD itself.

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When a kepala daerah was to be appointed following the local elections of 1951 it happened that one of the four candidates put forward by the DPRD was a member of the pamong pradja, a bupati in rank, and he was chosen by the Minister. Two years later the growth of tension between the DPRD and the DPD led to action by the representative body to replace the old executive and to submit to the Minister a new list of candidates for the position of kepala daerah. It was significant that none of the members in the new list had previously been an officer of the central administration. The Minister refused to accept this attempt to change the government of Minahasa. Instead he dissolved the DPRD and appointed a new kepala daerah from the pamong pradja. For three years Minahasa was governed directly by an appointed official acting without either a representative or an executive body, but finally in 1956 a new election was held, a new DPD selected, and a new kepala daerah chosen by the prescribed procedure. (He was not formerly an official.)

However, though the center successfully exerted its power in this way between 1953 and 1956, and though the exact nature of the relationship intended to exist between the kepala daerah and his DPRD or between the kepala daerah and the center has never been satisfactorily defined, he does remain more a political figure, and more the servant of the local government, than has hitherto been the case in Java. And in general, in spite of this example of local acceptance (albeit a reluctant acceptance) of the Minister's decision, it would be true to say that local autonomy in Minahasa has been a sturdier growth than that in the areas operating under Law 22. This has been partly due, as was suggested earlier, to the region's inheritance of neo-swapradja status from the State of East Indonesia. But there have been other factors also. The remoteness of the area from Djakarta, and from Makassar, the capital of Sulawesi, its economic development on the basis of copra exports, its high rate of literacy (95%) are important. So is the fact that, up till the present time, there has been no autonomous province of Sulawesi. The province has been an administrative division only. Some of the powers, therefore, which have belonged to provinces elsewhere have devolved upon the daerah. Though theoretically Minahasa is equal in status to a kabupaten, actually it has exercised roughly the same powers as belong to a province in Java: health, education, public works, agriculture and fisheries, forests, veterinary services, and information. There would be great resistance in Minahasa were any of these fields of activity to be transferred to an autonomous province either of Sulawesi or North Sulawesi, though admittedly, if the latter development occurred, the pill would be coated by the fact that Manado would almost certainly become the capital. Finally, the problem of copra exports has provided an issue for a major clash of interest between central Government and the daerah, which has stimulated local suspicion of Djakarta. This will be examined below.

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CHAPTER V

THE NEW BASIC LAW

In November 1956 a new basic local government law, designed to apply throughout all Indonesia, was passed by parliament. This was achieved only after a long period of preparation under a series of Governments, and after a number of false starts. In 1954 a draft bill had failed to win parliamentary approval. A second draft in 1956 again encountered strong opposition. Only after prolonged negotiations between the Minister for Internal Affairs and party leaders was a drastically amended third draft able to secure acceptance. The three drafts followed the pattern of Law 22 in many respects, but they differed from it and from each other on two major issues which, as may be gathered from the preceding pages, are crucial to the whole plan--the question of central Government supervision of local government, and the question of the lowest unit of autonomy. On a third question at issue--that of the extent of powers to be enjoyed by local governments at all levels--the trend noticed above in more recent establishing laws has been continued. DPRD's are given the power to deal with all local matters except those assigned by law to another authority. Without lessening this blanket provision powers may be specifically conferred upon DPRD's. (1)

The Problem of Supervision

It has been seen that a central feature of the system prescribed in R. I. Law 22 and in N. I. T. Law 44 for the central supervision of autonomous governments was the provision that the Head of a Region, though partially chosen by the DPRD of the region itself, would exercise a dual function--that of chairman of the Executive Council and head of the autonomous government on the one hand, and, on the other, that of central Government representative, with a responsibility for supervising the work of the councils and for acting sometimes against the wishes of the councils, if public interest or the requirements of higher legislation required it. It has been noted, too, that in the areas where Law 22 applied, the central control was carried a stage further in that these offices were filled, not from candidates nominated by the DPRD's but from officials appointed directly by the Ministry. Obviously for Java and other areas formerly under direct rule the system of appointment proposed by Law 22 was unsatisfactory. So long as the central Government considered it necessary to maintain some control it seemed desirable to retain the official character of these positions. But the compromise whereby nominations would be made by the representative bodies and appointments made from those nominations by the central Government would be certain to attain only the worst of both worlds. On the one had, the element

(1) Law 1 of 1957, Article 31.

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of appointment would be resented by local assemblies. On the other hand, from the Government's point of view, the fact that appointments were to be made from a list of nominees destroyed the guarantee that the Government would be able to select a man on whom it could rely. Moreover, the method would also have destroyed at one blow the stability of the central administrative service by removing from office the very people whose training and experience fitted them for just this task. In the indirectly ruled areas the problem did not appear so acute, since the central administration had never penetrated so completely to the basis of society.

When attempts were made after 1954 to secure the passage of a new basic local government law to cover all Indonesia the question of the degree to which officials of the central Government should continue to exercise a power of supervision over local bodies emerged as the major point at issue between Government and parliament. It was the intention of the Government to retain a greater measure of supervision than had been envisaged either in Law 22 or Law 44 (this intention reflected closely the departmental view) and it was the aim of party leaders in parliament to resist such a plan.

Briefly, the Government's case for withholding full autonomy has rested on several considerations. There was a paternal fear that inexperienced local councils would prove inadequate to the tasks confronting them. Though the Government regarded full autonomy as a desirable goal it found it difficult to believe that the regions were ready to receive full responsibility immediately. Naturally it is never difficult to find evidence to support an assumption of that kind. Nor was it simply inexperience which was feared. There was also the fear of positive irresponsibility, and certainly there have been cases enough to lend substance to such a fear. (2) But perhaps more important than either of these arguments is the fact that, though provinces and kabupatens may be given certain powers of self-government, there still remains the problem of administering the basic unit--the desa, or negeri, or marga, or whatever other form its organization may take. Pending the establishment of a third level of autonomy the central Government needs to retain control over the administration of the affairs of the village, at least in those areas where it has done so in the past. It is not clear how far this point entered consciously into the thinking of the Department. It was not frequently stressed in conversation of the present writer with officials concerned with

(2) As one instance there may be quoted the situation in West Java where local councils increased the remuneration of members for attendance at meetings beyond the prescribed scale. In such cases as this the Ministry is unable to rely on obedience to instructions which it may legitimately issue to councils. Of similar character is the action of many councils with a strong Moslem majority in refusing to seat a PKI member of the DPD, even though that party is entitled to a seat. The case of Pasuruan, which still contains one DPD vacancy, has already been referred to.

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planning. It is, nonetheless, an important element in the problem. When a third level, based on villages or collections of villages, is established the need for a central administrative service should disappear as envisaged in Law 22, or at least be greatly reduced, and changed in character. At that point the lower regional administration, if it was still to be considered to be necessary, could become the responsibility of the autonomous kabupaten, with wedanas and tjamats acting as the servants of the kabupaten DPD. This solution has in fact been mooted by officers of the Ministry of Internal Affairs as a future interim possibility. In the meantime there remains the fact that kabupaten councils are not really representative of the agriculturalist, and their activities do not directly reflect village needs. Even if fuller autonomy were to be conceded to the kabupaten level (in the sense of restricting the veto of the kepala daerah) the central Government cannot really surrender full responsibility for the care and control of the village to councils which do not adequately represent the village population. In the "special regions"--swapradja or federations of swapradja--the situation is rather different. There local governments, as a matter of history, have already been responsible for the administration of lower territorial sub-divisions. But for the remainder of the archipelago, where the local administration of the central Government has always been more detailed and more thorough, the Government considers it necessary, for the time being, either to retain this channel of communication in its own hands, or to institute a very close supervision by appointed officials over the administration of lower districts by DPRD's and DPD's.

At first the latter alternative was preferred. When the new legislation for local government was under consideration between 1954 and 1956 two alternative solutions to the problem, quite opposite in character but each designed to establish a firm supervisory system, were put forward in succession. The draft bill of 1954 suggested a simple and direct solution, namely that the existing provisional method of direct appointment of an official as the kepala daerah be made permanent. The kepala daerah of provinces would be appointed by the President, of kabupatens and large municipalities by the Minister, and lower officers by the kepala daerah of the province concerned. Naturally it was intended that, in making these appointments, the Government would continue its practice of appointing members of the pamong pradja. (3) Emphasis was laid in the bill not on the dual character of the kepala daerah but rather on his character simply as an official of the central Government. "The Kepala Daerah is a national civil servant." (Article 23.) And the general explanation attached to the bill was more explicit: "In a unitary state the Kepala Daerah has the role of supervising all the measures of the regional government in the interests of the State as a whole. Because of this it is provided that the Kepala Daerah shall be an official who is appointed and dismissed by the central Government." In this way it was hoped to

(3) Though this has been the general rule up to the present there have been exceptions in the case of higher appointments. Not all governors have been appointed from within the service.

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continue the practice of balancing the power of autonomous local governments by placing at their center the same individual who was also responsible for the administration and co-ordination of central Government activities in the region concerned. With his power of veto over the decisions of both local councils he could exercise an effective supervision over their actions and policies.

It was, perhaps, not surprising that this feature of the bill should arouse strong and successful opposition in parliament, and the new draft, prepared in 1956, went to the opposite extreme in proposing a solution. Instead of integrating the autonomous hierarchy with the administrative hierarchy, it was now decided to make a clearer separation between the two. So far from being an official of the central Government, the kepala daerah was now to be made purely a political figure, elected simply by the DPRD's in the case of provinces and kabupatens, and by the people in the case of lower units. (4) It was intended that eventually the office would be filled by direct general election for all levels. (These provisions were not to apply to "special regions" where the kepala daerah would continue to be chosen from the traditional ruling house.) There was thus no longer any question of central Government appointment from a list chosen by the DPRD. Certainly appointment was still subject to higher approval--that of the President for provinces, of the Minister of Internal Affairs for second level governments and of the administrative head of a province for third level governments. (5) But this approval would be an emergency safeguard for use in the face of the election of patently unsuitable persons. It would be a tenuous safeguard, since it would always be difficult for the center to resist the strongly expressed wishes of a local assembly.

Though the new provision for election of the kepala daerah appeared to be a considerable concession to local feeling, it must be noted that the method of appointment was no longer considered to be as important from the Government's point of view since, under the new law, the old concept of the dual role of the kepala daerah was now discarded. He was to be concerned only with autonomous affairs or, as the explanation accompanying the draft bill explained very clearly, he was to be simply an "organ of the regional government." He had no supervisory powers. His signature was no longer required for ordinances of the DPRD (that of the chairman of the DPRD was now substituted) and he was no longer given the "preventive" power of delaying ordinances which were contrary to higher legislation or to the general interest, as had been his responsibility under Article 36 of Law 22. For the administration of other matters which did not fall within the field of autonomy (including supervision of village affairs) the pamong pradja was to be retained, though as a separate and distinct service. (6)

(4) Article 23 (1 and 2).

(5) Article 23 (3).

(6) The retention of the administrative service was not mentioned in the bill. That it was the intention to retain it was made clear to the writer by officials of the Ministry.

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In spite of this separation of the personnel of the administrative side from that of the autonomous side, the central Government was determined not to jettison its control machinery. Since the kepala daerah could no longer form a part of that machinery it was necessary to formulate a rather more elaborate method. Firstly, the preventive supervision of a DPD over the level immediately below it with regard to specified classes of legislation--finance, conditions of appointment of civil servants, etc.--was retained in the same form as that laid down in Law 22. Ordinances on these subjects were not to come into effect without the prior sanction of the next highest DPD (the President in the case of provinces) until three months had elapsed. (7) Secondly, the DPD of a province had power to cancel the decisions (repressive supervision), not of second-level councils as formerly but of third-level councils. This power was to be exercised at the suggestion of, or on information from, the appropriate second level council. (8) These supervisory devices lay within the hierarchy of local governments. There was also to be an external supervision, both preventive and repressive, exercised on behalf of the central Government. By the new bill the President was empowered to delay or veto decisions of councils at any level if they conflicted with higher legislation or with the general interest. And, where third-level governments were concerned, he was permitted to delegate this power to a new officer--the komisaris. (9) Where first- and second-level governments were concerned, the komisaris was to exercise a preventive role only, delaying the decisions of provincial kabupaten or municipal councils.

Though the new bill was silent on the details, providing merely that the komisaris would be aided by authorities nominated by law, the new office and the machinery attached to it were intended to be the pamong pradja in a new form. The komisaris was to exist at the provincial level, and would, in effect, be the governor of the province, though with an altered function. Below the komisaris, bupatis, though no longer themselves empowered to impose a veto on the councils in their area and though no longer even directly associated with the local government system, were intended to keep a quiet eye upon the deliberations of councils. Their role, as envisaged by the drafters of the new law, was that of a spy system.

The new proposals of 1956 clearly offered a much watered-down system of central control as compared with the proposals of two years earlier. With the combination of the office of kepala daerah with that of central official the imposition of a check upon council decisions at all levels was a simple matter. Under the terms of the new draft the clear separation between kepala daerah and official, and the limitation of the power to delay local legislation to the komisaris only, meant that a veto could be imposed

(7) Article 63 of draft bill.

(8) Article 65.

(9) Article 64.

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only indirectly, at two removes, so to speak, for second- and third-level governments. It would obviously be much more difficult for the governor in his role of komisaris to delay enactments of kabupaten councils than it had been, formerly, for the bupati, who was himself chairman of the DPD, to withhold his consent to ordinances. Even so the new draft did not go far enough to meet parliamentary opinion. Debates on the new bill in November 1956 were marked by sharp criticism of the institution of the office of komisaris, and the Minister of Internal Affairs was unable, in a conference with party leaders, to convert them to his view. The outcome was the passage of a severely amended version, which has now become the new basic law for local government--Law 1 of 1957.

In the amended version the kepala daerah remains a political figure, as in the earlier draft. He is to be chosen according to a procedure to be fixed by law, (10) but pending that law he is to be chosen by the DPRD, having regard to the qualities of ability and knowledge required for the office. Higher approval is still necessary before an appointment is actually confirmed--the approval of the President for the kepala daerah of first-level governments, and of the Minister for Internal Affairs or other authority nominated by him for the kepala daerah of second- and third-level governments. (11) As in the earlier version, the power of preventive supervision is no longer conferred upon the kepala daerah. From the point of view of supervision the main feature of the amended law is the removal of the supervisory power of the komisaris, and consequently a still more complete separation of the administrative from the autonomous hierarchy. The former is not mentioned in the act. The intention is that it shall be retained, but that it will be concerned with the administration of central Government affairs only, and not with general co-ordination or with the supervision of local government activities. No doubt it will be possible in practice for the pamong pradja to exercise some of the co-ordinating functions which were formerly their prime concern, but this will have to be conducted in an informal and advisory fashion. The pamong pradja will also, no doubt, be able to play the part of a spy system, reporting to the Ministry of Internal Affairs on the workings of autonomous governments at the various levels; but again this must be an informal role, since the new law confers no such power upon the administrative service. But, in general, the autonomous governments will be masters in

(10) Article 23 (1). The explanatory appendix makes it clear that, in the new law to fix the method of selection, it will still be based on the idea of the office as a popular one, to be filled according to the wishes of the region. The idea of direct popular election is foreshadowed. In the meantime it is expected that the kepala daerah will be chosen by the DPRD from amongst its own members, though it may choose from outside if it so wishes.

(11) Article 24 (2). The other authority is intended to be a central official or the next highest DPD (Explanatory Appendix to the Law).

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their own house, with control over the fields allowed to them, subject only to two restrictions. The decisions of councils at each level of autonomy will still be subject, as under Law 22 and the intervening drafts, to the preventive supervision of the DPD of the next highest level on specified matters, and to the repressive supervision of the DPD of the next highest level where decisions conflict with higher legislation or with the general interest. (For provinces this supervision is now to be performed by the Minister of Internal Affairs, or other authority nominated by him.) (12) The Minister is empowered to delay or veto decisions of councils of the second and third levels if the appropriate authority--the next highest DPD--does not carry out its duty of supervision. (13) The Minister apparently has the right to decide when a neglect of duty has taken place, and, therefore, when a situation requires his intervention. Secondly, in addition to the possible veto of local council decisions, provision is made for a direct supervision of the general workings of autonomy by the central Government, in a manner to be fixed by Government Regulations, (14) and for the direction, by the central Government, of the activities of a DPD which is guilty of neglect of its duties. (15)

Thus, having sought at first a close integration of the local government system with the administrative machine, and then a looser supervision of the former by the latter, the Government has eventually been forced to accept a looser supervision still, exercised not by members of the pamong pradja but by officials of the Ministry itself. Because of this retreat it is now more than ever necessary, in the official view, that the administrative service be not allowed to wither away, or be transferred to the autonomous side. Instead there must be a sharper distinction between central tasks and local government tasks than had existed in practice during the transitional period, and members of the administrative service will still be placed in each region as chief executive officers of the central Government with responsibility for the co-ordination and supervision of central matters. In particular the administration of the village, in areas where this has previously been the task of the central Government, and where a third level of autonomy has still not been established, is intended to remain within the field of central responsibility, not that of autonomy. The pamong pradja will continue to serve as the Government's channel of communication to the basis of society. Having failed to secure the close control of autonomy that it desired, the Government has been forced to accept the other alternative--that of keeping this channel in its own hands.

The new law does not really meet the demands of either party to this prolonged controversy. The Government, or rather its

(12) Article 64.

(13) Article 65.

(14) Article 69.

(15) Article 50.

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advisers in the Ministry of Internal Affairs, in fighting a rear-guard action for the maintenance of an effective supervisory system, were undoubtedly moved by the desire for good government. The close connection proposed between the autonomous system and the administrative hierarchy appeared a neat and simple way of securing the best of all worlds. That method called, of course, for a spirit of compromise between elected councils on the one hand and the Ministry, represented by its appointed officials, on the other. Given a willingness to compromise, the combined functions of the kepala daerah, far from being a potential source of conflict, could have been an advantage, since the arrangement would have enabled guidance and intervention to take an unobtrusive form. Against this it could be argued that the Ministry was being too paternal and too cautious, and that, in the interests of good government, it had been too distrustful of local bodies and too reluctant to allow them a reasonable scope for experiment and error. Be that as it may, the system as it was established during the transitional period did reflect a consistent point of view, albeit an authoritarian one. The new law represents, by contrast, an uneasy compromise between political pressures demanding fuller autonomy and the official approach based on the view that autonomy must, for the time being, serve the purposes of general government. Its implications have yet to be worked out in practice and, at the time of writing, even officials of the Ministry are not clear as to the exact relations which will develop between the autonomous side and the central administrative side. For instance, one apparently minor question, but basically an important one, has yet to be settled. Who will live in the official residence at present occupied by the combined offical/kepala daerah? With the splitting of the office into its component parts, will this building become the residence of the elected kepala daerah or of the administrative officer of the region concerned? In Java the standard architectural arrangement is for the open hall used for kabupaten DPRD and DPD meetings to stand immediately in front of the bupati's house, reflecting the connection that has existed hitherto between the bupati's two functions. Apart from that, the bupati's house has been a symbol of government authority. Whoever lives there in future will have that much advantage in the silent and informal competition for prestige which must inevitably determine which of the two is the principal figure of the district.

This issue will not be acute in East Indonesia where the daerahs based on swapradja will become special regions, with the kepala daerah drawn from a ruling family. In these areas the responsibility for lower administration is already in the hands of the local authority. As has been seen, a similar situation prevails in, e.g., Daerah Minahasa where, though it is not a former swapradja or federation of swapradja, the DPD has already become responsible for the lower administration. The Minahasa example may indeed provide a pattern for future development in other areas formerly under direct rule. There the competition between appointed official and autonomous local government has been quickly and decisively determined in favor of the latter. In Manado there is an office of the Resident-co-ordinator for four

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daerahs of North Sulawesi. But it has been overshadowed in prestige by the office of the local government.

A further element in the prestige struggle is the possible formation of a third and lowest level of autonomy. It has been argued above that the difficulty in creating the third level has been a major reason underlying the Government's demand for an effective supervisory system. And it has been noticed that with the collapse of those plans the administration of the village population has been retained in central hands pending the establishment of a third level, except in those areas where it is already in the hands of swapradja authorities or the DPD. However, where it is possible to establish a third level the need for the lower ranks of the administrative hierarchy will presumably be reduced. (The third level will, of course, be under the immediate supervision by the DPD of the second level, as laid down in the new law.) However, the establishment of the third level has not been an easy task, and that fact is reflected in the second major difference between the new Law and the old Law 22.

The Problem of the Third Level

One of the defects of Law 22 was that it envisaged the establishment of a rigidly uniform hierarchy of autonomous units to be set up in western Indonesia on the Javanese pattern--provinces, kabupatens, desas-- and with only slight regard for local differences in social organization. Naturally the two higher levels of autonomy presented little difficulty, since, in any case, the units at both of these levels were artificial creations, and overarched all units of customary organization. As far as the first level, the province, was concerned there was likely to be, and there has been, much difference of opinion as to precisely which areas should be given provincial status. This question will be raised in the succeeding section. But the institution of provinces as a level of autonomy has not been a matter of controversy. Secondly, the kabupaten, though essentially a Javanese unit, is capable of export in something at least resembling its Javanese form. The newly established kabupatens in Sumatra correspond sufficiently closely to pre-war administrative units to have made the transfer a comparatively easy matter. Even in the rather different circumstances of Sulawesi, Maluku and Nusa Tenggara, the formation of the Daerahs of Negara Indonesia Timur through the federation of swapradjas has created a division roughly corresponding to the kabupaten. The resemblance has been strengthened since then by the further subdivision of these units by the Republic of Indonesia. The third level, however, has proved to be a more difficult nut to crack, and, to the present time, apart from small municipalities, no units of the third level have been established.

The difficulties arise from several factors. In the first place the use of the term "desa" in Law 22 was misleading since the desa of Java has no exact counterpart elsewhere. It is a territorial unit very different in character from, say, the negeri of Minangkabau which is partly based on kinship. Secondly, the creation of a third

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level of autonomy according to the terms of Law 22, with democratic councils on a modern pattern, would presuppose a fairly "open" society. Social change is proceeding rapidly enough in Indonesia, but each of the various forms of village organization, because of the strength of customary obligations and procedures, is still to a great extent a closed society of its own. (This is, of course, a matter of degree. Some villages have already been brought within the orbit of a wider economy and society and have been the subjects of a greater breakdown in traditional patterns than is the case with others.) It is hoped that the third level may be grounded, as far as possible, in customary organization, but that would be an extremely difficult goal to achieve, particularly upon a uniform basis. Thirdly, even if it were easy to transform customary procedures in the desired fashion, the village unit which represents the core of social organization in Indonesia, is considered by the Government to be, for the most part, too small to serve as an effective unit of autonomy. The present intention is to organize autonomous units of the third level by combining several adat units, but this is naturally an ambitious plan, since it, too, would involve nothing less than a substantial modification of customary organization.

The problem is vital to the whole local government plan for Indonesia. Briefly, diversity, the strength of custom and the smallness of the basic unit make it enormously difficult to fashion new institutions of government for that level, and this fact affects the character of autonomy which can be enjoyed by the higher levels of kabupaten or province. So long as the village remains the effective unit the powers of kabupaten or provincial governments must necessarily be limited. From another point of view, as already suggested, if a third level were established the autonomous kabupaten might well become superfluous. The Government of the Daerah Istemewa Jogjakarta tends to argue on these lines, pointing out that the kabupaten is an artificial unit which has its uses only so long as a lower level is not in existence. If the third level were established the needs of the population could be served adequately by the local council for immediately local matters and by the provincial government for matters of more general concern. To this end the Daerah Istemewa has sought experimentally to combine neighboring desas either by union or by federation into larger units, with their own councils. In the ketjamatan of Pakem, for instance, sixteen desas comprising sixty pedukuhan, and representing a population of over 23,000, have been reduced, through a process of union or federation, into five desas each with a DPRD and a DPD instead of the traditional forms of village assembly. Jogjakarta is a special case, however. The region is composed of two former swapradja, and before the war the existing rulers possessed the usual powers allowed to swapradja under the long contract. In this situation kabupatens during the colonial period remained as administrative units only, and did not enjoy the preliminary experience in local government as did kabupatens in the directly ruled parts of Java. Desa organization was weaker also. For this reason the reorganization of desas into larger units has been easier than might prove to be the case elsewhere, while the newly created autonomous kabupatens

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have less of a vested interest in their own continued existence than is the case elsewhere.

Outside Jogjakarta the difficulties are likely to prove greater, though in parts of Java some desas may already be big enough in population to justify their establishment as third-level governments. But, in general, responsible officials within the Ministry have in mind the establishment of third-level autonomous units approximately equal in size to the ketjamatan. It is argued that while the ketjamatan has been purely an administrative division up to the present time, and has had no existence in custom, it is still a small enough unit to fall within the horizon of the desa population. The ketjamatan, both in the colonial period and at present, has been a crucial level of administration in Java since it is the point at which the adat unit, the desa, comes into contact with the central Government machinery. Regular meetings, usually weekly or fortnightly, between the tjamat and the lurahs of his area provide the means whereby central Government requirements, explanations and requests are passed down to the desa. These meetings are not for the purpose of discussion and decision, but for the purpose of paternal instruction by the tjamat to the lurahs. Whether or not this administrative unit could be transformed into an autonomous unit, and, if it were, what would happen to the "natural" level of autonomy, the desa, is extremely problematical. It might be possible to establish a representative council for a whole ketjamatan, either by the process of amalgamating desas or on the basis of a federal association of desas. In either case it is likely that such a council, in its decision-making, would still have to recognize the existence of a separate, vigorous, and prior process of decision-making in the individual desas themselves. The actual execution of ketjamatan council decisions, for instance, might well be forced to depend upon the consent and co-operation of traditional desa leaders, whether the status of those leaders was still formally recognized or not. Particularly would this be likely to be the case where the individuals elected to the central council were different from the traditional authorities as constituted before the amalgamation or federation. For reasons such as these the Government, though it does desire to use, as its basic level of autonomy, the ketjamatan or something like it in area and population, also recognizes that, at least in Java, the strength of the customary unit is such as to make such a transition a remote possibility for the moment. Outside Java the prospect is brighter, though the variety of types of organization makes it dangerous to generalize. The negeri of western Sumatra, though it is approximately equal in size of population to the desa, covers a more extensive area, and it has had some experience in the operation of a local council during the colonial period. It might well prove to be a suitable subject for experiment as an autonomous unit of the third level. Again, some of the smaller swapradja in eastern Indonesia might be similarly adapted, perhaps after an interim period in the form of Daerah Istemewa, Level No. III. In larger swapradja, where the administrative system of local rulers has already weakened the identity of the village as a self-contained unit it may be possible to repeat the experiments of Jogjakarta. But in all these cases the creation of

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the lowest level of autonomy must be a matter for trial and error, and for the adaptation of modern procedures to the character of the society in question.

In general the core of the problem lies in the difficulty of determining which units in Indonesia have genuine substance. In Java the desa has substance in a way that higher units do not have it. As has been noticed earlier, the autonomous kabupaten is really a product of social change. It serves the interests of the élite, which has never belonged to, or has escaped from, the desa. So long as effective social organization continues to be based on the small unit, the higher levels of local government must be, to some extent, divorced from the mass of the population. And it is the existence of the gap between government and the great mass of the governed which gives local administration in Indonesia something of a colonial character still.

These are no doubt problems of transition but they must affect the approach of the Government in the making of formal provision for the establishment of the basic level of autonomy. For this reason the draft bills of 1954 and 1956 allowed for a much greater flexibility for the third level than was envisaged in 1948. Whereas Law 22 stated flatly that there were to be three levels of autonomy--the province, the kabupaten and the desa--the later drafts allowed for variation from place to place. Provision was made, certainly, for three levels, now called, more vaguely, Level I, Level II and Level III, (16) thus avoiding any suggestion of exporting Javanese terminology. But the establishment of the third level was now optional. It was to be set up only where circumstances made it convenient: where, that is to say, there already existed in traditional organization units of suitable size and coherence to be adapted to the tasks of modern local government. Where traditional organization provided no such unit, as in most of Java, for instance, only the two higher levels were to be established for the time being as levels of autonomy. Below that the existing system of village government and administration will continue to function, but outside the provisions of the local government law, and subject, as at present, to the control exercised by the central Government through the chain of authority extending down through bupatis, wedanas and tjamats. This remains one of the major tasks of the Ministry of Internal Affairs. It is not without significance that the building which today houses the Ministry in Djakarta is the same as that which once housed the central administration of the Indies (Binnenlands Bestuur) before the war. There has necessarily been less change than might have been expected in the types of functions performed within its walls.

While the new basic law thus leaves it as a matter of discretion whether or not to establish Level III in any particular area, there was still provision, as formerly, for the establishment of a half-way house to full autonomy in the form of the special regions.

(16) Article 2. The distinction between Kota Besar (2nd level) and Kota Ketjil (3rd level) is now discarded. All municipalities are to be of 2nd level status.

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Special regions could be established at any of the three levels of autonomy, and given the powers appropriate to the level in question. Special regions were to possess the two councils, DPRD and DPD, prescribed for local governments in ordinary areas. The main difference between the special regions and the ordinary regions lay in the mode of appointing the kepala daerah. Whereas the kepala daerah was normally to be elected by the DPRD in the case of the local governments of the two higher levels, and by the people in the case of local governments of the third level, in the case of special regions of all three levels he was to be appointed by the central Government from a descendant of the ruling family which had exercised power in the region before the establishment of the Republic of Indonesia. A special region could be converted at any time into an ordinary region at the request of the population.

The provision for the institution of special region, Level III, however does not solve the basic problem. Such a local government can only be established in a situation where there already exist the conditions of size and sophistication required for the establishment of an ordinary local government unit. The "special" government is merely one in which the form of an "ordinary" government is adjusted slightly to meet particular cases of local loyalty to a hereditary ruler. Thus, in fact, the new basic law provides for local governments, either "ordinary" or "special," to be established at the third level only in rather special circumstances. The establishment of such governments will have to be a matter of gradual experiment. The main purpose of the new Act is to enable the postponement of a final solution so far as the basis of society is concerned, and the maintenance in the meantime of the present system of centralized control in those areas where it already operates.

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CHAPTER VI

PROVINCIAL AUTONOMY AND REGIONAL FEELING

It was remarked earlier that the planning of a local government system in Indonesia has been directed simultaneously at two distinct types of problem. There was first the problem of securing "government in general"--the need to fashion new instruments of government for a society in process of transition and to find a substitute for a "colonial type" of rule by the central administrative hierarchy. Secondly, there was the need to recognize and to cater for the facts of broad regional resistance to the center and of the fears of Javanese predominance within the unitary state. So far, in this paper, the evolution of institutions of local government has been discussed primarily in relation to the first of these problems. Attention has been given to the form and content of local authorities at all levels during the transitional period, to the relationship between central administration and local government, to the question of supervision, and to the question of administering the affairs of the village. The second type of problem--that arising out of regional feeling--is of a different character, though, in the long run, it could be of more fundamental importance for the political stability of the country as a whole. Federal feeling is not dead. At the same time the concept of regionalism needs careful analysis. It may be suggested that many apparent expressions of local consciousness would be more correctly described as opposition of special groups to national policies. Such opposition might happen to find strong expression in a particular area but it would not follow that it sprang from the general circumstances of the area as a definite region.

According to the general plan, the problem of regionalism was to be met by the institution of autonomy at the provincial level. Areas which had been, or might have become, states in the federal system were to be constituted as provinces, and the exercise of reasonable powers of autonomy at this level would, so it was hoped, allay the suspicions of Java to be found in areas outside, and the suspicions of the center to be found even within Java, and would provide an adequate outlet for local patriotism, local ambitions and local initiative.

The actual application of the plan has been faced with a number of practical difficulties. In the first place there is the difficulty of deciding upon the precise areas to be established as provinces. It is worth noting that the establishment of states and special regions by the Dutch, before the transfer of sovereignty, was dictated more by the accidents of military fortunes than by any consideration of the suitability of particular areas to be so constituted. The Dutch were able to set up these governments only in the areas which they could control. And the independent Republic has been slow to find a more coherent solution for the problem. Indeed, the actual delimitation of the boundaries

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of particular provinces is a task which has not yet been finally settled. Following the transformation of the federal Republic of Indonesia into a unitary republic in 1950, eleven provincial divisions were laid down (not counting Djakarta and West Irian), though as noticed earlier these were not all autonomous provinces. Even by the end of 1956 Sulawesi, Maluku and Nusa Tenggara were still administrative provinces only. These provincial divisions were, in some cases, arbitrary. They did not always coincide with ethnic groupings or with earlier administrative divisions. Certainly they did not always meet with full acceptance on the part of the inhabitants of each division. In Central Sumatra, for instance, the lumping together of Minangkabau, Djambi and Riau as one province was followed by the growth of a separatist movement in Djambi and Riau. Since communications from the west coast to the eastern parts of the province left much to be desired, there was some ground for the feeling that the two latter areas were not essentially part of the same natural geographical division as Minangkabau. Nor were there cultural affinities strong enough to offset the geographical differences. Indeed, it would not be entirely untrue to say that the Government of Central Sumatra has really been the old West Coast Residency in a new guise. Communications and uneven population distribution are again important factors to be considered in determining whether Sulawesi should be one, two or three provinces. An example of regional discontent on a larger scale--the Atjeh revolt which has been in progress since 1953--led the Government in 1956 to carve a new province of Atjeh out of the old province of Northern Sumatra. At the same time, considerable attention was being given to the question of rearranging other provincial boundaries. In addition to the division of Northern Sumatra into two parts, the province of Kalimantan was divided into three provinces, with a promise of a fourth to come. The division of Central Sumatra into two or three parts was postponed, but the taking over of the government of that province by military veterans in December 1956 brought the question once more into prominence. In January 1957 the new military government acted to establish new provinces of Djambi and Riau, while the central Government was simultaneously moving to prepare emergency legislation to achieve the same end. Finally the division of Sulawesi into two or three provinces has also been receiving attention. The general political crisis of February 1957, and the formation of a military government in Sulawesi, Maluku and Nusa Tenggara, has cut across existing consideration of the question.

Since it proclaims its willingness to meet legitimate local demands, the central Government, in determining the actual delimitation of particular provinces, must consider not merely what divisions are convenient. It must also consider what divisions, if they are desired, are reasonable, and, perhaps, what divisions are expedient. Where a demand exists for the creation of a new province the question must be examined in terms of the size, population, background and competence of the area concerned. But it may sometimes be necessary, on grounds of expediency, to concede provincial status to an area which does not measure up to a list of criteria of that kind. Recent local demands for a province of Central Sulawesi will no doubt be considered on that basis. In January 1957

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a committee established in Makassar, taking note of the Government's probable intention to divide Sulawesi into two provinces, announced its intention of proclaiming by direct action a third province of Central Sulawesi. Though in particular cases it may be quite possible to ignore such threats of direct action, they must at least be noted as ingredients of the problem.

There is no rule of thumb which can be used in solving the question of demarcation of provincial areas. It is a matter for negotiation and experiment. One suggestion which has been made is that of creating a greater number of smaller provinces, coinciding with suku bangsa. Such a solution would, of course, tend to ignore the presence of ethnic minorities in a particular province, and, in some cases, it would create divisions too small to exercise effective powers of self-government at the first level. (1)

The effective demarcation of provinces is only one element in the satisfying of regional feeling. As important is the character and extent of the powers to be conceded to the provincial level. Naturally any surrender of power is intended to fall short of the creation of constituent states in a federal system, but the problem will remain whether anything less can meet separatist demands in more extreme cases. The mere creation of a new province of Atjeh, for instance, is not likely to restore peace to the area overnight, if it is not accompanied by an effective surrender of control over local matters and by reasonable financial provision. Unfortunately even such an effective surrender of power would be insufficient in some cases where what is demanded is not a greater responsibility for local matters but a release from central Government requirements in matters (e.g. currency control) which are clearly of national concern. This fact brings up the problem of regionalism as such.

The size and actual delimitation of the boundaries of particular provinces, the nature and extent of the powers surrendered, the reality of financial independence--these are questions of organization which certainly present their own special difficulties, but which, at least in principle, should be capable of solution. If regional feeling were merely a desire for greater powers of self-government arising from local pride or local traditions or a broad feeling of regional identity it should be possible to satisfy it through the gradual settlement of such organizational questions as these. In fact regionalism is a more complex phenomenon. While an exhaustive analysis cannot be given here, a brief treat-

(1) The proposal has been put forward in a somewhat different form in discussions of the shape of the constitution to be drafted by the present Constituent Assembly. Masjumi and PSI, while each accepting the idea of a unitary rather than a federal state, have suggested that regional interests might nonetheless be safeguarded by the creation of a bicameral legislature, the upper house of which would represent regions. According to the Masjumi proposal the representation would be based upon provinces. According to the PSI suggestion suku bangsa rather than provinces would form the electorates for the upper house.

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ment may tentatively suggest that some aspects of regional feeling might be better described as sectional feeling which has happened to acquire a regional coloring, while other aspects reflect a broad regional dislike of central Government policies. Where that is so the remedy would be not more autonomy but changes in central Government policies where they touched sectional or regional interests. Certainly in some areas where there is a strong sense of identity, based upon a common language, cultural tradition and system of adat law, as in Minangkabau and Atjeh, local pride may prompt a genuine desire for local self-determination. (2) In other areas, as in Minahasa and Manado, suspicion of the center may arise in part from the fact that comparatively extensive local autonomy is already enjoyed. But not all examples fall into these categories. Recently variation from place to place in the strength of national political parties has artificially lent something of a regional character to political rivalry at the national level. Masjumi's strength in Sumatra and in southern Sulawesi and the Javanese base of the PNI have constituted important ingredients in the separatist movements in both areas before and after the announcement, in February 1957, of the President's plan for "guided democracy." Against the background of mounting opposition to the second Ali Sastroamidjojo Government the military coup in Central Sumatra in December 1956, followed closely as it was by the withdrawal of Masjumi's five ministers from the cabinet, might be interpreted partly as a tactical device designed to bring about the fall of the Government as well as the product of the peculiar disabilities of the province. Similarly the formation of a military government in Sulawesi in February 1957 may be seen as springing immediately from opposition to the proposed inclusion of the PKI in the Government and the National Council, and also from the long-standing resentment on the part of particular groups in the province against certain aspects of the Government's economic policies. The fact that the crisis assumed a regional character does not point necessarily to a desire of the region as such for greater independence from the center. That element was present. But perhaps more important was the dissatisfaction with the Government as a Government.

Economic grievances provide a major element in the dissatisfaction of the areas outside Java, particularly in Sumatra and Sulawesi, and a brief treatment of this dissatisfaction may help to test this view.

(2) Pride of this kind may go along with resentment over such apparently trivial matters as the respect paid to local heroes in the naming of streets or of public institutions. It is apt to be associated, too, with beliefs, sometimes erroneous, about the extent to which a local civil service is staffed by Javanese. Where such a belief is not erroneous, of course, a feeling of grievance is quite natural, but in several areas the writer heard complaints of "Javanese imperialism" taking this form, where on investigation it proved that the popular belief as to the proportion of Javanese in the local government service or in the local branches of central Government departments was not always well founded. The question needs further and more detailed investigation.

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The outer islands are export-producing areas and thus earn valuable foreign currency for the Republic as a whole. It is their universal complaint that they do not receive attention from the central Government in proportion to their economic importance and that, on the contrary, they are battened on by Java. The argument takes a number of forms, though none of them are ever very precisely presented. It is often claimed that, because of their importance as exporters, these areas are entitled to a greater share of expenditure on public works than would be justified on a population basis. Again, it is argued that they should be entitled to control a proportion of the foreign currency they earn, or at least that their needs should be reflected in the allocation of foreign exchange. A further complaint concerns the return paid to the individual producer of export items. Producers are paid in rupiahs calculated at the official exchange rate, which is roughly a third of the unofficial free market rate, and producers are unable to resist the belief that the difference is, in some way, pocketed by a rapacious central Government for its own purposes. In fact, of course, the artificially fixed official rate is merely a part of the Government's general exchange control policy, and not a means of securing an extra rake-off which passes into general revenue. But the disparity between the two rates lies at the root of the problem, and gives rise not merely to the resentment of the producer but even to the general complaints of neglect in the matter of public works. Those complaints are rarely presented clearly on the basis of an analysis of figures of central Government expenditure. Rather they spring from a direct awareness of bad roads and bridges combined with a somewhat confused image of a central Government "profit," made from the difference in the two exchange rates. Finally, in addition to the other grievances, there has been widespread corruption as well as maladministration on the part of officials of government marketing agencies, which have led to long delays in the making of payments to producers. The gap between the artificial and the "natural" exchange rates led inevitably to smuggling, carried on with the more or less open connivance of civil and military authorities, and, in view of the grievances mentioned, with the backing of a general public approval. The problems surrounding the marketing of copra in Sulawesi provide an example.

The marketing of copra in Sulawesi was conducted through an official marketing agency, the Copra Foundation (Jajasan Kopra), established during the existence of the State of East Indonesia. The Foundation bought copra from the producer at a fixed price and disposed of it either within Indonesia or on the external market. Profits from both internal and external sales, after deduction of administration costs, were paid into a special fund. Foreign exchange earned through external sales remained under the control of the central Government. The operation of the Copra Foundation gave rise to growing resentment in Sulawesi, for several reasons. There was first the fact that profits were not devoted to developmental works in the province, but were invested elsewhere (e.g. in housing projects in Kebajoran, Djakarta). Secondly, there were charges of corrupt administration of the

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Foundation itself. The accusation was made that only a proportion of the copra handled by the Foundation was entered in its books, the remainder being illegally disposed of for private gain. Thirdly, it was felt that the price paid to the producer, though it bore a reasonable relation to the world market price if the latter was converted at the official rate, was far too low in comparison to the world price as calculated at the illegal rate of exchange. The disparity between the two rates made the risk involved in smuggling a worth-while one in the light of the possible profits to be secured.

Where smuggling took place it would seem to have been conducted at a semi-official level, with at least the tacit consent of local civil authorities and the army, and in some cases with the active participation of the latter. The failure of the Copra Foundation to pay producers provided one justification for the practice. At least producers did receive payment for copra illegally disposed of, though whether at a more favorable rate is not clear. The old complaint that the central Government was neglecting the needs of copra-producing areas formed another justification. It is said that those engaged in the illegal export of copra were not concerned to make a vast profit, but that returns from the transactions were devoted to legitimate public or military purposes. In the absence of any open accounting or of any clear evidence other than hearsay it is impossible to decide on this point. Certainly in some areas equipment for army purposes or for civil use was imported in return for copra exported. (Daerah Minahasa is reported to have acquired a fleet of jeeps in this manner for the use of the local government.) But it is equally certain that some private fortunes were also made by individuals.

In 1956 the central Government was compelled to intervene. A committee (Panitia Persiapan Induk Koperasi Kopra - PPIKK) was appointed by the Deputy Minister for Economic Affairs to prepare for the establishment of a co-operative agency in the copra industry, which was intended to take over the functions of the Copra Foundation within a year. Before this could be organized, however, more drastic action became necessary and, in the face of local complaints, the Ministry ordered the arrest of the Deputy Director of the Foundation, and decided to liquidate the organization itself. In the absence of alternative marketing machinery, however, the Foundation under a new directorate has remained temporarily in existence, and has continued to discharge its functions under the more direct supervision of the Ministry.

Before these latter developments had occurred strong local opposition to the workings of the Copra Foundation in Minahasa had led to the adoption, in 1955, of an alternative interim solution in the form of a local marketing agency, the Jajasan Kelapa Minahasa, which was eventually given official permission to operate. The new organization bought compulsorily from the grower at a fixed price, and disposed of the produce either within Indonesia or on the external market, just as the Copra Foundation had done. But from the point of view of local feeling the JKM offered a means of overcoming some, though not all, of the objections raised against

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the earlier system. Of prime importance was the fact that honesty and efficiency of administration meant that the grower was paid for his copra. Secondly, the profits derived from the operation of the agency were permitted to be retained for local government and other purposes within the region, instead of being available for investment elsewhere. The JKM pays to the Government of Daerah Minahasa a subvention of 60 rupiahs per ton of copra handled by it, and this goes into the general revenue of the region, forming, in fact, the largest single item of local revenue. Over and above this contribution the Government of the Daerah might request special assistance (bantuan) for particular projects, e.g. reaf-forestation. This form of assistance is not included in the annual budget of the Daerah. Besides these two forms of expenditure the JKM may itself give direct aid to worthy causes within the daerah. Through these methods the complaint directed against the Copra Foundation that the profits from its operations were not used within the area was avoided. However, other important grievances remained. Trading profits were one thing, foreign exchange was another, and there was still the complaint that the region did not get the benefit, in the form of import licenses or of works depending upon imported capital goods to which its capacity for earning foreign currency entitled it. (3) And from the producer's point of view there is still the complaint that the price was too low. (4)

The latter complaint is a sectional rather than a regional complaint. It is a complaint common to all producers of export crops wherever they might be. It happens that their voice is particularly strong in the outer islands. But even the more general dissatisfactions, the complaints of neglect or of inequalities in the allocation of import licenses, arise from matters of central policy in fields where the center must retain control. To meet such dissatisfaction changes in policy are demanded rather than the concession of more autonomy.

To some extent modifications in central policy--the extended public works program promised by Djuanda, for example--might be possible. But it is doubtful whether these could offer a permanent

(3) The military government established in Makassar in March 1957, and claiming authority over Sulawesi, Maluku and Nusa Tenggara, put forward as one of its conditions for a return to the fold the proposal that regional governments should have control of 70% of the foreign exchange which they earn, leaving the remaining 30% to be controlled by the central Government. The Djuanda Government, formed in April, countered that suggestion with a promise to introduce an intensified public works program.

(4) Though smuggling from Minahasa appears to have been checked for the time being, the incentive to smuggle arising from the variation between the official and unofficial exchange rates is still present, with the attendant possibility of corruption on the part of officials who must be persuaded to wink at illegal exporting.

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solution while the disparity continues to exist between the official and unofficial exchange rates. As has been argued above, the existence in practice of a dual rate is not merely a continuing source of grievance to the producer of export crops. It also sharpens the feeling of the outer regions as a whole that they receive less than just treatment having regard to their economic importance. But on this point a change of policy is hardly possible. Even to fix a higher price for copra, for example, would be tantamount to giving up a major part of a general system of economic controls. It would be inflationary in tendency, and it would threaten the already unstable financial position of the country.

Briefly, the preservation of an official exchange rate is an integral feature of central economic policy dictated by hard realities. The falling value of the rupiah is, after all, a reflection of a more basic economic crisis, and the disabilities of which the regions complain arise from that crisis. There is no way of redressing those grievances without a fundamental improvement in the country's total financial position. On the other hand, the regions are affected by, and are likely to offer strong resistance to, any course of action aimed at improving that position.

The problem is an intransigent one, reflecting what seems to be a permanent dilemma in Indonesian political life. To improve the financial position would appear to require action by a Government possessed of adequate political strength to enforce rigorous controls. But it is difficult for any Government to remain in power if it offends a major interest or a major region. The provincial separatism of December 1956 and the early months of 1957 emphasize this point. Permanent improvement in the position of exporting groups requires control measures which touch the immediate interests of those groups. Such measures are bound to be unpopular and effective resistance to them is easily mobilized. In a sense the regions do hold the whip hand. They are in a position to frustrate measures which might relieve the national crisis from which their grievances ultimately arise.

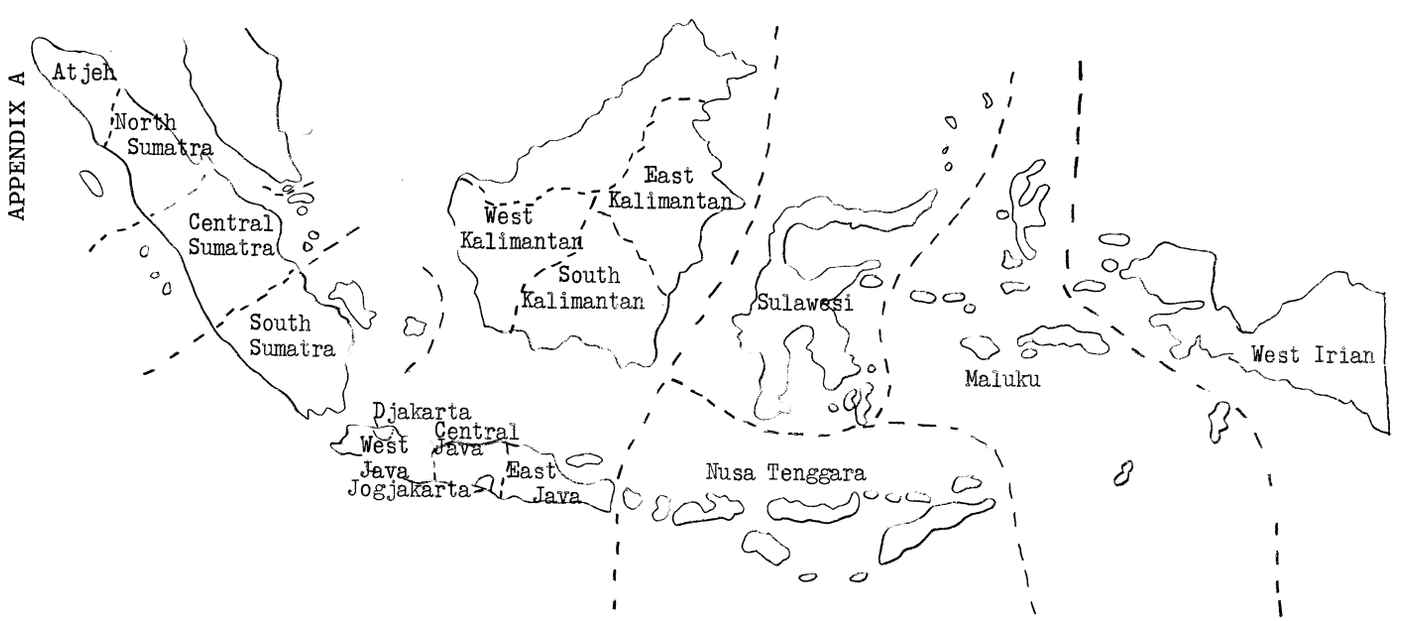
National economic problems naturally fall outside the purview of the Ministry of Internal Affairs whose task it has been to prepare plans to meet regional demands for self-government. But any local government plan can only provide machinery which must operate within the setting of those problems. Whether or not the machinery can be worked must depend upon the general confidence which any central Government can inspire in the country as a whole by the quality of its administration and by the policies it implements.

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APPENDIX A

Indonesia, Showing Provincial Divisions as at December 1956

Note: For the area subject to N. I. T. Law 44 of 1950--Sulawesi, Maluku and Nusa Tenggara--the provinces are administrative only. In the remainder of the archipelago, which is subject to R. I. Law 22 of 1948, the provinces are autonomous regions.



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