

Indonesia

Self-rule

Institutional depth and policy scope

Indonesia is an archipelago composed of more than 16,000 islands with a total area of almost two million km² and a population of 260 million (2017 National Statistics Bureau). According to its constitution, Indonesia is a unitary country with four subnational territorial layers: provinces, regencies/districts, towns and subdistricts, and villages (C 1945, Art 1; Amended C 1945, Art. 1). The highest tier consists of 34 *provinsi* (provinces), including four provinces with special autonomy: *Nanggroe Aceh Darussalam* (Aceh), Papua, *Daerah Istimewa Yogyakarta* (Yogyakarta), and *Daerah Khusus Ibukota Jakarta* (Jakarta). As of 2010, the *provinsi* are further divided into 514 regencies/districts called *kabupaten* (regencies) and *kota* (cities).¹ Below the *kabupaten* and *kota* are 7,217 *kecamatan* (subdistricts) and 83,344 *desa* (villages). We code provinces and regencies/districts as well as the four special regions.

Irian Jaya (now named Papua and West Papua²) was annexed from the Dutch in 1962 and formally incorporated in Indonesia in 1969. The eastern part, which is the western part

¹ The words *provinsi*, *kabupaten*, and *kota* refer to a single province, regency or district, but in this book we use the singular form to refer to one or several units. We apply the same rule to *gubernur*, *walikota*, and *bupati* below.

² In 2003, the province of Irian Jaya Barat—now called West Papua or Papua Barat—was

of the New Guinea island, became the fourth special region in 2001 under the name Papua. East Timor was established as an Indonesian province in 1975 and remains coded as a province until 1999, when it becomes a United Nations territory (until independence in 2001).

The current constitution was enacted in 1945 but not implemented until 1959. It has since been amended only once: in 1999-2002 following the transition to democracy. After four years of independence struggle, the Netherlands relinquished control in December 1949 and left a federal constitution. This constitution was unpopular, and in August 1950 the revolutionaries adopted a provisional constitution which created a relatively decentralized unitary state. Over the next years some decentralization occurred, and functioning subnational governments emerged in many parts of the islands (Reid 2010a; UNESCAP 2014). In 1957 the provisional constitution was suspended by Sukarno and the 1945 constitution was reinstated two years later.

created when the central government attempted to subdivide Papua into multiple provinces; only Papua and Irian Jaya Barat survived the legislative process. In 2007 the central government created the new province of Papua Barat, but the Papuan assembly vetoed the decision as a violation of the Papuan special autonomy law since the assembly had not agreed to the change. The constitutional court ruled in favor of the Papuan assembly and the process resulted only in a name change from “Irian Jaya Barat” to “Papua Barat.” Papua Barat did not obtain special powers and is scored as a standard province.

The 1945 constitution designs a considerably more centralized state than the 1950 constitution; it concentrates executive power in the president, who is accountable to a *majelis permusyawaratan rakyat* (people's congress) composed of members of the parliament and regional representatives (Logemann 1962). The full congress meets every five years to appoint the president and as needed to amend the constitution or remove the president.³ Article 18 of the 1945 constitution prescribes how subnational governments can be created.

The Local Government Act of 1957 details the responsibilities of subnational government, which is described as both autonomous and administrative (*Undang-Undang* 1/1957; UNESCAP 2014). The Act establishes three subnational levels with an assembly and an advisory board headed by a chief who is responsible to the assembly. However, a presidential decree in 1959 cut the line of accountability between executive and assembly; subsequent decrees and amendments tightened the hierarchical relationship between the executive and the central government and strengthened the executive's preeminence over the legislature (UNESCAP 2014, 8). *Provinsi* and *kabupaten/kota* continue to be general-purpose, non-deconcentrated units, but the weight of the central government, through the executive, grows over the years.

³ By virtue of its two-thirds majority in the full congress, the legislature had the ability to appoint and remove the president and vice president in a de facto parliamentary system from 1950 until 2003 (King 2004).

The martial law under the “Guided Democracy” of President Sukarno (1959-66, with a single election in 1955) was followed by Suharto’s authoritarian “New Order” regime with highly restrictive elections from 1967 to 1998. Sukarno was deposed in 1966 by the army after being accused of leading a communist plot. Widespread killings of presumed communists, secularists, Chinese or Christians by primarily Islamist or military groups ensued, but the Suharto regime gradually restored order. New Order was hierarchical, military-controlled, electoral, and authoritarian.

Initially, central-subnational relations changed only piecemeal, but in 1974 a new *undang-undang* (law) started a process of controlled territorial decentralization, which set up a parallel structure of deconcentrated administration to match autonomous government (*Undang-Undang* 5/1974). A government-appointed chief executive headed both autonomous and deconcentrated governments (Yusuf 1997; UNESCAP 2014). Under the direction of the *gubernur* (governor) and *bupati/walikota* (regent head/mayor), regional (and local) agencies coordinated planning activities of the regional offices of the central ministries. These channels became the major vehicles for national resource allocation. Hence, while the law still recognized *provinsi* and *kabupaten/kota* right to self- government, the balance tipped heavily towards deconcentration, especially for *provinsi* (UNESCAP 2014).

In 1998, following the Asian financial crisis, Suharto was forced to step down. His successor Habibie ushered in technocrats to revise the election law, the political party law, and decentralization laws. Law No. 22/1999 (*Undang-Undang* 2/1999), which went into force in 2001, emphasizes local (*kabupaten/kota*) autonomy, but also restores the provision that the governor is accountable to the *provinsi* assembly and can be forced to resign

(UNESCAP 2014). The subsequent constitutional amendment process in 2000-01 produced the country's first (and to date only) major constitutional revision, which established directly elected executives at all levels of government, created a second legislative chamber based on the principle of regional representation, and codified the role of *provinsi* and *kabupaten/kota*.

While the 1999 decentralization law sought to prioritize the *kabupaten/kota* over the *provinsi* in response to secessionist mobilization in some *provinsi* (Rasyid 2003: 63), the 2004 decentralization law was more balanced. *Provinsi* and *kabupaten/kota* work within the legislative parameters set by the national government, such as those pertaining to natural resources and industries, but enjoy considerable discretion over short and long-term planning in their territories (Malley 2007). *Provinsi* can subsume policy and budget authority of underperforming *kabupaten/kota*, particularly in the case of rural districts with limited infrastructure capability. In 2014 the law was updated once again, presumably to try and return some power to the *provinsi* and the center. In practice, the 2014 law predominantly shifts authority in specific policy areas – most notably on natural resource and environmental issues – from the *kabupaten/kota* to the *provinsi* as well as central government ministries rather than constituting a recentralization of broader authority (Ostwald, Tajima, and Samphantharak 2016, 146).

The four special status *provinsi* are: Yogyakarta (from 1950), the special capital region of Jakarta (from 1966), Aceh (established in 1959 and re-created in 2001), and Papua (from 2001).

Yogyakarta received special autonomy when Indonesia gained independence in 1950, as recognition for its longstanding anti-colonial resistance. After their voluntary adhesion to Indonesia, Yogyakarta and the neighboring duchy of Pakualaman, which had self-government under the Dutch, were allowed to keep self-rule if they merged. The *sultan* became the *gubernur* of Yogyakarta and the *paku alam* (prince) of Pakualaman the vice-governor, wielding authority alongside an elected provincial assembly. The Special Region of Yogyakarta was legalized on August 3, 1950, and bears the same institutional structure as the other *provinsi* except in terms of representation (*Undang-Undang* 3/1950; 19/1950; 5/1974). Yogyakarta is the only *provinsi* headed by a pre-colonial monarch until today. Thus Yogyakarta scores 2 on institutional depth from 1950 to 1973, 1 for 1974-2000, and 2 from 2001 on.

Jakarta was initially governed as a *kota*, but the 1965 coup attempt and the ensuing communist purge resulted in the establishment of Jakarta as the special capital district in 1966 (when it enters the dataset) at the level of the *provinsi*. While the capital functioned in a more deconcentrated fashion than the *provinsi* during authoritarian rule, it received the same jurisdiction as the *provinsi* when Indonesia transitioned to democracy. Therefore, Jakarta scores 1 on institutional depth from 1966 to 2000 and 2 starting from 2001.

Jakarta is divided into five *kota*, which do not have the same authority as the *kabupaten/kota* in other *provinsi* since the subdivisions within Jakarta do not elect local assemblies or executives. The *kota* are governed by *walikota* appointed by the *gubernur*, to whom they are responsible (e.g. *Undang-Undang* 29/2007). These *kota* function as

deconcentrated governments and are beholden to the *gubernur*. They score 1 on institutional depth and 0 on all other dimensions from 1966 on.

Aceh established de facto self-government at independence. In 1951, Jakarta revoked this status and merged Aceh with the North Sumatra *provinsi* (Reid 2010a: 41). Aceh provincial status was restored in 1957, and special status granted in 1959. However, it lost its institutional concessions under New Order (Bertrand 2010: 189). Hence, Aceh scores 2 on institutional depth for 1957-73 and 1 from 1974 to 2000. Aceh regained special status in 2001 when it was given the authority to introduce Sharia law. Its special status was deepened under the 2006 Law on Aceh Governance, including an exception to allow for province-wide political parties and greater natural resource revenue control (*Undang-Undang 11/2006*). While the 2006 Law falls short of providing the Aceh government with a veto over central government policies,^β the central government is heavily constrained legally and politically in its interventions.⁴ Aceh scores 2 on institutional depth for 2001-05 and 3 from 2006 on.

Forced by Suharto to join the Indonesian republic in the 1960s, the *provinsi* of Irian Jaya became the special *provinsi* of Papua in 2001. The special autonomy agreement offered fewer concessions to the regional government than in Aceh, focusing primarily on cultural protection and representation (*Undang-Undang 21/2001*; Bertrand 2007). For example, the

⁴ The 2005 Helsinki Memorandum of Understanding that ended the conflict between the Indonesian military and the Free Aceh Movement stipulated a full provincial veto over central intervention, but the stipulation was not adopted in the 2006 Law on Aceh Governance.

provinsi is the only one with a second chamber reserved for indigenous Papuans (Aspinall 2011: 310). These institutional distinctions and greater concessions to indigenous group authority, in place since 2001, result in a score of 2 on institutional depth for 2001-18.^β

In terms of policy scope, prior to 1974 subnational units had limited policy discretion in economic development, welfare, and cultural-educational policies: agriculture and animal husbandry (1951), fisheries (1951), local education and libraries (1951), forestry (1957), urban planning (1958), homeless shelters, workers welfare, and unemployment welfare (1958). After 1974 the *provinsi* became de jure and de facto administrative vehicles for the central state, performing bureaucratic implementation of national development policies; we reflect this change by reducing the score on policy scope. *Kabupaten/kota* local autonomy, on the other hand, remained formally recognized, though it was in practice heavily constrained (UNESCAP 2014).

After democratization, subnational authorities regained and expanded their competences. The 1999 decentralization law provides *kabupaten/kota* with specific competences on economic development; health and social services; education,⁵ but leaves the

⁵ This list includes: development and planning control; planning, utilization and supervision of zoning; public order and peace; public facilities; health; education; social issues; serving manpower sector; cooperatives, small and medium business; environment; agrarian services; demography and social registry; serving government administration; serving capital investment administration; providing other basic services; and other mandatory affairs as instructed by laws and regulations.

role of *provinsi* vague (*Undang-Undang* 22/1999, Art. 9; see Sudarmo and Sudjana 2009, Table 1); it also states that *provinsi* and *kabupaten/kota* are independent (*Undang-Undang* 22/1999, Art. 4). Full-scale implementation of the 1999 decentralization law began in January 2001 and largely ignored *provinsi* (Hofman and Kaiser 2002). The 2004 law, which went immediately into effect, extends the same list of competencies to *provinsi* (*Undang-Undang* 32/2004, Art. 13 and 14) and allocates them residual power for competences not taken up by the *kabupaten/kota* (*Undang-Undang* 32/2004, Art. 13, Sec. 10). The *provinsi* are also charged with coordinating provision among *kabupaten/kota* (*Undang-Undang* 32/2004, Art. 13, Sec. 1G, 1H, 1I, 1K, and 1N). Five competences remain exclusively national: foreign policy, defense and security (foreign and inter-regional), judiciary, monetary and fiscal policy, and religion (*Undang-Undang* 22/1999, Art. 7; 32/2004, Art. 10). *Provinsi* and *kabupaten/kota* do not have exclusive competences.

Thus the core of *provinsi* and *kabupaten/kota* policy scope lies in cultural-educational policies and welfare policies (*Undang-Undang* 22/1999; 32/2004), where *kabupaten/kota* and *provinsi* have broad discretion to tailor policy to local needs (especially to ethnic or religious groups) within national benchmarks. *Provinsi* and *kabupaten/kota* also have authority, though more restricted, in economic development. The 2014 decentralization law imposed further restrictions on their authority over economic development. Neither *provinsi* nor *kabupaten/kota* governments have authoritative competence over police, their own institutional set-up, or local government (*Undang-Undang* 3/1999; 12/2003; 10/2008). The exceptions are Aceh and Yogyakarta (see below). The national government confirms the

selection of local police chiefs. Hence, *provinsi* score 0 for 2000-03 and 2 thereafter, while *kabupaten/kota* score 2 on policy scope from 2001.

The special status *provinsi* of Yogyakarta and the special capital city of Jakarta have the same policy competences as the *provinsi*. Jakarta scores 0 on policy scope for 1966-2003 and 2 from 2004 on. Yogyakarta has additional control over its institutional setup, i.e. a sultanate with its own system of representation, which has been in place throughout the period. Yogyakarta scores 1 on policy scope for 1950-73, 0 for 1974-2003 and 3 from 2004 on.

The special autonomous *provinsi* of Papua has some capacity to determine cultural-educational practices (*Undang-Undang* 21/2001). Papua obtained the authority to set up an additional legislative assembly designed to represent indigenous Papuan and other minority groups, which possesses powers of consultation and assent with respect to Papuan regulations (*Undang-Undang* 21/2001, Art. 19-21). Papua also has the unique right to require candidates for elected offices in the *kabupaten/kota* to be indigenous (Aspinall 2011: 310). The special autonomy law provides in principle “jurisdiction over all matters except foreign policy, defense, monetary and fiscal policy, religion and justice and certain authorities in other fields stipulated according to statutory regulations” (*Undang-Undang* 21/2001, Art. 4). The law, which came into effect in 2001, lacks detail on these “other fields” and its implementation remains open for negotiation (Bertrand 2010: 186, 188). From 2001 to 2003, Papua had limited competence over cultural-educational policy and beginning in 2004 gained some authority over its own institutional set-up, cultural-education and welfare

policies (endowed to the other *provinsi* in *Undang-Undang* 32/2004). Papua scores 1 on policy scope for 2001-03 and 3 from 2004.

After returning to provincial status in 1957, Aceh received special status in 1959, through which it held extensive authority over religious and education matters, but did not possess specific authority over Islamic law (Bertrand 2010: 189). This configuration lasted only until New Order. From 2001, Aceh regained autonomy on par with the other *provinsi*. In 2001, the first Special Autonomy Law transferred control over Sharia law, the courts and police to the province, so alone among Indonesian *provinsi* Aceh has control over local police (*Undang-Undang* 18/2001, Art. 25-6; Bertrand 2010, 191).⁶ From 2004, Aceh obtained self-government on culture, education and welfare. In 2007 Aceh became exempt from the national ban on regional parties in *provinsi* and *kabupaten/kota* elections and the only province in the archipelago allowed to field candidates from non-national parties (*Undang-Undang* 11/2006, Ch. 11). Aceh does not have control over immigration or citizenship. Aceh scores 1 on policy scope for 1957-73, 0 for 1974-2000, 1 for 2001-03, and 3 for 2004-18.

⁶ For an evaluation of the impact of the Aceh special autonomy law on Sharia law, see: "Special Autonomy Law on Nanggroe Aceh Darussalam," Directorate General for Socio-Cultural Relations and Foreign Information, Department of Foreign Affairs Republic of Indonesia. <http://www.kbri-canberra.org.au/s_issues/aceh/aceh_specautonomy.htm>.

Fiscal autonomy

Under New Order, subnational units could in theory create regional taxes (World Bank 2006), but, as deconcentrated jurisdictions, they did this on behalf of the center. *Provinsi* and *kabupaten/kota* therefore score 0 on fiscal autonomy from 1950 to 2000 (Lewis 2003; Lewis and Oosterman 2011; World Bank 2003).

The 1999 decentralization laws produced the following changes: 1) subnational governments gained some tax authority, 2) the revenues shared from the center increased substantially, and 3) subnational governments determined their own budgets independently.⁷ From 2001 *provinsi* or *kabupaten/kota* can introduce taxes approved by regional parliaments within the bounds of national law. They can set the rate for a closed list of pre-allocated taxes (World Bank 2006; *Undang-Undang* 34/2000). The list contains four taxes for provincial governments and seven for regencies/districts; the base of these taxes is set by the national government. Subnational governments receive major revenues from property and income taxes, but they have no capacity to set the base or rate (World Bank 2006: 29; USAID DRSP 2006: 9-10). Thus, the *provinsi* and *kabupaten/kota* score 1 on fiscal autonomy from 2001, the year in which the 1999 decentralization comes into force (Eckhardt and Shah 2006: 235).

⁷ Regional governments draw up their own budgets, which are approved by the national Ministry of Home Affairs before funds are allocated (*Undang-Undang* 32/2004, Art. 185).

Yogyakarta and Jakarta have the same fiscal powers as the other *provinsi*. Aceh and Papua receive special autonomy funds and large proportions of tax revenues locally generated from natural resources, but they do not have greater control over the base or rate of taxes.

Borrowing autonomy

Borrowing was only partially regulated until the major decentralization laws of the late 1990s. Local and regional borrowing remained, on the whole, “insignificant by international standards” (Eckardt and Shah 2006: 261), though by the early 2000s most *provinsi* and half of local governments had exercised their borrowing right (Lewis 2003: 1051).

Under New Order subnational governments borrowed through two central government mechanisms: the subsidiary loan agreements, and the regional development account (or the latter’s predecessor, the regional investment funds account). Both mechanisms channeled international funds through the ministry of finance to pay for infrastructure projects (Lewis 2003: 1048). The funds came online in 1978, but we do not conceive this as regional authority because subnational government lacked meaningful autonomy under New Order.^β

The Asian financial crisis spurred the central government to regulate borrowing more closely. *Undang-Undang* 25/1999 and 33/2004 allow for *provinsi* borrowing from both domestic and international sources, but government regulation sets tight limits on debt-revenue and debt service-revenue ratios, establishes ceilings on short-term limits, and limits

borrowing to revenue-generating investments. Moreover, long term or medium term borrowing requires prior approval by the ministry of finance. *Kabupaten/kota* cannot borrow on international markets (World Bank 2003; Eckardt and Shah 2006). These new rules came into force in 2004 for *kabupaten/kota* (Eckhardt and Shah 2006: 261).

Representation

From 1950, *provinsi* and *kabupaten/kota* had legislatures and executives. Legislatures have always been directly elected, while *gubernur*, *walikota*, and *bupati* were elected by the assembly. From 1959 (presidential decree 6/1959), executives assumed the dual role of representing local interests and the central government; they were no longer responsible to the assembly that elected them. We conceive this system as a form of dual government (UNESCAP 2014). Hence, *provinsi* and *kabupaten/kota* score 2 on assembly and 2 on executive from 1950 to 1958; for 1959-73, they score 2 on assembly and 1 on executive.

With the decentralization law of 1974 (*Undang-Undang 5/1974*), *gubernur* at the *provinsi* level needed to be approved and appointed by the New Order government. Legislatures nominated a list of candidates from which the president chooses the next governor (*Undang-Undang 15/1974*, Art. 15). In 1979 the practice was extended to *kabupaten/kota*.

Since 1999, *provinsi* and *kabupaten/kota* legislatures are directly elected concurrently with the national legislature.⁸ From 1999 to 2004, the *gubernur*, *walikota*, and *bupati* were elected by their respective legislatures for five-year fixed terms (*Undang-Undang* 22/1999, Ch. 4). The 2004 decentralization law (*Undang-Undang* 32/2004, Ch. 8) introduced direct elections, which would be staggered over a five-year period; the first election took place in 2005. Political parties must be registered across the majority of *provinsi* and across *kabupaten/kota* within *provinsi*; district head candidates must be from a party or coalition that received at least fifteen percent of the regional legislative vote or seat share (*Undang-Undang* 32/2004, Art. 59). Since 2008, independent candidates can run provided they collect signatures of 3 to 6.5 percent of residents in their district (depending on the population).

Representation in Jakarta is identical to that of all other *provinsi*, but the *kabupaten/kota* in Jakarta do not have assemblies or executives (*Undang-Undang* 29/2007).

In Yogyakarta, the special law specified that the *sultan* would remain the *gubernur* for life (*Undang-Undang* 3/1950).⁹ Upon the sultan's death in 1988, the central government

⁸ The exception to this parallel system is the parliamentary threshold adopted at the national level for the 2009 elections but not adopted at the provincial or municipality levels. All other seat allocation and election conduct rules, as well as the rights, responsibilities and penalties for legislative representatives, are the same at all levels of government. The consistency reflected in these laws is a commonly-stated goal of lawmakers.

⁹ The *gubernur* combined this position with executive positions in the Sukarno and Suharto

controversially forced the governorship on the vice governor. Following the fall of New Order in 1998, the question of succession arose again. The central government tried to force an election, and in the end, a confrontation was avoided when the *sultan* voluntarily entered, and won, a popular election. Yogyakarta follows national laws to elect the *provinsi* legislature.

Aceh is the only province where local parties can run for provincial and municipality offices though not for national offices (*Undang-Undang 11/2006*). The concession was part of the self-government agreement, and came into force in 2006.

Since 2001, only indigenous Papuans can contest elections for the second chamber of the provincial assembly (*Undang-Undang 21/2001*).

Shared rule

Law making

There is limited shared rule for *provinsi*. Prior to 2004, the national legislature included some regional appointees. Delegates from the regional territories and functional groups were selected by the national government to represent local, minority (ethnic, religious), and social (labor, farmers) groups (C 1945, Art. 2). Number and composition of delegates were not specified in the constitution, but they were never a majority.

government until 1978.

In 2001, a new *provinsi*-based national house was set up (Amended C 1945, Ch. 7A): the *dewan perwakilan daerah* (regional representatives' council, DPD), to which each *provinsi* elects four members according to a multi-member district plurality system. Candidates cannot represent a party but only their *provinsi*. The population-based lower house and the *dewan perwakilan rakyat* (people's representative council, DPR) make up the *maejelis permusyawaratan rakyat* (people's consultative assembly, MPR). Regional council elections are held concurrently with house and local elections every five years (*Undang-Undang* 12/2003, Art. 3-4; 10/2008, Art. 3-5).

The current regional council has 132 seats, compared to 560 seats in the lower house. The regional council can initiate laws on regional governance (Amended C 1945, Art. 22D), but does not have decisional power. The council has a standing committee overseeing regional authority matters and works directly with the ministry of home affairs. Thus, *provinsi* are a unit of representation in the legislature (L1), *provinsi* governments do not designate a representative to the legislature (L2), *provinsi* constitute a majority in the chamber (L3), and the province-based legislature does not have extensive authority over legislation (L4). *Provinsi* governments do not have bilateral consultation (L5) or veto rights (L6) over national legislation affecting their own regions. *Kabupaten/kota* have no representation.

Since 2004, Yogyakarta, Jakarta, Papua, and Aceh have identical shared law making as all other *provinsi*. The Acehnese and Papuan provincial assemblies, including the Papuan people's consultative assembly, can also influence the implementation of national education and cultural legislation, but falls under self-rule rather than shared rule. Representatives of

these special regions have no input on national legislation affecting their region. There are provisions in the 2006 Aceh statute for regular legislative consultation between the Aceh parliament and the Indonesian parliament, but have not yet been implemented.

Executive control

There are no routine meetings—bilateral or multilateral— between central and regional governments to negotiate policy.¹⁰

Aceh is the exception. A 2008 presidential decree partially implemented the provisions in the 2006 Aceh law for nonbinding consultation on law making, administrative policy (sic), and international relations (*Peraturan Presiden 75/2008*, Art. 8). The presidential decree details a process for the second and third matter, but leaves it to the Indonesian

¹⁰ *Provinsi and kabupaten/ kota* have limited voice, but not on laws governing regional autonomy or national security (such as the deployment of troops to some regions in the case of national security interests). Provincial or municipal ministries are in contact with national ministries, and this provides subnational units with early warning on national law but little two-way flow. Yogyakarta and Jakarta have never had routine meetings between central and regional governments. There is limited executive control for the special autonomy regions of Aceh and Papua. Routine meetings between central and regional governments to negotiate policy related to those regions occurred during periods of unrest, but none of the meetings produced binding decisions.

parliament to organize consultation on law making. Recent reports indicate that routinized consultation between the Aceh government and the Indonesian government takes place with respect to international affairs and executive policy making (Ahtisaari 2012; Suksi 2011: 363-5), but not on law making.^β We score Aceh 1 for bilateral shared rule on executive policy from 2008.

Fiscal control

The central government is not required to consult subnational governments on the distribution of tax revenues. Yogyakarta and Jakarta function similarly to the *provinsi*.

The 2001 Aceh law stipulates that the regional government retains 80-90 percent of tax revenues generated by the *provinsi* in key economic sectors, such as timber, but a smaller proportion of oil and gas tax revenues (*Undang-Undang* 18/2001, Art. 4, Sec. 3-4). These proportions were fixed for eight years (*Undang-Undang* 18/2001, Art. 4, Sec. 4). Following the 2006 law, the regional government collects the taxes on oil and gas revenues, and can retain 70 percent for the next twenty years (*Undang-Undang* 11/2006, Art. 181-182). Neither law sets up a permanent system for routinized input on taxation.

Since 2001 Papua also possesses a great deal of tax revenue control, with 70-90 percent of tax revenues generated by the key economic sectors, such as timber and fishing, set aside for the *provinsi* for 25 years (*Undang-Undang* 21/2001, Art. 34). The special autonomy law does not foresee routinized consultation on taxation (Bertrand 2007: 597),

except for additional funds for infrastructure development, which are decided by national government and parliament based on an annual proposal of the *provinsi* (Art. 34(f)).

Borrowing control

The central government is not required to consult subnational governments on debt and borrowing. The same rules apply to Yogyakarta and Jakarta. Neither the Law on Aceh Governance (*Undang-Undang* 11/2006) nor previous Acehnese or current Papuan special autonomy laws (*Undang-Undang* 18/2001; 21/2001) stipulate subnational government consultation on borrowing.

Constitutional reform

Prior to the existence of the regional representatives' council (DPD), constitutional amendments had to be approved by two thirds of the members of the non-regional national legislature, the people's consultative assembly (MPR) (C 1945, Art. 37).

Since 2004, constitutional amendments require submission by at least one third of the national legislature and can only be passed in a joint session of the legislature with a two-thirds quorum present and an absolute majority (Amended C 1945, Art. 37). Thus, the regional council takes part in submitting, voting on and passing constitutional amendments, but is not large enough to either initiate, approve or veto proposals (Bertrand 2007: 593). Therefore, on multilateral and bilateral constitutional reform the *provinsi* and

kabupaten/kota score 0 throughout the period. Jakarta functions in the same manner as the other *provinsi*.

Yogyakarta has special status regarding gubernatorial selection; since the return to democracy, the selection can be overturned by the lower house without consent of the provincial government. While there is a strong norm of consultation with the *provinsi*, the provincial government cannot actually propose changes to that legislation nor veto the revocation of the provisions. Hence, Yogyakarta scores 0 on bilateral constitutional reform.

Aceh (created in 2001, expanded in 2006) and Papua (created in 2001) possess the right of non-binding consultation (“consideration” is the term used in the special laws) affecting the regions’ position in the national state. The special autonomy laws for Aceh and Papua were drafted by the provincial governments, but the national legislature, with input from the ministry of home affairs, was responsible for final amendments and approval (McGibbon 2004). Thus both regions score 2 on bilateral constitutional reform because their regional governments can propose legislation about their special status but lack veto power.

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Self-rule in Indonesia

			Institutional depth	Policy scope	Fiscal autonomy	Borrowing autonomy	Representation		Self-rule
							Assembly	Executive	
Provinsi	I	1950-1958	2	1	0	0	2	2	7
	I	1959-1973	2	1	0	0	2	1	6
	I	1974-1998	1	0	0	0	2	0	3
	I	1999-2000	1	0	0	0	2	2	5
	I	2001-2003	2	0	1	0	2	2	7
	I	2004-2018	2	2	1	1	2	2	10
Daerah Istimewa Yogyakarta (DIY)	I	1950-1973	2	1	0	0	2	2	7
	I	1974-2000	1	0	0	0	2	2	5
	I	2001-2003	2	0	1	0	2	2	7
	I	2004-2018	2	3	1	1	2	2	11
Daerah Khusus Ibukota Jakarta (DKI Jakarta)	I	1966-1973	1	0	0	0	2	1	4
	I	1974-1998	1	0	0	0	2	0	3
	I	1999-2000	1	0	0	0	2	2	5
	I	2001-2003	2	0	1	0	2	2	7
	I	2004-2018	2	2	1	1	2	2	10
Nanggroe Aceh Darussalam (Aceh)	I	1957-1958	2	1	0	0	2	2	7
	I	1959-1973	2	1	0	0	2	1	6
	I	1974-1998	1	0	0	0	2	0	3
	I	1999-2000	1	0	0	0	2	2	5
	I	2001-2003	2	1	1	0	2	2	8
	I	2004-2006	2	3	1	1	2	2	11
	I	2007-2018	3	3	1	1	2	2	12
Papua	I	2001-2003	2	1	1	0	2	2	8
	I	2004-2018	2	3	1	1	2	2	11
Kabupaten/kota	II	1950-1958	2	1	0	0	2	2	7
	II	1959-1973	2	1	0	0	2	1	6
	II	1974-1978	1	0	0	0	2	1	4
	II	1979-1998	1	0	0	0	2	0	3
	II	1999-2000	1	0	0	0	2	2	5
	II	2001-2003	2	2	1	0	2	2	9
Kabupaten/kota in DKI Jakarta	II	1966-2018	1	0	0	0	0	0	1

