## PROCEEDING CONFERENCE PROGRAMME

# iconpo 2011

International Conference on Public Organization

CHALLENGE TO DEVELOP A NEW PUBLIC ORGANIZATION MANAGEMENT IN THE ERA OF DEMOCRATIZATION Comparing models in various countries

Yogyakarta Indonesia, January 21-22, 2011

ICONPO 2011 is Organized By

Department of Government Affairs and Administration Faculty of Social and Political Science Universitas Muhammadiyah Yogyakarta

In Collaboration with Korea University, Thammasat University and Universitas Ngurah Rai Denpasar









## PROCCEDING: INTERNATIONAL CONFERENCE ON PUBLIC ORGANIZATION (ICONPO) Challenge to Develop a New Public Organization Management in Era of Democratization

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We wish to thank the Rector of Universitas Muhammadiyah Yogyakarta Ir HM. Dasron Hamid, M.Sc for giving the license to drive this conference. We also express my sincere gratitute to Prof. Sunhyuk Kim of Korea University as our Keynote Speaker. Special thanks go to all of the honorable our paper reviewers for the Proceeding those are Assoc. Prof Azhari Samudra of Universitas Ngurah Rai Denpasar, Prof. Dr. Jin-Wook Choi from Korea University, Prof. Dr. Miftah Thoha, MPA from Universitas Gadjah Mada, Prof. Francis Loh Kok Wah, PhD from University Sains Malaysia, Prof . Dr. Azhar Kasim, MPA from Universitas Indonesia, and Dr. Vidhyandika D Perkasa from Center for Strategies and International Studies Indonesia (CSIS), Prof Amporn Tamronglak and Dr. Soparatana Jarusombat from Thammasat University, without their contribution this paper will never come into being. We also thank to the ICONPO committee, and all collagues for their support to this conference. We thank to all the paper presenters and participants who contributed through their papers in this proceeding.

This proceeding is divided into 10 themes, those are:

- Environmental changes and collaboration in public organization.
- 2. Need assessment of public issuess in public organization.
- 3. Design of structure organization in democratic era
- 4. Planning and Decision making .
- 5. Human resources management.
- 6. Culture and ethics of public organization in democratic era;

- 7. Communication practices in public organization
- 8. Transformative Leadership.
- Current Management Information system in electronic era.
- 10. Performance measurement

Reason for selecting these themes is because the wave of democracy has influence the dynamics of public organization, a well known institution model related to governmental, non-profit, and non-governmental organizations. The dynamic of public organization management in response to democratic era, now encompasses more challenging issues. The issues such the shifting paradigm from government to governance could be seen as the trend drives to the reform of government. The concept of governance means that the government must improves the functions of public organization management process. The process must be efficiently, effectiveness, responsiveness, transparently, participative, and accountable. Other important issues are the growing of gender mainstreaming, public policy processes and the dynamic of civil society which have demanded a changing management of public organization. The most important thing so that public organization could challenge in the democratic era is to improve and develop a new public organization management. Therefore, public organization needs to respond, explore and develop innovative management. It challenges the scholars and practitioners to explore and develop new models of public organization management by drawing the experience and lessons learned of their countries

Thus, the proceeding explores the issues and challenges to develop a new public organization management in the era of democratization. We hope this proceeding will benefit the readers, academicians, politicians and scholars on more about a new way to develop public organization in this democratization era.

Yogyakarta January 21st 2011

Head of Government Science Dr. Suranto

Dean of Faculty of Social and Political Science Dr. Nurmandi

#### PREFACE

The first paper as Keynote Speech written by Sunhyuk Kim (Professor, Department of Public Administration, Korea University) entitled Globalization and Policy Change: The Case of Korea. This paper emphasises on "neoliberal" globalization. The writer argue that neoliberal globalization is just one type of globalization, and it is likely that in the future another type of globalization may emerge. "Varieties" of economic, political, and public administration systems in the world will respond differently to the new wave of globalization. It is essential, therefore, to craft a more prudent national strategy to flexibly and comprehensively deal with different kinds of globalization. The writer examines how Korea has coped with the challenge of globalization, by analyzing how the latest neoliberal globalization has affected governmental restructuring and policy transformation in Korea since its democratization in 1987. It is underscored that Korea needs a better national strategy to handle future waves of globalization - potentially of the non-neoliberal nature. I sketch out the main contents of such a new national strategy, primarily focused on the need to build and nurture more effective multi-sector governance system, increasing communicative and collaborative capacity of all the sectors involved.

The second paper was written by Su-jin, Yu, 3rd semester of master's course Korea University entitled Conflicts in Environmental Policy-making in Korea: The case of Gyeyang Mountain Golf course. In this researchh studies about the Gyeyang Mt. golf course development plan (GGDP) which has shown sharp conflict aspect. Commonly, environmental conflicts in the policy-making have two different belief systems such as environmental conservation and environmental development. Base on this two different belief system, various stakeholders united as a policy actor. Coalition actors from two different values enforce a different strategy to policy-making.

The third paper written by Laila Kholid Alfirdaus of Government Department Faculty of Social and Political Science Diponegoro University Semarang Central Java Indonesia titled Governing the Disaster-Prone

Community. Public organisation does not only deal with problems which is regular in its nature, periodical, and in orderly situation. More often, public organization faces uncertain circumstances that the way of governing as usual cannot be applied. One of the notable constraints in governing community for public organization to manage is disaster. Firstly, disaster often comes at an unpredictable time. Secondly, disaster often bears considerable risks even beyond a public organisation's capacity to deal with. Its quick attack often results in much longer impacts. Thirdly, any single thing, such as food supply, sanitation, water supply, shelter, and so forth, suddenly turns into emergency, meanwhile the public organization has usually shortcomings in resources. Forthly, any demand for the public organization quickly moves into a big pressure, therefore public organization easily becomes the subject of failure once they are unable to tackle the complex situation. Considering such the specific nature of disaster, there is a clear need for public organization to apply specific governing strategies. This paper tries to elaborate some thinking on governing the disaster-prone community, especially for developing nations, using experiences in various countries. Such a thinking becomes important since it is the developing nations that use to have problems in their bureaucratic structure. A change of mindset in public organization in which disaster should not be treated as business as usual rather as in a crisis is one of the keys. A deep thinking on how to manage the interrelation with some non-government organizations, economic society, academic society, and the media in emergency and recovery based on context and culture, is also worthwhile.

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The fourth paper entitled The Sustainability of Jakarta as the capital city. It is written by Hartuti Purnaweni Public Administration Program, Environmental Study, Post Graduate Program, Diponegoro University. This paper aims to find out efforts to be done to Jakarta as the Capital City of the Republic of Indonesia. Jakarta has turned from merely old day traditional port to the present day of a megapolitant figure, where skycrappers mount in many places. Jakarta is an area with low topographic feature as it is situated at the coastline, in particular North Jakarta. As time goes by, the city becomes less convenient as settlements due to traffic jam, flood, land subsidence, land water deficit, inadequate green space, severe air pollution, etc. Jakarta's carrying capacity has been passed over. New public management system is needed. Therefore, a new paradigm has emerged concerning its status replacement as the Indonesian capital city, and to make it a more livable city. Three alternatives are proposed for the solution.

The fifth paper entitled Democratization and Environmental Politics of Natural Resources Management at Local level written by Edi Santosa, Governmental Program, Social and Political Faculty, Public Administration, Post Graduate Program, Diponegoro University. The paper aims to deliver the idea that Environmental democracy is not new in Indonesia since it stated its commitments in Rio Declaration in 1992 and World Summit on Sustainable

Development in 2002. However, empirical evidence shows that the commitment to implement the ideal is still far behind. In theoretical, policy and empirical area, discussing environmental sociopolitical aspects should include all stakeholders in it. In managing environment and natural resources, both politicians and government officials have the political power as representatives of the state. Their political actions should cover activities of development policies which are oriented towards sustainable development, whether at local, national, regional and global. Rondinelli and Chemaa (1993) stated that the state states should committed to pursuing sustainable development across the region –it calls for a clean and green environment-with fully established mechanisms for sustainable development to ensure the protection of the environment, the sustainability of its natural resources and the high quality of life of its people and naigbours in one earth.

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The sixth paper entitled The Implementation of Social and Environmental Responsibilities's Regulation by PT Karya Tangan Indah Bali written by Ni Putu Tirka Widanti, Universitas Ngurah Rai, Denpasar, Bali, Indonesia. The paper aims to analyze The most prominent CSR activities of PT Karya Tangan Indah, those are the environmental re-cycling and social religious supports to the traditional village where the company is situated. PT. Karya Tangan Indah's CSR programs are affected by the party receiving supports and the internal organization. From the analysis, it has been found that PT. Karya Tangan Indah's CSR programs on recycling and social religious supports have managed to attract the community's enthusiasm. It is because the ritual ceremonies in the traditional village where PT. Karya Tangan Indah operates are held regularly and involve the entire community members. Based on the analysis findings, it is recommended that the future PT. Karya Tangan Indah's CSR programs should involve the community members commencing from the planning up to the evaluation processes. It is necessary to involve them for sustainable programs and for addressing their needs and priorities. In addition, their involvements are hoped to be able to duly plan and organize the allocated budgets.

The seventh paper is Impacts Of Decentralization On Environmental Management In Thailand, written by Soparatana Jarusombat, Ph.D of Faculty of Political Science, Thammasat University, Bangkok, Thailand. This paper describes the process, institutional and legal framework within which the environmental management operates in Thailand. It specifically focuses on the decentralization within central and local government's role in environmental management. The aim of the paper is to examine how interface between the central and local loci of power have affected pieces of legislation relating to management of the environment by central and local government in Thailand.

The eighth paper is titled An Empirical Study of the Autonomy of Thai (Autonomous) Public Organizations written by Associate Professor Amporn Tamronglak, Head of Public Administration Department and Director of Executive Public Administration (EPA) Program, Faculty of

Political Science, Thammasat University, Bangkok, Thailand. The latest Administrative Reform in Thailand in 1999reflected the influence of New Public Management (NPM) perspectives, leading to a drastic restructuring of age old bureaucracy. "Agencification" or creating new single purpose agencies was one of various approaches to face lift bureaucracy in the name of "Public Organizations or Autonomous Public Organizations (APOs)" to be free from tedious regulations and hierarchical commands of politicians. Since (Autonomous or Quasi-autonomous) Public Organizations Act has been issued in 1999, there are approximately 29 agencies created. This paper aims at attacking and analyzing the issue of autonomy of Public Organizations in Thailand, which is the main reason in hiving off from their original organizations. The theoretical basis of autonomy employed in the study is drawn from Peters Verhoest and others, particularly in the areas of personnel and financial management. Constructive questionnaires were employed and collected between June and August 2010 from all 29 Public Organizations. In-depth interviews with the agency's executives were conducted to gain insight knowledge of the concept in practice. The statistical analysis shows that Thai APos are more or less independent from the politicians. Though the legal and administrative structure of their establishment, they somewhat recognize and are responsive to the demands of the relevant Ministries. On the contrary, they are able to maintain the balance and handle the pressure in such a way that the agencies can carry out and accomplish the government policies professionally and cost-effectively.

The ninth paper written titled Government Antismoking Campaign: Quixotic Dream Or Confident Expectation? By Subiyanto of Wijaya Putra University. Smoking habit was one of global problems, but the effects of it are very dangerous on smoking related diseases, so Indonesian Government had to take the genius actions. This study investigated the effects of Government Antismoking Campaign on Behavior of Smoking in East Java. Research model was adopted from the Theory of Reasoned Action dan the Theory of Planned Behaviour introduced by Ajzen and Fishbein modified by DeVries et al. The population were smokers or someone who have experience with cigarette smoking in East Java, sampling method by Multistage Cluster Random Sampling in three stages. Data analysis utilized Structural Equation Modelling (SEM) used AMOS 4,01. Hypothesis analysis used regression Weight standardized estimates, compare p value in 5percent significancy, if p value < 5percent is mean significant. This study found four negative significant hypothesis and two not significant hypothesis. The effect of Government antismoking campaign on Attitude toward smoking behaviour and on Subjective norm of smoking are not significant, while effect of Attitude toward smoking behaviour on Refusal skill, the effect of Subjective norm of smoking on Refusal skill, are negative significant. The effect of Refusal skill on Behavioural intention to smoke, and the effect of Behavioural intention to smoke on Behaviour of smoking are also negative significant. There were recommendations for Indonesian Government, cigarettes industries and collaboration among government and cigarettes industries.

The tenth paper entitled Leading to Improvement? The Politics of ISO 9001:2000 Transfer to Local Service Deliveryand written by Wawan Sobari, Lecturer and Convenor of the Department of Political Science, Faculty of Social and Political Science, University of Brawijaya Malang. This paper addresses three main questions concerning the process, impacts and external evaluation of the transfer of ISO 9001:2000 to service delivery at the local secretariat office in the Regency of Malang Indonesia. Its methodology applies qualitative approach to build understanding by intensifying the research process aimed to obtain the full picture of the transfer. This paper shows some important findings around this transfer; first, the decision to transfer is a result of social process aimed to build better image of the office. As well, a policy network, ranges from local to international actors, has constructed the ISO 9001:2000 implementation as the best practice in service delivery. Finally, the certificate attributed to the implementation of ISO 9001:2000 cannot adequately assures the improvement of technical capacity of the office. Rather, it has created dependency on assurance server to sustain the performance improvement. Thus, this transfer has created a qualified office, not an educated office that is self-achieved fulfilment in delivering better service.

The eleventh paper Democracy and Growth Revisited: An empirical study using fsQCA written by Dong-Hyun Choi, Graduate Student, Department of Public Administration, Korea University. This paper will analyze The relationship between political freedom and economic growth has been a much scrutinized topic over the past few decades. According to Barro once the impact of other exogenous factors are controlled for, the effect of democracy on growth is weakly negative. He further raised the possibility of a nonlinear relationship between democracy and growth. Barro's work, while convincing in terms of methodological rigor and interesting in terms of the observations made, nonetheless is hardly free from the flaws that may potentially undermine the credibility of his arguments. This is the point of departure for this article. The first section of the article discusses the potential flaws evident in Barro (1996), and suggests ways to improve upon his work. The second section introduces fuzzy set qualitative comparative analysis (fsQCA) as an alternative methodological approach, and analyzes the relationship between democracy and economic growth using fsQCA. The analysis generally concurs with the nonlinearity hypothesis suggested by Barro (1996): democracy does in fact disparately impact economic growth at different levels of democracy. For full democracies and authoritarian regimes, causal combinations indicate that democracy has a positive impact on economic growth. For flawed democracies and hybrid regimes with intermediate levels of democracy, the dynamic between democracy and economic growth is revealed to be negative.

The twelveth paper entitled Competition for jurisdiction over food industry in Korea was written by Sung Eun Park, Korea University. This paper points out the matter of food safety management system with a view of competition for jurisdiction over food industry among the Ministry of Health and Welfare and the Ministry for Food, Agriculture, Forestry and Fisheries and affiliated organizations. Each ministry has separate basic positions and approaches to food industry policy: regulation and promotion. The policy image has been changed into "regulation" as public anxiety and concern for hazardous foods has grown since the end of 1990. They complete take charge of promoting or regulating the food industry by establishing or amending laws, expanding organizations and mobilizing a coalition. Coordination by policy committee, cooperation between agencies, and integration of agencies were introduced as measures to eliminate unnecessary competition for jurisdiction.

The thirteenth paper written titled Making Strategic Plan Works In Local Government: Challenge And Problems, A Case Study of Strategic Plan Implementation in Yogyakarta Special Province by Achmad Nurmandi and Eko Priyo Purnomo of Universitas Muhammadiyah Yogyakarta. The term of strategic plan is a new type of plan in Indonesian government that introduced since 1999 based on Law No. 22/1999. As a new approach, government organization has tried to set priorities and allocated scarce resources according to the formulated vision and mission. Meanwhile, these strategic efforts have not been successful achieved yet, including in Yogyakarta Province. This essay examines the implementation of strategic plan in Yogyakarta Special Province. The Yogyakarta has vision and missions that are looked at this paper as basis of analysis. Measuring on how they can reach their goals and missions is an appropriate way to analyze the how the strategic plan works. Using qualitative data and choosing a case study method, this research also have conduced in-depth interviews with bureaucrats in Yogyakarta. First of all, the Yogyakarta province tried to providing the strategic plan to be followed by government officer in their activities according to strategic design and planning school approaches. Secondly, most of local government's agencies are less understand on their vision and missions. Thirdly, Zero-sum game effect, reaching the goals and mission are difficult because most of their budget is spending their salary. Fourthly, The strategic plan has been implemented but it has not executed the strategic zone whose it support for dealing with mission from number two to six.

The fourteenth paper written titled Improving Indonesia Civil Servants REVITALISASI PELAYANAN PUBLIK MELALUI ANALISIS JABATAN 'Performance Through Job Analysis by Dyah Mutiarin "Dr. Dyah Mutiarin-Department of Government Affairs and Administration Universitas Muhammadiyah Yogyakarta. The red tape phenomenon in Indonesia civil servants performance Khusus berkaitan dengan birokrat pemerintah, banyaknya persoalan yang timbul dalam pemerintahan selama ini pada

dasarnya menunjukkan rendahnya kemampuan dan kurangnya sikap dari aparatur untuk mencoba peduli dan membantu masyarakat serta pengguna jasa pemerintahan lainnya dalam memenuhi kebutuhannyashows the lack of ability and lack of capacity to carry government tasks. This phenomenon needs improvement. Improving the quality of the state apparatus resources is directed to realize the professional human resources, neutral, and prosperous for civil servants as well as citizen at large. Hal itu merupakan faktor penting dalam menunjang peningkatan kapasitas dan akuntabilitas kinerja instansi pemerintah. This is an important factor in supporting capacity and accountability of civil servants as well as state apparatus. Analisis jabatan diperlukan dalam pengembangan pegawai yang pada hakekatnya adalah suatu upaya pemenuhan kebutuhan tenaga kerja secara kualitatif sesuai dengan persyaratan pekerjaan yang ditentukan dengan mempertimbangkan kepentingan-kepentingan individu pegawai untuk dapat mengembangkan potensinya seoptimal mungkin mencapai karier setinggi-tingginya di dalam organisasi. Therefore, in order to achieve the quality of human resource in civil servants, the government need to continue to improve the application of merit system in the administration of personnel management by implementing job analysis. The future of structure bureaucratic organizations as public organization tend to be slender but rich in function. The concept of 'the right man in the right place in the right time' needs to be applied correctly in order in filling the vacancy actually forward the principle of professionalism through the process of job analysis.

The fifteenth paper titled Career Path Development for Indonesian Public Servant by Utami Dewi, S.IP, MPP and Dra. Atik Septi Winarsih, M.Si of Government Affairs and Administration Department, Universitas Muhammadiyah Yogyakarta. Decentralization demands more competent and professional public servants, so that they can perform jobs well particularly in delivering services to society and in maximizing local resources. However, several problems surrounding civil service management have hampered this decentralization goal. These obstacles come from government regulations, institutional relationship and human resources. There are some regulations on civil service affairs but many of them are incompatible. Ironically, moreover, the important regulation on public servant managementcareer path development- has not been formulated yet. This career path development is crucial since it guides the staff to plan their job position in the future. Moreover, it is beneficial for manager in the public sector to conduct staff placement and promotion. Therefore, the formulation and implementation of career path development is a must to find the best staff in the right job. In doing so, performance measurement that consists of performance appraisal, competency test and fit and proper test may be chosen as a model. This paper will reveal this career path development by firstly evaluating the practice of recruitment; promotion and mutation; salary; and performance appraisal system in recent Indonesian studies.

The sixteenth paper was written by Jin-Wook Choi, Associate Professor, Department of Public Administration, Korea University entitled Anticorruption Agencies and Reform: The Case of the KPK in Indonesia. This paper analyze the establishment of an anticorruption agency (ACA) due to reduce coruption in a county in this case is Indonesia. This paper examines the effectiveness of anticorruption law enforcement functions of the KPK, the Indonesia's ACA that was created in 2003 and identifies key challenges that lie ahead of the KPK. By adopting key performance indicators, this paper finds that the KPK has been successful in carrying out three-pronged anticorruption strategies—repression, prevention and public relations, which is congruent with strong public support to and trust in the KPK. However, the KPK faces several challenges posed by inherent structural limitations and external political forces that may threaten the efficacy of the Commission's anticorruption functions. While the public has to show continuous strong support to the KPK, the Commission must effectively perform legally mandated and socially expected anticorruption functions with high integrity and discipline in order to become a de facto ACA.

The seventeenth paper written by Bonefacius Bao entitled Robust Ondoafi Powers in Central Urban Communities (Studies Authority Ondoafi in Jayapura Papua) . This paper aims to find out Ondoafi in the capital to actualize its power, and care for it so the power of capital in the middle of an urban community. There are three power capital Ondoafi namely social capitals, symbolic and material. Assuming the persistence of capital even living in urban areas had to survive because they have the ability to manage symbols, manage social relationships and manage the economy. Allegations were proven because of the discussion about the workings of the three capital Ondoafi power, can be in the know that Ondoafi respond to change with the actualization of such capital through a revitalization strategy, adaptation and repositioning. Those capitals are not working alone but comes along. Ondoafi convert into equity capital one another so that there is a logical relationship with his rule. Capital-capital is reproduced and exchanged with each other. In practice the power to show how the three capital Ondoafi able to manage its power to make strategic changes. Ondoafi thus becomes very important and strategic for anyone who needs it.

The eighteenth paper was written by Arundina Pratiwi, entitled Transformation of public organization Culture in Indonesian Democratic Era. The main problem discussed on the paper provide an understanding about the transformation of public organization culture in Indonesian democratic era. Literatures research, both from books and media publications, on current development of transformative public services performed by several regional governments provides the primary conceptual foundation for investigating the effect of democratization process on the transformation of public organization culture in Indonesia. Additionally, this paper reveals the specific example on transformation of

organizational culture in the regional government of Jembrana in Bali which is currently often used as the best example for other regional governments across Indonesian archipelago. Jembrana case can be classified as a success of public organization culture transformation, with its main goal to overcome the bad image of Indonesian public institutions in serving public needs. The achievement of Jembrana can be used as an important example to motivate other regional governments to improve their commitment on providing good public services.

The nineteenth paper is An Analysis of the Effect of Press Freedom on Corruption: Evidence through a Cross-Sectional Data Analysis written by Songhee Yoo, mastercourse student, Korea university. This study attempts to find the relationship between the government corruption and the media based on Latham's democratic theory. First of all, the empirical results of this study show that the autonomy of the media reduces corruption. It can be seen as an element of direct democracy that makes up for the constraints of indirect democracy. In addition, the writer further investigated the impact of the economic level and social globalization on corruption through the empirical research. Therefore, when the anticorruption policy is established, the administrator should carefully consider whether the policy runs the risk of suppressing the economic growth of a country. And globalization is an opportunity to establish anti-corruption agencies and institutions. Because increasing the level of trust with other countries brings down corruption in the field of related work. Finally, determinant element of reduced corruption is identified as femininity. However, the simple increase in the employment of women may not be the solution. If the organization wants to reduce corruption, they must increase the culture of femininity. Efforts should not stop at recruiting more female workers, but rather focus on the improvement of organizational culture.

The twentieth paper entitled Organizational Communication licensing Office of Yogyakarta City to Achieve Service Performanceand written by Yeni Rosilawati lecturer of UMY, Communication Department majoring in Public Relations subjects, Krisna Mulawarman, lecturer of UMY, Communication Department, majoring in a broadcasting subjects, and Dian Kusumadewi alumni of Communication Department UMY, graduated in 2009. The paper focus on Licensing Agencyit is an organization in the field of services still relatively new, however Licensing Office of Yogyakarta city has a strong commitment in carrying out its functions. Awards obtained Jogjakarta City Government Licensing Service Award include Investment Award from BKPM as City Best One Stop Service Providers in 2007 later in the year 2008 Licensing Office Title again awarded the Excellent Service Award 2008 as the image of one government agency that has the quality of public services best. This study sought to describe the steps the Licensing Office of organizational communication Jogjakarta City Government to improve service performance.

The twenty first paper entitled Potential Users and Critical Success Factors of e-Government Services: the Case of Indonesiawritten by Ali Rokhman, Post Graduate Program in Administration Science, Jenderal Soedirman University. This paper elaborated more on Implementation of e-government in Indonesia began in 2003. However, until then the public services that provided through e-government are still very limited in quantity as well as quality. Based on the research the internet users are they who have the characteristics in majority consist of: female, have age in twenty one to thirty years old, have bachelor education degree, and they have been using the Internet for a period of seven to nine years. Considering this phenomenon therefore from to the government's perspective, the most critical factors for successful implementation of e-government are the e-leadership and the opportunity to develop employees' capacity in the technical training on e-government.

The twenty second paper entitled Bureaucracy Culture and Leadership in Indonesian E-Administration Implementation: Based on Perspective of Knowing and Learning Organization written by Ayuning Budiati and Rudiat Komara the paper focus on Indonesian E-administration implementation involves bureaucratic culture and leadership issues. Those issues appear due to the change that occurs if e-administration is implemented nationally. Implementing e-administration can be risky, expensive and difficult because public employees are not being motivated to improve and provide policy about ICT. This situation causes a lack of policy including operational guides at every level of government to improve ICT. Improvement of ICT literacy and skill is needed in Indonesia's e-administration implementation. The paper will analyze those factors regarding the organization's paradigms: organization as learning and knowing organization.

The twenty third first paper written by Gyuseong Park, Korea University entitledInternet Regulatory Policy in Korea: Its Origins, Impact, and Changes. The paper aims to show the reason why the Korean Internet regulatory policy to ensure safety has its own uniqueness which cannot be observed in other countries; using external plug-in program instead of builtin and highly dependent upon specific platform. According to the study following the institutional approach of regulatory policies, these "Koreanstyle" regulations were created to solve technological constraints in the early beginning stage of development of Internet transactions, but these regulatory policies results in many "unexpected outcomes," such as strengthening monopoly in Operating system and Web browser market, customers' inconvenience, and paradoxical outcome which regulations intended to enhance security eventually weaken the safety. These regulations have been challenged, and recently announced its abolishment by Korean government due to its negative consequences. Based upon this case, the paper argues that the technological factor, inertia of institution, and various actors and their interests around regulatory policies are important to understand these

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regulatory policies, and it contends that IT regulatory policies should technologically neutral because these policies cannot catch up the rap evolution of these industries.

The twenty fourth paper entitled Decentralization, accountabili and local government performance in Indonesia written by Sujarwoto, Pr Student at Institute for Social Change University of Manchester UK and Yumarni, Lecturer on the Department of Public Administration, Jender Soedirman University Purwokerto Central Java Indonesia. This artic contributes to an understanding the linkage between local government accountability, corruption, and citizens' participation. Departing from critiques on fiscal federalism theory, we propose hypothesized pathway through which decentralization can lead better local public servic performance. The basic hypotheses underlying this research is tha decentralization will result in better local public service performance onl if mechanisms for strengthen political accountability are established within local governments. Without strong political accountability, decentralization only creates powerful incentives for political and bureaucrat agent to capture local political process and misallocate public resources. The writer testec these hypotheses against evidence from 155 newly empowered local governments in Indonesia. Governance Decentralization Survey Data (GDS) is used to examine the linkage between decentralization, accountability and local government performance in the country. The results of simple and multilevel regression model broadly support the hypotheses. Less corruption, higher local government accountability and citizen's political participation are all associated with better local government performance. In contrast, poorly performing local public services are often deeply rooted in their political and social contexts. Local governments often fail to provide better public service when political accountability is absent due to weak checks and balances, lack of transparency, and weak electoral incentives. These effects remain statistically robust across all regression specifications

The twenty fifth paper written by Septiana Dwiputrianti, Senior Lecturer and Head ofPostgraduateProgramSchool of Public Administration, the National Agency for State Administration (STIA LABandung, West Java, Indonesia entitled How Effective is the Indonesian External Public Sector Auditing Reports Before and After the Audit Reform for Enhancing the Performance of Public Administration? The research aims to enrich the existing administration, accountability, and auditing of public sector literature. Two main research questions; firstly, how is the quality of information in the audit reports of the BPK; secondly, what are the key factors influencing the effectiveness and ineffectiveness of information in the audit reports.

The study revealed that the executive's history had historically neglected the roles and functions of BPK. Auditors lacked independence as the executive influenced the administration and finances of BPK. Auditors also had lack of opportunity to increase their professionalism. Since there was little incentive

for auditors not to accept audit fees from auditees, the objectivity and integrity of auditors was reduced significantly. Since the third amendment of 1945 Constitution in 2001, the Indonesian government had reformed laws and regulations related to public sector auditing for strengthening BPK. In situation where the Indonesian public administration needs immediate reform, BPK keeps trying to improve its professionalism and independence to provide qualified audit reports. BPK has been given much attention to education, training, and the development of other skills and knowledge; implemented remuneration; applied a rewards and sanctions. This study revealed a significant improvement in the amount and quality of in audit resources, including numbers of qualified auditors, representative offices, information and technology, and modern equipment. However, many new auditors lack of experience and lack of diverse educational backgrounds in addition to accounting and finance for conducting performance auditing. To enhance the quality of public administration and accountability, this study gives recommendations for BPK in (1) strengthening its independence, (2) expanding auditor's professionalism and competency in risk management (3) improving the facilities of the training centers, (4) increasing follow up of audit reports, (5) evaluating laws and regulations, (6) enforcing the implementation of performance auditing.

The twenty sixth paper Titled The Strategy For Improving Public Services Delivery In Indonesia by Dr. Suranto, Department of Government Science, Muhammadiyah University of Yogyakarta and Awang Anwaruddin of Center of Research and Development for Information System and Administration Automation, National Institute of Public Administration of the Republic of Indonesia. The crisis of public services in Indonesia has spread out to almost all sectors for decades. The poor level of public services performance suffered by customers is mainly indicated by sluggish service processes and excessive service cost. Various public policies have been undertaken to improve public services performance; however, no significant improvement is perceptible.

This paper attempts to find a strategic solution to improve the public services in Indonesia. Through a depth analysis, a positive answer is recommended: The Indonesian Government should carry out a comprehensive approach of bureaucratic reform, including the bureaucratic institution, management, human resources, and service culture. Since the reform is complicated and massive, however, it should be carried out incrementally, through preliminary, implementation, and evaluation stages.

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The twenty seventh paper titled Analysis Of Democratic Public Service Network Case Study in Urban Transportation Service in Makassar City, South Sulawesi Province, Indonesia by: Dr. Alwi, M.Si. In general, public services organized by government bureaucracy are still serious problem, including urban transportation services/public transportation in Makassar City. In this case, urban transportation services in Makassar City have not

been able to provide service as expected by citizen. As principle of democracy, citizens are "masters" who must be delivered service satisfactorily by state officials. Therefore, government bureaucracy, in fact, must understand the needs of citizens and this is what writers call democratic public service. Theoretically, to solve complex problems such as problems of urban transportation services necessary inter-organizational networks, because many institutions and associated with it. Merging the two concepts into the concept of democratic public service (urban transportation) network is a new concept in the science of public administration. Inter-organizational network aims to use resource efficiently and effectively, as well as ademocratic public service aims at making citizens as the focus of public service through their involvement in the process of solving public problems. This study aims to describe the implementation of democratic public services (urban transportation) network in Makassar City. This study used qualitative methods and case study research strategy to uncover the deeply democratic public services network. Data collection techniques used was observation, in-depth interviews, and documents. Processing technique and data analysis is the analysis of qualitative descriptive case study. The result of research pointed out that the implementation of democratic public service (urban transportation) network in Makassar City has not been effective.

The twenty eighth paper titled Balance Theory by Dr. Inu Kencana Syafiie. When people ask why today Islam is blasphemed throughout the world — forbidden wearing headscarves in France, in the United States its presence is examined and in Australia its organizations were disbanded with various accusations we did not expect, this was because Islam is one of the world paradigms worried shifting all previous paradigms. After weakened communism socialism and capitalistic liberalism is the only wide world paradigm, they concerned about the return of the - according to them — tyrant rule, then it is anticipated with slander and propaganda. However, inevitably, humankind will understand goodness, truth, and the beauty, also in ethics, logic and aesthetics. So where are the ideologies sitting in case Koran assembled all the disciplines of science, moral ethics, and nuances of art? How about Al Fatihah which became Prolegomena and preambule, in addition to reading of the prayer becoming the rhythm of worship? It should be impregnated that Al-Fatihah is the core essence of transcendental thinking in three world grand narrative

Yogyakarta, January 21th, 2011

**Editors:** 

Dr. Dyah Mutiarin Eko Priyo Purnomo, SIP, M.Res. Utami Dewi, SIP, MPP

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## DEMOCRATIZATION AND ENVIRONMENTAL POLITICS OF NATURAL RESOURCES MANAGEMENT AT LOCAL LEVEL

Edi Santosa4

Environmental democracy is not new in Indonesia since it was stated its commitments in Rio Declaration in 1992 and World Summit on Sustainable Development in 2002. However, empirical evidence shows that the commitment to implement the ideal is still far behind. In theoretical, policy and empirical area, discussing environmental sociopolitical aspects should include all stakeholders in it. In managing environment and natural resources, both politicians and government officials have the political power as representatives of the state. Their political actions should cover activities of development policies which are oriented towards sustainable development, whether at local, national, regional and global. Rondinelli and Chemaa (1993) stated that the state states should committed to pursuing sustainable development across the region -it calls for a clean and green environment- with fully established mechanisms for sustainable development to ensure the protection of the environment, the sustainability of its natural resources and the high quality of life of its people and naigbours in one earth

#### BACKGROUND

Vary definitions have been attributed to political ecology, such as, being a means of assessing condition sources and political implication due to change in environment. Democratization has already become a global requirement, which is inevitable. As Habibie (2005) writes, "democratization

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prevents civil war, blood shed, economic downturn, and Balkanization." The democratization in a governmental system needs more than a single process. As change takes place, there be individual, group of individuals, groups as well as institutions resistant to sustainably change, or to narrower extent, there might be some people find difficulties to adapt to the new situation. In a democratic contest, the role the individuals who accept the changes is vital. It is therefore they have responsibilities. Furthermore, current globalization has been pursing the changes, which any state is unable to resist.

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By the promulgation of Act No. 22/1999, followed by its revision through Act No. 32/2004, on Local Government, many parties began to imagine how the democratization will operate in local authorities as the second tier below the central government, how the adaptation process during the democratization at local levels to shift from centralization to decentralization. It is because in the heart of the decentralization there lies a process of state political policy making. In other words, the state delegates authorities and power to to the local levels. Substantially, this change in paradigm is a manifestation of the democratization process in the operationalization of the local government. That is, since the regulations have been in effect, the authority of the state management previously under the central government has become more and more restricted as the local governments get more empowered. This shift of paradigm strengthens the spirit of local autonomy. In article 13 of the Act No. 32/2004, there are sixteen out of twenty-one tasks to be delegated to the local authorities, such as, natural resource and environmental management. However, the central government remains controlling national defense and security, legal, monetary, religion affairs and foreign affairs.

The task of the natural resource and environmental management, which previously was under the authority of the central government, is now delegated to the local governments. This task has already become privilege and autonomy of each local leadership. From political viewpoint, natural resource and environmental management at local level is part of the environmental-political policy. In essence, issues related to any natural resource policy are derived from planning, formulation, implementation and monitoring of the local government and the local representatives (DPRD). Hence, the political dynamics at the local level in implementing democratic local government becomes a challenge as well as a learning field for the whole stakeholders at the local level, in particular local political elites, such as local leaders and local legislation.

In the process of political decision making in natural resource management in line with democratic values within a wider political participative space all stakeholders have equal rights to benefit the environmental-political process according to policies and practical debates of the political issues. All matters are embedded within responsibilities of the stakeholders. The key role players in the politics of environmental policy include technocrats, statesmen, politicians, enterpreneurs, and society. The technocrats deal with conceptual formulation, politicians play controlling roles, society possesses sovereignty. In other words, the position of statement and politicians is vital to make political decisions at the central level dealing with the natural resource and environmental management. In short, all political decisions focused on the natural resource conservation and exploitation policy is of the responsibility of both executives and legislatives.

According to the above description, this paper analyzes the implication of the democratization process of local political dynamics in decentralization practices of the natural resource and environment management at local level. The analysis is derived from environmental politics perspective. This paper applies five dimensions of analytical approaches as follows: localist view, democtratic theory, public choice theory, dual state thesis, and environmental conflict.

Forsyth (2003) argues that political-ecological approach is a complement of cultural ecology. The approach of political ecology focuses on socio-political issues (Satria, 2008). Political ecology is a field of analysis dealing with socio-political aspects of the environmental management. The general assumption in the political ecology states that the change in environmental is not a neutral phenomenon, but a form of politized environment where many actors of interest get involved at either local, regional, or global contests (Bryant 2001).

Political ecology can be defined as follows: (1) learning political source, condition and implication of the change in environment (Bryant and Bailey 1997); (2) learning interdependence and interrelationship between political units and their environment, especially those related to political consequences and environmental changes (Hempel 1996:150); (3) learning complex relations between society and environment through a deliberate analysis of the access and control of the natural resource, and therefore, its implication on the environmental health and life sustainability (Watts 2000:257); and (4) combining ecological and political approach to ecology (Blaikie & Bailey 2001). Meanwhile, in response to the assumption that political ecology is intermingled with environmental politics, Bryant and Bailey (2001) suggest that in fact both aspect is fundamentally different. Environmental politics is a field of analysis in political science towards environmental issues; the assessment of their impact on formal political process and the roles the state play in the environmental management. Thence, the major focus of this analysis "only considers the environment in so far as it intrudes on the formal political process" (Bryant and Bailey 2001).

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#### II. Local Environmental Issues

Studies have been performed to assess the success or the failure of decentralization and democratization follow-up in the implementation of the local autonomy. These studies have apparently resulted either positive or negative impact on many social, political, governmental, and environmental aspects (Rahmad, 2003:32). On the analysis of the impact of the decentralization on the social life of the traditional society in Kecamatan Malili, Kabupaten Luwu Timur, South Sulawesi, Santosa (2001:12), on a study of coal mining in Kalimantan, concludes that apparently the decentralization policy at the local level has a negative impact on the sustainability of natural resource, socio-culture, and environment. In conclusion, the decentralization to be expected as the agent-of-change in the form of political participation and welfare improvement, has conversely prevented the local people from the welfare state. Politically, the local people do not have adequate bargaining power towards political interest of the government, i. e., to sell forest and coal resources.

The spirit of capturing income by exploitating forest and mine resources are not equal with responsibilities for protecting, conserving, rehabilitating, and reclamation of the forest. There are many negative impacts, from deforestation, flood, to unemployment. Many parties suggest that World Bank is repsonsible for mistakes it has made, causing famine and poverty due to natural resource destruction and ecosystem contamination. People get confused of "which one to be primarily taken into account" between environment and poverty. However, Such contention contradicts with the thoughts of analysts and experience, in which the World Bank has not taken any measure to make a "win-win solution" towards the problematic situation.

#### The absence of policy on environmental decentralization practices

Under decentralization system, since the Act No. 23/2004 on local government has been in effect, regulating bodies in many provinces and regencies/municipalities are directly superviced by the governors or regents/mayors. This shows a shift from the previously applied sistem, in which central authorities hold the supreme power to control any activity at the local levels. Nevertheless, the implementation does not run smoothly, as many have not performed the procedures on the right direction. Such problems can not be overcome by the decentralized system, but needs intervention and help from the central office.

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#### 2. The Challenge on natural resource and environmental management

Forestry has been for generations playing significant roles in supporting the economic development and rural and forest living, and providing environmental services. However, the existing natural resources have not been managed substantially and fairly. There are still many problems ahead, i.e., lacking of human resource quality, poor local leaderships, and lacking political awareness of the local people. In order to improve, a new vision led by the local leaders with strong political will is necessary in order to create an ideal environmental and natural resource profiles. Administrative framework and regulation on the local autonomy in human resource and environmental development at local levels is believed to give rise to sustainable development. At international level, international organizations such as the World Bank must actively take part into developing and managing these resources as well. Cooperation between international bodies and local organizations nationwide is believed to play a significant role toward the improvement of the environmental state. It is, however, difficult to make a better approach to the environmental management. It takes times to create a strong awareness between involved parties.

#### 3. Environmental issues at local levels

Local institutions responsible on the environmental affairs have not possessed ability and capacity to generate high quality measures. Factually, the policy on organizational structure arrangement and work flow of the natural resource have not reflected the spirit of decentralization. Santosa (2003:4) and Wibowo (2004:3) argue that only 20% of the local governments in Indonesia to have such insitutions or nomenclatures, whereas the rests are still under the other authorities. In other words, local institutions responsible for the environmental affairs lack of bargaining power and authority to plan, formulate, and stipulate the policies. It is therefore no agenda related to environmental issues is incoporprated into the local developmental plan. The environmental management proportion is only given 1% of the total local developmental budget plan. Even in some places no adequate measures are taken to overcome the environment-born problems, such as natural disasters.

## Socio-political aspect of environmental crisis: the forgotten agenda

Many of those pro-democrats claim that environmental crisis in Indonesia is caused by reluctancy of the local government to manage the environment. They say no serious concern and legal certainty to be made for preventing the environmental damage. Local governments have not shown fairness and justice in the legal prosecution of the environmental damaged. Accordingly, sovereignty and justice crises occur. Ordinary citizens become the victims of ethnocide due to political will of the government authorities. Such unfair behaviors can be shown in, among others, the license issue for mining companies, environmental impact assessment, and work contracts. Records have also shown that i) no vision or blueprint to direct the environmental and ecological sustainable development, as the environmental affairs have been more likely politicized; ii) uncontrolled use of natural resource assets due to export-oriented development without developing a strong platform for fulfilling the domestic needs and national welfare; and iii) ecological crisis and environmental damage related to ethnocide.

#### III. Dimensions of environmental politics perspective

The management of natural resource is a series of systematical decision making to alocate the resources in certain time and space, according to the needs, aspirations, and will, within frameworks of technology, social institution, administrative and legal politics. The decision making in environmental resource management becomes complex as many parties claim their respective needs, while the resources are limited. Hence, the decision making of the natural resource management should consider such aspects as knowledge and technology, politic, social, and economy. This natural resource management decision making, in addition to considering the above aspects, should also consider fundamental characteristics embedded within the environment in greater extent. It is important to understand basic characteristics in order to implement the appropriate decentralization which results in desired output. Examples of the relationship between decentralization and natural resource management in Asian continent have already been introduced within literatures (World Bank, 2000; Ross, 2001; Suwondo, 2002), as well as in Africa (Benjaminsen, 1997; Mabogunje, 1980), Latin America (Larson, 2002), and Australia (Lane, 2003). All studies have a collective conclusion that decentralization in natural resource management is mandatory. Theoretically, the natural resource decentralization by administrative units at lower tiers of government give opportunities (a) stakeholder participation in formulating and implementing the policy; (b) decentralization of authority and power to local community; and (c) interaction process between stakeholders in the natural resource management. In transition period from centralization to decentralization, experiences have shown doubts because people were at first not familiar with new values and

they were supposed to leave the old ones. The experience of Nicaragua (Larson, 2002) illustrates forest management under decentralization process similar to what is taking place in Indonesia. There were four major jssues found preventing the decentralization process from progress in the Nicaragua case, as follows: (a) corruption, (b) poor capacity of local institutions, (c) low incentives for local apparatus, and (d) poor commitment of the stakeholders to long-term goals.

#### The localist view

Traditional view of pluralists suggests that decentralization being implemented in autonomous local levels accord to the pluralistic stat of the respective region. From political powers viewpoint, the central government does not have authority to push the local levels to show their obedience to particular uniformty because it does not agree with the existence of heterogeinty stated in the Act No. 32/2004 on the Local Government. The purpose of this Act is to improve development of the local regions. Santosa (2001:12) argues that politically the implication of this regulation has resulted in egocentrism and ethnocentrism due to arroganism of the local political leaders as they have more powers over common interests. Rohmat (2000) and Ardian (2001), among others, conclude that environmental damage in many places is caused by political decision made by local leaders for their interest without involving the interests of the others. The spirit of local autonomy in management is manifested through natural resource marketing towards the improvement of local income (PAD).

On the threat of global warming, Indonesia keeps experiencing environmental disasters, either naturally or artificially due to poor-driven policies. Environment is a fundamental issue which often be wrongly used for political vehicles. From the Old Order, New Order, to Reform Order periods, forest reform in Indonesia has not fully implemented. One of the causes is that political policy on the environment affairs does not take any serious measure toward environmental conservation. Undoubtedly, since the reign of Soeharto as the president, the natural resource in Indonesia has been exploited by foreign investors by means of a ten-year concession. The process of decision making on the management, natural resource empowerment, has shifted from centralistic to decentralized authority. The environment affairs are no more than an object of policy.

#### 2. Public choice theory and democracy

Environmental democracy does not only need commitment of the Ministry of Environment but also governmental bodies and other departments, such as the Ministry of Energy and Mineral Resources, the Ministry of Finance, etc. At present, the urgency has gone beyond the natural resource management, as global environmental disasters such as climate change are also taken into account. The Bappenas as the authoritative body of this matter may take possible measures to implement environmental democratic principles in determing macro policy in form of climate friendly laws. In addition, House of Representatives play an important role in implementing budgeting function by alocating national budget plan (APBN) in favor of marginal community directly affected by the climate change, farmers and fishermen seeking opportunities to improve their lives.

From state structure point-of-view, environmental problems can be approached by green political movement, as Giddens and Dryzek call "third way political choice." More precisely, democracy demands an ecological concern incorporated within governmental policies. Such models has already been applied in developed countries such as Norway and Germany. Concerning participation in global environmental governance democratization, there are two aspects to be important (Korraine Elliott, The Global Politics of the Environment, 2004). Firstly, strengthening non-state institutions in the process of governmental negotiaton, by focusing on global pluralism. Non-state does not mean anti-state, but an independence efforts by identifying actors and communities that play important roles in supporting the ecological sustainability. Such method tends to focus on how the non-governmental actors affect the environmental policies. The perspective holds that public birocrats and democratic representatives are seen inherent in the policy making process.

The policy on natural resource management demands birocratic and representatives involvement. Ironically, the political decision making does not occur democratically. At the same time democratic representation and public birocratic operation at the local levels show their weakness so that they are unable to implement the appropriate democratic education. Political parties keep competing at the local levels in pursing the natural resource management for the purpose of their respective goals, as do interest groups and opposing societies.

It is believed that marketing structure of the environmental politics and regulations on citizen participation in political decision making has not given space to democratization. The trend in public service surveillance on the natural resource management sometimes lacks of key description of public rights. The distortion resulted form the representativeness in implementing control fuctions is inadequate, while capitalism keeps inflitrating the exploitation of the natural resource management.

All public organizations tends to focus their long-term objective by ignoring collective goals in the natural resource management. At the same time, local actors in political arena compete their interests in the natural resource assets by ruling-out environmental good governance. However, the

role of academics is important to keep balance between development and environment. The emerge of eco-democracy needs a critical participation of the academics as these groups of people are expected to take control and to innovate new ideas which support the environmental management. Rusadi (1999:12) writes that to develop a stable political system, Indonesia needs green policies. In political stance, these policies may have supports from political organizations which concern the environmental matters (green parties), whereas Santosa (2005) adds green budget (the mobilization of environment-oriented budget) and green-onliner (environment-care groups) as the complementing parties.

Environmental democracy is not a new issue in Indonesia because the country has committed to such matter since Rio Declaration (1992) and World Summit on Sustainable Development (2002). However, the empirical condition seems to go beyond expectation due to poor implementation and governance. The exploitation of natural resources such as oil and gas has not been appropriately performed.

3. Perspective of local state and ecological resource

Local government activities contribute to the interpretation of "how and why people work." Local government also has representational double-roles to representate local interest and at the same time to hold responsibility for making policy nationwide. Forsyth (2003) explains that political ecological approach is a follow-up action from cultural ecology. The focus of political ecology is learning problems related to natural resources as a socio-political issue (Satria, 2008).

Politic ecology is a field of analysis which studies socio-political aspects affecting the environmental management. The major assumption of this political ecology states that change in environment is not neutral, but a form of politized environment in which many factors affect, either locally, regionally, or globally (Bryant, 2001). Some definitions of politic ecology states as follows: (1) learning source, condition and political implication of the change in environment (Bryant and Bailey 1997); (2) learning interdependence between political units and interrelationship between political units and their environment (Hempel 1996:150); (3) learning complex relation between community and their environment through a deliberative analysis of the access and control of the natural resources and therefore their implications on the environmental health and life sustainability (Watts 2000:257); and (4) combining ecological analysis with political ecology (Blaikie & Brookfield 1987).

#### 4. Perspective of environmental conflicts

Local autonomy policy in the middle of multidimensional crisis and civil society transition brings about some implications and complications in the implementation at vary leels. Sudden regime reform and change in policy from centralization to decentralization, takes place within high degree of uncertainty. Economic crisis, social conflict and political unrest contribute to this damaging situation.

Theoretical understanding and empirical meaning of the changing and transitioning society relates to conflicts of competing the natural resources. Fink (1968) writes the social conflict has a long and complicated history. He writes, "In many disciplines and from many viewpoints, great bodies of data have been collected, and countless generalizations, hypotheses and theories have been constructed to account for social conflict phenomena (p. 412)." Dispute on environment may give rise to social conflict which often ignites war between countries. Environmental conflict has complex dimensions and relates to many interests. Glasbergen (1995) shows that developmental policy on environment often results in gaps between expected condition and the real condition.

Indonesia has also experienced the similar conflicts, such as the dispute between Dayak and Madura ethnics. Dayak has a strong bound with forest, while Madura came to deforest the area for their business interest. It is because Madura Island is unable to fulfill the people needs due to less fertile characteristics. In the New Order era, forestry business involved state apparatus controlling the conflicts. By the Reform era, the role of the state apparatus diminished and its resulted in uncontrollable condition. Many protests and unrest occured in Dayak area, in this case Kalimantan, concerning the rights claim on land previously invaded by the central government.

#### IV. Conclusion

- Environmental politics should consider the improvement of quality
  of the citizens. Natural resources and environment are important assets
  that must be preserved for the purpose of the wealth and life
  improvement of the nation's next generations.
- Through the times, political policy on environment, either structurally, insturmentally, or culturally, has not become a primary agenda of the policy makers. It is important to place this issue to be more significant aspect as the dynamics of political process can not be independent from the environment where the decentralization takes place.
- Economic development in Indonesia still depends on natural resource, or in other words, the country depends on resource based economy. Indeed, the empirical condition shows that the use and management of the natural resource in Indonesia has never been optimally performed so that it is unable to comply with economic democracy as stipulated within Article 33 of the Indonesian Constitution (Bappenas, 2004)

#### Conclusion

The implementation of local autonomy is a form of democratization at local levels. Problems still face the process, resulting in the following challenges: (1) New Order still strongly affects the bureaccratic spirits at civil servant levels; (2) pluralist characeristics strongly affect the style of the Indonesian people and will towards development. In additional, the paternalistic often prevents the common interest pursue; (3) major political parties, that become the key players in decision making, are still too centralistic.

The above challenges even get worse as new conflicts, horizontally and vertically, began to rise, such as (1) conflict between interest parties bringing ethnicity, religious, and political backgrouds; (2) conflict between local governments, such as happening between neighbour regencies; and (3) conflict between local people and business persons. All of these obstacles have high risks of delivering primordialism, ethnicicism, even over-fanaticism, which are difficult to resolve. The vertical conflicts may take te forms of those between local-based powers and central-based authiries or between local governments and central government. The conflict occurs as the local autonomy process takes place.

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