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## REGIONAL AUTONOMY AND FISCAL DECENTRALIZATION IN DEMOCRATIC INDONESIA

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### *Abstract*

Regional autonomy and fiscal decentralization has become a hot political and economic policy issue in Indonesia since the fall of the Soeharto Regime. In response, the interim government of President Habibie enacted two new laws in 1999, to promote regional autonomy and fiscal decentralization, namely Law on Local Autonomy (No. 22/1999) and Law on Fiscal Relations between Central and Local Governments (No. 25/1999), which the new government of President Abdurrahman Wahid is in the process of implementing.

However, the authors maintain that the basic designs of these laws are seriously flawed, and that the government of Indonesia would be well advised to go back to the drawing board. First, under the new laws, the central government's power is substantially to be devolved to the second level local governments, whose administrative, managerial and planning capabilities are inadequate. Secondly, a major part of local governments' revenue would rely on the sharing of natural resources taxes, which would aggravate horizontal imbalances. Thirdly, there would be thus a need for large-scale fiscal transfers, which would strain the central government's budget. Lastly, given the enormity of the tasks ahead, a more gradualist approach is preferable.

*Key words:* Indonesia; Local autonomy; Fiscal decentralization; Natural resources-based revenues; Bloc grants

*JEL Numbers:* H71, H72, H77, O23

## I. *Introduction*

The Asian crisis hit Indonesia the hardest. What had begun as a currency and financial crisis in 1997 soon turned into a severe economic crisis, which had in turn become a political and social crisis engulfing the whole nation and society by 1998. The nation-wide crisis forced the then President Soeharto to resign after thirty-two years in power, giving rise to a new government of President Abdurrahman Wahid.

The issue of regional autonomy and decentralization, which had never been a serious issue during the Soeharto era, rose as one of the most important national issues in the meantime. A number of provinces expressed dissatisfaction with the past trend of political, social and economic centralization, and demanded broader regional autonomy than hitherto envisaged, including devolution and decentralization.

In the past, the local government at all levels was subordinated to the central government in all important respects. Although the legislature of the provinces (called DPRD Dati 1, the Assembly of Local Government at Level 1, or the Provincial Assembly) and that of regencies and municipalities (called DPRD Dati 2, the Assembly of Regency or Municipality, or the Regency or Municipal Assembly) are popularly elected and have the rights to nominate candidates for the Provincial Governor or the Regent and/or Mayor, it was the President who appointed the Governor and it was the Minister of Home Affairs who appointed the Regent and the Mayor.<sup>1</sup> These appointed heads of the executive branches of the local governments would then be answerable to the central government, and act as an agent for the higher level government.

The present central vs. regional relationship is typically reflected in the inter-governmental fiscal relations.<sup>2</sup> Under the current system, the central government collects most of tax revenues, having been assigned such significant taxes as income tax, value added tax, oil and gas and other natural resource-related revenue sources. The provincial and local governments are given as revenue sources only a limited number of taxes and user charges, which all together do not yield significant revenue. Another source of revenue for the provincial and local governments is the sharing of tax revenue collected by the central government. At present, revenues from property tax, user charges over forestry and mining properties are shared between the central, provincial and local governments in pre-fixed proportions. However, revenues from these two sources are far from adequate to meet the expenditure needs of the provincial and local governments. To fill the gap, the central government provides fiscal transfers in the form of (1) subsidies for regional autonomy (SDO, or Subsidi Daerah Otonom) and (2) subsidies for regional development through Presidential Instructions (INPRES, or Instruksi Presiden). SDO is intended to finance the regional governments' routine expenditures, including salaries and wages of government staff and workers. INPRES are provided in grants tied to specific purposes as well as in the form of bloc grants for development expenditures in designated sectors such as health, education and other economic and social infrastructure. The allocation of SDO and INPRES among regions and sectors is

<sup>1</sup> Dati 1 stands for Daerah Tingkat 1, or Level 1 Regional, and Dati 2 for Daerah Tingkat 2, or Level 2 Regional.

<sup>2</sup> For the discussions of the government's decentralization policy and the inter-governmental fiscal relationship, see Shah and Qureshi (1994), Shah (1998) and Asanuma (1999).

determined on the needs basis but by the central government using a top-down approach.

This inter-governmental fiscal relationship generated a sense of regional disparity between Jakarta or Jawa, representing the center, and the rest of Indonesia. Natural resources-rich provinces, in particular, felt that the system neglected and damaged their interests, and expressed dissatisfaction in a most vocal manner.

The central government responded to this by enacting two new laws, Law No.22/1999 on Local Autonomy, and Law No.25/1999 on Fiscal Relations between Central and Local Governments. Law No.22/1999 is an attempt to democratize the provincial and local governments' political processes, and to devolve certain power of government to the regional governments, and this is being attempted in the context of the on-going democracy movement in the country. Law 25/1999 is an attempt to support that movement by making more resources available to the local government by introducing the sharing of revenues arising from natural resources (i.e. gas and oil resources) and by devising the new system of inter-governmental fiscal transfers. In the remainder of this paper, we will examine these two, newly enacted laws, and we will attempt an assessment of the possible consequences that might arise from their implementation. We will then suggest the broad directions in which we believe the new government's decentralization strategy and policy should be developed.

## II. *New Laws on Local Autonomy and Fiscal Decentralization*

Law No.22/1999 stipulates radical changes in the respective roles of the central and local governments. Once this law is fully implemented, the central government will have authority and responsibilities only in the matters relating to national defense and security, religious affairs, the judicial system, fiscal and monetary policy, foreign affairs, and other specifically designated functions such as macro-economic planning, the fiscal transfer system, government administration, human resources development, technological development, and national standards. The local governments will have authority and responsibilities in public works, health management, education and cultural affairs, agricultural development, transportation, the management of manufacturing and trading activities, the management of investment, environmental matters, land management, the matters relating to cooperatives, and manpower management. The law also stipulates that the devolution of power will be to the regency (kabupaten) and municipality (kota) level, while the provincial government will remain the representative of the central government in the region and, where needed, will coordinate the relations between the central and the level 2 government. Under the law, the election of the regent (bupati) and mayor (walikota) will be wholly the right and responsibility of the local legislature (DPRD).<sup>3</sup>

Law No.25/1999, a twin to the Law 22/1999, is to provide the financing capability to the local government in order to enable it to discharge its new responsibilities. The local government's own revenues come mainly from local taxes and user charges, which, however,

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<sup>3</sup> In June 2000, the government issued Regulations No.25/2000 for implementing the Law 22/1999, which more or less followed the contents and spirit of the Law 22/1999. In the regulations, inter-provincial problems such as telecommunications and nation-wide transportation are explicitly made an added responsibility of the central government.

are severely limited in scope under Law No. 18/1997.<sup>4</sup> Instead, Law 25/1999 provides for greater revenue capability of the local government by widening the scope of tax sharing between the central and local government. Under the new law, the central government would share with the provincial and local governments oil and gas revenue, which have been hitherto monopolized by the central government.

At the moment, there is an acute imbalance in revenue capabilities between the central government on the one hand and the provincial and local governments on the other. Table 1 indicates that in 1997/98 (which was a normal year before the Asian crisis set in at full blast) revenue to the central government accounted for almost 90 percent of total government revenue, while the provincial governments and the local governments accounted for only 6 percent and 4 percent, respectively, even after taking into account the shared taxes and charges.

In an attempt to correct this “vertical” imbalance, a major, new feature of Law 25/1999 is clearly the sharing of revenues arising from natural resources among the central, provincial and local governments. Under the current system, almost all revenues from natural resources belong to the central government without significant revenue advantages to the resource rich or resource producing regions. However, the problem with the sharing of natural resources revenues is that, while it would reduce the current “vertical imbalance”, i.e. fiscal resources balance between the central and local governments, it would most certainly increase the “horizontal imbalance”, i.e. disparities in fiscal resources situations among regions. Thus the resource poor regions are likely to continue to depend on fiscal transfers from the central government. Other major shared taxes between the central and local governments, namely property and land transfer taxes, which have been traditionally the domains of the provincial and local governments, and fuel taxes (gasoline tax), which were made available to the provincial and local governments under Law 18/1997 for the first time, are not sufficient to correct these imbalances.

There are four types of natural resources that are subject to the revenue sharing, oil and gas, other mining, fishery and forestry. Except for oil and gas, the central government has always been generous in keeping only 20% of revenues originating from their exploitation, letting the region to have the remainder. As regards oil and gas revenue, the central government will share 15 - 25 percent of it with the provincial and local governments of the producing region (See Table 2). This scheme will thus favor such local governments as in Riau, East Kalimantan, and Irian Jaya. South Sumatra and Central Kalimantan may be regarded as moderately resource rich provinces, and they will also benefit from the new tax-sharing scheme.

Law 25/1999 provides for inter-governmental fiscal transfers in the form of a “general allocation grant”. This will be a bloc grant provided to all regencies and municipalities, and is meant to contribute towards fiscal equalization but without any express attempt to reduce regional disparities. The law states that the basic allocative principles are adequacy, neutrality, efficiency, accountability, relevance, objectivity, transparency and simplicity as well as relative revenue capacity and needs. However, the law does not provide clear and operationally

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<sup>4</sup> Recently the central government indicated that this law will be reviewed with a view to revising it and to providing the local government with a greater freedom in devising new taxes and charges. Additionally, parts of the provincial government's revenue may also be shared with the local government.

TABLE 1. THE TAXES AND CHARGES ASSIGNMENTS BY LEVEL OF GOVERNMENTS 1997/1998

Type of Taxes and Charges	(in billions of rupiahs)			
	Own-Source Revenues (OR)		OR and Revenue Sharing 1	
		Percent		Percent
<b>CENTRAL GOVERNMENT</b>				
Taxes and charges	87,811.5	93.4	84,513.1	89.9
Oil and gas receipts	14,871.1	15.8	14,871.1	15.8
Non-oil receipts	72,940.4	77.6	69,642.0	74.1
Income taxes	29,117.7	31.0	29,117.7	31.0
VAT and luxury tax	24,601.4	26.2	24,601.4	26.2
Import duties	3,321.7	3.5	3,321.7	3.5
Excise duties	4,436.3	4.7	4,436.3	4.7
Export tax	100.0	0.1	100.0	0.1
Land and building taxes	2,505.0	2.7	153.0	0.2
Other taxes	632.5	0.7	350.0	0.4
Non-tax receipts	8,225.8	8.8	7,561.9	8.0
<b>PROVINCES</b>				
Taxes and charges	4,370.0	4.6	4,370.0	4.6
Provincial taxes	3,723.3	4.0	3,723.3	4.0
Vehicle tax	1,191.7	1.3	1,191.7	1.3
Vehicle transfer tax	1,980.2	2.1	1,980.2	2.1
Other taxes				
Provincial charges	551.4	0.6	551.4	0.6
Other provincial receipts	646.7	0.7	646.7	0.7
Tax and non-tax shares			1,260.2	1.3
Tax shares			773.3	0.8
Land and building tax			773.3	0.8
Other taxes			—	—
Non -tax shares			486.9	0.5
Royalties from forestry			204.1	0.2
Fees from forestry concession			7.3	0.0
Aid on copra rehabilitation			14.6	0.0
Copra rehabilitation fee			—	—
Government land concession fee			106.3	0.1
Oil compensation			—	—
Land rent shares			137.8	0.1
Others			16.8	0.0
Taxes and charges	4,370.0	4.6	4,370.0	4.6
Taxes, charges, tax and non-tax shares			5,630.2	6.0
<b>REGENCY/MUNICIPALITIES</b>				
Taxes and charges	1,827.1	1.9	1,827.1	1.9
District taxes	635.8	0.7	635.8	0.7
Development tax	252.2	0.3	252.2	0.3
Entertainment tax	39.5	0.0	39.5	0.0
Advertisement tax	27.0	0.0	27.0	0.0
Tax on street light	271.7	0.3	271.7	0.3
Other taxes	45.4	0.0	45.4	0.0
Local charges	858.4	0.9	858.4	0.9
Other local receipts	332.9	0.4	332.9	0.4
Tax and non-tax shares			2,038.2	2.2
Tax shares			1,861.2	2.0
Land and building tax			1,578.7	1.7
Other tax			282.5	0.3
Non-tax shares			177.0	0.2
Royalties from forestry			90.9	0.1
Fees from forestry concession			0.1	0.0
Aid on copra rehabilitation			3.4	0.0
Copra rehabilitation fee			—	—
Government land concession fee			11.7	0.0
Oil compensation			2.0	0.0
Land rent shares			68.9	0.1
Taxes and charges	1,827.1	1.9	1,827.1	1.9
Taxes, charges, tax and non-tax shares			3,865.3	4.1
<b>Total own-source revenues</b>	<b>94,008.6</b>	<b>100.0</b>	<b>94,008.6</b>	<b>100.0</b>

1 / Excludes development receipts and borrowing  
Source: Ahmad (2000)

TABLE 2. THE ALLOCATION OF NATURAL RESOURCES REVENUE SHARING  
ACCORDING TO LAW

Item	Central Government	Provincial Government	Resources Producing Local Government	Other Local Governments in the Same Province	no.25/1999(in %)
					All Local Governments in Indonesia
Oil	85	3	6	6	
LNG	70	6	12	6	
Mining: Land-rent	20	16	64	0	
Mining: Royalty	20	16	32	32	
Forestry: Land-rent	20	16	64	0	
Forestry: Land provision	20	16	32	32	
Fishery	20				80

meaningful criteria for allocation of the general allocation grant, except for the general notion that rich regions should receive relatively less than poor regions.

A proposed allocation formula uses three variables, namely, GRDP (Gross Regional Domestic Product), the trade and industry GRDP, and the number of high schools, to measure relative revenue capacity of the regencies and municipalities. The needs of a region are determined by total population, the number of the poor, and the construction cost index.<sup>5</sup> Simulations using this formula show that the eastern part of Indonesia, which is generally considered poorer regions with larger land areas, smaller population and with geographical constraints is to receive greater amounts in grant than the rest of the country, and that almost all regions would receive larger transfers from the central government than previously.

The new law stipulates that there should be another fiscal transfer instrument called a "special allocation grant". Special grants may be provided for preservation of forestry resources. However, the provisions in the law are unclear as to how special allocation grants are allocated among regions, except that only "special regions" would be entitled to receive this grant.

### III. *Issues for the Local Government*

There are a number of potential problems that might arise from implementing the new regional autonomy and fiscal decentralization laws. Firstly, there will likely be considerable mismatches between the local government's revenue raising capacity, which is limited under Law 18/1997, and the expenditure responsibilities, which were greatly enhanced under Law 22/1999. For the regions that are not well-developed or are not resource rich, which have weak revenue capacity, their finance will have to rely heavily on general allocation grants. The

<sup>5</sup> Compiled and used by the Ministry of Construction and reflects the geographical conditions of a region.

simulations mentioned above showed that, in replacing the current SDO and INPRES, general allocation grants will, for most regions, exceed the current allocations, but whether greater general allocation grants will accommodate greater expenditure needs is doubtful.

Secondly, the broader regional autonomy and fiscal decentralization are likely to create a major problem of public expenditure management at the local government level. Under the Soeharto regime, the central government controlled the local government's expenditure through the provision of SDO for local administrative expenditures and through INPRES for development expenditure. Through the mechanism of development project allocations (DIP, administered by BAPPENAS, the National Planning Agency), the central government was able to determine development projects that would be located in the region. However, under the new laws, the local government will have to manage the planning, programming and budgeting of development expenditures on their own. Inexperience could lead it to mismanage expenditures, through mistakes in the prioritization and sequencing of projects. The problem of inadequate institutional capacity for managing public expenditures at the local level could also be compounded by possible abuses of power and corruption, not only by local bureaucracy but also by local politicians. The local government is more likely to put priority on "popular projects" such as "prestige projects" and "pork-barrel projects" before economically efficient projects, in order to appeal to local electorate and to gain political support. Legislature and judiciary at the local level are considered too weak to prevent local bureaucracy and politics from such.

Thirdly, another problem is the possible over-exploitation of natural resources to threaten sustainable development. There are political pressures and demands coming from resource rich regions that the provincial and local governments should be co-responsible for management of natural resources with the central government, and that a new law should be enacted to decentralize the management of natural resources. Should that happen, the local government's tendency for over-exploitation of natural resources would be strengthened. For the local government that must cater for the wishes of the local assembly and electorate, the notion of sustainable development is a too abstract concept. An additional problem in this respect is that there are moves to create new regencies and municipalities, particularly in resource rich provinces, to take advantage of the new revenue sharing provision in the law and to benefit the residents of a resource rich area at the expense of other regencies and municipalities in the province.

#### IV. *Impact of Decentralization on the Central Government*

The basic philosophy of Law 22/1999 is to give a much larger role than previously to the local government in managing its own affairs and to reduce the role of the central government to strategic management of the nation and its economy. However, it is doubted as to whether this objective can be achieved giving regional autonomy to the regency or municipality level government, rather than to the provincial government. The regency and municipality level government is too small in size, too weak in its institutional capacity and too numerous to have much power vis-a-vis the central government.<sup>6</sup> Apart from this basic question about Law 22/

<sup>6</sup> This, in fact, follows the long-standing policy of the Soeharto regime, under which the decentralization policy always emphasized the empowerment of the level 2 government. See Asanuma (1999).



1999, there are a number of problems arising from its implementation.

As pointed out above, disparities in fiscal resource capacity among regions are likely to increase, because of the sharing of natural resource revenues. In order to compensate, the central government will need to provide large enough general allocation grants in a way to account for disparate natural resources endowment among regions. This, in turn, will create two problems. First, the need to provide large enough allocation grants will certainly strain the already strained central government budget and the likelihood is that the compensation scheme will not work, feeding dissatisfaction among resource poor regions. Second, even if the disparity may be compensated for by an ample provision of inter-governmental transfers, it will make resource poor regions highly dependent on the central government.

Secondly, regions will compete among themselves in infrastructure investment for attracting private sector investments into the region, so as to increase the level of economic activities and employment in it. There will be many cases of duplication of infrastructure investment and, as a consequence, under-utilization of infrastructure. The end result may be inefficiency of public investment at the regional level, with a negative implication on Indonesia's economic growth.

### V. *New Policy Directions*

Given that Law 22/1999 and Law 25/1999 are seriously flawed, we believe that the new government should repeal them and go back to the drawing board for a more desirable decentralization strategy and policy along the following lines.

Firstly, the focus of decentralization should be the provincial level, rather than the regency/municipality level. Provincial governments have a reasonable scale and have governmental institutions and human resources more developed and ready for decentralized power and responsibility. Furthermore, differences in cultural characteristics, the stages of development and geographical environment are more distinct among provinces than among regencies and municipalities. A simulation shows that the fiscal equalizer envisaged in Law 25/1999 would work equally well at the provincial level, and that the largest recipients of general allocation grants would be the poorest provinces in the Eastern Indonesia, such as Papua (Irian Jaya), South-East Sulawesi, Central Sulawesi and Nusa Tenggara (See Appendix, Table 4).

Secondly, however, it would be desirable to create new provinces, where there are actual or potential conflicts of political, social or economic nature among groups residing in a province (e.g. Maluku) or where the population and/or the land area are too large to be manageable (e.g. Papua, Kalimantan, and Jawa).

Thirdly, in order to strengthen the fiscal resource base of the provincial government in such a way as not to aggravate regional disparities, the piggy-backing of the central government's income and value added taxes should be considered, rather than the sharing of natural resource revenue. At the moment, an overwhelming majority of tax revenues are generated in Jawa, and, in particular, in Jakarta, where corporate headquarters are concentrated or where imported goods go through the customs. However, for the piggy-backing of income and value added taxes, a simple and reasonable method (e.g. provincial GDP and their components) of apportioning tax proceeds to provinces should be devised so as to reflect real magnitudes of

TABLE 3. TAX REVENUES BY REGIONS, FISCAL YEAR 1998/1999

PROVINCES	(in billion rupiah)	
	1998/1999 REVENUES	PERCENTAGE
Aceh and North Sumatra	2453.33	2.99
Riau and West Sumatra	1708.13	2.08
Jambi, Bengkulu, South Sumatra, and Lampung	1974.2	2.41
Jakarta	52712.91	64.31
West Jawa	7289.71	8.89
Central Jawa and Yogyakarta	3039.87	3.71
East Jawa	6973.44	8.51
West and Central Kalimantan	684.26	0.83
East and South Kalimantan	2025.1	2.47
South and Southeast Sulawesi	850.04	1.04
North and Central Sulawesi	376.74	0.46
Bali, East and West Nusatenggara, East Timor	1048.74	1.28
Maluku and Irian Jaya	829.96	1.01
<b>TOTAL</b>	<b>81966.48</b>	<b>100</b>

Source: Directorate General of Taxation

Note: Tax revenue is the total of income tax, value added tax, property tax, luxury tax, property transfer fee, and other indirect taxes.

economic activities in the province rather than the point of tax collection.

Fourthly, the devolution of power and decentralization of public finance would be a major change for which the country is not entirely ready. In order to make the transition as successful and least disruptive as possible, it would be very important to design a good transition structure and to provide for a relatively long transition period. As success or failure of the decentralization policy depends critically on the institutional capacity of the provincial government, the decentralization of expenditure responsibilities, including the planning, programming and budgeting of development expenditures in the province, should be synchronized with the transfer to provincial governments of central government staff and personnel who have hitherto been responsible for them. Thus, the implementation of the decentralization policy should be preceded by an administrative reform of the central government. It may even be necessary in the transition period that many of the central government activities should be initially "deconcentrated", i.e. regionalized, or "co-administered" with provincial governments, before being handed over to provincial governments completely.<sup>7</sup>

## VI. Concluding Remarks

The devolution of the central government's power to regions is currently a hot political issue in Indonesia, in the context of the democracy movement in the aftermath of the demise

<sup>7</sup> Bird and Baillancourt (1998) define three types of decentralization as "deconcentration", "delegation" and "devolution", depending on the degree of regional autonomy in decision-making. In Indonesia, the terminologies, "deconcentration", "co-administration" and "decentralization" are used to denote more or less the same types of decentralization. See, for example, Law No. 5/1974 on Elucidation of Basic Principles of Administration in the Regions, cited in Asanuma (1999).

of the Soeharto government. In response to popular demands, and partly as an attempt on the part of the central government to keep in check the centrifugal forces threatening national integrity, two new laws were enacted in 1999, which would devolve significant power to the local government and decentralize fiscal resources to it.

However, it would be ill-advised for Indonesia to go ahead with the decentralization as envisaged under these laws. They have major design flaws, which could not easily be amended in a piecemeal fashion. To begin with, while Law 22/1999 will grant a high degree of autonomy to the local government, along with the transfer of expenditure responsibilities, Law 25/1999 does not provide adequate fiscal resources with which the local government will carry out its responsibilities. Law 25/1999 provides for the sharing of revenues originating from natural resources between the central and regional governments. However, that is likely to exacerbate regional disparities in fiscal capacity among regions.

Yet another problem with the new laws is that the devolution of power and the decentralization of fiscal responsibilities and resources are envisaged to take place at the regency and municipality level, rather than at the provincial level. Many local governments are not ready for autonomy in terms of planning, programming and executing development projects, because their institutional capacity remains under-developed as does their human resources capacity. Mismanagement of, and inefficiency in, public expenditure may be the end result of too premature a decentralization effort as envisaged under the new laws. Furthermore, the planned decentralization is supposed to take place in the period during which the central government is expected to face an inordinately difficult budgetary situation arising out of the Asian crisis.

Serious problems with the new laws and, in particular, the major design flaws in the decentralization strategy implied in them, suggest that the government should repeal these laws and go back to the drawing board for a new, more desirable decentralization strategy. A new strategy may have the following broad characteristics and directions.

First, the devolution of power and decentralization of fiscal responsibilities and resources should focus on the provincial government level. In this context, it may become necessary to re-configure the provinces by splitting some for the purposes of minimizing intra-provincial conflicts and of reducing some others to more manageable sizes. That provincial government generally have better-developed institutions and human resource capacity is the main reason for making them the focal point of decentralization.

Second, as regards the necessary fiscal empowerment, the new strategy might consider the sharing of income and value added taxes between the central and regional governments, which would reflect the levels of economic activities in regions better than the revenues from natural resources. However, this would entail the need to devise methods for apportioning the revenues from corporate income tax and value added tax to regions, as the current methods of their collection do not correctly reflect the locations of income generating activities and consumption.

Lastly, there is a need to provide for a good transition structure and for a long transition period to prepare Indonesia for meaningful and efficient decentralization. Instead of a "big-bang" approach, Indonesia should phase the regional autonomy and decentralization process to ensure macro-economic stability. An administrative reform of the government, the transfer of parts of central government staff and personnel to provincial governments, and the interim period during which broad areas of central government activities are "de-

concentrated”, or “co-administered” with the provincial government, would all be necessary pre-conditions for the eventual devolution of power and fiscal decentralization.

## APPENDIX

TABLE 4. REGIONAL DISTRIBUTION 1996/1997 (Mil Rp)

(thousand Rp for percapita basis)

No.	Province	GRDP	Population	Human Development Index	Expenditure	Own Source Revenue	Revenue Sharing	Proposed General Allocation Grant (GAG)	GRDP per capita	Expenditure per capita	Revenue per capita	Revenue Sharing per capita	Proposed GAG per capita
1	DI ACEH	11,463,291	3,847,583	70.1	249,035	45,209	26,509	998,365.73	2,979	64.73	11.75	6.89	259.48
2	SUMUT	23,714,738	11,114,667	71.7	660,854	171,954	42,392	1,352,530.45	2,134	59.46	15.47	3.81	121.69
3	SUMBAR	7,609,545	4,309,071	69.6	152,286	60,361	14,005	1,061,439.01	1,766	35.34	14.01	3.25	246.33
4	RIAU	19,808,076	3,900,534	71.6	267,502	106,352	73,884	996,609.38	5,078	68.58	27.27	18.94	255.51
5	JAMBI	3,145,342	2,369,959	70.3	118,672	33,096	14,650	1,648,471.59	1,327	50.07	13.96	6.18	695.57
6	SUMSEL	13,521,163	7,207,545	70.4	235,416	83,380	49,936	1,342,722.65	1,876	32.66	11.57	6.93	186.29
7	BENGKULU	13,521,163	1,409,117	70.7	90,706	19,751	5,208	935,640.84	9,595	64.37	14.02	3.70	663.99
8	LAMPUNG	6,914,210	6,657,759	69.8	163,077	61,540	8,587	1,447,857.20	1,039	24.49	9.24	1.29	217.47
9	DKI JAKARTA	66,164,802	9,112,652	77.5	2,835,834	1,787,376	387,601	629,478.89	7,261	311.20	196.14	42.53	69.08
10	JABAR	68,243,530	39,206,787	69.6	1,622,295	542,304	58,712	2,771,465.74	1,741	41.38	13.83	1.50	70.69
11	JATENG	41,862,204	29,653,266	69.8	1,460,140	328,963	32,310	2,594,899.55	1,412	49.24	11.09	1.09	87.51
12	DI YOGYA	5,111,563	2,916,779	74.0	204,529	53,497	5,026	945,255.21	1,752	70.12	18.34	1.72	324.08
13	JATIM	61,752,469	33,844,002	65.8	1,603,562	503,098	47,228	2,662,220.35	1,825	47.38	14.87	1.40	78.66
14	KALBAR	6,714,068	3,635,730	64.7	131,999	33,662	22,290	1,555,588.46	1,847	36.31	9.26	6.13	427.86
15	KALTENG	4,036,155	1,627,453	72.0	221,155	15,102	53,678	1,560,193.86	2,480	135.89	9.28	32.98	958.67
16	KALSEL	5,956,571	2,893,477	68.0	186,675	50,998	44,710	1,196,829.08	2,059	64.52	17.63	15.45	413.63
17	KALTIM	19,792,193	2,314,183	71.0	258,812	72,036	100,323	1,427,593.48	8,553	111.84	31.13	43.35	616.89
18	SULUT	3,574,698	2,649,093	73.3	119,618	25,244	13,020	1,480,820.91	1,349	45.15	9.53	4.91	558.99
19	SULTENG	2,212,649	1,938,071	67.7	204,762	19,963	9,832	2,219,877.72	1,142	105.65	10.30	5.07	1,145.41
20	SULSEL	9,485,863	7,558,368	67.8	201,380	94,122	31,778	1,357,964.28	1,255	26.64	12.45	4.20	179.66
21	SULTRA	1,561,002	1,667,882	68.9	93,209	12,704	10,500	2,951,378.74	936	55.88	7.62	6.30	1,769.54
22	BALI	7,141,773	2,895,649	71.0	159,236	97,211	8,462	790,725.44	2,466	54.99	33.57	2.92	273.07
23	NTB	3,195,295	3,339,683	58.9	98,243	26,108	5,719	1,648,227.20	957	29.42	7.82	1.71	493.53
24	NTT	2,685,357	3,635,636	62.1	123,314	31,011	6,382	2,113,093.65	739	33.92	8.53	1.76	581.22
25	MALUKU	2,981,248	2,086,516	69.4	109,329	14,592	18,009	1,811,595.83	1,429	52.40	6.99	8.63	868.24
26	IRJA	6,944,927	1,942,627	61.2	280,043	21,824	94,459	3,295,040.96	3,575	144.16	11.23	48.62	1,696.18

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