

DECENTRALIZATION AND CHALLENGES TO UNITY

REPORT ON THE INDONESIA ROUNDTABLE 2001

Centre for Dialogue
Simon Fraser University
Vancouver April 19-21, 2001

Dept. of Foreign Affairs
Min. des Affaires étrangères
JUL 15 2003
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Indonesia began one of the world's largest political and administrative experiments in January 2001, namely to decentralize governing authority from Jakarta to the districts. This occurs in the context of economic crisis and high political uncertainty. A Roundtable for Canadians with Indonesian experts was held to explore the challenges that decentralization poses to Indonesian unity, and to see if Canadian approaches to decentralization might be relevant.

The Current Situation

The Canadian keynote speaker described decentralization as "the largest political experiment in the world", conducted in a context of severe economic inflation and hardship, low value of the Rupiah, and weak leadership at the political centre. This translates into popular discontent over lower purchasing power and fewer job opportunities, and a sense of political drift under leaders who appear to lack a 'national vision'.

With over 17,500 islands and hundreds of linguistic and cultural groups, many vying for a greater role in the country and/or for more autonomy, the Government of Indonesia's response has been to decentralize programmes, budgets, and personnel to about 360 'kabupaten' (districts). Several new provinces and a large number of new districts have been created. New associations of districts and municipalities enable stakeholders to consult one another and the central government and to try to resolve problems and conflicts. Demands for separation in Papua and Aceh remain unresolved.

65-372-006

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