Decentralization in Action:
Decentralization Implementation in Jogyakarta City
ACHMAD NURMANDI

ABSTRACT

The aim of paper is to explore implementation of decentralization in Jogyakarta City after decentralization policy launched in 2001 by Megawati Administration. The research method is comparative study by using secondary data and primary data from comparison result of city condition before (pre-2002) and after the implementation of regional autonomy (2002-2008) was implemented. The study found that municipal government had good performance of economic aspect, social aspect and bureaucracy of city. However, environmental aspects of city autonomy showed quite poor performance. In implementing the decentralization policy, the good capability and vision of mayor had, the staff group of an organization, the complexity of the tasks, and the organizational communication were the factors that get must careful attention due to they influence most its success. Theoretically, the implementation of asymmetric pattern of autonomy contribute to development of the decentralization theory in the future.

Keywords: Decentralization, performance, organization communication.

INTRODUCTION

The implementation of decentralization policy in Indonesia was started in 2001 since the Megawati Administration, called as the Big Bang Approach. Megawati Administration decentralization policy was implemented based on Autonomy Law No. 22/1999--the law was long-waited public aspiration-- which wrote down two levels of autonomous area: province and regency or city. However in 2004, Law No. 32/2004 writing done only one level autonomous area: regency or city was used to substitute for the Law. Until 2009, the number of autonomous areas in Indonesia was 524; consist of 33 provinces, 398 Regencies, and 93 cities. Based on Law No. 32/2004, regency and responsibilities that have two area of obligatory responsibilities and optional areas of responsibilities). This approach is uniform for all autonomous areas in Indonesia except Papua, Aceh, and Jogyakarta.

Law 32/2004 had regulated all responsibilities of local government except responsibilities of province. According to the law, apart from the shared areas of responsibilities, the province as representative of the national government was going to be responsible for the following functions:

1) Deconcentrated functions of the national government,
2) Providing assistance to certain national government affairs;
3) Providing services that are provincial in scale or concern;
4) Coordinating inter-regencies/cities and cross border or regional affairs;
5) Taking care of certain functions that local government are not able to perform;
6) Facilitating local government to carry out theirs affairs.

Obligatory responsibilities of regency or city are as follows:

a. Development planning and control;
b. Planning, land use and control;
c. Civil order;
d. Public infrastructure development;
e. Health services;
f. Educational services;
g. Social services;
h. Manpower services;

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i. Micro and middle economic development units;

j. Environmental control;

k. Land registration services;

l. Civil records services;

m. Public administration services;

n. Elementary public services and;

o. Other obligatory responsibilities.

While implementing for uniform approach, Indonesian government wisely responded to the challenge of local dissatisfaction, regional rebellions, and specific local needs by implementing decentralization policy called as an asymmetric approach, especially in three provinces such as Papua, Ache and Jogjakarta. These provinces are wide-ranging autonomy so that they can take control of their destinies and nurture their respective cultural heritages. The formation of new autonomous area (Fig.1) greatly increased after Reformation Era 1998-1999 until 2008—by 21% of provinces, 41% of regency and 37% of city.

The main objectives of formation of new area and local government are: (1) to increase prosperity, (2) to improve public services through minimizing inaccessible service area, (3) to increase local economic competition. Up to now, Indonesian government has no single road plan or grand design plan for ideal local government number for scattered and large area in Indonesia case. UNDP study done in 26 sample area, 10 former regencies, 10 new regencies and 6 regencies as a control area found that some following important points:

a. Economic performance of new autonomous area is dissatisfaction, while economic growth is focused more on in the chief regency area. Consequently, the poverty in new areas becomes higher.

b. Economic growth of new area is more fluctuating than the chief area which has had stable and good economic growth.

c. The new autonomous area has not yet successfully decreased poverty.

d. The new autonomous areas get low financial capacity (UNDP, 2008).

A number of empirical studies have attempted to measure governance trends across the districts in Indonesia, but few provide a benchmark for comparing governance indicators before and after decentralization (World Bank 2005). World Bank’s Productivity and Investment Climate Survey (PICS) on key aspects of governance and investment climate. Firms perceived decentralization as having negative impacts in four areas: labour regulation, licences, policy uncertainty and corruption. While just under 30% of the firms felt that decentralization have made licensing and labour regulation worse, nearly 50% think policy uncertainty and corruption—two indicators of accountability—have worsened (World Bank, 2005).

However, there are many studies reveal that some regencies or cities in Indonesia have succeeded in implementing decentralization policy. In Jembrana, for example, the decentralization practice and welfare is successfully implemented by local government. Firstly, political commitment of head of district for bureaucracy reform, region development and welfare. Secondly, budget reform for effectiveness and efficiency of implementation local government. Thirdly, Jembrana district develop system of centripetal local democracy that makes the region keep being stable (Suyatno, 2009).

This study also wants to explore one of successful implementation in Jogjakarta city. Municipal government is known as a good sample of success story of local government capacity in implementing decentralization. In 2009, Jogjakarta was best city in Indonesia for doing business according to the International Finance Corporation of World Bank version. In 2006, this city was awarded as a best transparent municipal government in Jogjakarta Province and Central Java Province. In the same year, municipal government had been announced by the Ministry of National Apparatus as a best performance of public service. In 2008, the city got different awards from Ministry
of Housing and Public Work as a best city for Slum Upgrading and in 2010, Jogyakarta also gets another award from Indonesia Planning Association as a most liveable city in Indonesia.

Prior to decentralization implementation, Jogyakarta had some problems. Firstly, the shortage of budget. Secondly, the transfer of central government to local government official. Thirdly, the bureaucrat culture in delivering public services. Herry Zudianto, as a new Mayor, has tried to solve the problems in terms of achieving the decentralization policy outcome. In the 2002, he planned for MGS standards in achieving Jogyakarta long-term plan.

The paper is organized as follows. Section A introduces the problem of implementation of decentralization in Indonesia and also in research methodology to readers. Sections B is concerned with the literature review of decentralization. Sections C describe and analyses the decentralization in action, such as in Jogyakarta city, in bureaucratic aspect, economic and social, and environmental. Section D attempts to get conclusion and practical or theoretical implication.

RESEARCH METHODOLOGY
This research is a comparative study comparing city condition before (pre-2002) and after the implementation of regional autonomy (2002-2008). The data used are secondary data and primary data. Data analysis technique used is the trend and comparative analysis.

LITERATURE REVIEW
Decentralization is an old fashioned term of power distribution from central government to local government. Various motivations for decentralization in all over the world as Shah and Thomson noted below

<table>
<thead>
<tr>
<th>Motivation</th>
<th>Countries and/or regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political and economic transformation</td>
<td>Central and Eastern Europe, Russia</td>
</tr>
<tr>
<td>Political crisis due to ethnic conflict</td>
<td>Bosnia-Herzegovina, Ethiopia, Yugoslavia, Nigeria, Sri Lanka, South Africa, Philippines</td>
</tr>
<tr>
<td>Political crisis due to regional conflict</td>
<td>Indonesia, Madagascar, Mali, Senegal, Uganda, Mexico, Philippines</td>
</tr>
<tr>
<td>Enhancing participation</td>
<td>Argentina, Brazil, Bolivia, Colombia, India, Pakistan, Philippines</td>
</tr>
<tr>
<td>Interest in EU Accession</td>
<td>Czech Republic, Slovakia, Hungary, Poland</td>
</tr>
<tr>
<td>Political manoeuvring</td>
<td>Peru, Pakistan</td>
</tr>
<tr>
<td>Fiscal crisis</td>
<td>Russia, Indonesia, Pakistan</td>
</tr>
<tr>
<td>Improving service delivery</td>
<td>Chile, Uganda, Cote D’Ivoire</td>
</tr>
<tr>
<td>To centralize</td>
<td>China, Turkey, European Union</td>
</tr>
<tr>
<td>Shifting deficits downwards</td>
<td>Eastern and Central Europe, Russia</td>
</tr>
<tr>
<td>Shifting responsibility for unpopular adjustment programs</td>
<td>Africa</td>
</tr>
<tr>
<td>Prevent return to autocracy</td>
<td>Latin America</td>
</tr>
</tbody>
</table>
Cheema and Rodinelli (2007, pp. 6-7) epitomize four types of decentralization: administrative, political, fiscal, and economic as described below:

- **Administrative decentralization** includes deconcentration of central government structure and bureaucracies, delegation of central government authority and responsibility to semi-autonomous agents of the state and decentralized cooperative of government agencies performing similar functions through ‘twinning’ arrangements across national borders;

- **Political decentralization** includes organization and procedures for increasing citizen participation in selecting political representatives and in making public policy.

- **Fiscal decentralization** includes the means and mechanism for fiscal cooperation in sharing public revenues among all levels of governments: for fiscal delegation in public revenue raising and expenditure allocation; and for fiscal autonomy for state, regional, or local government;

- **Economic decentralization** includes market liberalization, deregulation, privatization of state enterprises and public-private partnership.

Countries in the world have large variations of decentralization according to their specific political, economic, geographic, and demographic characteristics. In Indonesia, there are two approaches that have been implemented, namely uniform approach and specific approach or known as asymmetric approach. The uniform approach endorses the homogenous decentralization for all districts in terms of administrative, political, fiscal, and economic decentralization. Otherwise, the asymmetric approach allows different modes of decentralization practice for specific regions or local governments. Asymmetric decentralization, on the other hand, means that constituent jurisdictions are allowed differentiated responsibilities due to political, fiscal, or technical capacity considerations (see Shah, 1994 for a framework for asymmetric decentralization of local urban public services). Asymmetric decentralization at the regional level is practiced in a few countries such as Belgium, Canada, India, Malaysia (see Watts, 1999), and now Indonesia. Asymmetric decentralization at the local level is more prevalent in practice (de facto) although such policies may not have been specifically prescribed in law (de jure). In any case, asymmetric decentralization makes capacity constraints as a hindrance to decentralization largely a non-issue. (Ash and Thomson, 2004).

The most important aim of decentralization is to establish **local accountability** through effective checks and balances, which implies that the use of local information (the region’s performance information) is critically needed (Meiling Ling, 2009); accelerate economic development, enhance public participation in governance, increase the financial resources and provide the flexibility to respond effectively to local needs and demands (Sheema and Rodinelli, 2007, p. 7).

**DECENTRALIZATION IN ACTION: The Case Study of Jogyakarta City**

Jogyakarta is a famous education, culture, and tourism city in Indonesia. The city is the former capital city when the Indonesian’s struggled against Netherland 1948. Jogyakarta is located on under the slope of Mount Merapi---average slope between 0-2% and average altitude of 114 meters from sea level. The city has only 32.5 km² or 1675 hectares in large and situated at an altitude of less than 100 meters and the rest (1593 acres) located at an altitude between 100-199 meters above sea level. When compared with other area districts in the province of Special Region of Jogjakarta, Jogjakarta City area is the narrowest.

In socio-cultural aspect, the city is a centre of Javanese culture with the icon Sultan's Palace which is located on the heart of the city. The city of Jogjakarta can also be referred to as the capital of
the Muhammadiyah, because in this city, precisely in Kampong Kauman - Muhammadiyah Movement was born. Therefore, the political attitudes and behaviours of people are greatly influenced by the dynamics of Javanese culture and the modern Islamic movement brought by Muhammadiyah.

General Election Result in 2004 revealed that parliament seats were won by the Indonesian Democratic Party-Struggle (11 seats), followed by the National Mandate Party (9 seats), the Golkar Party (5 seats), the Prosperous Justice Party (5 seats), United Development Party (1 seat) and the Democratic Party (4 seats). The result of this election indicated that the flow of political nationalism is based segregation; modern and modernist Muslims were still relevant enough to analyze the political map at the lower level (grassroots). In short, the Indonesian Democratic Party-Struggle was supported by voters coming from the nationalists and the traditionalism of Java, while the National Mandate Party and Social Prosperous Party voters are from modernist Muslims. Therefore, the political competition to win mayoralty can be assumed frequently involve the Muhammadiyah and the traditionalism of Java.

Mayor Hery Zudianto and Deputy Mayor Shukri Fadholi were couple's winning local election based on Law No. 22 of 1999 chosen by legislators. Hery Zudianto background is an entrepreneur with a company flag "Margaria RIA Group". He was born and grew up in the Malioboro area. Before being active in the National Mandate Party, he became the person in charge of Regional Board of Muhammadiyah (Economic Council). His political career in the first period in the National Mandate Party of Jogyakarta served as treasurer. While Shukri Fadholi background is a politician and activist of the United Development Party at the time nominated as a vice mayor---served as Chairman of the Branch Executive Board of the United Development Party (PPP DPC) of Jogyakarta city. The pair beat mayor candidates nominated by the Indonesian Democratic Party-Struggle by winning 22 votes against 17 votes in the second round.

Herry Zudianto ran again in the second period, the period of 2006-2011---with a different partner--, at the mayor direct election on 27 November 2006, with Haryadi Suyuti nominated together by the National Mandate Party, Golkar Party and the Democratic Party (People's Coalition Jogya) and won again with the number of vote 112,036 (61.5%) by beating Widartho-Fadholi Shukri (38.5%). Couple Hery and Haryadi Suyuti won in all sub-districts. Opinion polls conducted by Compass concluded that the figure Henry Audient was a major factor to gain votes, because the long career and success served as mayor. Herry’s popularity was widely known by 48% of respondents. During the mayor's office, Herry Zudianto has been trying to change the public service's policies, as described below.

**Bureaucratic Reform**

To analyze the impact of decentralization will be used for the assessment of regional autonomy indicator based on Government Regulation. 6 / 2005. This government regulations used social indicators, economic, and cultural infrastructure. Those used indicators are similar to the indicators used in the Millennium Development Goals.

Implementation of autonomy in the city of Jogjakarta during the last 10 years can not be separated from the pursuit mayor Herry-Fadholi which was finally inaugurated as mayor and vice mayor on 17th September 2001. At the beginning of his tenure, Mayor took more consolidation in the internal bureaucracy, especially for those that were closely related to licensing service. Interviews with the Mayor, as follows:

From the first period of five years I served as mayor can be said that the first three years, I saw the situation, perceiving and mapping as well as internal bureaucracy to make corrections. As an entrepreneurship background, I have to innovate. The innovation could be viewed from several proportions; among other are 60% innovation
carefully planned and 40% trial and error (groping) proportions. Groping innovation was done to solve problems faced every day through a small team, chaired by the assistant secretary or municipal secretary.  

One problem that must be resolved is the issue of licensing. Annual Accountability Reports (LPJ) is submitted to Parliament at the first time on March 22th, 2002, and the Mayor stated that:

..... Simplification and elimination of various charges in the licensing service was necessary to be conducted in order to reduce high cost economy. This step is intended to encourage the development of community economic activity which was in turns is capable of contributing income to regional.

Within the year 2003 LPJ delivered at the Plenary Meeting of Parliament on March 1st, 2003, and in his speech, mayor told that:

“Main constraints have not been resolved in the development programs earlier, among others:

8. Poor performance of municipal officials in delivering public service.

According to his above speech and interview we knew that the process of Mayor’s perception (sense-making) in the late days he served during the years 2001-2002 is to solve public service problems. His experience as a top corporate leaders (CEO) was admittedly very helpful for municipal administration, especially in decision-making activities and public service. When he became the mayor, he treated the public as a customer and take a position as a "head waiter" in that activity.

However, the changes brought by leaders from outside the municipal organization can not run smoothly without having support from bureaucrats. In an informal ceremony held by the mayor and deputy mayor of the municipal government on October 24th, 2005, his subordinate revealed as follows:

"I am very delighted to Mr. Herry and Shukri leadership, but I just want to remind you two that if you want to do walking together with us, please do it slowly and do not forget to look back, because during the time when I was walking with you, I felt that I and the others were always left behind, and sometime we stumbled on something hard and then fall down onto the ground for not being able to balance your speed, and as a result, we will miss a lot moments to be with you, and also the plan you want us to do".

Dialogue above expresses that the organizational changes agenda made by the Mayor does not always gets strong support from his subordinates. Change agendas involve typically structural and strategic adjustment to organization, but it is the ‘intangible’ components of those organizations that may yield the greatest threat to or facilitation of organizational change (Osborne and Brown, 2005, p.75).

One of the most difficult duties in implementing decentralization is to reform bureaucracy at the local level. Bureaucratic reform in Jogyakarta City aims to improve public services, especially services licensing. Almost in all regions in Indonesia, the licensing process was conducted by several local agencies, resulting in red-tape bureaucracy at the local level, which in turn to lead to high costs economy.

Since leading the City Jogyakarta, Herry Zudianto had announced that bureaucratic reform on licensing services was going to be a main priority of his mayorlty program, which includes three aspects: the institutional, regulatory, and cultural aspects of the organization. In 2005 there was a fundamental change for institutional aspect by forming Licensing Office integrating all licensing service, and the legal basis were

a. Local Law No. 17/2005 on Formation of Organizational Structure of Licence Office;

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2 Interview with Herry Zudianto on 26th October 2009.
b. Mayor Decree No 187/2005 on description and job function Licensing Office

Licensing Office Formation seemed to be inappropriate to the Government Regulation No. 41/2008 on Guidelines of Organization Formation for Local Government. Basically, this policy is a local innovation done by local government in responding to specific local need. In other word, such policies may not have been specifically prescribed in Law No. 32/2004--- this policy is in accordance with asymmetry approach.

The change of Technical Services Unit (coordinating licensing unit) to the Licensing Office was facing large internal challenges. Based on the interview with a member of the Special Committee of City Parliament-- when discussed the draft of local law in parliament 2004, acknowledged that there are some interests to eliminate with the existence of Licensing Office:

a. Interests of the Technical Office due to the authority is going to be transferred to the Licensing Office, such as City Plan Office, Industry and Trade Office, Transportation Office, Tourism Office, Health Office, and Labour Office.
b. Personal interests of officials is removing from his office;
c. Interests of supervision are unclear after permit issuance.

However, those who rejected the establishment of the service agencies took too much consideration. This resistance not only occurs at echelon II, but also at the third echelon, as expressed in the following interview:

Actually, the formation of Licence Office was unnecessary. UPTSA was quite good institution for licence job and public service. Each technical office had a clear and important role for surveillance.

Meanwhile, the only party that supported this policy was the Assistance of City Secretary for Technical Services Unit. For this side, this service reform was good enough because there will be a great possibilities for it to cut off the old long-built coordination among the agencies, so the service could be delivered independently without having to wait for technical services approval. Mayor also expected that this organization is able to overcome the poor coordination problem among the agencies.

Table 2
Proponents and Opponents to Licence Office Formation

<table>
<thead>
<tr>
<th>No</th>
<th>Issues</th>
<th>Proponents</th>
<th>Opponents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Public interests</td>
<td>Mayor, Local Parliament Member and NGO</td>
<td>Technical Offices</td>
</tr>
<tr>
<td>2.</td>
<td>Coordination</td>
<td>Assistance Team</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Controlling</td>
<td></td>
<td>Technical Offices</td>
</tr>
</tbody>
</table>

Source: compiled from interview result

Nevertheless, the main control tasks and functions were still in the hand of the authority of each technical, such as building control authority of the City Plan Office. The impact of changes in organizational structure permit services to the Office of Licensing can be seen from the level of differentiation, integration, centralization, formalization and specialization.

Table 3
Organization Structure

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3 Central Government issued this regulation do synchronize structure of local government, except Papua and Aceh.
<table>
<thead>
<tr>
<th>Aspect</th>
<th>Licence Unit</th>
<th>Licence Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differentiation</td>
<td>Differentiated</td>
<td>Less differentiated</td>
</tr>
<tr>
<td>Integration</td>
<td>Not integrated</td>
<td>Integrated</td>
</tr>
<tr>
<td>Centralization</td>
<td>Centralized to technical offices</td>
<td>Centralized to Licence Office</td>
</tr>
<tr>
<td>Formalisation</td>
<td>More and heterogeneous regulation</td>
<td>Uniform Regulation</td>
</tr>
<tr>
<td>Specialisation</td>
<td>Specialized into technical agency</td>
<td>Unspecialized</td>
</tr>
</tbody>
</table>

Source: Data Analysis

After forming Licensing Office, the authority of licensing process is more less-differentiated than Coordinating Service Unit (UPTSA). This was caused by the authority of license service was centralized in the Licensing Office. It was contrary to the organizational condition before in which the licensing authority kept being in the authority of technical office concerned. Low differentiation of authority is followed by the integration of services in this office. Along with these symptoms, the level of specialization will be lower too, because there is no specialized expertise licence owned by technical agencies. These symptoms also caused the level of organizational formalization to be lower after the existence of Licensing Office in which some of licensing rules become simpler than ever before.

Consequently, in the regulatory aspects, these bureaucratic reforms were the reduction of service cost and the acceleration of licensing service time. The numbers of procedures that must be passed by the public before the reform of 14 procedures were reduced to only 8 procedures. The study of the International Finance Corporation (World Bank) in fourteen cities, such as Balikpapan, Banda Aceh, Bandung, Denpasar, Jakarta, Makassar, Manado, Palangkaraya, Palembang, Pekanbaru, Semarang, Surabaya, Surakarta and Jogjakarta, revealed that the impact of reform had made licensing process faster. Three indicators had been explored i.e. ease of starting bone, ease of dealing with construction permits, ease of registering property. Main findings of this study:

- Jogjakarta and Bandung lead the overall ranking on the three indicators measured in the report. Starting a business and dealing with construction permits are easiest in Jogjakarta. Registering property is easiest in Bandung—and most difficult in Balikpapan. Start-up procedures are most cumbersome in Manado. Obtaining construction permits is most difficult in Surabaya.
- Completing business registration is faster and easier where business licenses administered by local governments are consolidated at one-stop shops. If Semarang followed the example of Palangka Raya and Jogjakarta and consolidated all local permits, it could speed up the business licensing process by 3 weeks and reduce the number of visits the entrepreneur needs to make by 2. Businesses across Indonesia face higher costs to start a business than competitors in the region. Notary fees account for half of the total cost in the 14 cities surveyed.
- When comparing the regulatory framework for construction permits across Indonesia, most differences are encountered in the pre-construction stage. To apply for a building permit in Banda Aceh, Jakarta or Semarang, separate location and zoning clearances are needed. Conversely, in Jogjakarta, these clearances are obtained through an internal and coordinated process among zoning and building authorities. This city has only 3 pre-construction procedures compared with 7 in Jakarta, Palangka Raya and Surabaya and 9 in Banda Aceh.
- An entrepreneur in Surakarta has to wait for almost 2 months to transfer a property title, while in Manado, he or she can do it in less than 2 weeks. The local branch of the National Land Agency office (Badan Pertanahan Nasional- BPN) in Manado, which registers the land deed under the name of the new owner, performs its duties more efficiently than its neighbours. At 10.8% of the property value, the average cost to register property compares poorly with Indonesia’s neighbours-3.9% on average in East Asia and the Pacific.
As an impact of delegation of authority to regencies and cities, all local government issued local regulation on local tax and user fee. Nevertheless, 85% of local regulation was not in accordance with upper regulation (law or government regulation) and burden the economics activities.

The current organizational structure of service causes mode of coordination to change from among offices to the internal Licensing Office. When coordination in Licensing Office is observed, we found that there is no clear standardization—coordination can be found in morning assembly or in an informal meeting between the head of Licensing Office with field official or technical official. Problem solving in giving building permit for the earthquake victims May 27, 2006 revealed that this informal coordination mode is more frequently used, almost every day, than the formal one. And that was it. The organizational phenomenon we observed revealed that this coordination mode is more effective and helpful in solving problem. Communication network between field staff or officials with the head of Licensing Office become to be more frequent. In this case, field officials having long field experience are the most frequent consulted by the Head of Office to solve problems than the administrative staff. Henry Minzberg (1987) classified this organization as ‘an operating adhocracy’, in which a multidisciplinary solve problem team deliver service for licensing directly according to the needs of community. In adhocracy organization character, the role of field officials served as a manager, namely the functional managers or project managers.

Based on my study on 2008, it was revealed that middle manager and field official successfully designed information technology for licensing service (Nurmandi, 2008). Innovation or bureaucracy reform in Jogyakarta revealed the confirmation of early work on innovation in public service organization. This was epitomized by Osborne and Brown (2005), that signal of early innovation posed by mayor, as a top manager, could continuously be done by organization with the supporting middle and lower manager. Moving on the final aspect of the internal environment of an organization, its organizational life or routine: the nature of the staff group of an organization, the complexity of the tasks that they undertake, and the nature of organizational communication (Osborne and Brown, 2005, p. 135).

**Economic and Social Aspect**

Before the decentralization was implemented, the city’s economic and social aspects figure up good increasing. The increase in gross domestic product on 1994 was at the amount of Rp. 1,272,454 to Rp. 3,993,837 in 2003. While after the autonomy is implemented, it became Rp. 5,021,149 in 2008.

<table>
<thead>
<tr>
<th>City</th>
<th>Ease of starting a business</th>
<th>Ease of dealing with construction permits</th>
<th>Ease of registering property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bali Bupati</td>
<td>8</td>
<td>8</td>
<td>14</td>
</tr>
<tr>
<td>Banda Aceh</td>
<td>6</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Bandung</td>
<td>5</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Denpasar</td>
<td>10</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Jakarta</td>
<td>7</td>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td>Makasar</td>
<td>9</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Manado</td>
<td>14</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>Palangka Raya</td>
<td>3</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Polembung</td>
<td>4</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Pekanbaru</td>
<td>11</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Semarang</td>
<td>13</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>Surabaya</td>
<td>11</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>Surakarta</td>
<td>2</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>Yogyakarta</td>
<td>1</td>
<td>1</td>
<td>12</td>
</tr>
</tbody>
</table>

or rise approximately Rp. 2,000,000. The economic growth showed significant improvement with the average economic growth before 2003 amounted of 3.64% per year became 3.87% per year after 2003. Poor economic growth occurred in 1998, because the global economic crisis hitting Indonesia including Jogjakarta. Meanwhile, the imbalance between the sector as shown by Williamson index tend to decline from 0.346 in 2002 to 0.287 in 2008.

The performance of city’s HDI from 1996 until 2008 revealed that there was a positive increase and even more than the province’s HDI. In 1996 city's HDI was 76.1, and in 2008 increased to become 78.45 or increase by 2.35 for twelve years. However, Jogjakarta province's HDI in 1996 was 71.8 and only increased moderately to 74.33 in 2008.

The decrease of poverty rate in Jogjakarta before 2003 was 4.94% or 12,630,000 household and became 8,460,000 households or 3.73% after 2003. Decrease in the number of poor families was affected by popular policies launched in the last ten years, such as:

a. Providing educational assistance for poor families;
b. Provision of capital assistance for small business;
c. Advocacy of informal traders

Amount of income per capita increased from Rp. 11,962,328 in 2001 to 15,554,984 in 2005 or Rp. 3.592 (30.03%) for five years. The increase per capita income figured out that there was a great improvement of welfare residents in Jogjakarta within last ten years.

Life expectancy in 1999 was 72.1 rose to 73.1 in 2006 and made it to be the highest from all districts / cities in Indonesia. The performance of educational affairs could be seen from the literacy rate indicator, especially after 2002. In 2003 the literacy rate reached 96.7%, increasing to 97.1% in 2005 and increased again in 2007 at the amount of 97.5%.

**Environmental Aspect**

Environmental performance of the city basically is measured from air pollution—the most frequently encountered problems by all cities in Indonesia. Law No.32 2004 stimulated the city could take responsibility in handling environmental matters. Based on the data, since 2003-2008 the air temperature (Fig. 2) conditions kept continuing to increase. The increase was caused by the greenhouse effect that produce CO2, CH4 and CFCs from motor vehicles and industry. Gas-greenhouse gases will prevent the heat out of the earth's surface so that the surface of the earth becomes hotter than the air layer above it. Given the air temperature measurements is very close to the source of pollutants. It is very reasonable if the cause of the increase of air temperature derived from the gases released by motor vehicles, and could be worse in peak hours between the hours of 08.00-10.00 PM and between 14.30-16.00 hours.

The data on SO2 concentrations (Fig. 3) that from year to year, in the province of Jogjakarta Special Region tends to increase, and had increased very significantly in 2008. The data on NO2 concentrations (Fig 4) in the province of Jogjakarta Special Region tends to increase, though by 2006 had dropped slightly, but then it rose again. This is seen clearly in the graph of temperature trends as can be seen in the graph below. The data on the concentration of CO (Fig 5) in Jogjakarta CO concentrations tend to decrease. This is seen clearly in the graph of temperature trends as can be seen below. The data on ozone (Fig 6) from year to year ozone concentrations in the province of Jogjakarta Special Region seems to give a very significant decline, though by 2005 had experienced an increase, but then continuing to decrease. This is seen clearly in the graph of temperature trends as can be seen below.

The data on Pb concentrations (Fig 7) from year to year, the concentration of Pb in the Province of Jogjakarta Special Region remains constant, though in the 2005, there was a significant decrease, but in 2006 also experienced a very significant increase and then tend to stagnate. This is seen clearly in the graph of temperature trends as can be seen below.
Pollution in the city river is another environmental problem in Jogjakarta. The evidence from municipal monitoring of 75 shallows wells along riverside areas indicate that 72 of them near the river (less than 10 meters from the bank), as well as relatively far from the bank (more than 100 meters) are severely polluted by coliform (93-2400 MPN/100 ml compared to permitted standard of 50 MPN/100ml) adn only 3 wells have the requires standard quality of drinking water (Municipal Office of Public Health, 2005, cited by Brianda Yossi & Edsel E Sajor, 2007).

Municipal government has launched environmental program since 2003 by developing Communal Waste water Treatment Plant Projects (IPAL). The facts from the field revealed that the majority of household size in riverside kampungs was 4-5 members, but it is also common to find up to 6-8 members living in one house. Therefore construction of IPALs would be unable to meet the demands of all riverside kampungs, especially because some technical obstacles were also found during installation in the from of geographical adn social barriers (Brianda Yossi & Edsel Sajor, 2007).

CONCLUSION

Based on this research, it can be concluded some points as follows: implementation of decentralization after 2002 figure out the good performance of economic aspect, social aspect and bureaucracy of city. However, environmental aspect of city autonomy show quite poor performance. The performance of a satisfactory regional autonomy in the city of Jogjakarta is strongly influenced by the role of the mayor's leadership and courage of the organization as a whole to make innovations that are not seems to accord with the upper regulation. Therefore, these findings carry several implications for both practical and theoretical implications. The practical implication is the implementation of decentralization policies determined by capability and good vision of mayor and the staff group of an organization, the complexity of the tasks, and the organizational communication. Current Indonesia regulations on direct election of mayor or regent or governor can not resolve this leadership issue, because most of the people put forward in popularity of the mayor’s candidate.

Theoretically, the implementation of asymmetric patterns of autonomy contribute to development of the decentralization theory in the future, with the patterns in accordance with the characteristics of specific regions and countries concerned.
REFERENCES


Shah, Anwar and Theresa Thomson, Can Decentralization Help Rebuild Indonesia, Paper was presented in *International Conference, Andrew Young Policy Studies, Georgia State University*, Atlanta, May1-2, 2002.


APPENDIXES

![Fig 1](image-url)

Formation of Autonomous Area
After Soeharto Administration
Fig 2
Temperature Trend 2003-2008
Source: Laporan Lingkungan Hidup Daerah Propinsi DIY Tahun 2008

Fig 3
Trend SO2 2004-2008
Source: Laporan Lingkungan Hidup Daerah Propinsi DIY Tahun 2008
Fig 4  
Trend of NO2 2004-2008  
Source: Laporan Lingkungan Hidup Daerah Propinsi DIY Tahun 2008

Fig 5  
Trend of CO 2004-2008  
Source: Laporan Lingkungan Hidup Daerah Propinsi DIY Tahun 2008

Fig 6  
Trend of Ozone 2004-2008  
Source: Laporan Lingkungan Hidup Daerah Propinsi DIY Tahun 2008

Fig 7
**Trend of Pb 2004-2008**

*Source: Laporan Lingkungan Hidup Daerah Propinsi DIY Tahun 2008*

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**Fig. 8. Regional Domestic Product**

*Source: City Statistic Agency*

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**Fig. 9. Economic Growth**

*Source: City Statistic Agency*

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**Fig. 10. Gini and Williamson Index 2002-8**

*Source: City Statistic Agency*
Fig. 11. Poverty Line 2002-8  
Source: City Statistic Agency

Fig. 12. Life Expectancy Rate 1999-2006  
Source: City Statistic Agency

Fig. 13. Literacy Rate 2003-2006  
Source: City Statistic Agency