

**Institution building for Local government cooperation in
decentralized Indonesia:**

(Case study: Local governments of Ngada and Nagekeo, Flores-Indonesia)

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By:

Efraim Chrisacsensio Muga

ITB : 25410072

RUG : S2127482

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EFRAIM CHRISACSENSIO MUGA

ITB : 25410072

RUG : S2127482

**Double Master Programme
Development Planning and Infrastructure Management
Department of Regional and City Planning
Institut Teknologi Bandung
and
Environmental and Infrastructure Planning
Faculty of Spatial Sciences
University of Groningen**

Approved

Supervisors

Date: August 2012

Supervisor I

Supervisor II

Dr. Femke Niekerk

Ir. Miming Miharja, M.Sc.Eng., Ph.D

Abstract

Decentralization in governance has been pursued by many countries over the recent decades in order to meet the demand of more and more complex structure of our society. This implies that decision making concerning public policies should be brought closer to the constituents, more participative, tailor-made and fit the context and place of problems. In the end it is expected that more efficient and effective public goods and services allocation can be achieved. However, it is not always the case. Relying to the local level per se some policy development could be problematic, given the interrelated characters of problems and issues faced. This can be represented by the experience of Indonesia's decentralization.

Over a decade of decentralization in Indonesia, some local governments have tried to develop cooperation. This is intended to tackle the fragmented character due to the euphoria of decentralization. This study aims to explore the institution building of local government cooperation in decentralized Indonesia. Through a case study research and qualitative analysis, this study explores two cases; solid waste disposal management in Kartamantul-Jogjakarta and Integrated watershed management in Ngada and Nagekeo, Central Flores-East Nusa Tenggara.

This study finds that local government cooperation emerges as the result of the exempt a coordinative approach. This is due to the dispersed power of central government and the weakening capacity of provincial government. Although such cooperation has less political support in the local realm, leaderships has played much role to the successful implementation in Kartamantul Jogjakarta. From the empirical analysis, this study also concludes that social capital and intellectual capital are crucial aspects in institution building of local government cooperation, both aspects that are less present in Ngada and Nagekeo.

This study gives some recommendations on improvement of local government cooperation through improvement of national and local legal framework, leadership development, knowledge improvement and cultivating existing social capital. Meanwhile, in order to tackle cross boundary problems, it is advisable to enhance the decentralization legal framework in Indonesia through implementation of multi-level governance and subsidiarity.

Key words: decentralization, local government cooperation, institution building, multi-level governance, subsidiarity

Preface

Trying to understand planning and decentralization is the same as chasing the changes within our society. While decentralization is contested for its purposes, studies in planning also have been much dominated by attempts to redefine its meaning in decentralized governance of recent society. This implies that studies about planning in decentralized governance become more fluid and dynamic. This challenging situation has attracted my interest.

While working in the area of planning for the last 6 years in decentralized Indonesian local government, I realize that it was such a frustrating time in the early euphoria of this decentralization. To a great extent this has motivated my personal interest to search for satisfying explanation on the recent change of governance. For that reason I embarked on this master study of environmental and infrastructure planning, where I found many interesting topics which are relevant to my professional work.

Writing on the subject of institution building and decentralization in this thesis is basically a small part of broader area in planning study. It also does not mean everything has been sufficiently revealed. However, it was impossible to write this topic into a thesis in the limited time and the far distance of study area from Netherland where I study. For that reason, I would like to address my special thanks to my supervisors Dr. Femke Niekerk and Miming Miharja, Ph.D who taught me how to make a good academic writing and kept my thesis on the right track. What is also fundamental was the morale support from the passion of Christ Jesus, my lovely wife and family. Finally yet importantly, I also would like to thank to all people who helped me in finishing this graduate requirement including all the lecturers, the faculty members, the highly international classmates, Indonesian students and my colleagues and friends in Indonesia, who cannot be mentioned one by one.

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1. Introduction

1.1 Background

Over the last decades, decision making structure in government has been marked by the shift from central government nation state to a more decentralized, liberalized and market based structure. It occurs not only in developing countries where previously governed by authoritarian regimes but also experienced by developed and modernized countries (de Vries, 2000). Top-down and strong power characteristic of central government has been much replaced by the dispersion of power over the sub national and local governments. In general, this implies that the environment and problems being faced in the society are getting highly complex and new ways of managing government practice to cope with them should be necessary.

In fact, society has been increasingly complex and so do the problems come with it and the approaches to deal with. Loorbach (2010) described that the society turns to be complex at three levels: the level of society itself, the level of problems facing the society and the level of managing this problem (governance). He then called those problems emerging from the increasing complex society as persistent problems, which are unstructured (Hisschemöller, et. al. 1996) because they are involved various stakeholders owing various norms and values. Decision making also becomes highly complex in the context of this persistent problems as different actors should be dealt with and mechanisms to evaluate and assess the progress are unclear but more experimental, explorative and reflexive.

Apart from the complexity perspective on the building of society discussed above, decentralization paradigm has also been the consequence of globalization. Globalisation has made possibilities the transfer of neo liberal ideas across countries easily (Sanyal, 2005). This can occur voluntarily or in the coercive way. In the context of policy making, these neo liberal ideas which are efficient government, rule of law and decentralization (Hudalah, 2009) has been the global ideas of democratic society of how government should manage the society. However, what has been argued as the advantages of decentralization such as more effective and efficient of public goods and service allocation, more participative decision making, greater service delivery have been somehow disputable concerns (de Vries, 2000).

In a development context, decentralization is not a sole panacea for all problems facing sub national or local governments which has gained more power and authority. Instead of encouraging competition to boost development, there are also various policy fields that need collaboration among governments in planning and implementation, for example urban transport planning (Miharja, 2009), solid waste and water management (Firman, 2010). Therefore, for an effective and efficient purpose in more comprehensive approach to certain tasks, inter-local government cooperation is required. Multi-local governments cooperation as defined by Post (2004), encompass all level in policy fields involving formal and informal agreements that need coordination among local governments.

One possible way to assess the emergence of multi-local government cooperation within the decentralization process is through the concept of multi-level governance and subsidiarity. Both concepts lead us to the situation of searching the combination of centralization and decentralization approach (Zuidema, 2011). This is because there are some functions can be well performed in local level (decentralization) while there are also some functions which should brought in more coordinative way in order to gain effectiveness and efficiency of implementation. Multilevel governance is built on awareness of interrelated issues and mutual dependency of government or society (Lyall and Tait 2004). Meanwhile, subsidiarity concerns with the designing the structure which link different function of government and the scale of organization (Whittaker, et. al, 2011).

Decentralization in Indonesian case

Asian financial and economic crisis in 1997-1998 is the important momentum of changing paradigm in Indonesian planning system. It has brought impacts not only in the economic sector but more has been witnessed in the political and administrative management of Indonesia as a country. The crisis led to the emerging of reform era and marked the onset of massive institutional transition of the country into a democratic and decentralized system. This transition was also characterized by an extensive production of law and legislations among others are laws on regional administration, regional fiscal balance, planning system, spatial planning system and water resources. Overall, the transition means that more and more decision making on planning and development is in the hand of regional and local stakeholders.

Although the economic crisis was just a momentum in Indonesian transition, there are four practical advantages in favor of decentralized institutions and policies according to Osborne (1993) in de Vries (2000) which are not only applied in Indonesian but also in other countries experiencing decentralisation. First, they are more flexible and able to respond quickly to changing environment. Second, they are more effective, because they know what actually happens. Third, they are more innovative, because good ideas come out from actors who are working with the citizens. Finally, decentralized institution generates higher morals, more commitment and greater productivity especially with knowledgeable workers. Nevertheless, whether or not those theoretical arguments discussed above has been taking effects during the transition process, decentralization in Indonesia can be argued as a reaction to the dominant political values from the previous period and has gone to the point of irreversible.

The decentralization in Indonesia can be regarded as one of the ambitious decentralization schemes in modern history. Because it involves more than 225 million of population by today with various cultures and ethnicity, levels of socio-economic conditions and more importantly, it has little experience in practice with decentralization. Nevertheless, the country has become more democratic, though one may argue that the government did not emerge from the public needs as it is being said “democratization from the top” (Firman, 2010).

According to Firman (2010), in essence decentralization in Indonesia is political and administrative, in which local and provincial governments were conceded more authority, the central government is still reluctant to release assets to the lower levels of government arguing that local government are lack of capacity in managing the assets. Argument over assets to some extents has led to the disputes between central and local government, where local government insists the releasing of assets based on the decentralization policy. In fact, local governments also have gain important roles in local and regional development especially in attracting private sectors in regional economies through place marketing strategies. However, it may be argued that in those cases local governments tend to become rent-seeking actors (Matsui, 2005).

Many criticisms have been launched to Indonesian’s decentralization for not taking into account bottom-up accountability such as deficiencies in operational capacity of local governance and flaws in fiscal equalization (Shah and Thompson,

2004). Although the success of achievements of the decentralization policy in a short period of time as argued by Shah and Thompson, overall its sustainability cannot be convincing in the longer terms since most of the local governments are not responsive to the public (Matsui, 2005). Overall, the progress of transition to decentralized system in Indonesia over the past decades has been characteristically unclear. There are some provinces and regencies have been able to develop impressively, while others lagging behind or even negatively (Firman, 2009). According to Firman (2009), among other things, one major problem of the decentralization in Indonesia is lack of institutional capacity in implementing the policy both at local and national level. Thus, the ability of local governments to pass this transitional process has been varied depending on their capacity.

Apart from criticism to the top-down decentralization process in Indonesia, there are emergences of multi-local government cooperation in many regions of the country. Some are initiated by central government while some others have emerged voluntarily. This could be perceived as social innovation within institutional arrangements in governance policies to cope with ever changing problems during the decentralization process in Indonesia.

Bearing in mind of the context above this research will try to explore institutional arrangements of multi-local government cooperation in Indonesia through the concept of multi-level governance and how its institution building develops. There have been numerous studies and researches on Indonesian decentralization. However, much has been focused on fiscal decentralization (for example, USAID, 2006; Azis, 2008), local government proliferation (Firman, 2009). The study alike on multi-local governments has been studied by Firman (2010), but with little emphasis, if any on how those governance policies evolve through the combination of centralization and decentralization approach. This study will try to excavate the failure case of multi-local government cooperation (Kerja sama antar daerah) of Ngada and Nagekeo local governments and will draw some critical points within the institutional building framework that can be recommended and shared to other local governments.

1.2 Research Objectives

1.2.1 Purpose and Research questions

The purpose of this research is to understand how the institution building of local government collaboration evolves within the shift of governance from centralization to decentralization in Indonesia. Through this research we can comprehend that as part of planning system, institution arrangement is a product of interweaving between dominant ideologies or theories and contextual practice. It is not an independent process based on an ideal type of governance, but a hybrid of governance that creates new policy measures. To develop this research, the following questions will be of inquiry throughout the study:

- How institution building of local government cooperation has been developed in Indonesia during the on-going decentralization era?
- How institution building of local government collaboration has been developed between Ngada and Nagekeo regency and why it has been retarded, if not fail between both local governments. These questions will be specifically of inquiry within the integrated watershed management case study of both local governments. In the same manner, it will be compared to other case study in Kartamantul – Jogjakarta.
- What can be learned from the experiences of multi-local government cooperation in Kartamantul - Jogjakarta and what can be recommended to improve the performance of institutions building toward a successful decentralization in Indonesia?

1.2.2 Relevance

This research is expected to be useful for planning practitioners in copying the trend of governance shift in order to be more sensitive with the contextual practice. Another contribution that is relevant to researchers is to understand the impact of governance shift. In practice, it is expected to provide lessons for policy makers on how institutions should be planned and managed in the shift to decentralized governance. Particularly it gives recommendations to Indonesian policy makers especially for local governments of Nagekeo and Ngada to redesign their institutional arrangements. In addition, it could be transferred as policy model to other local governments within the country.

1.3 Research Model

Planning purported by Healey (1997), is a policy field which involves system and practice as two broad level of governance. She then defines planning system is “systems of law and procedure that set the ground rules for planning practice”, while planning practice is an arena in which “various parties come together to undertake planning work” (Healey, 1997, p. 72). Essentially, planning system provides the ground for the practice of planning. However, planning system and practice are unavoidably shaped by various dominant ideologies which include “theories of planning” and “theory in planning” (Allmendinger, 2002).

This research considers institution building in planning as a field of policy (Healey, 1997) instead merely as a product of theory. As a policy field, this means that it is a product of interweaving between theories or dominant ideologies and contextual practice in which networks are emerging and involving the linking of both actors and organizations. This is also resulting in a new policy instruments and more mixed and hybrid of governance (Jordan, 2000). Contextual practice shows us how planning has been leaning on ‘pick and mix’ theories (Allmendinger, 2002b) ‘trial and error’ operation (De Roo, 2007, se also Martens, 2007). Therefore, institution building in planning as policy field here is in the state of continuous transition, positioned between the ideal type of governance (centralization and decentralization).

To get the explanation of institution building within this research, the concept of institutional capital will be the main inquiry of case studies. This is referred to the model developed by Healey and colleges in the context of UK urban generation and governance process. They identified and presented three components of institutional capacity as knowledge resources, relational resources and mobilization capacity (Healey, 1998; Healey, et.al., 1999). In this research, these components will be formulated slightly different using criteria developed by Khakee (2010) as political capital, social capital and intellectual capital. In addition, since tangible resources are also important in institutional context, the component of material capital which is developed by Davoudi and Evans (2004) will be also taken into consideration.

This research model is important to serve in explaining the institution building as part of planning system in transitional situation such as Indonesia. This transitional context is characterized by an ongoing process of fundamental change in

social, economic structures and institutions. This can be seen in the growing liberal economy and democracy which respectively mark the decentralization, a move away from centralization.

To better visualize the representation, a research model is presented in the following diagram. The diagram shows that the process of institution building in transition context lies between the decentralization and centralization which on the one hand decentralization is influenced by the demand of market and civil society while on the other hand, centralization is based on the coordinative model of strong state. Both decentralization and centralization produce formal institution which works best accordingly and also they are exercised through contextual practice. At the end, the interweaving of formal institution and results of reflecting practices will create the expected institutions that work efficient and effectively. Constructions of these elements will be further elaborated in chapter 2.

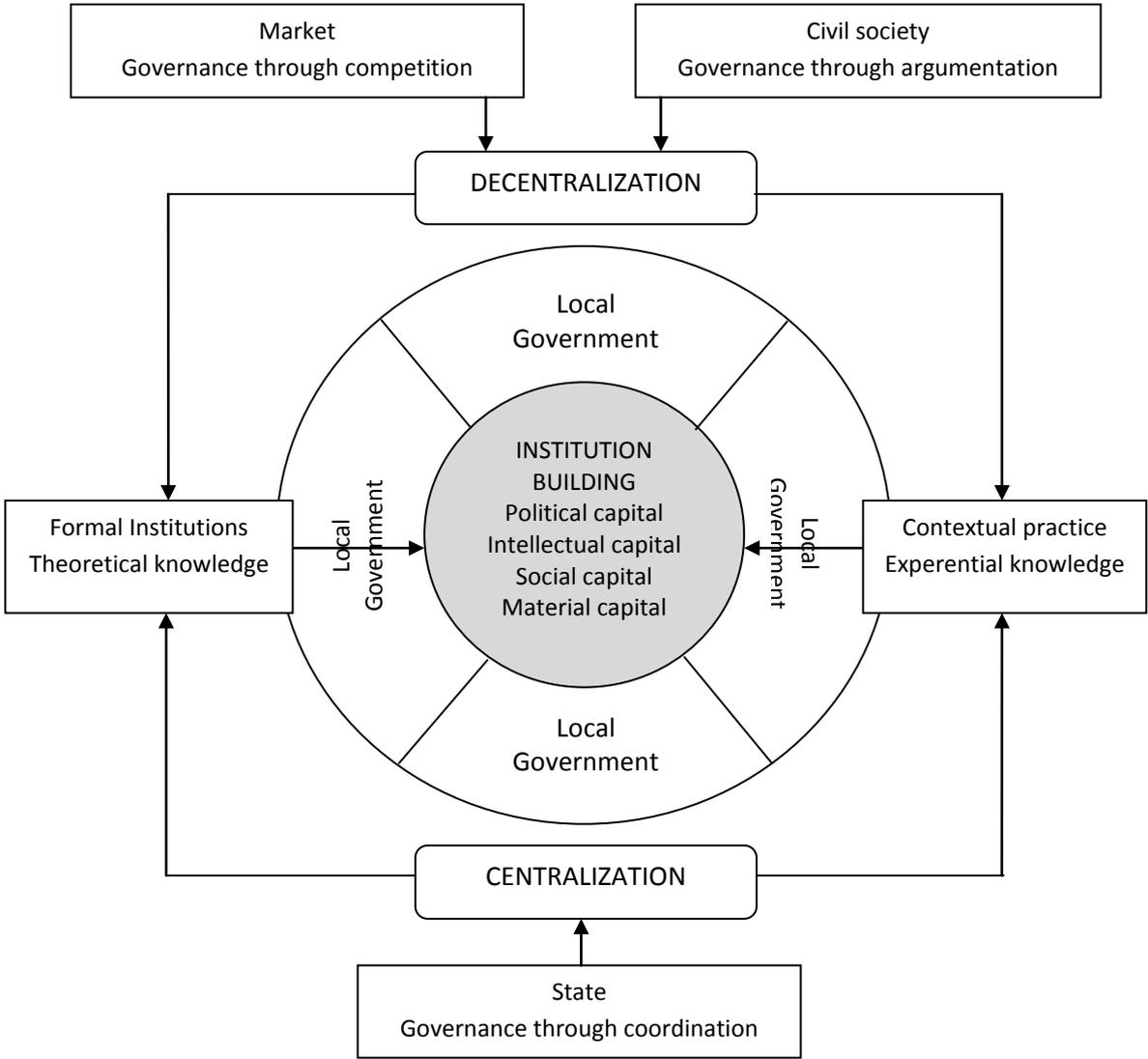


Figure 1.1. Research Model Diagram

2. Governing institutions in a fragmented world

This chapter is intended to explore some important theoretical frameworks around the concept of governance. It starts with the plurality of governance in recent times and the change in governance which marks the shift from central state to decentralization. Then in section 2.2 Centralization which is known as coordinative model with its advantages and weaknesses will be elaborated and followed by similar review on decentralization in section 2.3. The next section of 2.4 will introduce the concept of multilevel governance and subsidiarity which is the hybrid concept of governance between the centralization and decentralization. Then section 2.5 touches on the institutional building of governance. Finally, section 2.6 will provide a final remark of the chapter.

2.1 The Diversity of governance

During the 20th century, it is no doubt that government has the main power and role in the society. A strong characteristic of central state that controls all activities including local level governments was a model that how the society should be organized. However, the last decades many important changes of how authority and power are exercised in our modern society can be witnessed. Almost in every country there is a trend of shifting downward from centralization to decentralization model of government. Meanwhile, there is also a shift of power and authority upwards to supra-national body, for example is European Union where many responsibilities are taken out from individual nations to a supra-national agency.

Though one can think that centralization and decentralization discussed above are more about changing power and authority in the vertical meaning of government levels, it is also changing in horizontal meaning. Power and authorities are also dispersed to non government institutions, market and civil organization. This radical change in the last decades implies that government is not solely the power and authority as it was in the previous era. While the change is undergoing, it gives the consequence that government has to find its position in this dispersed power.

2.1.1 Models of governance

Along with the devolving power and authority of government, there is also a redefinition of terms meaning, in which scholars called 'shift from government to governance' (Healey, 1997). While government refers to the way of governing based

on formal government authority and its procedural institutions, governance has a contrast meaning as the way of governing based on sharing of competences between formal government and civil society organization such as non-government organization and business (Healey, 1997; Stoker, 1998). As it has been described previously, power and authority shift vertically upward to supra-national agencies and downward to local level of governments, a way of governing is also described in term of multi-level governance (Bache and Flinders, 2004). This refers to the sharing of responsibilities among various levels of authority (*multi-level*) and at the same time could embrace the sharing of competences between formal government and non government organization (*governance*).

In order to understand how those terms have been referred by many scholars, it is useful to present the governance in such a landscape so that the current shift of governance can be positioned. Referring to Martens (2007), the first is 'governance through coordinative'. This is the type of governance that relies on bureaucratic organization and coordinative rules in order to achieve efficiency and effectiveness. The model is much inspired on the writing of a German sociology Max Webber on rationalism and has been much influencing during the 20th century. Example of this is the strong central state. The second is 'governance through competition'. This is the type of governance which is strongly influenced by the thinking and practice of neo-liberals ideas (Almendinger, 2002). Relying on the market process and the notion of competition, this type of governance has strong effect in the practice of government during 1980s especially in US (Reagen regime) and UK (Thatcher regime). The practices are still influencing in western nations (Almendinger, 2001) and examples can be seen in policies such as privatization, deregulation and decentralization to increase competition. The third is 'government through argumentation' which is related to what the so-called "communicative turn" in planning theory (Healey, 1992). Although developed in planning discourse, this type of governance is strongly influenced by the works of Habermas and pragmatic philosophies (Forester, 1989). In practice, this type of governance is marked by the increasing participative approaches.

2.1.2 Three ideal types of governance

Both governance through competition and argumentation above are developed as alternative models to coordinative model of strong central state. In other words, both alternatives are a shift that moving away from the central state model. In the literature, for example this ‘models of governance’ (Martens, 2007) are presented as the ideal models of governance. Consequently, as ideal models which lie in the extreme positions of the governance landscape, their pure practices are hardly found in real world. The coordinative model is in the extreme position between state and non state actors, competitive model is also in the extreme position of individualistic and argumentative model is in the extreme position of fundamental equality of actors. However, these ideal models of governance can contribute to guide us and give the fact that they “demarcate the boundaries within which real-life governance processes can be position” (Martens, 2007; p.48). They help to emphasize the differences among the models and give the notion how the governance could be managed in the real world. The ideal models can be summarized in figure 2.1 of what Martens (2007) called ‘the governance triangle’. Therefore, various theories and practices of governance that emerge in various discussions can be positioned within this triangle.

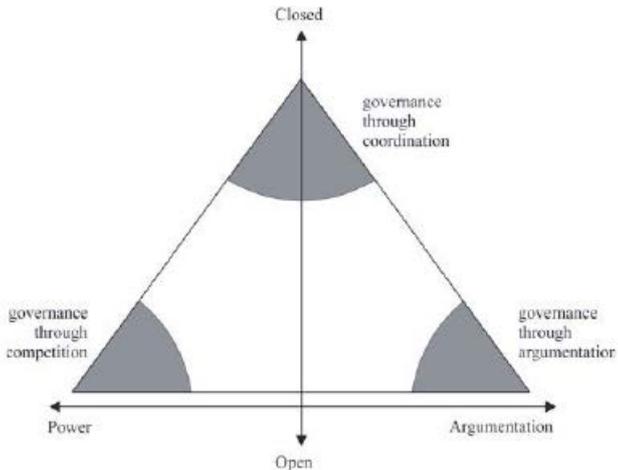


Figure 2.1 The Governance triangle, source: Martens (2007)

It is also the same that through this ‘governance triangle’ the shifts in governance can be highlighted (Van Kersbergen and Van Waarden, 2004). From the figure of governance triangle above, it can be noticed that the neo-liberals inspired trend of governance celebrating the market mechanism and competition shifts from

the top to the left bottom corner. In the same way, the shift of governance inspired by communicative turn towards more equality of actors moves from the top to the bottom right corner of the triangle. It can also be summarized from the figure that, the vertical shift implies how the governance is more closed or open, while the horizontal shift gives the notion whether the governance is organized through power or argumentation.

2.2 Centralization

The rise of the coordinative model in governance

The emergence of coordinative model in governance can be attributed to the enlightenment era. The idea relies on the capability of human in solving problems based on reason and knowledge (Allmendinger, 2000b; Parsons, 1995). In the 19th and early 20th century the idea evolved into theories of how to organize society and business. Max Weber (1922) was the prominent scholar in doing so who called for more rational in organizing and making decision. He also argued for a separation between policy making as political roles and administration as implementing the policies (Parsons, 1995). According to Weber, rational legal form of authority is more stable than succession of charismatic leader. Thus any policy decisions derived from legal laws, contracts and rules are supposedly to be more technically superior to any kind of authority. During 20th Weber's idea was widely adopted in many fields for example Fordism in business organization which is based on the idea of specialization from Frederick Taylor (1911). In the same time theoretical developments were also increasingly support this idea of rationality as the main course for guiding the governance.

The main ideas of the works of Weber and Taylor that rational decisions based on the rational ordered organization will produce the effective and efficient results. The notion was how to gain a pre defined ends as effective and efficient (Allmendinger, 2000b). By this means the skillful staffs would be accommodated in specialization with well-defined and clear course of action. For Weber and Taylor also, effectiveness is linked to the idea of strong line of controls and hierarchical organization. After the Second World War, the belief on effectiveness of coordinative model was increasingly adopted in planning and policy fields. In planning theory it is considered as 'rational instrumental planning' with the assumption that social world

can be modeled and there is a causal relationship. Therefore, based on the gathered information planners and officials can make policy decision in a systematic way.

Limitedness of coordinative model

Relying in the coordinative model of governance has resulted in common problems of policy fields due to the weakness of the concept itself and the changing environment of recent societies. Some of those problems are incomplete information in decision making, fragmentation of organization and the fragmented societies along with their interests.

The effectiveness of technical rational policy approach under the coordinative model is basically based on the assumption of correct information for rational decision making. Consequently, the outcome of implementation is also depending on the well-formulated of the policies. However, in practice it is not always the case since it does not apply for some reason. Firstly, complete information as assumed within the technical approach is hardly seen in the real world. The idea of certainty to model the social and physical world as assumed in technical rationality is somehow illusive. Basically, planners will confront with lack of information (Simon, 1957), uncertainties and cognitive limitation (Lindholm, 1959) and political conflict (Davidoff, 1965). These factors create the condition of the so-called *bounded rationality*, where planners can only comprehend within the boundary of what is known and understood. Secondly, there is a shift of thinking in rejection of uniform rationality. This is related to the recent development of post-modernism discourse in scientific thinking (Almendinger, 2001; Healey, 1997). While modernism believes in human capacity to understand and control the reality for example the technical rational approach, post modernism view tends to reject it and accommodate a deconstructive attitude toward reality. The true knowledge and rational action are much influenced by the interpretation of the observer. This is also relevant when the contextual matter where knowledge and rationality gained is taken into account.

Another problem attributed to the weaknesses of coordinative model is also as the result of fragmentation in coordinative organization. Each policy issue is managed by certain department that tends to be specialized and rigid. As assumed that effectiveness and efficiency can be gained from strong lines of hierarchical organization, this is also not the case in practice. Because of being rigid and not

flexible to the recent change in societies, the centralization of government tends to be inefficient and lack of coordination. This is obvious in recent decades where flow of resources and information are interrelated (Lemos and Agrawal, 2006). Furthermore, there are many contextual issues that need such a more cooperative policies as breakthrough to cope with the interrelated issues (Jordan, et al, 2005). Therefore most of recent policy issues are characterized by interrelatedness that should be recognized in decision making process.

In addition, the weakness of coordinative model is related to the question of legitimacy in democracy because of the dispersal of power in societies. Power is increasing dispersed among various actors and stakeholders in society (Booher & Innes 2001). Various stakeholders would try to exercise their power and influence on the decision making in order to fulfill their goals. Consequently, the governance itself is characterized by interrelated networks of actors both within and outside the formal government organization that question the legitimacy support of representative democracy in coordinative model. Furthermore, the question of legitimacy also raised due to the new individual lifestyle as a result of information age (Castells, 1996) and globalization (de Vries, 2000). This has also increased the diversity and fragmentation of societies. As Martens, (2007, p.51) posed it 'growing diversity of lifestyles reflects the increasing number of social groupings defined around ethnicity, gender and life-style choices'. Thus defining policy for effective and efficient public goods in such a diverse situation would be very difficult for the government.

2.3 Decentralization

In general, definition of decentralization is the transfer of authority and responsibility from central government to the lower tier of government or quasi-independent government institutions such as state owned companies or private sectors (Cheema and Rondinelli, 2007). It can be observed that the transfer of authority and responsibility not only occurs in vertical way between levels of governments but also in horizontal way to civil organization or private sectors. Horizontal decentralization can be perceived as a deliberate shift of power from government to the non government organization or actors that are able to produce public goods and services. Vertical decentralization can be seen as "the devolution of

power and responsibility over policies from the national level to the local level” (De Vries 2000; p.493). The shift of power is only occurring between government levels so that the character of coordinative roles might still be maintained.

Horizontal and vertical perspective of decentralization definition can also be traced further in classification of decentralization. In their redeveloped work, Cheema and Rondinelli (2007) classified decentralization into four general forms: administrative, political, fiscal and economic. Administrative decentralization means the redistribution of authority, from central government to local or regional governments or other decentralized unit. Political decentralization includes devolution of powers and authority to local units of government; procedures allowing freedom of participation of civil society organizations in public decision-making. Fiscal decentralization includes the means and mechanisms for fiscal cooperation in sharing public revenues among all levels of government; Economic decentralization includes market liberalization, deregulation, privatization of state enterprises, and public-private partnerships. It is the shift of responsibility for functions from the public to the parties outside the governmental structure, or the private sector. It is obviously seen that administrative and fiscal decentralization put emphasizes on vertical devolution of authority to the lower level of governments while political and economic decentralization highlight more on the horizontal devolution of authority to the civic society and non government institutions.

Purposes of decentralization

Decentralization is pursued for various reasons and many advantages of decentralization have been claimed and can be found in the wide body of its literature. Among others, the possible advantages which will be elaborated here are that the proponents of decentralization most likely claimed to be undisputed (De Vries, 2000). In general De Vries summarized the arguments for decentralization as “the possibility of tailor-made policies, short lines between the allocating agency and the receivers thereof, service delivery based on greater knowledge of the actors at the local level, with regard for local circumstances, greater possibilities for civil participation and, in general, more effective and efficient allocation of public goods and services” (2000; p.493). Grindle (2007) also adds that decentralization is a way of increasing the capacity of local governments by delivering public sector

modernization. While Lemos and Agrawal (2006) argue that it can encourage the competition among local governments and consequently will increase efficiencies.

The notion that can be grasped from those arguments above is that decentralization is aimed to bring the policy making into a more area specific context. This is relevant with the temporal and spatial characteristic of many policy issues that are locally embedded (De Roo, 2003). By that mean, policy development can be well integrated to respond the interrelated of issues within the more dispersal power in society. Thus interrelatedness of issue and interest can be translated into integrated strategies (Jordan, 1999). The idea is also supported by De Vries (2000) and Fleurke et al. (1997) that through decentralization, policies can be tailored to the local environment which is eventually able to integrate all interests and create such break through within the fragmented policies. Those arguments can be pursued in societies because proximity of decision making process with the interrelated issues and various interests at hand can be gained through decentralization.

The disadvantages of decentralization

Even though there are many advantages have been claimed by the proponents of decentralization, there are also some flaws which result in less obvious of its precedent purposes. What has been seen as major advantages of decentralization in 1980s and early 1990 nowadays tend to be in dispute (De Vries, 2000). The failure of decentralization can be also due to the shortcomings of weak institutions, the inappropriate design of decentralization programs, or the lack of commitment (Hadiz, 2004).

Since the decentralization seldom emphasizes on vertical devolution of authority and responsibility to the lower levels of government, somehow it tends to reproduce the shortcomings of central state to the local levels. Rather than encouraging comprehensive and integrated approach to the local issue, decentralization also has resulted in the more fragmented local governments due to the path dependency of governance. This is in turns creating fragmentation of regional development (Firman, 2010). With the decentralization, local governments usually tend to be preoccupied with the issues within their own jurisdiction without realizing the interrelatedness of issues to other regions.

Along with the notion of path dependency, there is also a new finding in institutionalism perspective of what the so-called predatory network of patronage (Hadiz, 2004). When decentralization is not taking into account the power relation in society, it simply reproduces the power pattern of centralized power. In this mode, the institutions created within decentralization are hijacked by the power of what the author called “political gangster” while sidelining the grand designed concepts of decentralization. In turns, this experience of decentralization comes out to the unexpected result. Indonesian decentralization program in early 2000’s is a good example of this predatory network of patronage, but it is not unique. Some better examples can also be found in Post-Soviet Russia, Philippine and Thailand (Hadiz, 2004).

There is also a problematic aspect in coping with policy issues in decentralization. Local decision makers are usually interested in short term benefits rather than policies that take long terms effect. For example relying environmental policy on local governance can result in problematic consequence because it tends to pursue development oriented path (De Roo, 2004; Jordan, 1999). Beside long term effect, some policy issues like environment are intangible which makes them hard to be understood by the local decision makers. Those issues are much related to the highly expertised professionals that are simply not present in the local levels. Therefore, local decision makers are easily turning into the policy issues which are easily measured such as economic development. Policies that have ‘weak profile’ such as environmental policies then are easily tradable in the local game of governance (Zuidema, 2011).

2.4 Subsidiarity and Multi-Level governance

Subsidiarity and multi-level governance are two concepts that can help decision makers in challenging the recent debate between centralization and decentralization. This can be regarded as the hybrid combination of governance within the boundary of ideal models of governance that has been discussed previously. The idea is that on one hand there are policies issues which will be better to be performed at the local level while on the other hand there are also some policy issues which are more effective by taking into account the notion of coordinative model or centralization.

2.4.1 Subsidiarity

In general the principle of subsidiarity aims to guarantee a degree of independence for a lower authority in relation to a higher body or authority (Whittaker, et.al, 2011). Subsidiarity is widely accepted as the way that there are many policy issues which are best performed at the local levels. It suggests that decision should be made at the lowest possible level of authority because it is close to the problem at stake.

Subsidiarity concerns with system design which includes the linkages between government functions and the scale of organization encompassed. It is about various organizational structures that can handle certain functions of government. It therefore involves the sharing of powers between several levels of authority (Whittaker, et.al, 2011). And this principle requires roles and responsibilities to be clearly defined and understood. As it has been explained decentralized government are best performed for policies that are embedded with local circumstances and oriented to development progress, while centralization is beneficial for policies that encounter social dilemmas. Although this is a very roughly differentiation, it is useful to find in practice which policy fields are best performed for each decentralization and centralization.

2.4.2 Multilevel governance

Multilevel governance develops under the awareness that policy issues faced are interrelated. It means that there is a mutual dependency among actors and institutions (Benz and Eberlein 1999; Lyall and Tait, 2004). It emerges based on the situation that in order to cope with the increasing complexity of issues, various levels of authority need such cooperation in their mechanism. This adjusted mechanism of governance implies that local levels should be neither controlled by central regulation nor absolutely autonomous of their own. Thus, it can be perceived as not to fully choose the centralization or decentralization, instead a combination of both while fitting to the issues at hand. It also implies that higher level of authorities to some extent has a degree of control over lower level such as framework legislation and monitoring structures (Zuidema, 2011).

There are many examples found in practice which can be referred as multilevel governance. Although they have their own merits and particularities of concepts,

overall they refer to the dispersion of power away from central government upward to supranational agencies and downward to sub national units of government (Hooghe and Marks 2001). Furthermore Hooghe and Marks also distinguished the concepts of multilevel governance into two broad types of governance. Type I conceives of dispersion of authority to a limited number of non-overlapping jurisdictions at a limited number of levels. Jurisdictions in this system of governance tend to bundle authority in quite large packages. They are usually non-overlapping and they are relatively stable. Type II pictures a complex, fluid, patchwork of innumerable, overlapping jurisdictions. These jurisdictions are likely to have extremely various competencies, which can be sliced apart into functionally specific jurisdictions; they are often overlapping; and they tend to be lean and flexible—they emerge and disappear as demands for governance change. Both types of governance thus can be summarized in the following table.

Table 2.1 Types of Multi-Level Governance (source: Hooghe and Marks (2001))

TYPE I	TYPE II
multi-task jurisdictions	task-specific jurisdictions
mutually exclusive jurisdictions at any particular level	overlapping jurisdictions at all levels
limited number of jurisdictions	unlimited number of jurisdictions
jurisdictions organized in a limited number of levels	no limit to the number of jurisdictional levels
jurisdictions are intended to be permanent	jurisdictions are intended to be flexible

2.5 Institutional Building

2.5.1 What is Institution

The scholarly works on the theme of institution has been advanced in the discipline of sociology. However, it also has spanned to other disciplines such as politics, economics including planning study. Before we proceed with the discussion of institution in the swing of centralization and decentralization, perhaps it is worth to ask what is all about institution. What criteria that makes an approach in planning and other social science classified as ‘institutional’? The answers may vary according to the context of the discussion, but there are some common characteristics of all approaches that connecting them altogether.

According to Pieters (1999) there are at least four common cores or elements which characterize phenomenon as institutional. The first and perhaps the most important element is that these are about the structure feature of society. Institution as structure can be formal (legal framework, legislature or an agency in public bureaucracy), or it may be informal (network or a set of shared values and norms) (Amenta and Ramsey, 2010). This means that institution goes beyond an individual to include groups of individual in a type of predictable interaction based on a specific relationship. The second feature is the presence of stability over time. So, an interaction that always takes place in certain time and certain place could be regarded as institution. The third feature of institution is that it must have an influence on individual behavior. In this way, institution in some way may constraint the behavior of its members. The constraints might be formal or informal, but there should be an institution put in place. Finally, there should be some shared values and meaning among its members. Although this characteristic may be weak, it appears almost in every line of thought in institutionalism.

2.5.2 Institution and planning

Many studies of institutional themes in planning have been derived from the sociological perspectives. This is because planning system cannot be disconnected from the context in which it is situated. As Booth (2005) maintained that the development of planning system is not a “single process” but more as an activity that is embedded in cultural traditions that form it (p.260). He then argued that the key determinants influencing planning system are attitudes of planners and society towards the state and the market. Concerning this attitude, Faludi (2005) then claims that it is originated from how the structure of governance has been developed in the society. Again Booth (2005) distinguished this into three dynamic factors that have shaped the nature of planning system. They are attitudes towards property, the relationship between central and local governments together with their roles, and the legal framework and its implementation within the process of decision-making.

It is obvious from the explanation above that planning system is much embedded in the context of institution. It refers to the shared values that underlying attitudes of planners and society towards the social system and its processes (De Vries and Van den Broeck, 1997). To this end, drawing from sociological studies,

these values which are regarded as institution in planning can be broadly categorized as formal institution and informal institution. Formal institution are values that formalized into state and statecraft matters and they are more dynamic in nature since they are influenced by socio-political process. They include the form and structure of government together with their legal framework. On the other hand, non formal institution refers to values stemming from culture and social interaction includes the governance culture and state-society relationship. Non formal institution is more resistance to change and rooted from long history of community or nation.

2.5.2.1 Formal institution

European commission (1997) points to three key institutional factors that shape the characteristics of planning. These are government structure, constitutional law and legal framework. In this context, constitutional law and legal framework as regulations are combined since they give almost the same consequence to the planning system.

Structure and form of government

Structure and form of government refer to the situation of how the authority and power are being shared among different tiers of government and how they relate to each other. This describes the extent of government system being centralized or decentralized and where the most powers reside. Structure of government is an important factor shaping the planning system although there is no clear correlation in between (European Commission, 1997; Booth, 2005).

There are three broad categories which can be distinguished as structure and form of government. They include unitary system, federal system and regionalized system. Unitary system is not necessarily a centralized system, but it can be a highly decentralized one with considerable autonomy is granted to the regional or local governments. UK, Ireland and Portugal are considered as centralized unitary nations, while Denmark, Finland, France and Netherland are examples of decentralized unitary nations. However, Federal state has different characteristics in which power or authority is shared between central and regional/ local governments and each has the ability to create law (European commission, 1997; p. 39). In this state, responsibility to issue regulation in planning can be shared between national government and local government. The example of this is Germany. However in other

nations such as US, Austria and Belgium, national government even is not given the role for example to issue spatial planning regulation. Meanwhile, there are also some forms of government such as Italy and Spain that cannot be included in typical of federal model. They are categorized as regional state (European Commission, 1997). In this type of system, regional or local government have the authority to make laws and regulations but within the framework of national government.

Regulations

Legal framework and legislation refer to the context of to what extent the constitution defines the roles and responsibilities of government and individual in relation to planning and development. There are three streams of idea in constitution that can give implication on planning (European commission, 1997). Firstly, constitution increases the legitimacy of planning action. For example, rights of the people to have a decent home, jobs are stated clearly in the constitution of Netherland and Spain and this is pursued through the work of planning. Secondly, there are also conflicting situation where legislation is not in line with the planning objectives. Granting the landowners to build their own land as the case in Finland and Portugal are such examples. Finally, there are also the cases in which no written legislation exists for planning such as in UK. In this country, elements of planning are dynamic and pursued through negotiation over time.

2.5.2.2 Informal Institution

The explanation of informal institution in planning is based on the idea of planning culture which refers to the social outcomes resulted from work ethics and the dominant attitude of planners towards role of state, market and civil society (Sanyal, 2005). This is related to the concept of governance which defines the relation of state and society and political culture in certain place. As argued by Healey (1997), planning is part of governance which is working beyond the sphere of government. It encompasses three overlapping domains which are market (private sector), civil society and the state. To this end, it is important to recognize the governance system related to planning as Healey (1997) introduced; pluralist democracy, representative democracy, corporatism and clientelism.

Healey (1997) defines **pluralist democracy** as “a society composed of many different groups with many different interests, all competing to define the agenda

for the actions of government” (p. 222). In this type of governance, planning is not just the task of government. Instead, all groups beyond the government bodies can do the plan reflecting their own values and interests. They can compete with the planning from government to get approval from public actions. Therefore, planning become the arena of negotiation and mediation of various interests. To a large extent this form characterizes the practice in US (Birch, 2005).

In contrast with pluralist democracy, **corporatism** shares power among few stable groups of interests. Rather than competing in decision making, it sustains mutual understanding where longer and more stable consensus can be developed (Healey, 1997). Corporatism can be well described in Dutch planning in which Faludi (2005) defines it as: “Corporatism is a system in which the constituent units are organized into a limited number of singular, compulsory, non-competitive, hierarchically ordered, and functionally differentiated categories. They are licensed or created by the state and granted a representational monopoly within their respective categories in exchange for observing certain control on their selections of leaders and articulation of demand and support” (p. 291).

In **representative democracy**, formal government institution is the central point of governance and work well in relatively homogenous society. It is recognized that “government are created on behalf of, and at the service of, the people as electors” (Healey, 1997, p. 220). Healey also argued that this type of governance focus on legal-administrative and rule bound behavior that nurture hierarchically structured bureaucracies that are highly depending on technical expertise. It develops into a depoliticized professional culture in which policy field is separated from political process. It provides environment for policy planning that emphasizes on technical and legal reasoning for a policy objectives. Land use planning in US, UK and Netherland is a few example of this model.

Healey (1997) also describes **clientelism** as the interactive relationship between politicians and government officials through social networks. In this way, policy making is highly politicized through individual lobbying and other informal practices with certain interests. Informal relationship such as family, fiefdom and business relation, friendship is the way to allocate and distribute resources. Since there is no sufficient formal planning procedure, British planning is prone to the practice of clientelism. Being lack of law enforcement, this politicized planning culture is

predominantly practiced in many developing countries. However, it is also found to some extent in Belgium (de Vries and Van den Broeck, 1997).

2.5.3 Institutional building

Institutional building planning study can be related to the theory of institutional generation theory. This is in line with the terms of institution capital and institutional capacity which are treated as synonymous (Healey, et al 1997). Healey and colleges (1999) define some theoretical conceptions. A set of approaches use the term institutional capacity which is defined as the whole quality of resources embodied in social relation and interaction of a place. Three components of institutional capacity are identified in their works in the context of the UK urban regeneration programmes and their governance processes; knowledge resources, relational resources and mobilization capacity (Healey et al, 1999). In this discussion, those components are slightly reformulated as political capital, social capital, and intellectual capital in order to cope with the unfamiliar concepts of Healey and colleges (see also Khakee, 2002). To this end another component which is material capital (Davoudi, 2004) is also added to the conceptual framework because it is regarded as crucial to enable the institution to generate.

2.5.3.1 Political capital

Political capital is the capacity to mobilize resources for action and depends on power relations (Davoudi 2004). It implies commitment and willingness among not only politicians and government officials, but also among members and stakeholders to shape agenda and take action. The capacity to act collectively bears a challenge of changing the existing way of doing things. It is not only about changing the methods of working but also finding the right opportunities within the power relations. Therefore, effective mobilization to act collectively within the existing power relation is key point toward institutional building.

There are some criteria can be used to identify and evaluate political capital within the institutional context as developed by Khakee (2002). Firstly, the structure of mobilization includes selection of issue, collective identification of issue agenda and access from stakeholders for collective activity. Secondly, it is the method of mobilization. It comprises adaptation of techniques, consensus building and creating partnership among identified powers. Finally, it depends on the existence of agent of

change. The presence of key persons to mobilize and maintain networks is crucial in the political context. It is also about his or her characters of competitive or supportive nature. These criteria might not have covered the whole aspects within the political capital but they are sufficient to explore political element for institutional building context.

2.5.3.2 Intellectual capital

Intellectual capital here is referred to knowledge resources built from experiences, scientific investigation and understanding of people, places and issues surrounded (Khakee, 2002). Knowledge in this context is socially constructed, created over time through the interaction of actors involved (Davoudi, 2004). The source and sharing of knowledge among actors is crucial in intellectual capital building. As argued by Davoudi, intellectual capital building is depending on the following elements: the range of knowledge available to actors, frame of reference to turn the information into meaningful and integrated knowledge and make sense of it, the flow of knowledge among actors and learning capacity of actors including willingness to learn and accept new ideas. The range of knowledge in this context includes all form of knowledge. It is not only scientific knowledge from experts, but also local knowledge derived from life experiential held by non expert or lay people. Frame of reference, it is the underlying conception that shapes the meaning and interpretation of the knowledge which flows among actors. Since there are various actors coming from different background, there would be many different points of view toward the same knowledge. Thus, the meaning and interpretation derived will be also various. The flow of knowledge and learning capacity of actors are crucial in intellectual capital building. The free flow of knowledge will create the collective knowledge and learning capacity developed through interaction of actors.

2.5.3.3 Social capital

Social capital is a major aspect in institution building to achieve collective action and coordination. This is particularly crucial in the context of fragmented society and power in which collaboration relies on voluntary action. The concept of social capital itself is strongly related to other concepts especially civic society or civic virtue, terms associated with the work of Putnam (1993) in Italy. He defined civic virtue as “an active, public-spirited citizenry, by egalitarian political relations, by a social fabric of

trust and co-operation” (p.15). This study is practically much related to institution building. Bringing this idea into the context of partnership and coalition building, it can be argued that creating collective action depends on trust and solidarity; mutual support for the agreement and shared of purpose or interdependency (Innes et. al, 1999; Stones, 1994). Trust and solidarity is much related to the ability of overcome the differences while shared purpose is important to come to co-operation and mutual understanding.

Khakee (2002) proposed three criteria for the purpose of identifying and evaluation social capital in relation to institutional building. The first is range of social relations. This includes some aspects such as the extent of stakeholders involved, nature and function of networks and values shared to retain stakeholder together. The second is the linkages between networks. This relates to integration between networks, relation between core and peripheral and the density of interconnection. Finally, it is about power relations. Within this context, relation that holds networks together, access to networks and ideological structure linking those networks are important aspects to be explored.

2.5.3.4 Material capital

The arrangement of resources for the sustainability of institution is a crucial thing and quite such an apprehensive job. Although it is a form of cooperation or voluntary form, mobilizing resources to realize its policy agendas in steering coalition is something necessary. Beside intangible resources in forms of social virtue and political popularity, tangible resources such as financial resources and assets resources are also important in governing institution. As argued by Davoudi (2004), this is an “iron law” in governing, which means that it is an aspect in institutional building that cannot be just neglected after the other intangible resources. Without a dedicated budget in the context of regional collaboration in certain policy fields such as integrated watershed management would bring problem of institution building sustainability. In Indonesian context, this policy field is mostly expected from the government budget. However, since the decentralization institutional aspects such as rigid decentralized regulation on expenditure to some extent have prevented collaborative innovation

2.6 Concluding Remarks

The fade away from a coordinative model to various forms of decentralization has occurred in most countries in the world over the last decades. The change of governance has brought many implications not only in the way how state is governed but also it changes how certain policy fields are managed in a more effective and efficient way. To some extent, some people may perceive that the decentralization as the way of moving from coordinative model is an appropriate solution to ever changing problem. Bringing the policy making processes closer to the constituents will generally increase the effectiveness and efficiency of public goods delivery. However, it is not always the case as a straightforward solution to some policy fields. For example, environmental policies that have generic implications in their implementation are not sufficiently successful if it is relied upon local levels (Zuidema, 2011). Therefore, thinking through the consequences of every policy fields within the framework of decentralization is crucial for planners and public decision makers. This is because issues and solutions of policy development are always retained in the swing of centralization and decentralization. And thus, solutions are in the state of infinite searching for the common ground to cope with those issues.

Toward this end, this chapter has provided the concepts of multi-level governance and subsidiarity as means to cope with various issues in governance. Both concepts can be regarded as hybrid or combination of ideal types of governance. In order to respond to the fragmented policies due to the dispersion of power, both concepts are also promising to gain the integrated approach of certain policy fields. However, they are not a ready to make tools to provide an array of solution. Instead, it should be tested in practice taking into account not only the nature of problems at hand but also embedded social issues in place. This leads the discussion to the question of institutional context of governance and planning and how steering action should be done in a more fragmented government institutions and society.

3. Research Methodology

This chapter discusses the research methodology as the strategy and steps followed to accomplish the research. First of all, in conducting this research, case study research method is used. This is aimed to gain an in-depth analysis of the research questions as of inquiries during the research process. The use of case study research method is considered to be appropriate in this way because besides elaborating on the theoretical matters, the research will be also based on an empirical inquiry on a contemporary phenomenon in which the investigator has little control and boundaries between phenomenon and its context are not clearly evident (Yin, 2004). Therefore, the research is trying to give an exploratory answer on the research questions being posed. Secondly, the selection of cases represents the current success and failures of local government cooperation in Indonesia. The Ngada and Nagekeo is an example of how to manage integrated watershed management while the Kartamantul (Jogjakarta, Sleman and Bantul) local government cooperation in Great Jogjakarta Metropolitan Area is a best practice of voluntary collaboration in solid waste disposal management. By comparing these two cases in the same scheme of decentralization, it is expected that what works well and what does not in practice can be revealed.

In this chapter, description of each cases study analysis is presented in section 3.1. for local governments of Ngada and Nagekeo, and section 3.2 for Kartamantul area. This includes the study site or location and the topic of integrated watershed management between local governments of Ngada and Nagekeo and waste disposal management in kartamantul-Jogjakarta. Section 3.2 provides the research steps to be followed in conducting case study analysis. This includes the restatement of the research framework as the basis to answer the research questions, data collection plan and the strategy of analysis.

3.1 Case study in Ngada and Nagekeo Local governments.

Through a case study analysis, this research will particularly focus on the issue of integrated Aesesa watershed management between local government of Ngada and Nagekeo in Central Flores, NTT, Indonesia, with the size of 1,165km². (see figure 3.1 Location of site study). The Aesesa watershed is named after the main river that flows in central flores from Bajawa in Ngada as upper stream to Mbay in Nagekeo as the

outlet of the river to the sea. Not until the year of 2007, the watershed was managed under one local government of Ngada. This includes the sustainable uses of water resources and more importantly preservation of water resources through sustainable farming and forest reservation. The issues of collaboration in watershed management in the years before were highly sectoral planning and the lack of integration among departments to implement the restoration program such as reforestation and sustainable development. Meanwhile the degradation of the catchment has been realized within the government policy agenda. Then, since 2007, the local government was divided into two local governments, namely Ngada (1,724.11km²) itself and Nagekeo (1,416,96km²) to the east were formed as separated fully autonomous jurisdiction (Biro Pusat Statistik, 2009). This brought the implication that the Aesesa watershed as the main water resources for both regions has to be divided between two local governments.

To some extent, the division of jurisdiction has been in line with the objective of national decentralization program in bringing the public services closer to the constituent. Nagekeo local government with the population of 129,000 can manage the local development with their own development priorities. However, when it comes to the issue of Aesesa watershed, a collaboration scheme for both local governments of Ngada and Nagekeo should be brought to fore. This is because sources of surface water in forms of springs and their conservation lying in most area of Ngada local government, while the uses and most intakes for agriculture purposes are in local government of Nagekeo. To this end, it can be understood that the integrated approach for the sustainable development of Aesesa watershed has grown bigger, not only of integrating different sectors and stakeholders within a single jurisdiction but also how both local governments of Ngada and nagekeo are able to cooperate in implementing a sound integrated watershed management.



Figure 3.1: Map study area, Aesesa watershed, in the Ngada and Nagekeo regencies of Flores, Nusa Tenggara Timur (NTT)

3.2 Kartamantul local governments cooperation

Kartamantul is an area consists of three local governments in Jogjakarta Province, namely municipality of Jogjakarta, regency of Sleman and Bantul. The total population of these three local governments was about 1.9 million in 2008 and 800 thousand was urban population. Due to the rapid urbanization, the physical growth of the city which was previously concentrated at Jogjakarata municipality now has expanded beyond the city's border to the neighboring regencies of Sleman and Bantul. It covers an area of more than 300 km² and known as Jogjakarta Urban agglomeration (YUA). This change is evident from the vast conversion of land use from agriculture land into urban use (Hermawati, 2008).

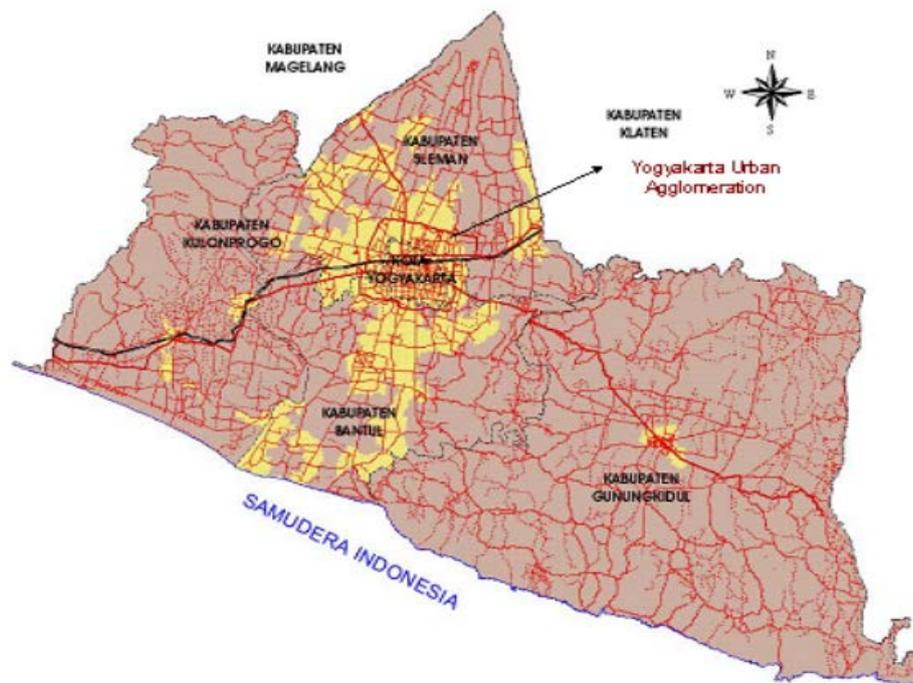


Figure 3.2 Map of Jogjakarta Urban Area

The main causes of the urbanization growth in Kartamantul area is the growth of settlement as the result of urban activities. This includes trade, tourism, the art and handicraft industry and higher education, most notably in Yogyakarta City. Today, Jogjakarta is the second largest destination of domestic and foreign tourists in Indonesia after the island of Bali. Various educational institutions are located in the city and Jokjakarta is home to Gajah Mada University, the oldest and one of the largest higher education institutions in Indonesia. In fact, this region is the largest

concentration of education activities in Indonesia. Therefore it requires adequate infrastructures and notably accommodation and housing for students grow quickly every year expanding to the neighboring jurisdiction of Jogjakarta municipality. These in turn have to be supported by the provision of other urban basic infrastructures such as clean and waste water management and urban transportation.

The increasing growth of urbanization in Kartamantul area raises the awareness of interdependency among local governments to form a kind of collaboration. Interestingly to notice that the initiative of Kartamantul local government collaboration has been promoted before Indonesia is decentralized. It was in 1996, an agreement among three local governments was signed to tackle the issues that required a joint approach (Sutrisno, 2007). The first pilot project of collaboration was a shared waste disposal facility. The enactment of decentralization law and regulations in 1999 has opened this collaboration to a more institutionalized form and provide the way to touch the practical matters of joint projects and development for issues identified. The special organization called Sekretariat Bersama (joint secretariat) was laid down to coordinate the collaboration and its projects. Currently, the Joint Secretariat manages the collaboration in waste disposal, wastewater treatment, water supply, drainage, transportation and roads (Sutrisno, 2004). The cooperation in spatial planning and land use management is under discussion and becomes the challenges of joint secretariat to manage the collaboration.

3.3 Research plan

The research is developed into four main activities which lead to the completion of the report. Those activities are developing research design, building theoretical framework, data collection and analysis; and will be explained in details in the following session.

3.3.1 Developing research design

The first step in conducting this research is developing a research design. This is a crucial part in research and whether it is explicitly or not, every type of research has its own design that links every parts of the research. In a simple words, research design can be defined as 'a logical plan for getting from here to there', where here is

the initial step of the research question and there refers to the end conclusion to be drawn (Yin, 2004). Developing research design is basically important in study case research method as argued by the author, it helps to define important aspects of the study case research components such as research question, proposition (if any), unit of analysis, the logic of linking data to proposition and the criteria for interpreting the findings (Yin, 2004; p.27).

3.3.2 Building Theoretical Framework

The next step after research design is building theoretical framework. For this study, the research model developed previously at section 1.3 will be the basis for elaborating the theoretical parts of the research. Building the theoretical framework is also important because it will help to develop sharper and more insightful questions concerning the topic under study. This also becomes the basis for analyzing the data in the next step. Chapter 2 of this report will include all the relevant theories related to the decentralization, centralization, institutional building and multi-level governance.

3.3.3 Data collection

Data collection is the next step of this research and based on the previous developed research design which defines the components of the research. Taking institutional building as the main topic of inquiry then unit of analysis and data collection will be determined. This consists of two parts namely literature gathering and interviews. Furthermore, literature gathering will include literature review for developing theoretical parts and secondary data such as government documents, regulations, previous researches and other relevant documents in order to specifically answer the first and the third research questions. Both literature reviews will be done simultaneously. While interview is conducted to specifically answers the second research question. Since the study site is too far away from the investigator and considering the limited time, interview will be done through email and telephone. It is also worth to note here that during the data collecting process, a case study database is created. This is important because the study will use multiple sources of data and helping further step of analysis.

To be more detail in data collection process, the aspects of institutional capital derived from Healey (1999), and adapted from Khakee (2002) and Davoudi (2004)

from the previous theoretical framework will be elaborated as aspects of questions in interview. These are the backbone that links the research questions and the data or information which are going to be gathered during the research. The institutional capital includes political capital, intellectual capital, social capital and material capital. Each component will be broke down into elements and evaluation criteria as presented in Table 3.2.

3.3.4 Analysis

As it has been explained previously, all components of methodology in this study are interconnected based on the research design and so do the analysis. Therefore, the strategy of analysis component in this study will rely on the developed theoretical parts and propositions in the previous session. Furthermore, the main techniques used in performing the analysis in this study are pattern matching and explanation building (Yin, 2004). Using the data from various documents and reports, both techniques will be used to analyze the collaborative governments in Indonesian decentralized case in general and specifically in study site between Ngada and Nagekeo local governments.

Using the strategy of relying on theoretical proposition is widely used and most preferred in case study research (Yin, 2009). In this research, derived from theoretical framework some theoretical propositions are developed and stemming from the initial research questions. Again, these propositions would have been shaping the data collection plan and further pointing to the certain techniques of analysis. For example, one theoretical proposition is “decentralization has brought the decision making process close to citizens but also created fragmentation of certain policy fields among regencies”. The basic proposition could be –strengthening institutions at the provincial level to cope with such policy fields as part of multilevel governance – will be traced in empirical evidence. This is just one example of theoretical proposition as orientation to guide this research.

Since the strategy used is relying on proposition in this research, the appropriate analysis techniques beside direct interpretation are pattern matching and explanation building. In direct interpretation, meanings are drawn from the data without looking for multiple instances. For example based on the theoretical framework as grounded theory, a proposition can be advanced which relate the causes of phenomenon with its context and strategy. In pattern matching, the pattern

may be related to variables of the study. In this way analysis step looking for correspondence between two or more categories, if there is a relationship. This is done by comparing empirical based pattern with several alternative predictions from theory or other researches. For example, empirical findings in one case study will be related to other similar case study and relate them with the background theory. By this way, a stronger conclusion can be drawn by making theoretical replications across the case study. Furthermore, if it is difficult to use the previous techniques, explanation building is then applied. In this way the step is done by stipulating the phenomenon to find a causal link of a case. This will be done in narrative form. Since narrative form cannot be precise then a good explanation would be one that reflects the significant theoretical proposition based on the background theory of centralization and decentralization.

To ease the process of analysis, the following table summarizes the advantages and disadvantages of centralization and decentralization derived from the theoretical background. Further, these can be used as theoretical propositions in analysis.

Table 3.1 Advantages and disadvantages of centralization and decentralization
Centralization

Advantages	Disadvantages
More coordinative, systematic and relying on rational approach to development issue	Tend to be rigid and inflexible to tackle the issue and lead to inefficiency
More preferred to tackle the cross-jurisdictional problems and economic of scale	Difficult to be implemented in a more fragmented society with various interests and the question of democracy.
Preferable to deal with policies with long term effect and generic in nature.	Limited to deal with interrelated issues and problems

Decentralization

Advantages	Disadvantages
More area specific approach and tailor-made policies based on local knowledge.	More fragmented approach due to inward looking of local governments
Greater civil participation	Focus more on the short-term interests over long term effects

More effective and efficient allocation of public goods	Difficulties in tackling issues of economic of scale and cross-jurisdictional problems
---------------------------------------------------------	----------------------------------------------------------------------------------------

The elements and criteria used for data collection and analysis in this research can be summarized in table 3.2 institutional capital: elements and evaluation criteria. In order to answer the research questions, the data collected should encompass the elements of each aspect and the evaluation criteria. Specifically for data collected through interviews, the questions posed to the interviewee will at least meet the evaluation criteria.

Table 3.2 Institutional capital: elements and evaluation criteria

Aspects	Elements	Evaluation criteria
Political capital	Structure of mobilization, methods for collective efforts, agents of change	Selection and identification of issues and agendas, range of mobilization process, consensus-building practices, character and role of key agents.
Intellectual capital	Range and frame of knowledge, knowledge linkages, attitude toward new knowledge	Knowledge resources and use of knowledge, degree of understanding, diffusion of knowledge and values, openness to new sources of information
Social capital	Range of social relations, linkages between networks, power relations.	extent of stakeholders involvement, character of networks, access to networks, forces linking networks
Material capital	Financial resources Venues for interaction	Main source of financial support, expenditure policies and priorities.

After those main steps are performed, the final session of the study is drawing conclusion and providing recommendation. To give a complete visualization, the whole steps of the research can be presented in the following diagram.

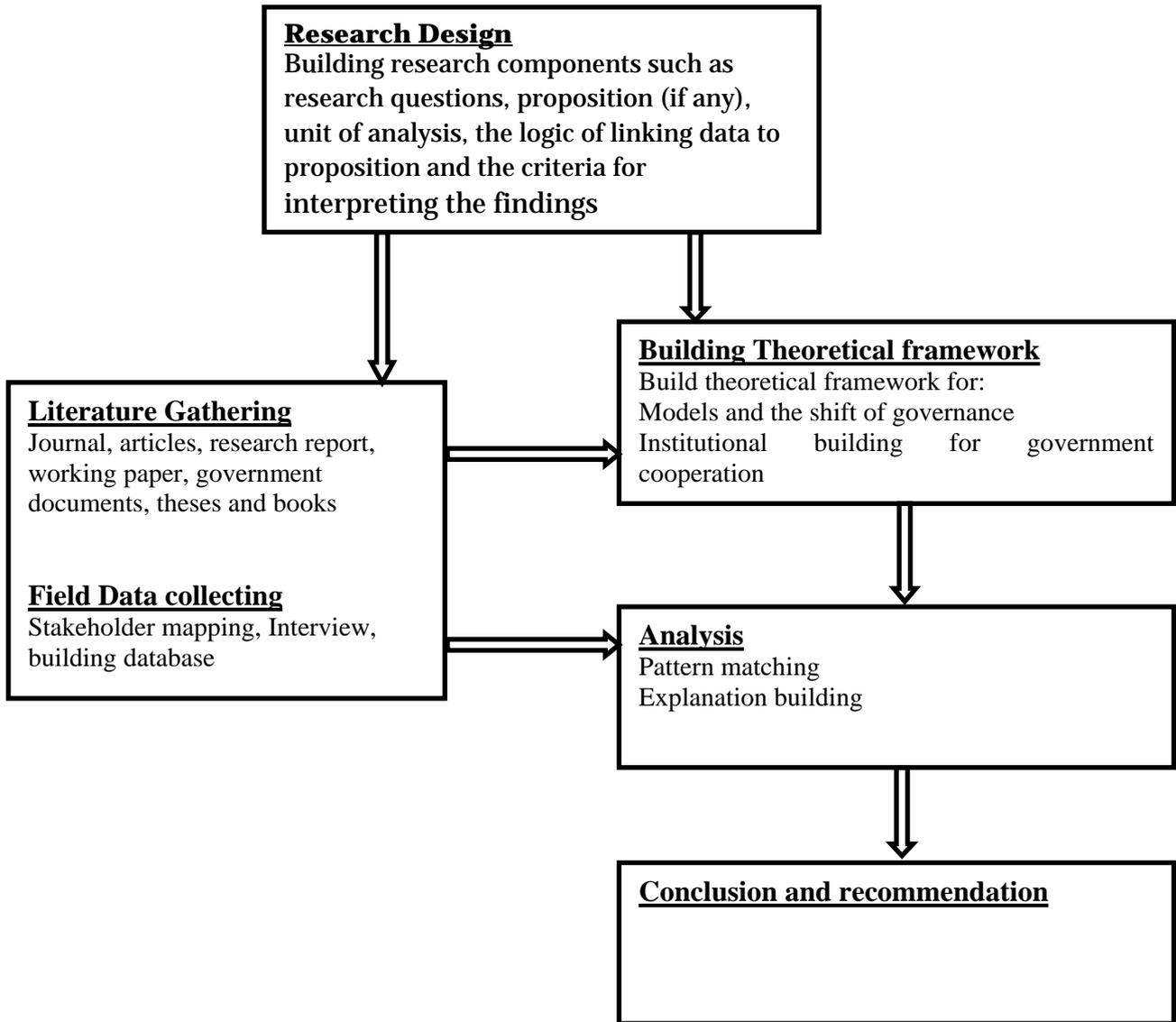


Figure 3.3. Research Methodology Diagram

4. Local government cooperation in decentralized Indonesia

The objective of this chapter is to explain the relationship between Indonesian decentralization and the growing need for cooperation due to the more fragmented of local governments. To achieve this objective, firstly discussion will be focused on the broader perspective and impact of decentralization in Indonesia as developing country and the problems surrounding it. Analysis of law and regulations pertaining decentralization and the impact to the practical level will be brought into discussion.

Secondly, focusing on the institutional arrangement of multi tiers governments in Indonesia, we will discuss the concept of multi-level governance and subsidiarity in the realm of centralization and decentralization. This is intended to provide some arguments of the benefit relying on the coordinative approach without undermining the objectives of decentralization. The third part of the chapter will discuss the emerging need of local government cooperation in response to the impact of decentralization. By discussing some background of the trend and challenge, this section will provide arguments on the need of coordinative approach to enhance the cooperation.

4.1 Overview of Decentralization in Indonesia

Decentralization basically is not something new in the history of modern Indonesian administrative government. Law No. 5/1974 in the past concerning regional government had formally elaborated the relationship between central government and regional government based on the principal of decentralization, deconcentration and co-administration (*tugas perbantuan*). However, it was never realized in practice under the New Order era. Decentralization at the time was only deconcentration of authority and co-administration from central government to the lower level of governments.

Decentralisation under the law of decentralization Number 22/1999 and Number 33/2004

Marked by the economic crises that led to reformation in 1998, the decentralization regulations were arranged under the increasing pressures of disintegration, demands for democratic government from the society and international aid organization. This resulted in Law No.22/1999 on Regional Government which is enacted in May 1999 and became effective in January 2001 with

two years of preparation period for all levels of government in order to fully implement them. Unlike its predecessors, this decentralization law has different emphasis on decentralization. It is designed to devolve more powers to regency/ municipality governments.

This decentralization policy was very rapid its arrangement, very tight in its deadlines of implementation, and very radical in its extents of changes. In a short period time available, the draft of the law was only discussed among limited group of proponents of decentralization, with little input from the politicians and even less consultation with the regions (Perdana and Friawan, 2007). The results were that within two years the central government would transfer all of its major responsibilities (except for foreign affairs, defense, trade policy, monetary policy, fiscal balance and religion) and 2 million the civil servants or 2/3 of central government workforce to regions. Along with this, local government would also be granted new financial resources. All these process was described as “big bang” decentralization (Hofman and Kaiser, 2002).

Amazingly, the process has been considered as quite successful. International community viewed that Indonesia has been able to manage this unprecedented decentralization and minimized its negative effects (Perdana and Friawan, 2007). However, the arrangement of decentralization laws that has not passed through blue print stage and jump directly to the law drafting has resulted confusion and debate about the law itself and its interpretations. And thus, as it has been predicted by many observers, within the realm of less experience in decentralization along with hurried formulation of laws, the decentralization processes have inevitably started to result in some adverse effects (Islam, 1999). For example, several problems were identified such as unclear division of authorities among tiers of government, inefficient of resource allocation, widening disparities among regions and stronger primordial ties based on ethnic and religion (Suwondo, 2002; Seymour and Turner, 2002). In general, there are three crucial issues among many confusing and debatable issues in the law 22/1999, namely devolution of government authorities, formation and new local governments, and the local executive-legislative relationship.

On the devolution of authority, the detailed functions of central and provincial government while left the rest for local government has created an unclear authority division between the central and local government. As a result this created

discrepancy between the functions of central government and sectors for local governments. Local government can determine their functions freely, which might be very extensive or too narrow. This seldom creates disputes between the central government and local government. Moreover, the abolishment of hierarchical relationship between the province and the regency creates the coordination problem more severe. This is especially a matter of concerns for inter jurisdictions problems which require a clear coordination in its approach.

After decentralization started, there was an increasing trend of new formation of local governments. The number of new regencies and municipalities increased to more than 10% every year (Perdana and Friawan, 2007). Sub dividing new region from existing region which to Indonesian people is referred to “*pemekaran*” (flowering) has been established during decentralization era. And by late 2008, Indonesia has had 33 provinces and 440 regencies and cities (USAID, 2009). The increasing number of new local government administrations has put more burdens on government’s financial aspect. Bearing in mind that heavy reliance of most local governments for financial resources from central government created concerns on economic efficiency and problems on optimal size and capacity. Furthermore, the creation of new local governments through subdivision of existing one also generated fragmentation in development policies. This is because each local government tends to look after issues which are only within their boundaries without considering their interconnectedness with issues in other local governments.

The unclear basic decentralization law has also influenced the relationship between the executive and legislative body at the local level. To some extent, law 22/1999 has granted an immense authority for local legislative ranging from hiring, evaluating and firing the head of local executive to influencing the local budget. As a result, the local parliament (DPRD) becomes the most powerful body at the local level. The strong legislative in one hand is important in making the check and balance to the government. However, its excessive power also could become one of barriers in creating good governance and effective local administration. In a worse condition it could create either collusion or persistent conflict with the local executive. This in turns can give impact to the poor quality of policy development and service delivery of local public goods and services.

Along with the devolution of power, the central government also decentralized its fiscal sources to the local governments. The process of fiscal decentralization has also been done quite smooth although there are some questionable problems surrounding it. The fiscal decentralization will not be discussed thoroughly here but in general, there has been a heavy reliance of local governments to the central government and weak taxing power for local government. This is because the law did not give the clear guidelines of local government taxing power and decentralization in Indonesia was designed to be the expenditure-lead decentralization financed by transfer (Brodjonegoro, 2004).

In order to solve some debatable problems discussed above Law 22/1999 has been amended by issuing the Law 32/2004 (Alm et.al, 2001). In this new law, the province gained some authority to control the regencies and municipalities and there has also some improvement in the amount of intergovernmental fiscal transfer and the improvement of formula to calculate the intergovernmental fiscal transfer. However, the basic principle problems still remind. The division of central and sub-national functions is still unclear and there is still lack of coordination between central and sub-national government, and even among the institutions or departments within the central government, such as the rivalry between ministry of finance and ministry of home affairs (Perdana and Friawan, 2007).

The revision of decentralization laws discussed above is just to strengthen a distinguished proof of time dilemma in decentralization as argued by Olowu (2003). This is related to the slow path of institutional change because decentralization has to do with a lot of institutional adjustments and modifications. It is a long term and not just a short term project. The crucial challenge of decentralization for local self governance is how to integrate old and tested institutions in which people have been get used to with the new untested but well-resourced. In the meantime, this reforms need to be evaluated for their results and output in short and medium terms (Steinich, 2000).

Like experiences in many other developing countries, decentralization in Indonesia is also surrounded by euphoria as a way to respond to the limitations of centralistic and coordinative model. This highly optimism can easily cause decentralization to take place without clear comprehension of its advantages and disadvantages. For example Prud'home (1994) pointed out that decentralization

is often pursued because of being a 'fashionable idea' dominated by political motives and interests. Nevertheless, as it has been discussed in chapter 2, arguments around decentralization are also debatable and cannot be avoided from crucial risks that may occur. Moreover, many authors come to a conclusion that why and how decentralization measures are taken there is still a limited understanding around it (De Vries, 2000; Prud'home, 1994). Therefore, as Prud'home (1994) argues that before embarking on some measures of decentralization, we should be well aware the 'dangers of decentralization'.

What can be seen from Indonesian decentralization is that there was a dramatic move from a heavily concentrated power, dispersed to the horizontal and local level. After the crisis and the 1999 election, the multi-party system has made the power more fragmented, replacing the previous concentrated power around president. Fragmentation exists not only within the legislative body but also within the executive where government has to make coalition to accommodate many political interests. Furthermore, decentralization also has made local government gaining more power and disgraced the centralistic style of New Order era. Meanwhile, the unclear division of authority makes local governments feel free to determine their authority. In turns, this may create dispute between central and local government.

Consequently, the dispersed power through decentralization has many impacts to the governance quality and policy development. There are two competing arguments. The first one claim that concentrated power is likely to give problems and volatile policy environment. Therefore, more fragmented and decentralized power will provide more check and balance mechanisms. This in turn will put pressure on the government to be more transparent and accountable. In this case, represented in accountability index Indonesia has made significant change and been regarded successful compared to other South Asian countries (Perdana and Friawan, 2007).

On the other hand, the second argument maintains that the dispersed and more fragmented power may also result in inefficient process. Lengthy decision making process within democratic environment which accommodate all political interests may created delays to many policy initiatives. This decentralized governance is also vulnerable to political pressures favoring short-term public spending over longer term investment. Referring to our discussion in chapter 2 on disadvantages of decentralization, as argued by Zuidema (2011), policies that have long-term effects

(weak profile) are easily tradable in local governance. Meanwhile, stronger and centralistic style of governance is more able to cope with difficult decisions on long-term interests. This is referred as one of the advantages of centralistic governance.

From the discussion above, it can be understood that although decentralization in Indonesia was perceived to respond the immediate economic crises, in its ongoing process, it has also been surrounded by arguments on advantages and disadvantages of decentralization. From the economic perspective, decentralization was aimed to ease the burden of central government in crises situation by distributing public services responsibilities to local governments. However, lack of appropriate preparation and the unclear distribution of authorities have urged the government to review the system. From the political perspective, even though decentralization has increased accountability in governance, some other policy fields are still relying on the centralistic style. For example for the interest of national identity, decentralization has been designed to regency/ city level rather than to the province (Seymour & Turner, 2002). Furthermore, due to emerging problems that require coordination, to some extent coordinative approach is reconsidered such as the role of provincial government in the amended new law of 32/2004. Meanwhile, coordinative and integrated approach is also invented voluntarily in form of local government cooperation as it will be discussed later. In general, the search for best model of governance for different policy fields is still infinite in Indonesian decentralization and there would be a mix of policy to suit the context in empirical levels.

4.2 Institutional arrangements of Multi tiers-government

Along with the devolution of power and authority, decentralization in Indonesia is also marked by the new arrangement of government tiers. The administrative division of various government levels is constituted in chapter II of both laws 22/1999 and 32/2004. It states that the main administrative units are provinces which retain hierarchical relationship with the central government (article 2). However, the real autonomy is provided to the *kabupaten* (regency or district) and kota (municipality) and these are not in hierarchical relationship to the province. The province has only a coordinative role towards the regencies/ municipalities. To some extent it forms three tiers of government which until now there are central government, province and regency/ municipality.

It starts to get confused here when in both main laws provinces are also called as autonomous region, while at the same time they have a hierarchical relationship with the central government. Consequently, it can be said as a practice of de facto deconcentration not a devolution of power as it has been chosen for Indonesian decentralization (Seymour and Turner, 2002). It would be clearer if it is stated that the provincial regions are excluded from being mentioned as autonomous regions, because the genuine devolution only occurs at the regency and municipality level as they are detached from the higher level of government and the province for example. Even though the enactment of the revised Law No 33/2004, this multi tiers relationship remain unclear.

Perhaps the distribution of authority is the most confusing part of this legal framework. Areas of responsibilities of the province and regency/ municipality gain under the decentralization are set out in chapter IV of Law No.22/1999. While the central government remains accountable for international politics, defense and security, the judicature, monetary and fiscal matters, religion and the other fields, the province and regional governments are granted with other authorities outside those six. The further details are written in the Government Regulation (PP/Peraturan Pemerintah) No. 25/2000 concerning the authority of central government and the provision of provinces as autonomous region. However, this regulation is considered as not satisfying and widely criticized because the number of authorities of the central government and the provincial government are still numerous and characterized by a confusing distribution between tiers of government. This government regulation even contradicts with the law itself and leaves the confusion for the stakeholders (Seymour and Turner, 2002, p.43).

Subsequently the current Law 32/2004 attempts to correct this deficiency with some changes. An expansion and stated areas of responsibilities and functions for the province as autonomous region and the representative of the national government were also added. So there is a dual role of governor. Besides setting the areas of responsibilities, the law also outlines the mandatory affairs (*urusan wajib*) for regional governments. Whereas the 1999 law only dedicated a few paragraphs to the province, the 2004 law has provided list for both provincial and regency level government. However, the designation of shared areas of responsibilities including mandatory and optional affairs is in fact based on the sectoral responsibilities such as

public facilities, health, education, labour, cooperative, and small and medium enterprises (SMEs), and the environment. Little has been mentioned on the government functions that need to be performed by each level of government.

It is also found that there are several mandatory affairs which are similar between the provincial and regency/ municipality level. And this situation is leading to a considerable overlap in implementation. Those affairs include areas of health, education and human resources, environmental control, demography and civil registry, development of cooperatives and SMEs, agrarian services and capital investment. Overlap is expected especially when project preparation by the province does not sufficiently involve the regency/ municipality level and vice versa. This may not be a problem, if there is a good coordination between the jurisdictions, one of the main tasks of the province and there is a local agreement on the various scales or areas of responsibility.

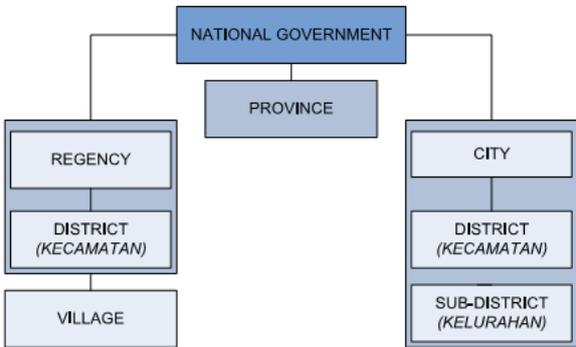
The law 33/2004 also tries to fix the problem by pointing at some new regulations, such as PP No. 38/2007 (Government regulation) to clarify and to provide the detail of the distribution of authorities. The regulation explains mandatory functions for both province and regency/ city mentioned in article 12 to 14. This regulation has begun to prescribe the distribution of authorities and affairs but still it leaves some areas open to interpretation such as education in which overlapping functions between the provincial and regency/ city level over the secondary education is not clear; in environment, the role of the province is limited to environmental control.

Based on the above discussion, the new regulations can be regarded to improve the clarity of the distribution of authority among the levels of government through the establishment of a series of specific regulations. However, the law is not equipped with such details. Hence, it is still open for biases and multi-interpretations which lead to confusion and conflicts of interest among stakeholders. Nevertheless, it is almost impossible to keep the law as clear as possible and to produce single interpretation which can lessen the gap of implementation, since it is the product of political negotiation which is always to a large extent of political compromise. Inevitably, most of the details are left to government regulations and thus, can be easily changed. Thus, it will be better if the distribution of authority is stipulated under a separated law that has stronger legal basis than merely a government

regulation which can easily be replaced or be changed without a parliamentary decision.

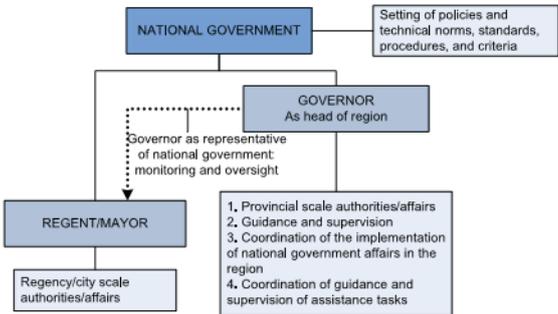
There are some issues which are worth to be considered in the institutional arrangement of Indonesian decentralization especially related to the position of provincial government. The first issue is confusion in hierarchy and the dual role of the governor in the province level. The decentralization arrangement placed at the regency/ city level instead of province with larger administrative unit has put in an awkward position of province. This is because the regency/ city government are answerable directly to the national government through the ministry of home affairs. Meanwhile, the province is also given coordinating and monitoring function, therefore it has the right to ask the regency/ city level to perform some assistance tasks on its behalf. However, the province is not equipped sufficiently with authority to exercise this function. This seems to imply that Indonesia’s decentralization is characterized by multiple hierarchies which are organized by structure, function, funding, and even by areas of responsibilities which can overlap (see figure 4.1)

(a) Structural hierarchy



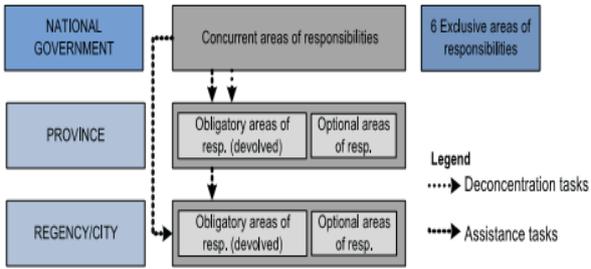
Source: Law no. 32/2004

(b) Functional hierarchy



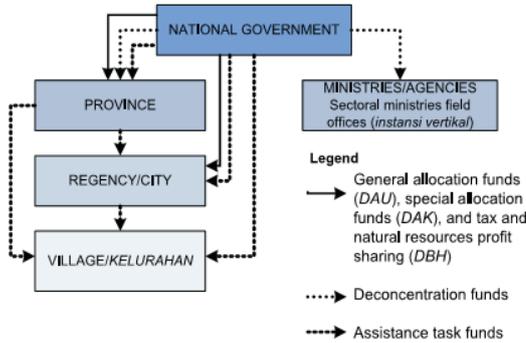
Source: Law no. 32/2004, GR no. 38/2007

(c) Sharing and divisions of responsibilities



Source: Law no. 32/2004 and GR no. 7/2008

(d) Fiscal hierarchy



Source: Laws no. 32/2004 and no. 33/2004, and GR no. 7/2008

Figure 4.1 Multiple hierarchies of Indonesian governments

The second issue related to institutional arrangement in Indonesia's decentralization is power relation among level of governments. Confusion about the position of the province and the regency/ city leads to the complication of power relation between the two. This problem is not only due to the hierarchy discussed previously but it is also the result of overlap of constituency. The credibility of the province to exercise autonomy rests on the existence of the provincial level constituents. This is debatable because there is an assumption that local constituents reside in the regency/ city and do not constitute for the provincial constituents. However, the emergence of this problem assumes that province and regencies are separated and distinct constituents and no overlapping geography. This ignores the fact that regencies and cities are clustered within the province, therefore the solution is not how to recognize the provincial level constituents but how to share constituents that belong both to the regency/ city as well as the province. This is not a problem normally identified in other countries because the level of autonomy rests at a larger geographical level or the arrangement of autonomous hierarchy has been clearly set between levels of government (Sudharmo and Sudjana, 2009).

In addition, in the current decentralization scheme, the provincial government is limited in its roles and lacks the policy instruments to provide incentives or disincentives for the regency/ city government. The regency/ city governments are fiscally dependent to the central government, thus technically the national government has the power and the provincial government is powerless in its coordination and monitoring functions. This power is important in coordination if the objectives to synchronize the local development with the regional or national policy objectives.

Relating this problem into our theoretical perspective, it is argued that the move away from centralization to decentralization is not a straight forward shift to cope with all problems in governance. Since the decentralization is the result of the increasing complexity of issues and society, it is important to be aware that policy issues are interrelated. For example, discretion in planning at local level is not only about recognizing the local problems, actors and institution but also it should consider how the plan is budgeted and supported from other parties such as provincial or national government. Therefore, reflecting on the confusion of power and authorities in Indonesian decentralization, from a theoretical approach a multi-

level governance concepts will give an answer. It is a combination of centralization and decentralization. In this way, various interests both from central government and local level can be accommodated to fit the issue or problem faced. It acknowledges that higher level governments have some degree of control such as coordinative functions and monitoring, but it also not to reduce the autonomy of local level government to make discretions. However, this should be done in a clear mechanism and based on the clear legislation. So that each level of government clearly knows what to do and what to expect from other level governments.

Bringing multi-level perspective on governance into our discussion, decentralization is then viewed as a relative shift of power and authority within a context of remaining or newly created central policies. In this perspective, we follow the suggestion made by De Vries (2000) that debates on decentralization should be positioned within a search for 'an optimal institutional arrangement [that] fits the specific situation in a specific area in a specific country given the specific problems at stake' (p.220). Since institutional arrangement is strongly related to the right policies for the right issues, then drawing upon the multi-level governance approach, we will try to find arguments for both choosing between various degrees of decentralization and centralization and how they can interact.

Increasing degree of complexity is one of the arguments that support decentralization. It is associated with the interrelated policy issues and various political, societal and stakeholder's perspective on how to deal with. The underlying idea is that the policies developed in decentralization scheme are area-based and, tailored to the local circumstances. Identifying and responding to such interrelated issues and their specific relations to local context is problematic for adopting centralistic and coordinative model of policies and institutions. Therefore, providing autonomy to the local government in Indonesia is intended to do so. By this way, it is supposed to 'bring decision making closer to those affected by governance, thereby promoting higher participation and accountability; and finally, it can help decision makers take advantage of more precise time and place specific knowledge about natural resources' (Lemos and Agrawal, 2006).

While decentralization is associated with increasing degree of complexity, centralization is related to issues with limited complexity. Nevertheless, not all or even most issues are characterized by conditions of complexity. Instead, many issues

have a common manifestation in various localities and are surrounded by a high degree of consensus as to how they should be addressed. In that case, relying on a coordinative model of governance has some important benefits. After all, this approach is about fulfilling predefined objectives as effectively and efficiently as possible. Efficiency should then be encouraged due to a routine implementation of policies based on functional specialization in bureaucracies and its related economies of scale. Strong lines of hierarchical control in the coordinative model, which increases the capacity to deliver policy outcomes in various jurisdictions, are aimed to achieve effectiveness. Therefore, the presence of coordinative institutions through higher level of government such as provinces and lines of ministries from central government is supposed to address those issues with limited complexity.

Furthermore, in a decentralized scheme there is also an argument for retaining coordinative policies in order to keep the minimum level of services (Zuidema, 2011). For example, the issue of reallocating economic resources as discussed above through various forms of scheme such as synchronizing infrastructure development among regions is intended to keep the minimum level of development index in the field of infrastructure. Although the issue might be related to the increasing complexity at the local level, this policy is beneficial to be taken through coordinative approach. In the context of decentralization in Indonesia, the existence of province or other central institutions should be clearly defined to perform such tasks. Therefore, imposing limits on the degree of decentralization is possible, since choice made in local circumstances with regard to balancing and combining various objectives and interests should at least result in the fulfillment of a kind of minimum requirements. It is a provision that has important consequences.

4.3 Multi local government cooperation in decentralized Indonesia

Inter-local government cooperation is not a new concept. From the literature study of various international experiences on inter-local government cooperation it can be perceived that the main objective of this concept is to address development issues across jurisdictional boundaries (Agranoff and McGuire 2003). It would be beneficial if it is based on mutual respect and aimed at specific problem such as transportation, water supply management or waste management. The main concern in inter-government cooperation is how to coordinate actions and accommodate various interests in the area of cooperation. However, from the work of McGuire

(2002), it can be summarized that there are three general patterns of inter-governmental cooperation. The first is the association of interest groups among the local governments with the objective of increasing bargaining power against the central government. Secondly, an extension of central government's effort to control development policies at the local level; and thirdly, the collective effort of local governments to tackle common problems at the local level, especially those that need cross-boundary cooperation. In this study although all patterns of local government cooperation can be found in Indonesian context, we only consider the third type of government cooperation, since it has been a trend developed in the country to cope with the increasing complexity of problem especially those that related to cross-boundaries.

The move away from centralization to decentralization in principle has changed the power structure in Indonesia. The swing of power structure is even considered too radical (Perdana and Friawan, 2007) that creates fragmented authorities horizontally to legislative body and downward to local governments. The previously power concentrated around the president or executive body, now it has to accommodate various political interests of multi-party system within legislative body. This occurs either at the national level or local government. The same logic also applies to the weakening of central state to the more autonomous local governments. With more than 400 local government entities, central government has to consider their voices in designing policies. After all, it can be grasped that decentralization has also created the more fragmented governance in decision making related to public goods and services.

What are the impacts of such fragmented governance in relation to public services delivery for the citizens? To some extent, the decentralization has brought democratic environment within the governance. The government becomes more accountable in its policies because there is enough check and balance from the legislative body and civil society organizations (CSO's). Nevertheless, there are also negative sides of such a fragmented power and authority. Efforts to accommodate all interest of politicians in public decision making to a greater extent tend to delay the process. The worst case is abolishment of development agendas that do not comply with short term political perspective.

The more relevant issue regarding with cooperation among local governments is the fragmented power and authority downward to local governments.

Although in general sense this decentralization has brought development decisions closer to the citizens, there are also some concerns on the fragmented approach on some development issues. For example in the urban setting of Indonesia, there is an increasing concern of how to implement integrative approach on urban transportation problems. In decentralized era, comprehensive urban transport planning seems to have relied much on local government's voluntary based collaboration (Miharja, 2009). The more authority shared by local government has weaken the coordination function of central government. The exempt of effective control from central government, many development issues such as cross-jurisdictional transport planning in urban areas slip to the edge of local actor's considerations. Typically these issues include urban network development, public transport service provision, traffic management, etc.

In particular for spatial planning context, decentralization has affected a less effective power of central or provincial government to establish inter local governments' spatial planning coordination. In fact many problems are getting worse as the result of this loss of coordination (Miharja, 2009). For example, in fundamental level, fragmented local government's authorities have created fragmented land use and transport planning. This in turns generates unbalanced transport supply and demand either in urban area or rural context. Fragmented land use planning has led to the so called mismatch phenomenon (Kain, 2004). And in Indonesia, this mismatch phenomenon in supply and demand has been identified as country's transport problem, especially congestion in urban areas (Kombaitan, 1999) such as Jakarta metropolitan area, Bandung and Surabaya. In rural context of Indonesia, it can witnessed nowadays that due to the sake of competitiveness in attracting investment, many local governments are pursuing the development of many big infrastructures such as airports and seaports even though they are adjacent to each other. To greater extent this situation has led to efficiency in development planning in a widely regional context.

The mismatch phenomenon is not only obviously seen in urban areas but also witnessed in rural context. There are many water management programs which involve multi local governments in its planning and implementation. Due to the very nature of watershed, it should link various jurisdictions. However, without cooperation among local governments, decentralization seems to have jeopardized regional development initiatives. For example, the development of Jatigede Dam

initiated since 1963 in central Java Province which spans six regencies (Garut, Sumedang, Majalengka, Cirebon, Indramayu, Kuningan and Brebes) has come to a long process of dispute among regencies and central government (Ministry of Public Works, 2006). Although this development is intended to benefit the whole region, the regency of Sumedang where the Dam resides takes stance question the cost and real benefit for its resident. This is only one example of how cooperation should exist among local governments. There are many more development programs that need cooperation such as integrated watershed management between regency of Ngada and Nagekeo in central Flores, discussed as study case in this research.

The more fragmented local government phenomenon can also be explained from institutional economic perspective. A sudden shift from strong hierarchical system to a much less hierarchical one has widely allowed local government to have higher control over local decision making process. In this sense, local government cooperation and coordination can be perceived as their free to choose decision based on cost-benefit consideration (Feiock, 2005). This governance process is typically found in most developed countries. Local government can act as an independent unit of institution with the willingness to take part in cooperation is based on the rational choice such as cost-benefit optimizing principle. However, in Indonesian decentralization case, this principle seems to be influenced by local freedom euphoria. This in turns put greater constraints that makes collaboration and cooperation difficult (Usman, 2001). As it is also argued by Miharja (2009), the decentralization has put high transactional cost on local governments' perception to develop cooperation.

In principle, decentralization policy has opened the possibilities of inter-local government collaboration in Indonesia. And in fact, those collaborations become obviously seen as an example of local innovations in policy domain during the decentralization. Law 32/2004 on Regional government, specifically article 195 and 196 has encouraged authorities at the local level to find new ways of managing local development based on local aspirations. As those collaboration become a trend in recent years, then some basic principles and ideal objectives were laid down through the Government Regulation (Peraturan pemerintah) No. 50/2007. Hailing some successful examples of local government collaborations such as Kartamantul

(Jogjakarta, Sleman and Bantul) in Jogjakarta Province (Warsono, 2008), the Ministry of Home Affairs (MoHA) made further follow up through issuing of Surat Edaran (circular letter) No. 120/1730/SJ on regional development and MoHA decree No. 69/2007 on urban development cooperation. However, those regulation schemes somewhat can be regarded as good ideas with too little realization.

The development of law and regulation on local government cooperation as discussed above is basically following the trend of what actually occurred in practice. For example, the follow-up institutional arrangement made by MoHa is based on the increasing importance of such cooperation after nearly a decade of decentralization. Therefore, it can be understood that although the concept has been developed or realized in the decentralization law, the need of cooperation in Indonesia is emerging as policy development based on experience of decentralization and autonomy of local governments. What has been the impetus of such cooperation in the decentralization scheme is an interesting aspect to be explored in the following section.

4.3.1 Reasons for more cooperation

In general, the move away from centralization to decentralized local government in Indonesia has brought some positive impacts especially in creating a more democratic society. Local governments have gained much autonomy in order to make discretion in planning and development based on the local aspirations. Although some promising impacts of decentralization that can be witnessed, to some extent, many experts concluded that decentralization in Indonesia has led to mixed results. For example, Firman (2010) pointed out that over nearly ten years (1999-2009), decentralization reform has led to patchy outcomes, in which some provinces, regencies and municipalities has progressed impressively while others become worse off.

The unexpected result of decentralization in Indonesia is in line with our previous discussion that the move away to decentralization is not a panacea to all problems faced, there are also some draw backs which should be considered. Among many adverse effects of decentralization in Indonesia, which is obviously seen is the split of regions to form new autonomous districts. The practice of splitting regions into new jurisdictions based on the interpretation of previous decentralization laws has escalated into a kind of proliferated practice which resulted in the fragmentation of regional development (Firman, 2009). He also argued that this kind of experiences

in decentralization is a kind of unique, since not many countries have experienced the same rapid growth of local governments.

In addition, the fragmented situation is not only in the physical arrangement of regional developments but it also influences the behavior of local government. Under the decentralization era, local governments in Indonesia have become more inward looking. Given the responsibilities to serve their people, local governments are busy with development within the boundary of jurisdictions. However, it neglects the nature of the problems faced that more and more issues are interrelated even beyond their own authorities. For example, urban agglomeration or sustainable water management can have effect beyond the jurisdiction of one local government. There are many more issues which is similar to that such as transportation, spatial planning and others that need such an integrative approach to deal with. Therefore, cooperation or collaboration in dealing with policy issues at the local level become relevant for the local governments especially those which are adjacent.

Another problem that contributes to the increasing development of local government collaboration is the unclear arrangement of distribution of authority since decentralization begun in 2001. This is especially related to the unclear position of provincial government as discussed in the previous session. The tasks of addressing inter-jurisdictional problems which should be performed by the province have been much neglected during the decentralization time due to the limited capacity owned by the province and also the increasing complexity of the problems themselves. This situation was not such a serious problem in the new order regime under Suharto because higher level government such as Province has stronger power to impose coordinative approach to the local governments. The absence of such coordinative authority in current decentralized era to some extent has encouraged the initiatives of voluntary cooperation among local governments. This is true specifically for regions that have long been managed under coordination of Provincial government such as Jogjakarta. It can be perceived that in dealing with problems they face in decentralization era, local governments consider that some coordinative measures are still important to be adopted.

One proposition that decentralization will create effectiveness and efficiency in public service delivery is denied under the current decentralized Indonesia. Not all the cases that efficiency and effectiveness can be achieved under decentralization. For policy issues that apparently have the same format such as waste disposal which is

related to the environmental concerns, a coordinative approach would likely be efficient in its implementation. This is because each local government does not have to 'reinvent the wheel' for research or finding the steps in its implementation. Multi-local governments can perform it under a coordinative approach and implementation can be much cheaper than doing it by a sole local government. It goes on the similar way with the issue of effectiveness. In dealing with the complex issues, local governments usually do not have adequate capacity to tackle especially financial matter. For that reason, joint resources through cooperation based on the mutual understanding can be seen as a solution to tackle effectively the interrelated problems at the local level. The argument of disputed advantages of efficiency and effectiveness under decentralization is also supported by De Vries (2000), in which efficiency is only related to the neglected policy field at the local level rather than achieving the same goal to produce public services at the lowest prices. He also argued that effectiveness is more concerned with how local government dealing with the limited resources at hand to solve the problem.

The emergence of cooperation among local government in decentralized Indonesia is also related to the contextual planning culture of a place. From an institutional context, this is reasonable because as Faludi (2005) then claims that planning and its institution is originated from how the structure of governance has been developed in the society. This is strongly related to the concept of governance that has been long defining the relation of state and society and the political culture in certain place. This explanation support the argument that for regions or local governments that are used to be managed under a coordinative approach, cooperation is easier to form and even it is pursued. This is best illustrated by the example of Kartamantul (Jogjakarta-Sleman-Bantul) local government cooperation. Dated back from 18th century, the city of Jogjakarta and the surrounding regions which now forms a province, inherited the Sultanate kingdom of Jogjakarta. The society in this region has been obedient to the monarchy even now in the modern history of Indonesia. Therefore, historically, the districts in Jogjakarta province governments are accustomed to work together closely, coordinated by the provincial government. Therefore, from a broader perspective as argued in theory discussed in chapter 2, institutional building of government cooperation cannot be disconnected from the contextual culture, the held-value and the dominant network

exist in the society. Precisely, the aspect of social capital is important factor in encouraging the cooperation.

In line with the embedded cultural context discussed above, the development of local government collaboration in Indonesia is also much dependent on the leadership of the local governments involved. As argued by Firman (2010) from the experience in Kartamantul local government cooperation that leadership of all local governments involved sharing a common vision on the interrelated problems has been one of the key roles that make the cooperation possible. Bringing into the current decentralized Indonesia where regent/ major and governor are directly elected, leadership also become an important aspect which can be regarded as part of the political capital of institutional building. Therefore, the success of any cooperation scheme among local governments is also dependent on the key roles agents within the local government such as regent/ major, politicians, and middle managers. The ability of these key actors to mobilize other resources such as political and financial support in turns will encourage the development and sustainability of the cooperation.

4.3.2 Challenges of the local government cooperation.

The trend of local government cooperation has been regarded as a breakthrough policy innovation in Indonesian decentralization. Some best practices such as the example of Kartamantul in Jogjakarta are also hailed and encouraged to be scaled-up to other regions. This can be noticed from the follow-up regulations from Ministry of Home Affairs. However, behind those success stories, there are also challenges that worth to be explored.

One of the obvious challenges that face the development of local government cooperation is lack of support from the legislative body. This is concerned with the political support in the local legislative which can have great impacts to the sustainability of such cooperation such as budgeting and overall capacity building of institution. The fact from Kartamantul- Jogjakarta shows that most of the initiatives for cooperation come from executive rather that legislative (Warsono, 2008). The political commitment could have been stronger if it is supported by the DPRD (local councils). This problem is not only faced by the Kartamantul management but also by other inter-local development cooperation in other provinces. The lack of political support at the local level in turns lead to the lack of support from the central

government. Although some best practices are hailed, many actors at the central government are still skeptical of the effective inter-local cooperation. Some worry about their tendency to become exclusive regionalism, and some others worry about turning its objective into powerful interest groups. At the local level, support from the legislative body is generally limited as they perceive that such inter-local cooperation would not be able to give tangible results. This explains that local government cooperation scheme has such a weak profile in policy measures which could be undermined by other policy such as economic development that give tangible results in the short term.

Other challenge is the lack of willingness of local government to form such cooperation. Warsono (2008) in his study on local government cooperation in Central Java Province points out that the failure of the inter-local cooperation schemes was caused by economic disparity among the districts. Many scheme of cooperation have been failed to materialize the MoU for cooperative efforts into real action because the relatively richer local government was disinterested to follow up the scheme as the authorities felt that they would not be able to get benefit from it and instead would bear the cost of development in the poorer partner local governments. Related to the willingness further challenge is that it is not easy to attain an agreement on common interests among the local governments. Each local government has its own interests vis-a-vis the central government. At the same time, many MoU for cooperation frequently end up in a discourse rather than a real action that would result in concrete benefit for all local governments.

Bringing the context of local government cooperation discussed above into a broader perspective discussion of centralization and decentralization, it can be concluded that coordinative policy measures are still important in decentralization scheme. This replicates our previous discussion on the importance of coordinative policy to enhance effectiveness and efficiency of delivering public goods. The exempt of such coordinative measures in Indonesian decentralization by and large has spurred the voluntary pursuing of coordinative policy through local government cooperation. If only those coordinative policies are optimized through a clear arrangement of multi-level governance then cooperation of government institutions can be enhanced within the existing framework.

Drawing upon the challenge of local government cooperation which shows the lack of willingness and ability to address the cross-jurisdictional problems, this can be one of the arguments that support the need of coordinative model within the decentralization scheme. From the literature on decentralization, two main aspect are crucial that affect local willingness and ability to perform government functions. These are the economies of scale and external effects involved in dealing with government functions. Firstly, the coordinative model is built on the assumption that there are economies of scale involved in organizing policy development and delivery at higher levels of authority. As such, economies of scale typically provide arguments against decentralization, where 'factors influencing such economies of scale are the repetitiveness, and the knowledge required' (De Vries 2000; p.2010). Secondly, external effects are the positive or negative effects of an activity in a domain or jurisdiction that 'spill over' to other domains or jurisdictions (Lemos and Agrawal 2006). External effects can constrain the local influence over dealing with issues, while they can also reduce local willingness to deal with them. Consequently, decentralization should be pursued if the local authorities can realistically have control over the issues at hand and that they can be expected willing to perform. If these conditions are not fulfilled, it is argued that decentralization should either be avoided or should be accompanied by support from central governments so as to increase local willingness and ability.

4.4 Concluding Remarks

Decentralization has been pursued in recent decades mostly for its potential to respond to the disadvantages of centralistic and coordinative policy model. In this chapter it is argued that the adoption of decentralization as a move away from centralistic approach is not about abandoning at all coordinative policies that can be beneficial within a decentralization scheme. Some coordinative approaches are still required especially within the concept of multi-level governance as a mix of centralization and decentralization. Coordinative model is also important when decision makers are dealing with policies that need minimum level of requirements. This is aimed to enhance the equal development of society as a whole.

Concerning the local government cooperation which has been a trend policy in Indonesian decentralization, it can be argued that it is a coordinative and integrative policy model that is pursued by local governments due to lack of institutions or

authority to deal with inter-jurisdictional issues. The development of local government cooperation institution is much dependent on the planning culture context, leadership and shared vision on the issues concerned. However, since those cooperation schemes are also voluntarily, it is prone to be unsustainable. Therefore, to enhance the cooperation, it is argued that coordinative approach from central or provincial level of government should be present. Coordinative approach here is not to undermine the essence of decentralization rather it stimulates and tackle the issues when local willingness and ability are crucial constraints.

5. Local government cooperation: cases study

The objective of this chapter is to analyse the existing practices of local government cooperation in case studies of Kartamantul-Jogjakarta and Ngada/Nagekeo-Flores in relation with theoretical background. Firstly, analysis of local government cooperation in Ngada/ Nagekeo case study will be explained in section 5.1. The similar analysis for case study in Kartamantul- Jogjakarta is also presented in the following section 5.2. Then, section 5.3 will provide the comparison of both case studies in order to understand aspects that work and what do not in practice. The final analysis is stakeholder analysis of both cases will be presented in section 5.4 in order to structure the stakeholders' views and how they can be engaged in cooperation. And finally, concluding remarks will be provided in the final section of 5.5.

5.1 Integrated watershed management in Ngada and Nagekeo

5.1.2 Watershed and Integrated watershed

Watershed is defined as, “the region draining into a river system, river or body of water” (Morris, 1976 in De Steiguer et. al., 2003). Watersheds are a highly desirable unit for planning because they are physical features present everywhere across the landscape. As planning units, watersheds can go beyond administrative or political boundaries. However, prior to the 1970's, most watershed management focused on solving localized problems without taking into account the interrelationship between various problems and the biophysical, economic and social elements of the larger watershed system (Heathcote 1998).

Today, however, countries everywhere are exploring bottom-up watershed planning for water, natural resource and environmental management through what is the so-called “integrated watershed management.” Integrated watershed management (IWM) is a holistic problem-solving strategy used to protect and restore the physical, chemical and biological integrity of aquatic ecosystems, human health, and provide for sustainable economic growth (Heathcote, 1998). In its most basic form, IWM considers the interdependencies between science, policy and public participation (De Steiguer et. al., 2003). Therefore, it encompasses a vast area of knowledge, not only biophysical features but also economic, social and governance in a wider context of watershed system.

Over the past two decades, there have been numerous applications of IWM worldwide. For example, integrated watershed management approaches have been used for combating drought in the Jhabua watershed - India (Singh et al. 2002), assessing and managing water resources in the upper Chao Phraya in Thailand (Padma et al. 2001), tackling the problem of land degradation in Australia (Ewing 1999). Indonesia is also one of the frontrunners in watershed management (Houterman, et. al., 2004). Not until late 1998, the reformation era, watershed management in Indonesia was characterized by centralistic planning and much related to the sector based issues such as reforestation, irrigation and water resources management and economic development. However since early 2000, marked by reforming of all sectors including the water sector, more integrated approach was introduced to combine economic, social and environmental issues toward a more sustainable development model. However, during the first decade of decentralization, issues of governance become more important because more autonomy gained by the local governments which imply that they have full authority on watershed management. Since watershed can transcend jurisdictional boundaries of local governments, integrated watershed management is facing a new challenge of governing.

5.1.2 Aesesa Watershed Management in Ngada and Nagekeo

Aesesa watershed is one the main and the biggest in size of watersheds in Flores island-NTT, Indonesia. It is located in central Flores, named after the main river of Aesesa that flows throughout the region. With the size of 1,165km², Aesesa watershed encompasses the regency of Ngada (the upper stream) and Nagekeo (the lower stream). Due to its significance for water resources and irrigation, the watershed has been listed as one of the strategic watershed in the Province of East Nusa Tenggara (Ministry of Public Works, 2006). Aesesa River is used to irrigate the Mbay rice field of 6000 hectares, one of the rice bowls in the Province. However, along the river there are also patches of traditional rice fields which take the benefit of water from the river or its tributaries.

The mean annual rainfall is between 153 and 1750mm, with a distinct wet season between November and April. Elevation ranges from near sea level around Mbay (capital city of Nage Keo), to over 1200 m in the upland areas near Bajawa, the capital city of the Ngada regency. The topography is rugged in the upper part of the

watershed, undulating to steep, comprising rich volcanic soils derived from the nearby active Gunung Ebulobo (2124 m) near Boawae. Most of the areas are covered with bush and forest near vicinity. Downstream the terrain is dominated by deeply incised alluvial plains supporting open savanna grasslands and only light grazing (cattle), and fertile (although seasonally arid) alluvial valleys that are cultivated for a variety of subsistence crops (corn, vegetables, rice).

Problems in Aesesa watershed

The increasing population of both regencies in the watershed area has put pressure to the exploitation of resources from the watershed. The population is dominantly subsistence farmers with low education level who are relying on the forest crops, corn, rice and vegetables. In addition, Like in many regions of NTT, fire is an integral component of traditional/cultural and contemporary agricultural/forestry management systems (Ataupah 2000; Therik 2000) but, today, uncontrolled fire practices can have very significant impacts on people's livelihoods—destroying people's crops, pasture and buildings, impacting on forest resources, and exacerbating soil erosion and resultant downstream/coastal sedimentation (McWilliam 2000; Mudita 2000). It is also argued that over longer time frames fire is considered a key agent in the conversion of once widespread regional forests to savanna (Monk et al. 1997).

The obvious problems can be seen during dry season, with common problem of water shortage for drinking and agriculture purposes. The situation is even exacerbated by the changing climate in recent years in which dry season has been longer than expected. Although dry season and fires have received considerable attention where it is associated with major El Nino Southern Oscillation (ENSO) events (Mudiyarso et al., 2004; Dennis et al., 2005), in general the impact to livelihood of farmers in the region has been enormous. Water was hard and people in the upland have to fetch water from distant spring downhill. Its source is decreasing and no one knows when it will dry. Rain becomes unpredictable. It usually rains 5 months a year, but now it is only 3 months.

When it does rain, other problem arouses as the soil becomes easily eroded. Years after years, the top soil of hilly land areas erodes creating expansive critical land (Wits and Muga, 2007) and big sedimentation in the river and dams. This has led to the low productivity for the crops that farmers used to rely on. The traditional

farming system of moving to new sites in searching for arable land has been accounted for reduced forest area. Moreover, the erosion has also created significant sedimentation and waterways that hamper the water supply of traditional and technical dams. The main Sutami Dam in Mbay is also troubled with heavy sedimentation which reduces its capacity to irrigate the Mbay rice field.

The shortage of water supply has been realized in recently in Mbay, the downstream of Aesesa River. Despite lack of careful irrigation management such as dam sedimentation and worn out channels, the shortage of water for irrigated rice field in Mbay has also been associated to the reduced amount of water flowing in the Aesesa River and tributaries. This is especially felt during the relatively long dry season, something that rarely happened decade ago. Many people has accounted this for the lack of infiltration throughout the watershed area during the rainy season due to the changing land cover and reduced forest area. In addition, being the capital of new regency Nagekeo, it is expected that Mbay will experience increasing demand for water supply for household, small industries and construction. Let alone, agriculture is also becoming water intensified to fulfill the increasing demand such as vegetables and other crops besides rice.

The ever increasing problems described above has captured attention of many stakeholders especially the local government and NGOs. When the whole watershed area was under Ngada regency, Department of Forestry was responsible for many reforestation projects in the area, while department of agriculture assisted the farmers to increase their livelihood. Local NGO's was also actively involved to promote agroforestry system in the watershed. However, these efforts have little impacts due to sector based programs and lack of coordination. Each department has its own target and rarely to consult each other in facing the issues in the watershed. These has resulted in ignorance of local residents and been criticized for wasting resources.

Aware of the fragmented approaches by each stakeholder and the interrelated issues within the watershed, an integrated approach was initiated in 2004. This was marked by the establishment of FORPELDAS (Forum Peduli Lingkungan Das Aesesa), an environmental Forum for Aesesa watershed. This forum is similar to community based natural resources management (CBNRM) for the watershed which in the beginning was supported by the Department of Forestry from Ngada local government. However, the organization has been able to involve most of the

important stakeholders in the watershed not only governments agencies such as agriculture, public works, environmental, districts and sub-districts/ villages officials but also some NGO's and community organizations. The organization started to meet regularly every two months and produce strategic documents for various development programs. The main idea of the organization is how to develop a sound collaborative approach to the issues faced, given that each stakeholder especially government agencies and NGO's has its own interests and resources. In 2006, the organization entered a partnership with VSO (volunteer service overseas) which sent three volunteers to help with capacity building of the organization. Under the efforts of FORPELDAS, collaborative works have also been able to use lobbying process to get support from local politicians that in turns develop more attention to the watershed in form of reforestation, agroforestry and infrastructure programs funded from government. Local NGOs was also able to enter partnership with donor organization to fund agroforestry and organic farming program in the area. In general, since 2004 under the collaborative approach within the FORPELDAS, the integrated watershed management has started to show its dynamic process.

The turnover of this integrated approach began in 2007 when finally under decentralization era, the local government of Ngada was divided into two administrations which created new local government of Nagekeo. Choosing its capital in Mbay the new local government of Nagekeo resides the downstream part of the watershed, while Ngada local government is in the upper stream. The division of all local government agencies into two parts brought significant impact led to the neglect of managing FORPELDAS, On the other hand self-governing initiative from the local people has not been able to take over the whole management of the organization especially for financial support. The need of local government to take the lead step is still required. However, the division of government shifted the responsibility with the handover of the whole process to local government of Nagekeo through its Department of Forestry in January 2008. Although there was some little political tension during the division process of jurisdiction, the main problem is based on which local government is actually taking the benefit from the watershed management. Looking merely at water management aspect, there is an unpopular thinking among upland communities that the lowland dwellers gets more water, rice lands enjoy three cropping time per year because of irrigation therein water source comes from the upstream. The upland communities have insufficient water for

drinking and irrigation but they get the brunt of planting trees. For the upland dwellers, their perceptions about watershed management is just, it gives more benefits to the lowland dwellers. Nevertheless, this thinking has more or less influence the local government of Ngada to not giving serious attention for the integrative watershed management of Aesesa. This has led the other local government of Nagekeo to focus the existing approach to downstream part of the watershed.

It is clearly obvious that the crucial problem related to the Aesesa Watershed is the fragmented approach in its development and management. The fragmented approach is not only caused by sectoral based development where conservation is separated from economic issues, but also it is even worse by the administrative jurisdictional approach. The development and management of water resource and related economic issues in the downstream has been disconnected with the upper stream area and vice versa. For example, the extension of rice field in Mbay (down stream area) has not taken into account the amount of water that could flow from upper stream. While at the same time, plantation is extensively developed in upper area, reducing the forest cover which is essential for the water sustainability. This typical fragmented approach at the end will hamper the sustainability of the whole development of both local government of Ngada and Nagekeo.

The impact of decentralization on watershed management

In general, decentralization has opened up the awareness of all stakeholders, especially government and local people concerning the issues and problems of the watershed. The current development programmes related to issues within the watershed are more related to the needs of local people, more tailor-made and area based approach. It is a different situation compared to previous sectoral based approach under the centralistic policies of new order regime, in which local people and even local government has no idea of what was going on with the development. In current situation, the problem identification and possible solution are more interactive in nature, where local residents who reside the catchment are heard and consulted regularly to meet their urgent needs. As it is argued in interview by a high rank official from Ngada reGENCY planning agency, “local government now has more discretion to involve the residents and design the development program which fits the situation”. This participation notion in decentralized time is also acknowledged

by their colleagues in local government of Nagekeo, stating that “the approach is more bottom-up and local residents are involved directly in the whole process of development”.

Nevertheless, hailing the more open process within the scheme of decentralization for Aesesa watershed management, some of the bad impacts are also realized as the drawbacks of decentralization. The effect of splitting local governments under decentralization is obviously seen as the key matter that leads to the deadlock of integrative approach initially developed. Jurisdictional boundaries have become the main frame of reference of development approach, denied the interrelated issues such as the management of Aesesa watershed. A high rank official from Ngada regency highlight this problem, “there is a kind of spatial ego between the regencies which results in not integrative planning on the Aesesa watershed”. He points to the one of examples that surround the watershed management as, “Ngada regency is obliged to planting more trees in the upper stream area, while Nagekeo regency benefits the water supply in the downstream, then what kind of compensation should be made to balance the cost and benefit in integrative watershed management”. The difficulty of achieving integrative approach spatially to the watershed is also acknowledged by government official from Environmental agency in Nagekeo regency. Therefore, under decentralization era, since every stakeholder has its own interests on the watershed, a clear benefit and cost scheme should be discussed thoroughly and supported by the required legal frameworks.

5.1.3 Institution Building of local government cooperation

Regarding the interrelated problems and issues in Aesesa watershed, all participants in interview highlight the need of local government cooperation for integrative management. Without specifically indicating what forms of cooperation it should be, but since the watershed now has to be involved two different autonomous local governments, cooperation is a must. The important aspect of this cooperation is partnership among stakeholders especially between the two local governments. In relation to the existing tiers of government in which there are provincial and national governments, there is a big expectation that Provincial government should play more roles on the issue of Aesesa watershed. This is because it is a cross-boundary issue and provincial government has the roles of such externalities. This is also awareness that although decentralized local governments have become autonomous, there is still

an urgent need of coordinative and integrative approach from higher level of governments. As it is advanced by an academician interviewed who stated,

“...not all problems can be tackled by regency per se under decentralization, there must be a robust approach from provincial government before any cross-boundary such as Aesesa watershed becomes more complicated...”.

This idea underlines the argument that for some issues and problems, relying on the local level would be too big for them. It is because local government usually lacks of required resources such as expert and funding.

Nevertheless, relying on the roles of provincial government is denied under the current decentralization scheme in Indonesia. This is because regencies have their own authority to planning and development and they are directly responsible to the central government. The roles of provincial government become limited to tackle the problems. As it is argued by a high rank official from Ngada regency:

“...in practice waiting for the provincial government is a failure; under recent decentralization each regency is given full authority to plan and develop the region. Regencies attain all their financial resources directly from central government and therefore answerable to central government. Based on this principle, it is advisable to form a special authority for managing Aesesa watershed in which regencies and provincial governments are in horizontal coordination or as stakeholders....”

The argument above implies that issues such as Aesesa watershed with two regencies involved, sometimes is too small for the East Nusa Tenggara provincial government in which 19 regencies are clustered within. Bringing such problem to higher level of government might be too far away to be noticed while managing partially will not comprehensively tackle the interrelated issues. The idea is also strongly related to the spirit of decentralization in which the whole process will be area based and contextual to the place. Therefore, local government cooperation between regencies of Ngada and Nagekeo is much supported in regards to the existing practice of multi-level governance. This is also in line with the trends of successful practice of similar cooperation in other places of Indonesia. However, institution building of such cooperation should be pursued deliberately between both

regencies and this includes important aspects of politics, intellectual properties, social relation and financial resources.

5.1.3.1 Political capital

In case of political support, all respondents interviewed come to a conclusion that the issue of watershed management has not been a popular political issue. The existing practice of watershed management shows that such collaborative approach for environmental concern, water and soil conservation programmes are rarely to be supported by local politicians. This is because those activities cannot give an immediate impact to the economy. As one respondent points out that expanding and intensifying agriculture production for economic reason in the upstream areas are important priorities while expanding rice field and dam capacities are similar activities that are real to economy in the downstream areas. The obvious proof can be seen as stated by a high rank official from Nagekeo regency that watershed issues are rarely emphasized in each local government's strategic planning documents, therein give impacts to small financial support from local government's budget annually.

5.1.3.2 Intellectual capital

Subsequently, intellectual aspect become crucial in Aesesa integrated watershed management in relation to the previous political aspect. Lack of political support is to some extent the result of comprehensive flow of knowledge among stakeholders. Therefore, most respondents call for more applied research related to watershed management which in turns support the decision making process in the political level. The roles of NGO's, related government agencies and universities are required to play such roles. Furthermore, empowering local people by local government agencies and NGOs should be also considered to effectively transferring the knowledge. Not only doing the research, but dissemination of information to all stakeholders is sometimes more important in order to stimulate participation. Openness to the new idea from stakeholders is not to be blamed but how that information is leveraged is the problem. This is highlighted by an NGO's staff from Nagekeo regency that,

“...the source of knowledge in this era is enormous, however mostly we are lack of effort in explaining it to the locals. Rather than explaining environmental concerns which are beyond the need of simple and ordinary farmers, it would

be more effective to relate it to their immediate or long term economic needs. Environment and economy should not be regarded as opposite things otherwise environment would be considered as government's problems..."

5.1.3.3 Social capital

Regarding the social aspect, basically at the grass root level social relation has been strong because of the similarities of culture and the typical of the society which highly respect extended family relation. This is highlighted by a local village leader that the splitting of jurisdiction has also involved cultural aspects in which new regency of Nagekeo is regarded as an extended house from the previous Ngada regency. This practice is intended to keep the strong relation of society between Ngada and Nagekeo regency. In the formal level, it is also emphasized that since historically both regencies were used to be in one jurisdiction, cooperation should not face significant obstacles. However, decentralization has influenced the behavior of local elites and politicians to be more inward looking. As Firman (2009) pointed out that local elites and its government behavior tend to be the 'kingdom of their own'. Therefore, the existence of formal independent institution for Aesesa integrated watershed management can be more reasonable to build partnership between the regencies. Since independence is also crucial, the presence of other parties such as NGO's or provincial government to initiate cooperation is respected as argued by an official from Ngada regency.

5.1.3.4 Material capital

Related to material aspect as an iron law in institution building, all respondents point out to the budget from government whether it is regency, province or central government as the main source. Other financial resources from NGO's and donor organizations are regarded as also important to stimulate the local capacity building of watershed management. However, the most resources from governments are dependent on the political aspects. As it is pointed out by an official from Ngada regency, "...there should be a clear agreement on the priorities supported politically in local government...". Beside those resources, in decentralization era local participation efforts should also be valued as important as resources from outside. Meanwhile, significant spending is expected in programs that combines environmental concerns and economic development.

5.2 Solid waste management in Kartamantul, Jogjakarta

5.2.1 Solid waste and solid waste management

Solid waste is defined as “Any refuse or waste material, including semi-solid sludges, produced from domestic, commercial, or industrial premises or processes including mining and agricultural operation and water treatment plants.” (Skitt, 1992; p. 152.). Skitt also defines solid waste management as “The purposeful, systematic control of generation, storage, collection, transport, separation, processing, recycling, recovery, and disposal of solid wastes.” (p. 152). Solid waste and the management of solid waste have proven to be challenging for countries around the world. As the world population grows especially in urban areas and the amount of waste produced grows the management of the waste produced continues to be a problem. In many cities of developing countries, solid waste management has been relied upon open dumping system in which waste is disposed in certain locations other than settlement and any public facilities. Other system has been using landfill system where modern facilities are also added for ensuring the waste is not harmful to the environment.

Like many other big cities in Indonesia, Jogjakarta urban area is also facing the increasing problem of waste management due to its urban growth in the last decade. The main problem is that, there is less space or adequate site for waste disposal in the municipality of Jogjakarta. Meanwhile, the growth of urban area has gone beyond the boundaries of the municipality. Considering many options of managing the urban solid waste disposal, three local governments of Jogjakarta city, Sleman regency and Bantul regency finally come to an agreement of cooperation in for integrating planning and development of urban infrastructures and one of them is solid waste management. This inter-local government cooperation which is known as Kartamantul – Jogjakarta is regarded as an example of successful local government cooperation and an innovation of governance under the new decentralization era (Warsono, 2008).

5.2.2 Solid Waste management in Kartamantul-Jogjakarta

Kartamantul is a form of multi-local cooperation among three out of the five regencies in the province of Jogjakarta – Central Java. So far, it has been regarded as one of the best practice for local government cooperation (Warsono, 2008). Basically, Kartamantul is an acronym stems from the three cooperating regencies involved, i.e. Karta (from the city of Jogjakarta), Man (the regency of Sleman), and Tul (the regency of Bantul). It is quite common in Indonesia that an agreement for joint planning is formalized by creating an acronym to represent the name of the regency. The idea for this cooperation was initiated in 2003. However, as it is experienced by other schemes of cooperation, it takes time before authorities in the three regencies could come up with concrete actions. In order to understand the dynamics of the cooperation, it would be useful to have a brief explanation of regencies involved.

The regency of Sleman is located in the upper-stream landscape of central Jogjakarta province. It has contrast topography of the 2,999 meter Merapi volcano in the north to less than 100 meter above the sea level in the south bordered with the Jogjakarta city and regency of Bantul. With much fertile land and abundant water for irrigation, the district of Sleman is ideal for agricultural activities. But there are also fast growing small-scale sites of industries and services in the urban areas closed to city of Jogjakarta. Sleman covers an area of 574.82 km² and the number of population is 859,327 (BPS Propinsi Jogjakarta, 2009). Although Sleman is considered as the most developed regency in the province aside from the Jogjakarta city, the rate of economic growth is still moderate among the best performing regencies in Indonesia. As an upper-stream regency, Sleman constitutes some watershed areas that has to maintain the environment quality due to its function as the recharged area. The issue of environmental conservation is alarming given the fact that every year about 253 hectares of agricultural lands have been converted into non-agricultural utilizations, either for small-scale industries or for housing facilities. This has occurred over the last ten years. At the same time, urban activities in Sleman have substantially increased the volume of waste disposals that has tremendous impacts to the down-stream regions in the south.

The city of Jogjakarta, as the central part of the Jogjakarta Metropolitan area is the locomotive of economic activities in the region. The area covers 32, 5 km² with the population of 388,627 (BPS Jogjakarta, 2010). It is known for Kota Pelajar (the city of students) as nearly 70 percent of its population is students. Although the city is relatively small and is not comparable to other big cities in Indonesia such as Jakarta, Surabaya, and Medan, it still attract many students from other parts of Indonesia. The first established university in Indonesia, Gadjah Mada University, is located in Jogjakarta. Moreover, as there are many historical sites, many international as well as national tourists keen on visiting the city on vacation. However, as urban facilities are sprawling while its carrying capacity is limited, Jogjakarta lacks the space for fulfilling the need of disposal. This is becoming more problematic as most of waste management is still depended on open-dumping system.

The regency of Bantul, located at the lowest part of the whole landscape, is deemed as the best part for disposal. On the other hand, it also needs good environment that is influenced by what is done at the upper stream area that is the Jogjakarta city and regency of Sleman. Parang teritis beach as one of the tourist attractions in the region is located in this regency. In order to develop its tourist industry, Bantul regency is also keen to have good environmental quality. Although not comparable to Sleman regency, due to the sedimentation over millennia, parts of the regency are also arable area for agriculture. Nevertheless, similar to what has been experienced by its neighboring Sleman regency; there are significant conversion of agriculture land to non-agriculture and settlement. In 2007, it was recorded that 195, 692 hectares of agriculture land has changed its functions (LKPJ Bantul, 2007). This has been the result of urban growth of Jogjakarta city.

Given the characteristics of each regency and their diverse interests in the region, it seems very likely that these local governments have something in common. The obvious problem that can be grasped from the context above is the increasing urban growth that has spilled over the boundaries of Jogjakarta city. Although it was realized at the beginning of cooperation idea the urgent problem is solid waste disposal, the problems of urban agglomeration can curb to various aspects such as water supply, transportation, settlement and environmental quality. As it will

be explained latter, the cooperation has been making effort to integrate various policy issues that require collaborative and integrative approaches.

The impact of decentralization on urban growth in Jogjakarta

Besides more democratic and participative decision making process closer to the citizens, effective allocation of resources to the need of people, in case of urban governance decentralization has increases the competitiveness of cities and region in Indonesia. This is because decentralization has allowed local governments to have greater authority to take initiatives of local development and implementation. One obvious example that can be witnessed in most urban areas in Indonesia is how the local authorities tend to pursue developments as place marketing to attract more investors in order to increase revenue gains for the local governments. As a result, urban areas are growing significantly as center for main economic, trade and cultural activities in the past few years.

However, decentralization is without adverse effects to integrative development purpose. Motivated by self region benefit maximizing principle, local governments develop their own plans without considering effectiveness and efficiency of the development (Firman, 2002). In a broader perspective, Firman also argues that because of being in the state of euphoria, local governments claim the resources as their exclusive right, but lack vision on how to manage them effectively and efficiently in a wider regional context. Meanwhile, the growth of urban areas has expanded beyond its boundaries and created many cross-boundary problems which cannot be tackled by any single regency. On the other hand, coordinative roles from higher level of government or central government become ineffective to consolidate those interrelated issues among regencies. Unavoidable, the city of Jogjakarta is also experiencing the similar trend of urban growth which has expanded its urban areas beyond the jurisdictions. Through interviews some arguments about the adverse effect of decentralization in Indonesia specifically in urban area of Jogjakarta can be provided in the following paragraph.

The euphoria of decentralization to a greater extent has caused the coordinative roles of provincial and central governments become diminished. Although some laws and regulations released in recent years including the revision of decentralization law (Law no. 32/ 2004) are aimed to fix the gap, the coordinative

roles from provincial and central government tend to be ineffective to tackle the cross boundary issues. This is highlight by an official from Sekretariat Bersama Kartamantul that,

“...decentralization has impact on the diminishing roles of provincial government which tends to be bypassed by the regencies and directly communicate with central government. Meanwhile it lacks the capacity to handle cross-boundary problems which should be its tasks...”

Trial and error has been the characteristics that can be witnessed in Indonesian decentralization (Miharja, 2009). Therein, each level of governments is in the state of redefining its position through gaining more authority with more development initiatives and in efforts of pursuing more funding for those development. This redefining roles position is not only due to the unclear distribution of authority, but also because governments are facing more complex problem such as cross-boundary problems in urban areas. As it is stated by an academician/ expert from Jogjakarta,

“...in a debatable arguments of coordinative roles of provincial government, regencies and cities are facing increasing more and more challenging problems which cannot be managed by a single one. Therefore, the emergence of cooperation such as Kartamantul is likely part of the answer while they are not going to lose controls on the development programs...”

Local government cooperation in urban areas such as Kartamantul- Jogjakarta is part of the efforts to have more coordinative approach in decentralized urban governance in Indonesia. This can be implied by the previous statement from expert respondent in Jogjakarta. Although it is intriguingly to interpret what are the motives of such cooperation in relation to authority over development program, the common idea underlining this cooperation is how to deliver public goods and services more effectively and efficiently. As it is highlighted by an official from Public works agency Jogjakarta,

“...the problems are getting bigger and bigger, the prices are escalating while local government has limited resources to manage. Sharing resources among local governments in managing solid waste is a reasonable choice in order to be efficient and effective...”

Related to our discussion of theoretical background in chapter 2, it is obviously seen that cooperation in Kartamantul Jogjakarta is strongly related to the issue on economic of scale. This is more preferred for coordinative or centralistic approach. The rapid increase of urban growth in Jogjakarta has generated the development of new real estate in urban fringe of the city. This is especially occurred after the development of outer ring road of Jogjakarta, many new residence areas were emerged (Marwasta, 2010). In fact, this urban growth has gone beyond the city boundaries, to Sleman regency to the north and to Bantul regency in the south. On one hand the solid waste disposal for new emerging residential areas are too small to be managed by each regency of Sleman and Bantul, given their setting as rural region. And this would be not efficient. On the other hand, services provided from municipality of Jogjakarta would go beyond its boundaries. Therefore, the coordinative approach through cooperation is the most rational choice to tackle these typical problems which impose scale of economy in its operation.

5.2.3 Institution building in local government cooperation, Kartamantul-Jogjakarta

In 2001, the authorities from three regencies agreed to initiate a concerted effort on solid waste management. The establishment of Kartamantul joint secretariat is aimed at harmonizing management and development of urban infrastructure within the region of three local governments. The authorities agreed to enhance the coordination in planning, implementation, monitoring and evaluation of urban infrastructure covering urban agglomeration of Jogjakarta. In addition, it is also aimed to achieve efficient usage of government's resources and the optimizing of development toward a better of people's welfare in the metropolitan area. One way to achieve the objectives is by improving the process of planning, implementation, and controlling of development activities in the adjacent area.

Joint secretariat structure consists of three tiers of management level. The highest tier members are the true decision making actors, they are the Mayor of Jogjakarta, the Regent of Sleman and the Regent of Bantul. At the second tier, the management level consists of high rank bureaucrats such as the Secretary of the local government, the Head of the Planning Agencies, The Head of the Treasury Department, and the Head of other relevant technical units of the

Local Government. This middle tier formulates follow-ups that are ready to be decided at the upper tier. The inputs for the second level are detailed conclusion that has been thoroughly discussed at the lower tier. This lower level consists of lower rank of bureaucrats who work at either implementation or technical level.

Initially, the scheme for cooperative agreement among the three regencies of Kartamantul consists of seven areas of cooperation, namely; Spatial Integrated Planning, Transportation Road management, Drainage, Water resource management, Solid waste management and Sewerage system. As it turned out, there are only two areas of cooperation that proved to be effective under the Kartamantul management namely the transport management and the solid waste management (Warsono, 2008).

5.2.4.1 Political capital

The development of Kartamantul local government cooperation cannot be realized without the role of leadership of three regencies involved. As one of the key factors for successful cooperation is the shared vision of the heads of government (Firman, 2010). It is the awareness of a leader that problems are interrelated and willingness to share it with others. However, this is also a bit worrying. The change of leader through political process in the future without the same vision can alter or discontinue the course of the cooperation. Furthermore, the coordinative initiatives or project initiatives within a cooperation scheme in Kartamantul are also mostly from the executive. This can be witnessed from the organization structure of Joint secretariat which is dominated by executive personnel and institution. Regarding the political support from local politicians, many cast doubt on this aspect since it is not beneficial for political interest. Nevertheless, support from the Governor has a strong impact on the continuity of the cooperation. A statement from an official from Sekber Kartamantul supports this as he said,

“...although we ask for political support but it is a bit problematic unless the major has to play more political roles. An example is that an agreement with a private sector for waste processing in 2005 was cancelled because the private sector could not fulfill its promises. However it was much related to many political pressures at the time...”

5.2.4.2 Intellectual capital

The context of exercising decentralization through trial and error practice benefits from the presence of knowledge and experts. The case of Kartamantul cooperation to a greater extent is also influenced by the abundant knowledge resources and experts in Jogjakarta. This can be understood since the city is well-known for the agglomeration of higher education institutions in Indonesia. The open minded and willingness to share vision among stakeholders and leaders is also related to the existence of experts, NGOs and other institutions such as GTZ (German cooperation agency) and other donor organizations. This is supported by an expert respondent from Jogjakarta,

“...the proximity to universities and knowledge resources institutions has made possible the development of Kartamantul cooperation. Because stakeholders are always exposed to the updated knowledge then initiatives can grow...”

5.2.4.3 Social capital

Existing social networks are essential to the development of cooperation to be realized. Not only formal institutions but also informal networks through various social relations are the same important to the development of creative initiatives of Kartamantul cooperation. Informal meetings with experts, NGO's and other stakeholders has made paths to the emerging those policy ideas. To some extent, the formal agreement on cooperation is just a peak of various discursive efforts that has been long developed through informal encounter. Cultural contexts are crucial to this aspect which makes possible the incubation of ideas. The long history of monarchy system and the structure of its society also give impact to the development of social capital. Under the centralistic approach in new order regime, those regencies were used to be under coordinative approach of Jogjakarta provincial government. The important of social aspect in Kartamantul local government cooperation is highlighted by an official from Planning Agency,

“... We are used to work together and it is part of the culture. Although there is freedom in this decentralization era, the society still obeys their Sultan for various reasons...”

5.2.4.4 Material capital

The realization of financial matter is basically regarded as a follow up of strong commitment from all stakeholders. Willingness to share budget for solid waste disposal in Kartamantul examples is also supported by commitment of strong leadership of the three regencies. It also possible because they know how to arrange such budget provision despite the complicated and overlapped laws and regulations imposed to local governments under decentralization in recent years. The intellectual aspect is also worth in this context because it brings the courage to experiment. The sharing of budget from local governments involved for solid waste disposal management under Kartamantul can be presented in the following table 5.2

Table 5.1 Sharing operational and maintenance cost for solid waste disposal in Kartamantul local government cooperation

Year	Jogjakarta city	Sleman regency	Bantul regency	Total
2001	599,5	100,9	42,6	742,9
2002	738,7	124,4	52,5	915,7
2003	895,3	150,8	74,9	1,120.9
2004	1,035.6	174.4	86.6	1,296.7
2005	1,281.3	215.8	107.2	1,604.3
2006	1,571.6	264.6	131.4	1,967.7
2007	1,789.1	301.3	149.6	2,240.1
2008	1,853.1	355.3	153.6	2,362.0
2009	1,934.1	547.6	121.2	2,602.9

Source: Kartamantul joint secretariat 2010

5.3 Comparison and lessons learnt from local government cooperation

Based on the analysis from the previous section 5.1 and 5.2 for local government cooperation Ngada – Nagekeo, Flores and Kartamantul Jogjakarta respectively, this section will compare important aspects of their institutional building. Those aspects include political capital, intellectual capital, social capital and material capital which are basically constitute the successful institution building. Each aspect for both local governments cooperation can be presented in following table 5.3 and will be explained in detail

Table 5.2 Comparison between Kartamantul and Ngada/Nagekeo

Aspect of Institution building	Kartmantul cooperation - Jogjakarta	Ngada and nagekeo watershed cooperation
Political aspect	Low political support but leadership matters and bottom up voluntary process to the province	Low political support, top-down process as policy transfer
Intellectual aspect	Rich flow and sources of knowledge	Limited sources and flow of knowledge
Social aspect	High social relations among societies and various venues and networks	Relatively high social relations between societies but limited venue and networks
Material aspect	High commitment from each government	Low commitment due to lack of leadership and political support.

In case of political aspect, it is clear that local government cooperation has not been popular in local politics for both cases. This can be caused by various reasons which make politicians are disinterested. Firstly, due to the euphoria of decentralization, cooperation and coordinative approach sometimes is perceived as a step back of decentralization. It is also because of inward looking of within the boundary of local government. Secondly, it is not interesting because of the aspects to be dealt with; example of watershed in Ngada and nagekeo which tends to be environmental concerns is long terms in nature and it usually gets the second priority. However, leadership plays a key role in the case of Kartamantul and its voluntary bottom-up process creates such a commitment to success. Meanwhile, lack of leadership with broad vision and a top-down process has caused difficulties in developing cooperation in Ngada/ Nagekeo case. In addition, a sound careless policy transfer without considering contextual aspect is also adding the problems.

The second aspect of intellectual capital, it is clear that the presence of resources and free flow of knowledge does matter to the successful cooperation. Kartamantul case shows that rich knowledge resources and proximity to those resources give impact to the broad vision of important key actors and make them know how to invent cooperation. On the other hand, the limited knowledge resources relying on the government institutions have made the slow path of Ngada/ Nagekeo example. This also has caused lack of leadership with broad vision for key actors to initiate and manage the collaboration successfully.

The third aspect of social relations shows that although both cases have high social relations among societies, density of networks and venues make the difference. The urban context of Kartamantul case creates the density of those networks and can be cultivated to develop ideas among stakeholders and actors. In addition, the similar cultural and historical context of Jogjakarta also gives influences to pave the way of cooperation. In Ngada/ Nagekeo context, although there is a relatively high social relation, limited networks and venues make it difficult to be cultivated into cooperation. Like previous formation of regencies in Flores Island the splitting of Ngada and Nagekeo into different local governments is also tend to be based on the socio-linguistic boundaries. To some extent this adopts the previous Dutch colonial government era where there was *Onderafdeeling* (self governing domains) Ngada and Nagekeo (Forth, 1998). However, recent historical background in which both local governments were used to be in one jurisdiction of Ngada regency before 2007, this can be further cultivated to build strong relationship and constructive cooperation. Again, intellectual aspect to create leadership and to influence the key actors is crucial within this context.

The last aspect of material capital, although both cases show that cooperation is still relying on the government's budget, it requires high commitment for successful cooperation. Although financial aspect does matter as an iron law in institution building, this really depends on the three previous aspects which create commitments, willingness, and shared vision for collaboration. In addition, in the context of decentralized local governments in Indonesia, political support and leadership is crucial for allocating resources. Therefore, if mutual cooperation can come to agreement among stakeholders, priorities of policy fields can be identified and financial support can also be realized.

5.4 Stakeholders Mapping

In order to further analyze the possibilities of stakeholders' engagement into cooperation institutional building, it is important to make a stakeholder analysis. This is aimed to identify and structure the interests or concerns and influence of various stakeholders toward the local government cooperation, especially the topic or policy field to be cooperated. This is important for the planning team in developing programs within the cooperation scheme. By cross checking then analyzing perceptions or comments of each stakeholder about topics of political support,

program implementation, and financial support we can categorize the interest and influence/ power of stakeholders toward policy field or topic under cooperation. Interest here is referred to ‘something at stake’ in a political sense (Campbell and Marshall, 2002), instead of inquisitiveness. Power and influence are defined as authority to change the course of action or legitimacy to determine the future of an organization. For example in Indonesian context of decentralized government, politicians and government officials have the direct authority in planning and deciding the budget of programs, while NGO’s and experts are likely in advocacy or consulting position.

Besides identifying the stakeholders, this stakeholder analysis is also important for the planning team to find the common ground of interest among stakeholders. This is done through constructing a diagram of power – interest matrices (Bryson, 2004). According Bryson, there are four categories of stakeholders. They are *players* who have both an interest and significant power; *subjects* who have an interest but little power; *context setters* who have power but little direct interest; and the *crowd* which consists of stakeholders with little interest or power (p.31). After exploring the power base and interest through the matrices, we can identify the commonalities across stakeholders. Power versus interest diagram is also helpful to determine which players’ interests and power bases must be taken into account in order to address the problem or issue at hand.

5.4.1 Stakeholders mapping in Aesesa watershed management Ngada and Nagekeo

By identifying the influence and the interest to the topic of integrated Aesesa watershed in Ngada and Nagekeo, the following table 5.3 summarizes the categorization of broad stakeholder type.

Table 5.3 Stakeholders categorization in Ngada and Nagekeo Aesesa Watershed

Sector		Individual/ groups	Power/influence	Interests
Government officials	1	Provincial government official	Medium	High
	2	Regency/ city officials	High	High
Politicians	3	Legislative members/politicians	High	Low to Medium
NGO’s	4	Yayasan Mitra Tani Mandiri (Nagekeo)	Low to Medium	High

Experts	5	Academics	Low to Medium	Medium to High
Local community	6	Head of villages	Low to Medium	Medium to High

From the table it can be explained that Provincial government has the high interest in cooperation of watershed management because in the latest decentralization law (Law 32/2004) the Province is given the coordinative roles. However, it has not have enough influence since regency and province are not in a hierarchical relationship. Enforcement of certain regulations and occasional funding can give effect to the cooperation. In this context although the province has high interest in coordination, its influence is categorized as medium. On the other hand, regency officials are both have high interest and influence in cooperation of Aesesa watershed. This can be seen from initiatives and the existing cooperation that has been initially developed. Some of the programs within the scheme of watershed management are basically developed partially among local officials, NGO's and local communities. NGO's and experts/ academicians can have medium to high interests on the topic of Aesesa watershed and it is depending on the support they have. NGO's that are promoting sustainable farming and environment conservation supported by overseas donor agencies are actively working with the local communities. Experts or academicians mostly work as consultants hired by the government. In this context, experts and NGO's are indirectly involved in the course of cooperation. They are in the position of advocating, building capacity and give consultation. Therefore their influence on the implementation of cooperation is categorized as medium. Local communities who are represented by village leader basically have interest if they really understand the economic benefit of program implementation. In a context of less information about the cooperation of integrated Aesesa watershed management, their interests can be categorized as medium to high and their influence on the course of action is medium. This is because their aspiration is depending on the responsiveness of government and politicians who design the programs.

Based on categorization above, then a power-interest diagram is constructed as presented in figure 5.1, in order to plan and strategizing the stakeholders' engagement (Bryson, 2004). From the diagram in figure 5.1, it can be seen that regarding the local government cooperation on integrative Aesesa catchment management, NGO's and experts are categorized as subjects. This is because they

might poses high interests in advancing the cooperation either for advocacy reasons for various policy development or knowledge based interests, they have weak influences on the course of local government cooperation. Meanwhile, government officials are categorized as players. This is because they have both interests and direct influence on government resources to implement the cooperation. Generally, the high interest of government officials in cooperation is because they usually share the same perspectives through training, workshops or regular meeting that involve various individuals from different local governments. Therefore, from the transactional cost perspective it is reasonable because local government officials will align with others with whom they have similar professional values (Feiock, 2007).

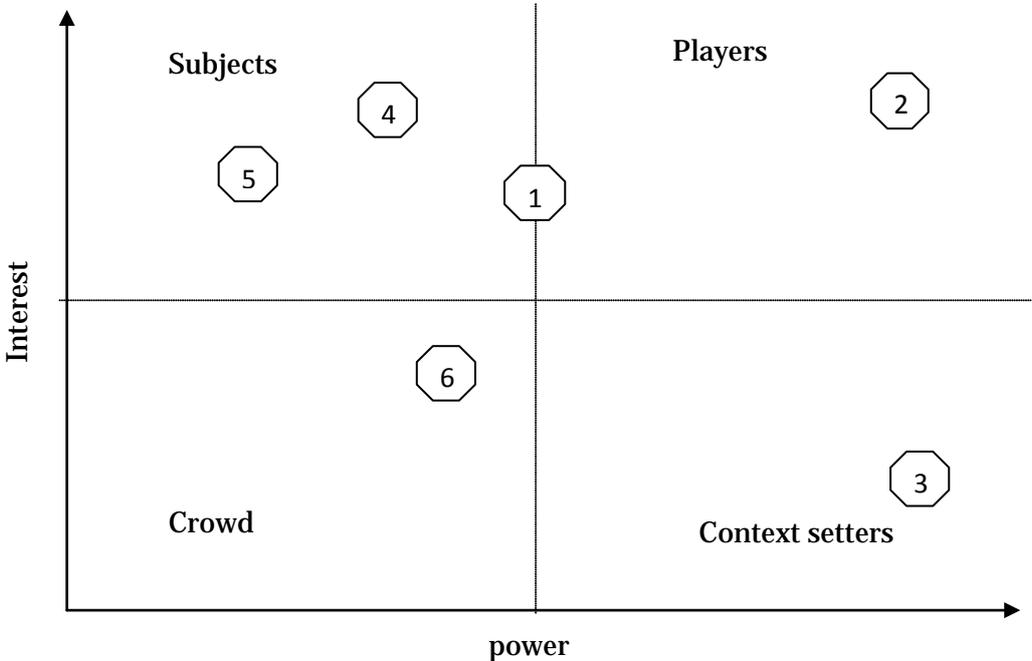


Figure 5.1 Stakeholders mapping in Ngada/Nagekeo Aesesa Watershed

Politicians are categorized as context setters because of their likely less interest on the issue of cooperation. However, they have the “veto player” in the political system and their approval is necessary to ratify the agreements. There are many various reasons for less interest in from politicians, but the most obvious one is related to the issue or policy field for cooperation. Watershed management is strongly related to the environmental issue and it is difficult to measure the cost and benefit in a short time. As we have discussed in chapter2, short time benefits will likely

outweighed in local policy context. Given the turn over and short time election cycle, cooperation is likely to be difficult in local political context (Feiock, 2007). Furthermore, local people or citizens tend to be indifferent for local government cooperation. What does concern the citizens is that public goods and services are delivered efficiently and effectively to fulfill their needs. However, this can also be blamed to less knowledge about government cooperation among citizens. Therefore, citizens or local community is regarded as crowd in this context.

5.4.2 Stakeholders mapping in Kartamantul Jogjakarta

By identifying influence and interest of stakeholders for local government cooperation Kartamantul in Jogjakarta, the similar categories of stakeholders can be presented in the following table 5.4.

Table 5.4 Stakeholders categorization in Kartamantul Jogjakarta

Sector		Individual/ groups	Power/influence	Interests
Government officials	1	Provincial government official	Medium	High
	2	Regency/ city officials	High	High
Politicians	3	Legislative members/politicians	High	High
NGO's	4	ADB, GTZ	Medium to High	High
Experts	5	Academics	Medium	Medium to High
Local community	6	Local resident	Medium	Medium to High

From the table above, the categorization is almost the same as the previous case in Ngada and Nagekeo, the difference lies in the position of politicians. Although in general, there is less political support for local government cooperation in Kartamantul-Jogjakarta (Warsono, 2008), in the case of solid waste management they have high interest. This can be seen from the ratified budget every year for the project from table 5.1 above and there is an increase trend of budget allocation. Furthermore, NGO's have relatively strong influence, in which they provided technical assistance with their own significant financial resources. The ADB (*Asian Development Bank*) and German technical assistance organization GTZ (*Deutsche Gesellschaft für Technische Zusammenarbeit*) have had long reputation in building

capacity to improve local governance in the country especially after the decentralization.

From the categorization of stakeholders above, a power-interests diagram for Kartamantul-Jogjakarta is constructed as presented in figure 5.2. This is important in order how to analyze the engagement of stakeholders into a cooperative action.

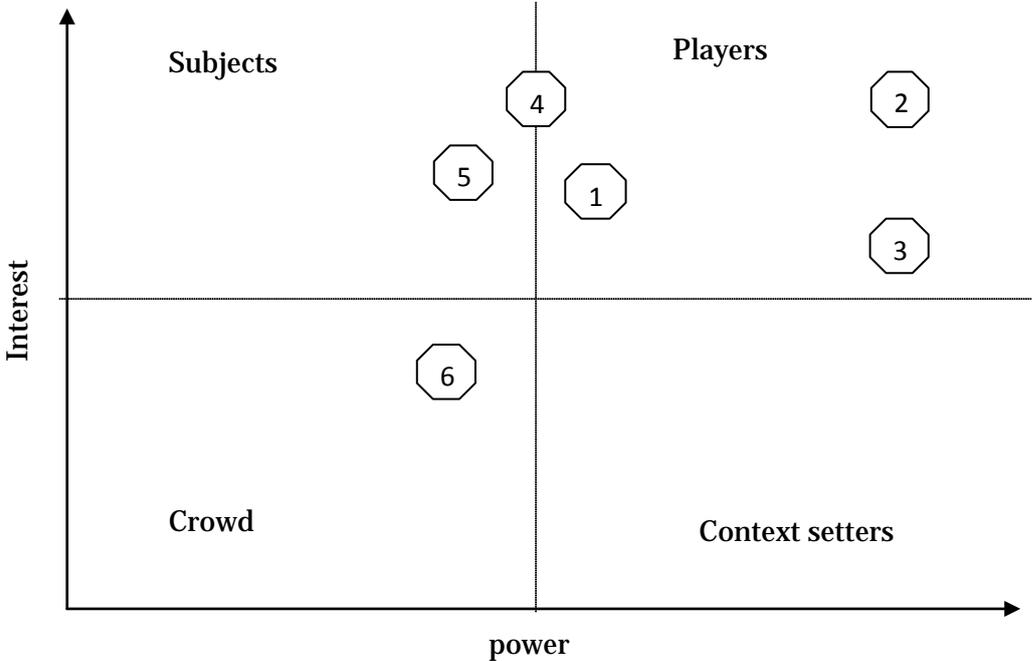


Figure 5.2 Stakeholders mapping in Kartamantul - Jogjakarta

From the diagram above, it is important to notice that politicians as context setters in which they have significant power and influence are able to be brought as players. Beside political communication efforts have been done through leadership, the political support is also related to the nature of the problem or public services under cooperation. Outcomes of some services are more difficult to measure than others, thus cooperative outcomes should be easier to achieve for services such as sewer, water or refuse collection that have divisible outcomes and easily measured (Feiock, 2007). Therefore, solid waste disposal and the on-going public transportation services under cooperation fit into this context. While integrated spatial planning which has long term impact is likely to be difficult to attain strong political support in this cooperation.

The position of NGO's and experts are also important in Kartamantul government cooperation. Although they do not have direct involvement in influencing to the government institutions, they have crucial roles in disseminating knowledge and providing technical assistance. They make information available to all stakeholders. It means that cost of information is minimized (Feiock, 2007, and cooperation is likely to be gained through negotiation. As it has been highlighted in the previous session, the availability of information is one of the important aspects for successful cooperation in Kartamantul – Jogjakarta.

In general, the purpose of stakeholder analysis here is not only to identify stakeholders that involved in cooperation, but also important in making strategic analysis to improve the existing cooperation. Many authors have argued that stakeholder analyses are a key to identifying problems that can and should be solved (e.g. Bryson 1995; Eden and Ackermann 1998). It becomes particularly helpful in situations where no single stakeholder is wholly in charge, but many are involved, affected or has some partial responsibility to act (Bryson and Crosby 1992). For initiating or improving cooperation, stakeholder analysis also helps to highlight coalitions to be encouraged or discouraged, what behavior should be fostered and whose 'buy in' should be sought or who should be 'co-opted'. It is also important that stakeholder analysis provides some information on how to convince stakeholders to change their views.

5.5 Concluding Remarks

Throughout this chapter it has explained how institution building has been developed in both case studies Ngada/Nagekeo in Flores and Kartamantul Jogjakarta. Based on the perceptions of respondents from interview, structure of the stakeholders has also been explained. The analysis of institution building for each case study also has been discussed which constitutes political, intellectual, social and material capital. Then, we have made comparison for both cases to distinguish what have been the successful factors and what have been the causes of failures. Based on those discussions, some arguments are worth to be highlighted in the following paragraphs.

Firstly, local government cooperation has not been taking the attention of local politics realm in decision making. This is because it is hardly to get the real benefit

from such cooperation. Moreover, as the example of Ngada/ Ngakeo, policy field which has long term impact such as environment is come to lowest priority in political decision making. This lack of political supports for cooperation, to a greater extent has given obstacle to the development of cooperation or the sustainability of existing cooperation. However, lack of political support can be undermined by the possession of strong leadership with broad vision as the example of Kartamantul-Jogjakarta has shown.

Secondly, besides lack of political support and leadership, the aspect of intellectual capital is crucial to the successful cooperation. This has made the difference between both cases, where successful example in Kartamantul-Jogjakarta has been influenced by various knowledge resources and the abundant flow of knowledge. On the other hand, the lack of knowledge resources has been crucial to the slow path of cooperation development in Ngada and Nagekeo example.

Thirdly, Cultural and historical background does matter to the development of local government cooperation. Strong social relations and similarity of culture stemmed from the same background has given impact to the voluntary local government cooperation in Kartamantul-Jogjakarta. Meanwhile, although relatively strong social relations are there in Ngada/ Nagekeo example, the difference of socio-linguistic background requires third party to initiate cooperation. This can be in the form of NGO's or coordinative approach from higher level government.

Stakeholder analysis has been also included in this chapter. Although it is aimed to identify different stakeholders in local government cooperation, it is also useful to further analyze the engagement of stakeholders in the cooperation. By identifying their common ground interest, stakeholder analysis is important for leader or planner in designing a successful cooperation in the future. Kartamantul case shows that a visionary leadership is able to communicate and engage important stakeholders into implemented action. As it is argued by Bryson (2004), understanding stakeholders is important in policy analysis in which it requires linking technical rationality with political rationality in order to mobilize supports from stakeholders.

6. Conclusions and Recommendations

The impacts of decentralization and the emergence of multi-local government cooperation have been discussed in chapter 4. Then it is followed by the empirical evidence of such cooperation from two cases in chapter 5. This chapter will summarize some important conclusions of the study. Furthermore, some important recommendations will also be provided. Recommendations are specifically intended for the development of local government cooperation between Ngada and Nagekeo in Flores, NTT. Learning from the successful example in Kartamantul- Jogjakarta, it is expected that some strengths and weaknesses could be identified in order to reinitiate and improve the cooperation in integrated watershed management and other policy fields between Ngada and Nagekeo regency. Reflection on this research will be provided here in order to understand the strengths and weaknesses of the research that has been done.

6.1 Conclusion

In chapter 2, some important theoretical frameworks that underline this research have been discussed. Understanding models of governance in currency now and the 'ideal types of governance' (Martens, 2007) is important in order to position the trend of move away from centralization to decentralization. In fact contextual practices show us that it is characterized by 'trial and error' (De Roo, 2007; Martens, 2007). Chapter 2 also has discussed the advantages and disadvantages of centralization and decentralization and how this could be combined into various concepts such as multi-level governance and subsidiarity. Institutions and institutional building have also been discussed to highlight how the governance and policies are formed in real world through the influences of politics, intellectual properties, social relations and material supports. Those theories that have been discussed forms the basic principles for this research.

Starting with the conceptual framework of moving away from centralization to decentralization, this study has put the institutional building of local governments as the interweaving between the formal institutions and the informal ones practiced among society. As decentralization process in Indonesia has been surrounded with the debate of devolution of power and retaining coordinative approach, it is a process of trial and error (Matsui, 2003; De Roo, 2007). It is also applied to local government

institution building. The law and regulations may have encouraged the development of such cooperation, but it depends on the contextual matters. These include culture and pattern of social relations and the availability of knowledge among society. In the end it could be seen as the learning process within the decentralization framework of what are best performed at the local levels and what are better done in coordinative way.

6.1.1 Local government cooperation in decentralized Indonesia

Chapter 4 of this research presented the analysis of local government cooperation in the general context of Indonesia's decentralization. The analysis in this chapter has been aimed to answer the first research question of "*How institution building of local government cooperation has been developed in Indonesia during the on-going decentralization era?*"

After discussing the decentralization and its problems in Indonesia and local government cooperation within this context, this study comes up with the following answer that the emergence of voluntary local government cooperation is resulted from the exempt of a coordinative approach from central government (section 4.3). This is especially a matter to tackle interrelated issues such as cross-boundary problems among local governments which includes transportation planning, watershed management, waste disposal et cetera. The need of cooperation is resulted from the awareness that such problems cannot be tackled by any single local government per se due to their lack of capacity. Many local governments involved in the cooperation realized that euphoria of decentralization and competition among them to some extent has created many mismatch in local planning and development. This would mean that decentralization in many policy fields should be pursued in a more rational choice instead of merely relying on new gained local authority. This is the example generating efficiency for issues that impose scale of economy such as solid waste disposal in Kartamantul-Jogjakarta.

In fact, central government also has encouraged the development of local government cooperation through Government regulations and Decree (MoHA). This would mean to scale up the best practices to other local governments throughout Indonesia. However, this effort has been rested as good ideas with little realization.

Local government cooperation is not only because of the existence of certain regulations but also the informal contexts that influence such cooperation. This includes political capital, intellectual capital, social and material capital existing among the society. It is a challenging and unique process to develop such cooperation among local governments. Therefore, in order to manage inter jurisdictional issues decentralization in Indonesia should be enhanced through clear division of authorities. This can be done by implementing a multi-level governance concept in a clear legal framework.

6.1.2 Local government cooperation between Ngada and Nagekeo regency.

The treatment of state and society relations should be linked to “socio-structural and historical factors that condition its organization and administration” (Ferazzi, 2000). This study is also intended to find more specific answers of local government cooperation from the empirical parts which are unique to the existing context. From empirical analysis in chapter 5, this section is aimed to answer the second research question on “*How institution building of local government cooperation has been developed between Ngada and Nagekeo regency and why it has been retarded*”.

Through analysis of two different cases, this study concludes that, in general local government cooperation has not been gaining popular political attention in the local level. However, political support is essential in implementation and sustainability of local government cooperation in Indonesia decentralized era. There are some reasons for this unpopular political response. Firstly, decentralization has generated fragmentation, especially behavior of local governments in which they tend to have inward looking on development approach. Secondly, it is also depending on the topic or policy fields under coordination. Policy fields that have long term impacts without real benefits such as environment and spatial planning tend to be undermined by those that have short term effects. It also means that, topics which have divisive outcomes such as transportation and solid waste disposal are easier to be cooperated (section 5.2 solid waste management in Kartamantul). Meanwhile, topics such as integrated watershed management which could not give the real short term impact in Ngada and Nagekeo (section 5.1) are hardly to gain local political support. Therefore, it is important for the whole level of governments (multi-level

governance) to consider subsidiarity concept in policy design. Policies that are best performed through decentralization are let go with the local governments, while those that are best performed through coordination should be taken by higher level governments.

Another important conclusion from this empirical analysis is the role of leadership within local government. The likely cooperation in local government is strongly related with the role of visionary leadership, something that has been less present in Ngada and Nagekeo. On the other hand, albeit less political support in the case of Kartamantul-Jogjakarta, it can be undermined by the role of leadership (section 5.2). Bringing this aspect into the political perspective, since the implementation of current direct election for leaders in decentralized Indonesia, the existence of leadership tend to occur by chance. Who has the resources and chances affiliated with political parties is likely to be elected as leader. A genuine leadership is rarely to be developed within local institutions, whether in political parties or government organizations. This is also strongly related to the predatory network of patronage, where local institutions are hijacked by what the so-called “political gangster” in Indonesia decentralization (Hadiz, 2004). Therefore, it is important for the local stakeholders to prepare and develop leadership in their institution referred as ‘leadership by design’ who really understand the context of decentralization and local government problems. Leadership is basically shaped by the education, environment and what surrounds certain individual (Collins, 2001).

The leadership by design in local government of Indonesia can be distinguished as external factor and internal factor. The former is much related to the external political process, while the latter is the process within local government institution. In the local government cooperation context, institution design has less influence on the development of leadership through external political process. Leadership in this sense embraces a vast area of institutions especially political parties that have legality to nominate candidacy for majors or regents in local government. It also involves the whole society as constituents to decide the appropriate leader. This implies that leadership by design as external factor rests in the hand of political parties and the whole societies. However, local government institution has significant role for leadership by design as internal factor. This occurs within the institution and local governments can have influence through recruitment

process, promotion, training and education. Ensuring the rich flow of knowledge within government's institutions and leadership building for local government officials can contribute to the sustainability of local government cooperation. This is especially important for the middle and high rank managers in government institutions.

In local government cooperation context, the role of leaderships is how to bring various stakeholders as players. For that reason, a leader should recognize different stakeholders involved through stakeholder mapping and analysis (section 5.4). By identifying the common grounds of stakeholders through stakeholder analysis, leaders and local decision makers can develop constructive communication and push forward agendas to be cooperated. As Bryson (2004) argued that stakeholder analysis will 'help public and nonprofit managers or groups think and act strategically over the course of a policy or strategy change cycle in such a way that good ideas worth implementing can be found and implemented' (p.46)

6.1.3 What does matter for Local government Cooperation.

This section is intended to answer the third research question of "*what can be learnt from local government cooperation*". After discussing the development of local government cooperation in Indonesia (section 4.3) and the comparison of empirical analysis in both case studies of local governments (section 5.3), this study gives some important conclusions on local government cooperation.

Clear framework of regulations is crucial for the development of local government cooperation in Indonesia. Local authority to enter into inter-local agreements is derived from state constitutions and enabling legislation (Feiock, 2007). This is important in guiding the process, especially mobilizing public resources. However, the development of the laws and regulations should be based on the blue print and researches to have a clear understanding of what policy fields which are possible for cooperation. Furthermore, it also has to consider the contextual socio-economic aspects in the society, given the diverse culture of Indonesia.

This study also found that intellectual and social capitals are important aspects for the likely development of cooperation among local governments. These are the important factors that give pattern for successful Kartamantul case (section 5.2). The rich flow and knowledge resources can contribute to create broad vision of leaders and managers in the local government and the wide stakeholders. When information is not perfect and resources are limited, finding other actors in a trial-and-error manner will be highly unproductive and inefficient. Thus, the lack of information can prevent governments from recognizing potential gains from joint action (Feiock, 2007). This is especially a problem when service outcomes are difficult or costly to measure. Meanwhile intensive social relations can make possibilities of creating venues for sharing vision and knowledge among stakeholders. The same historical backgrounds and culture are important social capital in promoting cooperation. As Feiock (2007) also argued that the homogeneity of society through adjacent geographical location will likely encourage the cooperation among local governments.

6.2 Recommendations

Based on some arguments on conclusion above and lessons learnt, some suggestions is recommended for local government cooperation specifically for Ngada and Nagekeo regencies.

1. Strong leadership with broad vision of managing local issues is required for local government cooperation. This is not only for the Bupati (regent) who is directly elected, but also for head of agencies and other middle rank officers in both local governments which are appointed by the regent. The presence of strong leadership Of these managers will path the way to strong collaboration in the regency.
2. It is important to increase the source and flow knowledge especially for integrative watershed management and governance. This could be done through broad partnerships with NGO's, donor organizations and universities. Improvement of various media of communication through booklet, web based communication is also important and therein government agencies are not only relying on the conventional socialization program.

3. Cultivating the existing social relations within the society and increasing venues for partnership in order to reduce the gap of differences instead of sharing vision together. This could be done by supporting local natural based resources community organizations and creating venues such as workshops, seminars to increase the learning process.
4. It is important in designing policy to combine the more integrative approach. For example, watershed management is not only concerned with environment but also more importantly for economic development. Packaging those issues in attractive way would change the perception of stakeholders especially politicians that have strong influence in local decision making process.
5. Scaling up successful local government cooperation to other regions might be very challenging efforts. The more reasonable way in order to tackle cross boundaries problems is through improvement of decentralization law and regulation by implementation of multi-level governance and subsidiarity concepts. This ought to be done in clear legal framework and enhanced with adequate capacity such as financial and human resources.

6.3 Reflection on the research

In conducting this research, there are some strengths and weaknesses that are worth to be reflected upon. By this we know how to use the research results and more importantly how it could be improved. The following points are some reflections on this research:

- This research has been done to some extent relied on the theoretical works, therefore empirical works should be more enhanced to get the real evidence in the real world. Especially the case of general Indonesia has been relied on the secondary data. However this thesis has provided some general highlights on the institution building of local government in Indonesia which would be important for further research.
- In its empirical part of the research of both case studies, because the interviews were made online through e-mail and some were done by other parties which mean that the researcher himself was not there, there are some weaknesses in part of data collecting. Some respondents complained

that the questions were relatively difficult and there is no chance to give explanation. Some questions were not able to be answered by participants or they have misinterpreted the questions. To overcome this problem few verification is made further through telephone.

- There were limited respondents from Kartamantul-Jogjakarta case study compared to Ngada/Nagekeo one, so this part could be improved by verification on other researches of the similar topic.
- The author realizes that the stakeholder analysis and mapping part of this thesis bear some weaknesses. This is because stakeholder analysis should be ideally performed in a more interactive manner. However, this part is aimed to give ideas of how analysis should be conducted for further research in the same topic.

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Appendix 1: List of questions

<p>Interview Protocol (Ngada and Nagekeo) Topic : Institutional building for local government cooperation in decentralized era. Researcher : Efraim Muga; MSc. researcher Faculty of Spatial Science, University of Groningen, the Netherland. Time of interview : Date : Place : Interviewer : Respondent : Category of respondent: (Executive/ legislative/ academicians (experts)/ private sectors/ NGO/) <i>*Tick or write down the suitable category</i></p> <p>Thank to the individual for participating in the interview. Assure him/her of confidentiality of responses</p> <p><i>The research explores the topic of local government cooperation in Indonesian decentralization. The objective is to understand institution building of local government cooperation in relation with decentralization and watershed management in regency of Ngada and Nagekeo-central Flores. In the end it is expected that the result of the research will help to improve local government cooperation between both regencies.</i></p>
<p>1. About impacts of decentralization on Aesesa watershed management</p> <ol style="list-style-type: none">1.1. What are the impacts of decentralization to the Aesesa watershed management?1.2. Please explain those impacts in relation to the change of government system.1.3. Is it required to have local government cooperation for the Aesesa watershed management?
<p>2. About issue, agenda and political support for local government cooperation</p> <ol style="list-style-type: none">2.1. What are issues in watershed management and how they are identified?2.2. What forms are the political support in watershed management and how they are mobilized?2.3. Who are the important actors in local government cooperation?2.4. What are the characters required from actors for successful local government cooperation.
<p>3. About knowledge and attitude toward information</p> <ol style="list-style-type: none">3.1. What or who are the source of knowledge for watershed management and how their roles for local government cooperation?3.2. How the stakeholders understand the knowledge and how it is disseminated?3.3. To what extent the openness and attitude of stakeholders toward knowledge and new ideas?
<p>4. Involvement of stakeholders, networks and access to the network</p> <ol style="list-style-type: none">4.1. To what extent the involvement of stakeholders in efforts for local government cooperation and how they should be involved?4.2. What kind of network that need to be improved for local government cooperation?4.3. How the access to the network and what are the binding values for stakeholders?
<p>5. Financial support and programs</p> <ol style="list-style-type: none">5.1. Where does the possible financial support come for Aesesa integrated watershed management?5.2. In decentralization era, what are the obstacles to mobilize government's funding?5.3. What are the activities that require significant amount of financial support?
<p>6. Opinion or other explanation on local government cooperation, especially the role of provincial government.</p>

Interview Protocol (Kartamantul- Jogjakarta)

Topic : Institutional building for local government cooperation in decentralized era.

Researcher : Efraim Muga; MSc. researcher Faculty of Spatial Science, University of Groningen, the Netherland.

Time of interview :

Date :

Place :

Interviewer :

Respondent :

Category of respondent: (Executive/ legislative/ academicians (experts)/ private sectors/ NGO/)

**Tick or write down the suitable category*

Thank to the individual for participating in the interview. Assure him/her of confidentiality of responses

The research explores the topic of local government cooperation in Indonesian decentralization. The objective is to understand institution building of local government cooperation in relation with decentralization and urban growth problems in Kartamantul-Jogjakarta. In the end it is expected that the result of the research will help to improve local government cooperation.

1. About impacts of decentralization on urban governance
 - 1.1. What are the impacts of decentralization to solid waste management?
 - 1.2. Please explain those impacts in relation to the change of government system.
 - 1.3. Is it required to have local government cooperation for managing solid waste?
2. About issue, agenda and political support for local government cooperation
 - 2.1. What are issues in solid waste management and how they are identified?
 - 2.2. What forms are the political support in solid waste management and how they are mobilized?
 - 2.3. Who are the important actors in local government cooperation?
 - 2.4. What are the characters required from actors for successful local government cooperation.
3. About knowledge and attitude toward information
 - 3.1. What or who are the source of knowledge for solid waste management and how their roles for local government cooperation?
 - 3.2. How the stakeholders understand the knowledge and how it is disseminated?
 - 3.3. To what extent the openness and attitude of stakeholders toward knowledge and new ideas?
4. Involvement of stakeholders, networks and access to the network
 - 4.1. To what extent the involvement of stakeholders in efforts for local government cooperation and how they should be involved?
 - 4.2. What kind of network that need to be improved for local government cooperation?
 - 4.3. How the access to the network and what are the binding values for stakeholders?
5. Financial support and programs
 - 5.1. Where does the possible financial support come for solid waste management?
 - 5.2. In decentralization era, what are the obstacles to mobilize government's funding?
 - 5.3. What are the activities that require significant amount of financial support?
6. Opinion or other explanation on local government cooperation, especially the role of provincial government.