

The Movement of Decentralization Development in Indonesia

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Abstract

This article is the study of decentralization in Indonesia after the declaration of independence. It aims 1) to examine decentralization development in Indonesia by discussing overall changes in 4 periods, and 2) to propose lessons to be learnt from decentralization in Indonesia. This study is a documentary research and the findings reveal that in the first period after the declaration of independence (1945 – 1959), there were arguments about the specific direction that the nation was taking. At the end of this first period, laws about decentralization were enacted which would have an effect on the subsequent second period designated as Guided Democracy (1959 – 1965). The enforcement of the decentralization laws periodically caused turmoil and unrest in many areas. Therefore, a state of emergency was declared and administration was altered from parliamentary democracy to semi-authoritarian rule. A number of laws were revoked, including the decentralization laws. The central government appointed their nominees to administer local government so that all authority was returned to Jakarta while Java was restored as the centre of power. The third period was named the New Order period (1965 – 1998): orders relating to administration were provided in the same way as before and interfered with local government which continued to be controlled by the central government. Eventually, people started to claim their own rights at the end of this period during a time of economic crisis. The reform period (1998 – present) is the fourth period: following conflicts between citizens, substantial reform was requested. Meanwhile, some groups wanted Indonesia to change into a federal state. Initially, the administration mechanism of decentralization weakened local government especially in terms of budget allocation and local politicians could not set up their own parties. However, the regimen was altered from centralized to local government. In addition, a number of laws were enacted, including provisions for the direct election of people, reduction of the power of dismissing local leaders, degrading the power of local councils, solving financial problems, budget allocation to local areas, and anti-corruption. From the study, there are some observations that the decentralization laws and local administration organization of Indonesia were rapidly established through the opinions and brief participation of only a few people. A small group of people were responsible for the legal regulations from 1999 to 2004. Interestingly, there were no protests, opposition or chaos and such laws were publicly accepted. Key lessons that can be extracted from this study include: 1) the readiness for and needs of decentralization and local administration, 2) a good image to local administration, 3) acceptance of elections and laws, 4) the role of leaders, 5) decentralization, and 6) promoting local leaders to become national leaders.

Keywords: Decentralization development, movement of decentralization, Indonesia

Introduction

Indonesia is rather new to democracy. Their first free multi-party elections were in 1999, and Indonesia became the last country to join the “third wave” of democratization that swept through the 20th century (Shin, 2008). For many decades, many Indonesians believed that they were not ready for democracy with excuses such as the people were not ready, the people were too poor, they were not mature enough, not educated enough, etc. Some even feared Indonesia would turn into an Islamic state if the electoral system were to be opened up. But what happened to Indonesia since 1999 proved these notions wrong (Tadjoeddin, 2010). Indonesian democracy began with a shaky start with political instability, excessive public protests, ethnic conflicts, and rising separatism. But once the people chose and embraced democracy, they did not let go. They cast their votes to directly elect city majors and regents, members of local and national parliaments, and even their president. Free and fair election is the simplest way to safeguard and nurture democracy (Banning-Lover, 2014). Since 1999, Indonesia has had 3 fair and peaceful general elections, in 2004, 2009 and 2014, and in every one of them, voting turn-out was consistently over 70%; contrary to what some expected, the Indonesian people, including the poor, voted peacefully, enthusiastically, and responsibly. Indeed, in building democracy, the Indonesian people did not look back a bit. They kept looking ahead, with determination, with audacity, and with hope (The Asia Foundation, 2014). Nowadays, Indonesia is one of the strongest democracies in Southeast Asia. The people have enjoyed periodic elections, and peaceful transfers of power. The prospect of a military coup is non-existent, even unimaginable. The civil society is vibrant and robust. They also happily found out that they did not have to choose between democracy and development. Indeed, they can have both simultaneously. As they built their democracy brick by brick, the Indonesian economy continued to grow, and indeed, average economic growth was the third after China and India among the G-20. For the first time, Indonesians enjoyed more freedom as well as greater prosperity (Kofi Annan Foundation, 2017). However, democracy has become too expensive and Indonesia has lost a lot for standing on this point. After Indonesia become a democracy, one of the most important reforms that began in 1999 was decentralization of power from the central government to local government (Green, 2005).

Decentralization has been an essential strategy of many developed and developing countries in the past, as can be seen from the transfer of authority and duties in public business administration to local authorities. Indonesia is a country that has reformed its politics and regimen by decentralizing power to local entities and is consistently mentioned as an example of decentralization (Darmawan, 2008). However, Indonesia has great challenges in facing a decentralized administration such as a population of more than 250 million people, ethnic diversity, dialects, religions, cultures, a geographical condition as the world’s biggest archipelago consisting of more than 17,500 islands, and the fact that it was colonized by western countries for 301 years. Upon its initial independence during the Cold War, Indonesia confronted a number of problems including its economy, stability, and threats of communism all of which contributed to the many difficulties in nation-building (Zainuddin, 2014).

This article is related to studying the decentralization of Indonesia after the declaration of independence, which included major changes in each period and which will be relevant if and when decentralization is to be introduced to Thai society. The time-scale of Indonesian decentralization can be divided into the following 4 periods: first, the period immediately following the declaration of independence (1945-1959) under the first president, Sukarno; secondly, also under Sukarno, the period called the Guided Democracy period (1959-1965); thirdly, the period designated by President Suharto as the New Order period (1965 - 1998); and fourthly the reform period (1998 - present). Each period consists of interesting developments and different attempts at decentralization. In this work, the researcher concentrates on investigating the development of decentralization in Indonesia after the declaration of independence in the 4 periods mentioned above and providing recommendations from the lessons that can be learned from the decentralization in Indonesia.

Data were obtained from documentary research by the researcher of relevant publications, including textbooks and academic articles. After that, the researcher analyzed the contents and the findings can be summarized as follows:

1. Decentralization in Indonesia after the declaration of independence

1) Post-declaration of independence period (1945 – 1959)

After the official declaration of independence in 1945, rebuilding the nation was not that easy. The new government of Indonesia had to confront numerous challenges and problems arising from the state of war. Restoring the nation's economy, society and politics was necessary. However, there were some contradictions related to politics and administration, especially about which administrative format should be employed because there were 2 sides in the debate, the centralization supporters and the decentralization supporters. Most people who supported centralization were from those who had demanded independence, including high-ranked soldiers. They believed that, because of the different races, religions, cultures and topographies, there was the risk of conflicts and the break-up of the country, and that centralization could strengthen the government and stabilize the nation's administration resulting in stability and unity. On the other hand, the decentralization supporters were people who had gained benefits from being colonized by western countries. These people strongly believed that decentralization would enable people to access power and assist some parts of their businesses, which could mitigate the severity of conflict in the long run. Therefore, they believed that decentralization would be a better alternative to stabilize and harmonize the nation (Puaksom, 2012); Smith (1985) mentions that, politically, decentralization could benefit the nation state building since this policy brings more political stability by giving the local people what they need. However, since the concept of decentralization was once regarded as having originated with the colonizers, it was believed to be an evil concept and was seriously attacked as a concept that should not be employed (Puaksom, 2012). In the event, in the post-declaration of independence period, Indonesian democracy followed the centralization concept. Nevertheless, in 1957, the Indonesian government led by Sukarno raised the issues of decentralization for review and regulated law No. 1/1957 relating to local administration (pemerintahan daerah) associated with decentralization to the province (provinsi) and regency (kabupaten) levels. The law gave

greater freedom to local governments, such as independent treasury management. Importantly, this law authorized people to hold public elections for local leaders for the regency and provincial councils in the appointment of the regent (bupati) and governor (gubernur), respectively. This was the first time in its history that Indonesia had made provision for the appointment of its officials at any level through the mechanism of free public elections. The promulgation of law No. 1/1957 led to the establishment of new districts, increasing the number from 12 to 20 in only 8 years (Panduprasert, 2013).

2) Guided Democracy period (1959 – 1965)

The enactment of the decentralization law did not significantly stabilize the nation. On the contrary, it caused chaos and unrest in many areas where there were rebels against the government. This resulted in the government being unable to enforce law No. 1/1957, and later in 1957, the national leader announced a state of emergency and changed the regimen from parliamentary democracy to an autocratic system known as Guided Democracy (Yani, 2013). Sukarno abolished the parliament causing the revocation of various laws including Law No. 1/1957. Decentralization was revoked and centralization was re-implemented according to the notice of the president No. 6/1959. The central government appointed its own personnel to administer local government: all powers were returned to Jakarta and the island of Java was restored as the seat of power. Despite guided administration under the supervision of Sukarno, the nation still lacked stability. At the end of Sukarno's administration, political turmoil, inflation and public debts were rife and the communist party stirred mistrust among the middle-class. Sukarno's government relied on the triple support of the military, political Islam, and the communists; the latter group were distrusted by the other two and this resulted in an apparent communist coup that failed. This brought an end to Sukarno (Puaksom, 2012), and led to the advent of a new military leader named Suharto and the start of the New Order period.

3) New Order period (1965 – 1998)

The incoming Suharto aimed to stabilize politics rather than to develop democracy. Suharto believed that if politics were stable, the government would be secure and could carry out the policy of developing the economy and the country with no concern about the problems that had plagued Sukarno's government such as political turmoil, unrest and political opposition. His New Order period of Indonesia gave Suharto power over 3 institutions of the nation – the army, the bureaucracy through the Ministry of the Interior, and the Golkar political party. Suharto's government suppressed those who were against the government and generated chaos with an anti-communist movement and a land division movement. In the meantime, Suharto tried to build his political stronghold so that he could get support from people by pleasing them, especially those who had no access to administrative power; examples are the paying of subsidies to farmers and fostering local politicians to be loyal to the government (Panduprasert, 2013). During the administration of Suharto, decentralization and local administration laws were reconsidered and two major decentralization and local administration laws were regulated; law No. 5/1974 related to local administration (pemerintahan daerah) and law No. 5/1979 related to village administration

(pemerintahan desa). The first law, No. 5/1974, ordered local administration based on centralization but local governments had power to partially administer themselves. District and provincial councils were established with elected members. Despite election, these positions had to be approved by the president and minister of the interior. Nevertheless, the central government still controlled local government by allocating resources and by the ability to revoke local council member elections. The second law was intended to standardize the various patterns of village administration. The result of regulating local administration law did not generate decentralization; all power was still centralized in Jakarta. Suharto, as a high-ranking soldier, also ensured that the army was powerful and ruled not only the country but also the localities by sending soldiers to administer districts, provinces, sub-areas, and villages. Eighty percent of local leaders were soldiers (Matsui, 2003) indicating that Suharto's government attempted to stabilize politics at every level and in every area of the nation.

Administration in the New Order period of Suharto stabilized Suharto's control and led to economic recovery. But the economic prosperity of Indonesia became a threat to Suharto between 1980-1990; local leaders and the people were getting rich and they were not satisfied with the central government interfering with and controlling the local governments. People in different areas complained that they did not have the opportunity to direct development of their own areas, especially people in distant areas. Finally, in 1998, Suharto was brought down by the great economic crisis in the Asian region. There was movement for reform (Yani, 2013) and decentralization was raised again after the 32-year-long administration of Suharto.

4) Reform period (1998 – present)

After the administration led by Suharto ended in 1998, people were politically active. The long period of centralization had driven people to want to reclaim democracy because they needed to take part in directing national development. In the period of Suharto, the political vacuum was utilized by the decentralization of power to the control of local authorities, although there were some claims that Indonesia was not ready for decentralization which could affect national stability. However, nothing could stop the stream of reform that followed the downfall of Suharto. Ethnic, religious, cultural, and topographic diversities had become a problem as in the past and the situation was getting more severe because of the movement suppressed in New Order period. Indonesian society thus discussed the same issues as it had at the time of the declaration of independence about which format of administration should be employed in their country and bring most happiness to the nation. The proponent who raised this issue was a former activist against Suharto's government named Amien Rais; he established the National Mandate Party and focused on a policy of turning Indonesia into a federal state. He believed that a federal system would allow areas with ethnic, religious and cultural differences to have the power to administer themselves and the central government should not interfere as it had in the past. This system would be able to solve problems of conflicts and dissatisfaction in the regions of the country (Panduprasert, 2013). However, the concept of a federal state was opposed by the old political parties like the Golkar party representing the former power of Suharto, the PDI-P (Indonesian

Democratic Party of Struggle) of Megawati Sukarnoputri who was the daughter of former president Sukarno, the PKB party (National Awakening Party) of Abdulrahman Wahid who was an influence among Muslim people, and by the army. The federal concept, however, was not popular with the people. The government of Indonesia in the reform period moved forward to decentralization and local administration (Puaksom, 2012), and decentralization came with big changes referred to as the Big Bang decentralization.

Big Bang decentralization was the change to decentralization and local administration. A number of major laws made decentralization and local administration even more concrete and the two laws that were the beginning of actual decentralization and local administration were law No. 22/1999 and law No. 25/1999. However, these two laws were hurriedly drafted and there was barely any process of hearing the opinions of the regions or localities and the people had no participation at all. The law was enacted by the driving force of Jusuf Habibie, the person who became the president after Suharto. He set up a group of a few technical officials responsible for drafting the 2 laws (Shah, 2006). The first group comprised officials from islands other than Java who believed that Indonesia had had too much centralization in the past. This group was responsible for drafting laws about the decentralization of administration. The second group was tasked with distributing resources that were to be the responsibility of local government and to decentralize the treasury. When the data of both groups were analyzed and considered, President Habibie, who used to study and worked for about 20 years in Germany which is a federal state with a decentralized administration, approved the concept of decentralization that had been questioned in the past (Savitri, 2013). Nevertheless, analysis of other perspectives suggested that decentralization was just a strategy to mitigate the severity of a land division movement (Puaksom, 2012),

The major content of law No. 22/1999 related to decentralization in administration and the transfer of power to local administrations to bring transparency in administration to allow the people to have easy access to local government (Savitri, 2013). The essence of the law was based on 5 principles: 1) democracy, 2) an increase in power and participation, 3) equality and justice, 4) acceptance of the potential of regional diversity, and 5) the necessity to strengthen administration of the regions. This law stipulated that local leaders be elected from local councils and that government agencies under the central government be transferred to local administrations. Local administrative organizations had power to supervise public utilities, education, agriculture, culture, environment, public health, labor, transportation and land. The central government had power and a role in major responsibilities, such as the national security policy, national defense, and macroeconomic planning (Suwannamongkol, 2011). The observation was that this law did not authorize decentralization in district areas and that the government in that period was still concerned with the division of land and believed that regency (kabupaten) areas and city (kota) areas were too small to be separated. Moreover, decentralization at these regency and city levels was designed to bring loyalty to the leader of Indonesia which caused difficulties with land division (Panduprasert, 2013).

Law No. 25/1999, relating to decentralization of the treasury and local administration, marked the first time that the central government had shared with local governments revenue collected within the nation (it did not include subsidies and loans from foreign countries) with a minimum share for the local governments of at least 25%. Additionally, localities that were income sources from natural resources had to receive a share from the central government. It was provided that the income after tax for distribution to localities from oil was 15%, from natural gas it was 30%, and from forestry, fishery and mining it was 80% (Malley, 2009). Nevertheless, the effect of law No. 22/1999 was that the central government was still in charge of most of the income sources of local governments. Although the local governments of Indonesia had more power, they still relied on subsidies from the central government; they had the power to consider and make decisions but did not have the funds to carry out the decisions. Furthermore, local governments could not set up local political parties; so, they were just members of national political parties which still were influential groups within the nation (Matsui, 2003). Later, some areas were allowed to establish local political parties e.g. Aceh (Shah, 2006). Despite actual decentralization, some mechanisms suppressed the growth of local governments such as the reliance on subsidies from the central government and being under the power of leading influential groups.

Later, changes in local administration occurred when two laws, No. 22/1999 and No. 25/1999, were promulgated resulting in corruption problems at the local level such as the buying of votes, buying of positions, and negotiating benefits to local governments. The power of local governments was recklessly exercised to enable local leaders to turn local governments into sources of corruption (Puaksom, 2012). In 2001, Megawati Sukarnoputri (the daughter of former president Sukarno) became president and her government issued another two laws in 2004 to address local administration issues, No. 32/2004 related to local government and No. 33/2004 associated with the financial statement between central and local governments (Panduprasert, 2013). These two laws were approved by the parliament with no actual discussion. The law about local government disempowered local leaders and councils. Meanwhile, the financial law did not significantly change the balance between the central and local governments (Puaksom, 2012).

The subject matter of law No. 32/2004 was political decentralization with changes in the way local leaders were elected; they were to be directly elected by people rather than selected by the local councils. Local elections were to be arranged under supervision of the central government with regional election committees rather than being supervised by local councils. Local councils were disempowered in the election of local leaders. However, the central government gained more power as it could order the suspension of local leaders if they were charged with corruption or threats to the nation (Shah, 2006). Law No. 33/2004 was concerned with the financial statement between the central and local governments by preventing the transfer of budget from the central office to the regions to fill gaps in the budget between the regions or localities. This law slightly amended the contents of law No. 25/1999 (Partnership for Democratic Local Governance in Southeast-Asia, 2011).

In 2004, General Susilo Bambang Yudhoyono became the first president who was elected by the people after political reform and constitutional amendment. However, he was

regarded as a product of the New Order period (Shah, 2006). At first, although he was elected by popular vote, his political party was weak in parliament; but later, when it was seen that he could handle problems well such as by negotiating peace in Aceh where interracial conflicts occurred, he strengthened his position. In addition, he also revived Indonesia's economy to become strong and grow rapidly. For decentralization and local administration under his government, other laws were regulated that supported laws No. 32/2004 and No. 33/2004. In other words, he was concerned with revising details about decentralization, such as in law No. 12/2008, to stabilize local politics as seemed proper. In 2009, he was elected president for a second term (Calavan *et al.*, 2009).

In 2014, Jokowi Widodo, the current president, became Indonesia's first civilian president. He was not from the upper class and he had no military-related background. He was admired as a product of decentralization and local administration because of his political path starting as a local leader. Jokowi used to be the mayor of Surakarta (often referred to as Solo) and the Jakarta governor. His performance in local administration was perceived as being businesslike to the public who thus supported him all along; when he sought to be the president in 2014, he had gained the full trust of the people (Matichon online, 2014) which accords with Smith (1985) who states decentralization provided a training ground for citizen involvement and political leadership, both local and national

The impact of decentralization caused political fighting and competition at the local level, and was responsible for the exploitation of political ideology, ethnicity, and religion as a means to win the election. The problems were solved by dividing administrative areas to be consistent with political anchorage. Local politics still has inevitable corruption issues but an election is the expression and instrument of selecting a leader agreed on by the people.

Summary of decentralization reform in Indonesia

From the above outline, it can be seen that the direction of decentralization reform in Indonesia included periods of both centralization and decentralization, although decentralization and local administration is now accepted as the most suitable system for Indonesia. It is interesting that in 1957, law No. 1/1957 about decentralization and local administration was issued causing instability, turmoil and conflicts in the nation until the declaration of a state of emergency was issued and all power was centralized again in the periods of Guided Democracy and the New Order. However, when Indonesia returned to democracy, decentralization was seriously taken up, especially with the promulgation of the 2 laws, No. 22/1999 and 25/1999, as the *prima facie* foundation of decentralization and local administration. Nevertheless, the central government still had the mechanisms to make local governments rely on subsidies from the central government. Local governments had the power to think and make decisions but they did not have the funds to carry out the work they had decided on and they could not establish local political parties. Accordingly, local administrators were just members of the national political parties, which still were the groups of those with influence on the national stage. Later, in 2004, a new law was enacted based on the principles of decentralization and local administration. The key point was the changes for direct elections by the people. From then until the present, additional laws have been issued

to support the 2004 law but they simply revise details about decentralization to stabilize local politics. Nevertheless, everything still remains subject to the central government’s will and principles. Development of decentralization in Indonesia can be summarized as shown in Table 1.

Table 1 Development of decentralization in Indonesia (Revised from Tikson, 2008)

Period	Regimen	Periodic issues	Major changes	Important laws	Local authority
1) Post-declaration of independence (1945 – 1959)	Democracy	1) Variety and disagreement of concepts about determining national direction	1) First official decentralization 2) Selecting leaders through public election. Regency and provincial councils-appointed regents and governors	Law No. 1/1957	Moderate
2) Guided Democracy (1959 – 1965)	Authoritarianism	1) Decentralization law issuance caused chaos and unrest in many areas	1) Declaration of state of emergency with change of regimen from parliamentary democracy to semi-authoritarianism 2) Revocation of a number of laws as well as decentralization law 3) The central government appointed its personnel to rule localities. 4) All power was returned to Jakarta and Island of Java had authority	Notice of president No. 6/1959	Low

Table 1 Development of decentralization in Indonesia (Revised from Tikson, 2008) (Cont.)

Period	Regimen	Periodic issues	Major changes	Important laws	Local authority
3) New Order period (1965 – 1998)	Authoritarianism	1) Economic crisis 2) Ordering regimen to have same pattern and local governments were subject to interference and controlled by the central government 3) People were displeased with interference and control of the central government and they started claiming their own rights	1) Administration reorder by centralization, which weakened local governments	Law No. 5/1974	Centralized at federal level
4) Reform period (1998 – Present)	Democracy	1) Conflicts among citizens 2) Stream of reforms demanded 3) A group of people wanted Indonesia to be a federal state 4) At initial decentralization, the central government had mechanism to weaken local governments which had power to think and decide but had no budget to act 5) Local politicians could not set up their own parties	1) Change of regimen to decentralization and local administration 2) Direct public elections 3) Diminished power of discharging local leaders 4) Disempowerment of local councils 5) Solving problems of treasury and budget allocation to localities 6) Solving problems of corruption	Law No. 22/1999 Law No. 25/1999 Law No. 32/2004 Law No. 33/2004	High

Table 1 Development of decentralization in Indonesia (Revised from Tikson, 2008) (Cont.)

Period	Regimen	Periodic issues	Major changes	Important laws	Local authority
4) Reform period (1998 – Present) (Cont.)	Democracy		7) Decentralization and local administration laws of Indonesia were briefly and hurriedly enacted with little participation and few opinions. They were regulated by only a small group of people		

It is observed that the decentralization and local administration laws of Indonesia were briefly considered and hurriedly enforced with little participation and few opinions. They were promoted by only a small group of people during 1999 or 2004. Interestingly, the population did not protest, oppose or cause any uprising and these laws were publicly accepted. The Indonesian people adapted and learnt from the past. They put a lot of emphasis on and gave attention to elections. Despite a 250-million population, in the presidential election in 2014 almost 70% of the people exercised their voting right. This was the first time that Indonesia had a civil president and he was neither from the upper class nor someone with a military background. He was a politician who came to prominence from being a local leader with excellent performance as a city mayor. After that, he became the governor of Jakarta and finally the president, which is highest political position and he is regarded as a substantially successful product of decentralization.

2. Lessons from decentralization in Indonesia

Since 1999, Indonesia has had 3 fair and peaceful general elections, in 2004, 2009 and 2014, and in every one of them, voting turn-out was consistently over 70%; contrary to what some expected, the Indonesian people, including the poor, voted peacefully, enthusiastically, and responsibly (The Asia Foundation, 2014). This is consistent with Manor's (1999) claim that decentralization policy will bring more democracy and independency to the local government. Furthermore, Conyers (1986) pointed to the decentralization as the source of democratic local government and local community. Crook & Manor (1998) argue that decentralization and the creation of local governments reflect a commitment to pluralism, as well as promoting democracy.

Indonesia today has become one of the strongest democracies in Southeast Asia. It has a free and competitive multiparty electoral system and a growing economy, is stable, and plays a larger international role. The key to this achievement were Indonesia's people

and its institutions, which genuinely embraced and safeguarded the country's democratic reform. Four factors underpinned success. There are 1) the strength of civil society, which fought to protect Indonesia's fragile democracy even in the most difficult times, 2) extensive military reform that reoriented the military's role from defending national sovereignty and territorial integrity to defending and protecting democracy and reform, 3) the development of strong, effective and accountable institutions that are no longer manipulated by personalities and finally, 4) the persistent faith in democracy of Indonesia's people (Kofi Annan Foundation, 2017).

According to this study of the development of and attempts at decentralization in Indonesia, the decentralization process was considerably similar to Thailand's because Thailand once had centralized power and later decentralized the power; this was in a golden age of decentralization between 1997-2001. After that, from 2002-2006 in the "CEO" period of the Thaksin Shinawatra government, decentralization was delayed and has remained dormant until the present; there has been no increase in decentralization but centralization is playing a greater role again after the coups d'état of 2006 and 2014. In fact, any attempts and propositions for the reform of decentralization in Thailand are aimed at lessening the powers and roles of local authorities. This is in contrast to Indonesia in the 2014 presidential election, when about 70% of Indonesia's population voted despite topographical obstacles to the election. The roles of Indonesia's leader are extremely important to decentralization and local administration. It is obvious that the backgrounds of the leader and those who are related to drafting laws affect the concepts and decisions on national administration. For example, a leader from the army will emphasize centralization in the belief that it can stabilize politics and will trust only the army's affiliates. This can be seen from the army sending its personnel to be leaders in local areas. The leader of Indonesia is a true example of the people's servant by following their demands as in the case of decentralization. Indonesia is attempting to decentralize power from Jakarta and is building new cities in the regions to diminish the power of the central government. We can see that each region has a main city, such as Surabaya which is the main city of eastern Java, and local leaders are created to become national leaders. The product of decentralization that can be clearly seen is that good and proficient local politicians can step forward to become national leaders and that they will be able to understand problematic conditions and solve problems by starting with the basic principles.

Conclusion

So, a lesson can be extracted from the study that the readiness for and needs of decentralization and local administration is a theory that can be well used to solve problems and minimize conflicts. However, in practice, there are a number of uncontrollable internal and external factors; therefore, it should be implemented in a timely manner. According to the study on decentralization in Indonesia, it is obvious that centralization is a solution that can stabilize politics and national administration. An authentic and sustainable decentralization process must be derived from the public's needs and people should realize the values of decentralization. It is necessary for Thailand to have critical mechanisms in creating the need for decentralization and raising the awareness of the people about

the importance of their own rights. The Indonesians believe that decentralization and local administration in Indonesia were the instruments employed by all to access the power of the national administration. This can be seen from the dissatisfaction with the central government's interference and control of local governments. In addition, the Indonesian government did not have the mechanisms to create negative images of local governments, although it once had mechanisms to weaken them. Meanwhile, it attempted to create a good image by amending local laws so as to be more stable and effective through the regulation of laws in the reform period. This gave the people the ultimate power through direct elections of officials and the disempowering of local councils. Elections and the acceptance of the law were other mechanisms implemented for solving problems. Indonesian leaders were directly elected such as the president, governors and mayors. This results in the mayors and governors not being under the authority of district government but they are under the influence of the people. In all, this is considerably assumed as the approach that aligned best with the democratic principles and values.

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