

# The Indonesian Update

Monthly Review on Economic, Legal, Security, Political, and Social Affairs



## Main Report : Jakarta Traffic Jam Problem

### **The Economics**

- The Benefits and Costs of the Rupiah Redenomination ■
- Towards the ASEAN Economic Community ■

### **Law & Politics**

- Supporting the Aspiration Houses ■
- Questioning the High Cost District Head Elections ■
- Legal Cases in Local Elections ■

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# FOREWORD

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The Jakarta congestion problem reemerged into public discussion. Jakarta has reached its maximum point of carrying capacity. Due to this congestion, the losses endured by the business sector reach a level of IDR 12.8 trillion per year. Another study shows that the average traffic speed of in this city is 20, 21 km / hr. Nearly 60 percent of the travel time is spent in congestion, while the remaining 40 percent is spent for the actual traveling. No wonder therefore if SITRAMP Study (2004) stated that economic losses due to congestion in the city in 2002 reached IDR 5.5 trillion, most of which allocated for costs of vehicle operations.

There is a number of analyses about the causes of congestion in Jakarta. *First*, the growth in the number of vehicles that is not balanced with the growth of roads. As a result, the roads are crowded, and at one point (2015) there will be a total congestion

*Second*, the mass transportation system has not been developed. Besides unsafe and uncomfortable, the mass transportation has not been able to address the transportation needs of residents. The number of private vehicles has aggravated the complexity of public transportation vehicles in Jakarta.

This edition of the Indonesian Update raises a main theme on the Jakarta congestion problem. The Indonesian Update also talks about some important topics from several fields. On the economy and finance, it discusses the ASEAN Economic Community and the costs and benefits of the rupiah redenomination policy. On politics, it talks about the idea of aspiration house, the high cost regional elections, and the legal aspects of regional direct elections. On social affairs, it discusses religious intolerance.

The regular publication of the Indonesian Update with its actual themes is expected to help policy makers in the government and the business sector, academicians, and international think tanks get actual information and contextual analyses on economic, political, social, and cultural developments in Indonesia.

***Happy reading!***

## Jakarta traffic jam problem

*Jakarta traffic jams back into public discussion. Jakarta is now to the point of carrying capacity. Due to this congestion, disadvantaged business sector to reach IDR 12.8 trillion per year. According to environmental experts from the University of Indonesia, Dr. Firdaus Ali, loss of society to reach USD 28.1 trillion per year, where the fuel is wasted to reach IDR 10.7 trillion, lost productive time worth IDR 9.7 trillion and losses of IDR 1.9 trillion transport owners. Health losses reach IDR 5.8 trillion, given the congestion contributed the highest air pollution in Jakarta around 90 percent.*

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Another study showed that the average speed of traffic in this city is 20, 21 km / hr. Nearly 60 percent of the time constraints, while the remaining 40 percent is time to move. No wonder therefore if SITRAMP Study (2004) directed that the economic losses due to congestion in the city in 2002 reached IDR 5.5 trillion, most of which cater to the cost of vehicle operation.

### **Causes congestion**

There is a number of analysis causes congestion in Jakarta. *First*, growth in the number of vehicles that is not commensurate with the growth path. As a result, full-tread road, and at one point will be a total loss. Total two-wheeler and four in Jakarta, as many as 6.7 million units, with 1172 growth units per day.

Consisting of 186 cars and 986 motorcycles. Total growth of 10 percent per year cars and motorcycles 15 percent per year. Compare with 7650 kilometers of road length or 0.26 percent of the width of the Jakarta area 662 square kilometers and with a long growth path that only 0.01 percent per year. This condition is clearly not comparable to the high number of trips.

Even a mathematical calculations show that if this condition persists, Jakarta will be a total loss on the upcoming 2015. Study of Indonesian Transportation Society (MTI) revealed the current rate of speed of vehicles in the capital of only 10-15 km / hour. With a decrease in speed km / hour / year, then in 2015 will be 50-10 km / hour. Plus signs are there, and then Jakarta will be a total loss.

*Second*, mass transit does not develop. In addition to unsafe and uncomfortable, mass transit has not been able to address the transportation needs of residents. The number of private vehicles for more than aggravating the complexity of public transportation vehicles in Jakarta.

Of the total two-wheeler and four in Jakarta that as many as 6.7 million units, 98 percent of which are private vehicles, while the rest of public transport. Though the number of people transported far fewer private vehicles than passenger who brought public transport.

Private vehicles only carry about 44 percent of people who move. As for public transport carry about 56 percent of passengers. This situation must be reversed. Owners of private vehicles should be made willing to switch to public transport. Condition, the government provides a clean mass transportation, humane, and the number is sufficient.

Growth in private vehicles, both two-wheel or four-wheeled racing will increasingly leave the existence of public transport. Just look at predictions GAIKINDO (Indonesian Automotive Industry Association) who call in car sales in the year 2010 will penetrate 600 thousand units. Prediction is very reasonable to look at car sales in the first quarter of 2010 which broke the 173 989 units.

Nevertheless, the above facts cannot serve as justification for inhibiting the automotive industry. Moreover, banning the public to buy or possess it. Regardless it is a product or a foreign brand, the fact that market demand is still high. Moreover automotive industry is the fourth largest tax contributor in Indonesia.

In addition, the commercial vehicle market in Indonesia is still thirsty. As an illustration, the ratio of the car and the population is still relatively low, only in the range of 30 per 1000. Malaysia has approached 100. While in the United States, located at 800 levels. For motorcycles, Indonesia is the world's third largest market after China and India. Motorcycle market thrives in developing countries.

From a more macro perspective, the core of the problem actually lies in the spread of vehicles more highly concentrated in certain areas, particularly in the western Java, especially in the Greater Jakarta area which became the center of the national money supply. While the environmental carrying capacity has been stuck, unless you want to cover a meeting in Jakarta with a stretch of concrete road.

Jakarta bearing capacity is also increasingly the strength to endure heavy urbanization. The phenomenon of urbanization is highly influenced by the imbalance of development among regions and structural conditions of poverty which has forced the rural poor to migrate to urban areas, particularly Jakarta.

Based on these results Assessment Center for Planning and Regional Development (P4W) Bogor Agricultural University (2007) about the Economy of Sector and Spatial Linkages between Jakarta and the surrounding area, economic growth in Jakarta was not significantly impact the growth in surrounding areas (including Indonesia in total). Uneven economic growth is indirectly encouraging people to migration to Jakarta.

When comparing the area of Jakarta which is only 0.03 percent and the total population of about 4.14 percent of total Indonesia, the city became a central gathering financial sector activities (banking and other financial institutions) amounted to 75.09 percent of the national total. Being fairness if many people had hope for change fate in Jakarta.

### **Development of public transport**

Ironically, the congestion that is supported by weak law enforcement for traffic violators and users of land that should be used as a pedestrian area only required an additional reason that led to widespread and long road. Invisible directional transport strategy and a thorough and consistent in its implementation on the one hand and further highlight the rhetoric and slogans alone on the other.

Mass Rapid Transit (MRT) program, which promised to be operated since the administration of Governor Sutiyoso and subway expansion plan is still in development stage. If the planning targets are met, expected the new MRT physical project will begin in 2011. If construction goes smoothly, the new residents in 2015 will enjoy the services of MRT Jakarta.

Development and improvement of rail transport is still suffused with issues of management and maintenance. The growing movement of cycling to work (bike to work) is still limited, while waiting for the bike path that gives a sense of security has not been met. Plan the implementation of Electronic Road Pricing (ERP) as an effort to limit vehicle movement is still needed socio-economic analysis and supporting instruments, in addition, of course socializing to the public.

Portrait of planning and program implementation should describe all elements that influence the transportation system as desired. Call it a special issue of the busway program, after six years since the program was initiated and has been operating the ten corridors and a consortium involving four companies, is still confronted with the issue of standards of service users ranging from the arrival and leaving time that cannot be predicted, the comfort and security until the issue ticketing. Yet still there is some other corridor infrastructure which has been prepared but never operated.

Today even the use of gas fuel in buses in some corridors threatened to re-use diesel fuel, because the price has not been agreed between the Provincial Government of DKI Jakarta and *PT Perusahaan Gas Negara* (PGN, State Gas Company). Yet as a system, the presence and operation of the busway should be encouraged and supported by the infrastructure that leads to the realization of sustainable transport systems and environmentally friendly.

Reengineering starts from the commitment of the stakeholders who later revealed to be the activities and achievements are measurable and are accompanied supervision of incentives and disincentives (rewards and punishments). Making Jakarta as one tourist city in Southeast Asia deserves the support of the transportation system. Good or bad transport system into the face of our governance. Position of busway program is at stake. If the only way busway program does not lead to better conditions, then the other programs in support of a mass transportation system will experience the same conditions if not just want to be a discourse.

*Portrait of planning and program implementation should describe all elements that influence the mass transport system as desired. Reengineering starts from the commitment of the stakeholders who later revealed to be the activities and achievements are measured. Making Jakarta as one tourist city in Southeast Asia deserves the support of the transportation system. Good or bad transport system into the face of our governance.*

— Endang Srihadi —

## The Benefits and Costs of the Rupiah Redenomination

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Bank Indonesia's (BI) proposed discourse on the redenomination of rupiah -- i.e. the simplification of the rupiah value by dropping the number of zeros -- has created a debate. Economists are divided. Some of them agree, while others do not. Apart from differences in their perspectives, both sides see from the available empirical facts.

Those who agree refer to the successes that have been reached by other countries in implementing the policy. Redenomination, coupled with an appropriate monetary policy, will lead to the improvement of economic performance.

On the other hand, those who disagree believe that redenomination would be only worth when the economy experience extreme inflation, the so-called hyperinflation. Moreover, redenomination per se would not improve economic performance of a country.

Some economists are even worried that the redenomination program would create chaos. Consequently, to avoid uncertainty, the people will throw rupiah away and massively buy U.S. dollars. It clearly would make the rupiah value plunge.

### **Simplification**

The main task of the BI as the central bank is to maintain a stable value of rupiah, both against foreign currencies, or against the goods and services. When rupiah depreciates and or inflates, then the theoretical value of the rupiah would decrease.

Redenomination does not necessarily make the value of the currency stable. Redenomination is only for a simplification purpose. To buy goods worth Rp100.000.000, - for instance, buyers would simply give Rp 100,000, - to the seller. Thus, the public becomes more comfortable, because it is easier to calculate -and secure - as it does not need to carry a special bag - in doing transactions.

It also applies to currency quotation. After the redenomination, one U.S. dollar is only worth Rp 9, -, no longer Rp 9.000, -. On this exchange rate matter, a quotation receives special attention. The post redenomination discourse has emerged. Not a few people who realize that the rupiah is one of the least-valued currencies in the world.

To this point, the redenomination is no longer just aimed at simplifying the economic transactions, but also at enhancing the national pride. We however must not be caught in a “nominal trap.” The pride of the rupiah value -- either against goods and services or against the foreign currency -- should not be measured by its value, but by its stability.

On the other hand, it is noteworthy that the redenomination program is certainly costly. Public education in the midst of community groups that have different levels of financial literacy would require a substantial cost. It is insufficient just to rely on personnel of BI whom are scattered around the country.

BI should establish cooperation with the mass media. That is, BI should allocate sufficient funds for these programs to be successful. Otherwise, the programs might result in a chaotic situation. The costs incurred to control the damage will be greater.

*If the policy will be implemented, the challenge for BI is to create an efficient but effective public education.*

### **Benefits-Costs**

From the description above, we could briefly describe the benefits and costs of this policy. From an inflation rate perspective, which tends to be low, the margin between benefits and costs is low. In other words, redenomination would not bring much benefit.

But from a perspective of exchange rate quotation, redenomination will obviously useful to remove the rupiah from the list of the least-valued currencies in the world, although such benefits are not easy to quantify.

On the other hand, the policy will cost BI considerably. Thus, if the policy will be implemented, the challenge for BI is to create an efficient but effective public education program.

— **Nawa Thalo** —

## Towards the ASEAN Economic Community

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“Bridging Markets, Connecting Peoples.” This was the theme of ASEAN anniversary this year, which is celebrated on every August 8th. The theme in fact reflects the spirit of nations in Southeast Asia in the era of free trade. Since January 1, 2010, the countries of ASEAN-6 (Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand) have implemented zero percent tariffs for intra-exports and -imports.

Such tariffs are expected to result in an increase in the trading volume amongst fellow members in the region. In other words, the zero percent tariff policy is the catalyst for the creation of a single market and production base, as stated in the blueprint of the ASEAN Economic Community.

The non-tariff policy therefore is an effort to create incentives to increase intra-ASEAN trade, as the volume and value of trade with countries outside ASEAN are higher than those of among members.

The creation of a single market is the realization of economic integration. Theoretically, economic integration occurs when each member faces the same policy in the markets, either financial markets, goods markets, or labor markets.

Economic agents, both buyers and sellers, have equal access to markets and get the same treatment. Thus, there are no more barriers to the flows of production factors, both labor and capital, amongst countries in the region. Consequently, there would be higher mobility of factors of production.

The main purpose of creating a single market and production base is the creation of economic efficiencies in the region. Efficient economy will automatically increase competitiveness. With better competitiveness, the region will be more prosperous. Furthermore, the rising prosperity will increase the political bargaining position in the global constellation.

### **Protectionist policies**

Realizing a single market however would not be easy. Policy makers in member countries would be tempted to be protectionist, especially when a crisis strikes.

Protection of domestic markets can be done in various ways. Even if the zero percent tariffs are set, protection can be done by establishing non-tariff barriers. Should one member do that, other members are most likely to follow.

There would be trade imbalance among members. If members become protectionist, various efforts to create a single market that has been consuming energy, time and cost would be futile.

Although there is no crisis, protectionist policies could be caused by other reasons, domestic political calculations, for instance. The government that is worried about losing popularity in the eyes of people would adopt a pro-protection policy for their domestic markets.

In fact, when people already feel the benefits of the implementation of the single market, the public will provides the political support to the Government.

*Realizing a single market however would not be easy. Policy makers in member countries would be tempted to be protectionist, especially when a crisis strikes.*

— **Nawa Thalo** —

## Supporting the Aspiration Houses

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After being criticized for the proposed aspiration funds, the House of Representatives has been criticized again for the proposed funding for the establishment of regional aspiration houses. The proposed establishment of aspiration houses is predicted to inflate the 2011 State Budget (APBN) as much as Rp 209 billion per year. This is predicted with estimation that each House member will receive as much as Rp 234 million per year.

The point of criticism that has been expressed by political observers, economists, politicians and the general public is that if the policy is issued, state money will be wasted. According to them, now, members of parliament have received the aspiration fund in the amount of up to 50 million rupiah per year (depending on their electoral regions).

This amount would be enough to absorb the people's aspirations. Furthermore, the proposal for the absorption of aspiration by House of Representatives members would incite the parliament members to take the people's money. Undoubtedly, the image of the parliament as the representatives of the people will be tarnished, making them far away from the public's good perception.

### **The Benefits of Aspiration Houses**

There should be an in-depth study on whether or not the aspiration houses for members of the House are really needed. If we look closely, there is a missing link between the members of parliament with their constituencies. Amidst great expectations from the society to its representatives in the parliament, there is no effective mechanism that is sufficient to explain and inform what the duties and obligations that have been executed by members of the House of Representatives in Senayan. This often causes the crisis of public confidence towards the Member of Parliament who represents them.

The presence of aspiration houses is expected to explain in details about the activities of members of the House of Representatives in Senayan. It would include from the schedule of meetings to the summary of the

meetings, and also the aspirations of the people who are submitted in the meetings.

In this context, the presence of aspiration houses can bridge the information from members of parliament to the public in his or her electoral region, and vice versa, they can channel aspirations from the community to members of parliament who represent their regions. With the presence of aspiration houses, it is expected that information exchange will occur so that members of parliament will not always be known as “rats” that always devour public money or people who forget where they come from..

### **Answering Criticisms**

Those who think that the aspiration houses as the bridge of information between members of parliament to the constituencies need to respond to various criticisms from the public about the existence of the houses of aspiration.

*First*, the funds for aspiration houses are considered as wasting the state’s money. This is rather difficult to answer, as using a priority scale, there are some other programs which more important such as public welfare or the country’s defense budget. Therefore, the public criticisms on the use of the state budget for aspiration houses need to be supported. However, given the importance of the aspiration houses, members of parliament should allocate some of their salary to build aspiration houses.

The establishment of aspiration houses in the electoral regions; for example, at the level of the capital of a province or a district, will need a budget less than Rp 40 million per year. This is less than what is obtained by members of parliament every year. In fact, when the houses are built in the homes of members of parliament, then the costs will also be smaller.

*Second*, the existence of the aspiration houses would dwarf the role of political parties. There has been a big concern, as in the absence of aspiration house, political parties in the community will absorb less aspiration, even zero on some occasions. By the aspiration houses, political parties will be prompted to perform its role as institutions that are obliged to provide political education for the community.

*Third*, the existence of the aspiration houses will kill the competition from legislative candidates, favoring the current members of parliament. This is not to be worried too much, as the presence of aspiration houses will make the constituent really know the quality of members of parliament.

When members of parliament are able to running the aspiration houses, the community would assess the performance of members of the House. If they are good, then they certainly deserve to be re-elected. However, if a member of parliament is not able to use the aspiration houses properly, then the constituency would assess that members of the House could not fulfill their promises. As a result, the possibility for re-elected in the next legislative elections is getting smaller.

*Fourth*, the aspiration houses can use the political party offices. This will indeed cut costs; however, the presence of aspiration houses in the offices of political parties will create a problem with members of parliament from different parties. Members of parliament will no longer truly represent the constituency of party supporters, but the entire community residing in the electoral region.

*The existence of aspiration houses is really needed in creating aspiration relationships between the members of parliament and the electoral area community. The main criticism is actually about the source of the funds that would be used in establishing these aspiration houses. Therefore, the elements of the society must urge that the funds of aspiration houses should come from the member of the House itself.*

*Fifth*, the other critics say that the aspirations do not have to go through the aspiration houses, as they can be channeled via telephone and email. This would be effective if the constituencies in urban areas are well educated. However, it is not effective for constituency in rural areas that is not accustomed to conveying the aspirations through a telephone, let alone using email.

*Sixth*, the aspiration houses could be established at once by all members of parliament who represent one of these constituencies. This would save costs, but it will bring constraints to members of parliament in using those aspiration houses. There would be some problems about time schedule in using the house of aspirations because all of parliament members have the same or very close recess time. So, it would lessen the effectiveness of the aspiration houses utilization.

Based on the discussion above, the existence of the aspiration houses are really needed in creating aspiration relationships between members of parliament and the community in they electoral region. Meanwhile, the main criticism is actually about the source of the funds that would be used in establishing these aspiration houses.

Therefore, the elements of the society must urge that the funds of aspiration houses should come from members of the House themselves. Members of parliament should also be given the opportunity to prove that they really intend to absorb the people's aspirations, and not just simply to enlarge their own income.

— **Benni Inayatullah** —

## Questioning the High Cost District Head Elections

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President Susilo Bambang Yudhoyono's concern about practices of money politics in the district head elections and high cost democracy had been expressed again in the state address in the Joint Session of the House of Representatives (DPR) and the Council of Regional Representatives (DPD) (16/8). The phenomenon of high cost district head elections was previously mentioned by Minister of Home Affairs Gamawan Fauzi. It is a paradox of the expensive cost of district head elections and the demand of a government that is clean from corruption. To become a governor, one needs funding of around Rp 100 billion, while the governor's salary is only Rp 8.7 million per month. This phenomenon has a correlation with a recent report of the Indonesian Corruption Watch (ICW) that states that the regional budget has become the biggest contributor to the potential losses to the state due to corruption cases that has occurred in the first half of 2010. According to ICW data, corruption cases of regional budget in 2010 has cost the state about Rp 596.23 billion, out of a total of Rp 1.2 trillion in state losses due to corruption. The spread of corruption to the area and the many regional heads that have been arrested for corruption clearly indicate that there is something wrong with the system and the district head election process. In addition, as the direct election system really requires a large capital to be owned by a candidate for a district head, district head elections are then also often accompanied by the practices of money politics. This money politics is what has caused the cost of district head elections and the cost of democracy to increase.

### **The Causes of High Cost**

At least, there are four factors causing money politics and the high cost of the district head election: the impact of the liberalization of the district head election system; the effect from the failure of the parties to bind constituency and the failure of a candidate of a district head to lure voters; the impact of the strengthening of pragmatism of party cadres and voters; and the implication of a strong oligarchy and the fragility of the internal recruitment system of a candidate for a district head. The system of the district head elections has increased administration costs,

the cost of political campaign, and the nomination fee. The General Election Commission calculated that the cost of implementation of the district head elections during 2010–2014 reached Rp 15 trillion. Other than the implementation costs (the General Elections Commission), supervision (the Election Oversight Committee), and security (police), the system of direct district head election tends to require a very high cost of political campaign. Furthermore, there are also political consultant fees.

The failure of the party to bind the constituency and the inability of a candidate of a district head to lure voters also have caused the high political cost in the district head elections. The inability of luring and binding these constituencies has provoked the party elite and the candidate for a district head encourage to use an instant way through money politics. Such a practice has clearly caused the cost of district head election to inflate. The strengthening of political pragmatism and the decline of the militancy cadres of the party - which have caused the the party organization machinery to not run optimally - have also encouraged the proliferation of money politics. It is coupled with the pragmatism voter factor. This situation has led to the use of the power of money as an instant strategy to move forward the the party machinery or as a replacement of the performance organization machinery in the district head election campaign. This is of course has also lead to the more expensive cost the district head elections.

The opportunities of money politics and the more expensive cost of district head elections have also been encouraged by the proliferation of oligarchy, the centralization of party policy, and the fragility of the system of cadre and the party's internal recruitment. The recruitment system of district head election that is not done in a democratic and transparent way will invite money politics in the nomination process. The party leaders tend to set high tariffs in the nomination of a head district, they see this district head election as a source of income for the elite and the party organization. The cost of "party boat rental" in the nomination process is usually higher than the component of campaign fund of the district head election. All four of these factors have causes the proliferation of money politics practices and the more expensive cost of district head elections. This condition will further erode the quality and moral integrity of the elected district heads. Because the selection system of district head elections that relies on the strength of money will incite the corrupt behavior of the head districts. A candidate of district head that does not have much money and has spent much in the elections surely thinks that the political costs must be recovered. At this point, the regional budget corruption will be a shortcut to recover the capital that has been used.

### Recommendation: Re-arrangement

Seeing the development of costs of district head elections, the re-arrangement of organizing the district head election system has become a necessity, as the political costs should not trigger corruption in the regions and damage democracy and decentralization that have been built since the beginning of the reform era. Therefore, there are three aspects of the administration of district head election that needs to be reorganized. **First**, the aspect of system implementation. It is necessary to pool the executive and legislative elections at the local level. There should be integration of the implementation of district head elections throughout Indonesia. If the executive and legislative elections are united, it means that there are only two elections, the national and local elections. The national elections should consist of presidential / vice presidential and member of the DPR / DPD elections. Meanwhile, the district elections of district head / vice head (governor / regent / mayor) will be conducted together with the elections of member DPRD at the provincial, district / city levels. The unification and integration of district head elections and DPRD elections will obviously save money in the management, supervision, or security of the elections. The separation of the national and local elections will also encourage local issues to appear to the surface, and that will be in accordance with the spirit of regional autonomy.

**Second**, from the aspect of campaign funds, there should be necessary rules limiting the total spending and spending in the campaigns of district head elections. The expenditures of the candidates for district head elections should be limited to the implementation of the district head elections. This is to minimize the occurrence of corrupt practices in the regional budget, as the candidates for district heads tend to recover the capital when they are elected. In addition, the restrictions in expenditures are more effective than the setting the amount of campaign funds. This is because restrictions have proved to be maximum. The rules about the limitations of these expenditures should be regulated in the legislation. **Third**, from the political party point of view, the candidates of district heads should have internal awareness - which will be enforced through regulatory legislation - for the parties to implement the recruitment system of candidates for district heads democratically and transparently. This is to avoid money politics in the process of nomination by the party. In addition, the political parties need to improve themselves by revitalizing their infrastructure and to empower cadres to reduce political cost in the district head elections, and to perform a function of political education to cadres and constituency.

*A candidate of district head that does not have much money and has spent much in the elections surely thinks that the political costs must be recovered. At this point, the regional budget corruption will be a shortcut to recover the capital that has been used.*

— Hanta Yuda AR —

## Legal Cases in Local Elections

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According to previous experiences, legal cases were the last episode of the participation of candidates in the elections, including the participation of candidates in several regions in Indonesia. Many legal cases would have many impacts on the participants, legal instruments, and of course, the public itself.

The direct implication of the cases is a significant dilemma of the role and position of the Local Elections Commission (KPUD), as it stands between legal interests and the concrete results of the elections. Not only KPU, MK (the Constitutional Court) also faces the impacts of the cases. MK will be overwhelmed by disputes of legal cases in its efforts to stabilize the local political spectrum. Thus, there is a need to involve the courts in order to maintain the quality of democracy of the local elections.

Many legal cases in the local elections are started by several allegations such as the use of money politics to influence voters, changing the voting results, intimidating voters, stopping voters to travel, damaging campaign attributes, and utilizing government facilities and officials. Even though money politics is hard to be proven, many cases that involve money politics will potentially undermine the quality of the local elections. These cases should be solved according to Article 62 and Article 63 of Government Regulation Number 6/2005.

There are some cases in which some parties refuse to accept the results. These cases, of course, need a legal instrument to solve them. But, many parties are hesitated to use law enforcement

in order to solve the problems. This hesitation is based on the limited time to create decisions. Local elections disputes can also increase the chances of the occurrence of horizontal conflicts amongst supporters of the candidates. In addition, these disputes will encourage unfair competition and conflicts between KPUD and MK, such as in the cases of local elections in Ketapang and West Kotawaringin, East Kalimantan.

Not satisfied with the results of the second round of local election in Ketapang, the pair of Yasyir Ansyari-Martin Rantan filed a complaint with MK. They questioned the results of the second round of the elections. The pair believed that the local election on Juli 5, 2010 had been tainted systematically, structurally, and massively by violations in the whole region. Because of that, the pair demanded that MK refuse the decision of the election results of KPUD Ketapang, which decided that the pair of Henrikus-Boyman Harun as the winner. According to the election results of KPUD Ketapang voting mechanism, Yasyir-Martin got 94,052 votes (44.76 percent of the votes), while Henrikus-Borman Harun got 116,079 votes, or 55.24 percent of the votes.

Yasyir Ansyari-Martin Rantan found some money politics and other cheating, which occurred before and after the voting day. Some cases happened in nine sub-district, where some men intimidated the voters to vote the certain pair of candidates. The other violations occurred in eight regions. They were systematic, structural, massive, and serious. These violations had a big impact on the second round votes. For example, some members of the success team of the candidates also acted as committee members of local election in three sub districts.

The second case is the local election of Kotawaringin Barat, Central Kalimantan. MK Decision No. 45/PHPU.D-VIII/2010 on July 7, 2010 about the 2010 West Kotawaringin Election Dispute has disqualified the winning of Sugianto-Eko Soemarno and commanded KPU to establish Ujang Iskandar-Bambang Purwanto as the winner. This decision has immediately triggered pros and cons both in national and regional level.

In national level, this decision was supported by KPU and several institutions of election watch like Konsorsium Reformasi Hukum Nasional (KRHN), Center for Electoral Reform (CETRO), and Perkumpulan Untuk Pemilu dan Demokrasi (PERLUDEM). While in regional level, this decision has triggered some disputes in West Kotawaringin. People has protested the decision because the decision was not the same with proposed letter that sent to Internal Affair Minister rely on the proposal to legalize and promote the regent of West Kotawaringin. Under the proposed letter, the couple, who has been disqualified by MK, is requested to be re-promoted as the regent. People viewed the MK decision was final and bonded up all mechanism and must be obeyed.

*As a long term solution, the implementing of MK decision should be done. Nevertheless, it would be bad precedence to democracy and legal reform. If the refusal action still happened, it will trigger similar action in other regions and also eliminate the legal force of MK decision.*

Gamawan Fauzi, Minister of Internal Affair, decided to assign temporary official of West Kotawaringin Regent. This would be a short term solution in order to avoid the vacuum of power in the the regency.

However, to provide a long term solution, the implementing of MK decision is a mandatory to be done. Nevertheless, it would become a bad precedence to democracy and legal reform. If this refusal action still happened, it will trigger similar action in other regions and also eliminate the legal force of MK decision. Because the decision has based on the valid regulations like Act of Election Implementation, Act of Local Government, Act of Constitution Assembly, etc.

— Aly Yusuf —

## Intolerance in Freedom of Worship

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Horizontal conflicts amongst community groups in the form of tensions related to freedom of worship have become a hot issue recently. During July-August 2010, there were some cases of violations and violence against freedom of worship that became the public's attention. Those cases were the banning of houses of worship and the prohibition of a religion denomination. In July 2010, there were three cases: the banning of a church in Cileungsi, Bogor; the assault on HKBP congregation in worship activities in Ciketing, Bekasi; and the attacks on the Ahmadiyah community in Kuningan, West Java. The violence still continued on August 8, where some people threatened a number of HKBP Ciketing fellows who were doing worship.

The advocacy for intolerance cases continues with the efforts of the defenders of tolerance on the diversity and freedom of worship. Some of them are the advocacy agencies that insist the President to respond firmly. One of the prominent advocacy actions was the worship action by HKBP Bekasi fellows on Sunday, August 15, 2010 in the front of the Presidential Place in Jakarta, which was later transferred to the area in the front of the National Monument. This action was aimed as a pressure that the Government should seriously pay attention to the complaints of minority groups and that it should not allow intolerance practices in the society.

### **The reported intolerance cases**

During January to July 2010, Setara Institute recorded 28 cases of violence against freedom of worship and beliefs. Some of them were the closings of the Christian church's and Jemaah Ahmadiyah's worship activities; destruction, arson, and forced closure of the church building; the threat of raids on church; as well as a rejection to the establishment of the church building. These actions were undertaken by some local people and a group of people on behalf of residents and local Muslim organizations. The reason is mainly because the church fellows' activities were deemed disturbing the people in the society and because the church violated the licensing

or designation of places of worship. While the Ahmadiyah group was considered trouble because it contradicts Islamic mainstream teachings.

### **The Government's role**

Intolerance and conflict among religious adherents in Indonesia have been a problem since a long time ago. On the houses of worship, the Government seeks to "bring order" by the Joint Regulation of the Minister of Religious Affairs and the Minister of Home Affairs No. 8 & No. 9 Year 2006 on the establishment of Houses of Worship. According to this regulation, the Forum of Religious Harmony (FKUB) is established at the provincial and district levels. This forum's duty is to prevent clashes among religious adherents, for example by monitoring and recommending the establishment of houses of worship. The Government in 2008 also imposed a Joint Decree of the Minister of Religious Affairs, Minister of the Home Affairs and the Attorney General on the Prohibition of the Jemaah Ahmadiyah so that Ahmadiyah followers stop their activities that are contrary with Islam.

This Ministerial Joint Regulation is a product of public policy that formally represents the government's policy. However, factually, this is the government's hand-washing step in guaranteeing the freedom of worship. Thus, Government cannot be held responsible if there is a violation of constitutional rights in worship by fellow citizens. When some people forbidding, closing, attacking, and destroying houses of worship, the Government does not feel responsible because it argues that local people do not allow the existence of houses of worship. Similarly, when the Ahmadiyah Community were chased after and attacked, the government argued that the public did not want the desecration of Islam by other groups outside *the mainstream teachings*.

Article 14 of the Ministerial Joint Regulation on the Houses of Worship Establishment rules that, "(1) *The establishment of a house of worship must meet the building administrative and technical requirements. (2) The establishment of the worship house must meet specific requirements, which include: a. A list of users names and identity cards (at least 90 people) and it must be reviewed by local officials; b. A local community support (least 60 people) and reviewed by the village head; c. A written recommendation letter from the head of the district religion department office; and d. written recommendations from the district FKUB. (3) In the case that the requirements referred*

*to in paragraph (2) letter a letter b of the requirements are met while the others are not being met, local governments are obliged to facilitate the availability of the location of the worship house. “*

### **Horizontal conflicts and intolerance practices**

The reason for the prohibition and rejection to houses of worship, especially the ones that were experienced by churches, was the consideration of local communities, especially from Muslim groups, that stated that the church activities were disturbing residents. It was reported that church members were often considered to be aggressive in spreading the religion and deemed to proselytizing Christianity. The clause that requires a minimum support of 60 community member seems to be aimed at preventing the impact of that troubling matter.

Practically speaking, freedom of worship seems to be narrowed down to “a license to conduct worship”, “a license to build a house of worship”, and “permission to conduct religious propaganda.” The arguments of violations and of causing unrest in the community are highly subjective and prone to politicization of interests. So, when a group of people prohibits the other group’s worship or doctrine, the government has an excuse in the argument that the public does not want a desecration by other groups outside *the mainstream*.

One one side, it is good that there are law corridors to protect the mistreatment (abuse) in the practice of inter-religious harmony. On the other side, the implementation is not encouraged by positive law enforcement, in which the objection and intolerance are only based on perceptions that are not balanced, without any proof by laws that reveal any violence or abuses by either the party that disturbs the society through the worship and gospel activities, as well as by the persons who threaten and commit violent anarchist actions against the followers of other faiths.

The crucial matter here is public education on human rights, including the freedom of worship and beliefs. There should be a broader insight so that people would not be trapped in the misinterpretation and the identity-politicizing of religious symbols and beliefs. Without any public education on human rights, pluralism, tolerance, and non violent conflicts resolution, people will be clouded by prejudices and be easily provoked.

— **Antonius Wiwan Koban** —

*arguments on the violation of norms and creating unrest in the society without any positive legal proofing process would lead be subjective and prone to the politicization of public interests of both parties who are involved in the conflict of intolerance. When a group of people prohibits the other group’s worship or doctrine, the government has an excuse in the argument that the public does not want a desecration by other groups outside the mainstream teachings.*

 THE NDONESIAN INSTITUTE  
CENTER FOR PUBLIC POLICY RESEARCH

**The Indonesian Institute (TII) is a** Center for Public Policy Research that was established on 21 October 2004 by a group of young, dynamic activists and intellectuals through the initiative of Jeffrie Geovanie. Its current Executive and Research Director is Anies Baswedan, and the Program Director is Adinda Tenriangke Muchtar.

**TII** is an independent, non-partisan, non-profit institution, whose main funding stems from grants and contributions from foundations, companies, and individuals.

**TII** has the aim of becoming a main research centre in Indonesia for public policy matters and has committed to giving contribution to the debates over public policies and to improving the quality of the planning and results of public policy in the new era of democracy in Indonesia.

**TII's** missions are to conduct reliable research that is independent and non-partisan and to channel the research to the policy-makers, the private sector, and academia in order to improve the quality of Indonesian policy-makers.

**TII** also assumes the role to disseminate ideas to the society so that they are well informed about the policies that will have a good impact on the people's lives. In other words, TII has a position to support the democratization process and the public policy reform, as it will be involved in the process.

The scope of the research and review on public policies undertaken by TII includes economic, social, and political factors. The main activities have been conducted in order to achieve vision and mission based on research, surveys, training, public discussions, policy brief, and weekly analysis.

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## Research on the Business and Economy

### Business Analysis

The business sector needs a comprehensive analysis in order to minimize the potential risks, while at the same time increasing the value of its business. Business analysis is a solution in corporate strategic planning to make reliable decisions. The TII Business Policy Research Division is present to provide company leaders with practical recommendations on the decision-making process.

Research that TII offers are: **(1) Company Financial Analysis**, which encompasses financial analysis and financial risk analysis. **(2) Corporate Planning Consultancy**, which includes economic and industrial research, business valuation, and brand valuation. **(3) Strategic Marketing Analysis**, which encompasses strategic marketing and *Corporate Social Responsibility* (CSR) program design.

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The economy tends to be used as an indicator of the success of the government as a policy-maker. Limited resources have often caused the government to face obstacles in implementing economic policies that will optimally benefit the people. The increase in the quality of the people's critical thinking has forced the government to conduct comprehensive studies in every decision-making process. In fact, the studies will not be stopped when the policy is already in place. Studies will be continued until the policy evaluation process.

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## Research on the Social Affairs

### Social Research

Social development needs policy foundations that come from independent and accurate research. Social analysis is a need for the government, the businesspeople, academia, professionals, NGOs, and civil society to improve social development. The Social Research Division is present to offer recommendations to produce efficient and effective policies, steps, and programs on education, health, population, environment, women and children.

Social research that TII offers: **(1) Social Policy Analysis; (2) Explorative Research; (3) Mapping & Positioning Research; (4) Need Assessment Research; (5) Program Evaluation Research; and (5) Indicator Survey.**

## Political Survey and Training

### Direct General Election Survey

One of the activities that TII offers is the pre-direct election surveys. There are sundry reasons why these surveys are important (1) Regional direct elections are democratic processes that can be measured, calculated, and predicted. (2) Surveys are used to measure, calculate, and predict the processes and results of elections and the chances of candidates. (3) It is time to win the elections using strategies based on empirical data.

As one of the important aspects in the strategies to win the elections, surveys can be used to prepare political mapping. Therefore, campaign teams need to conduct surveys: (1) to map the popularity of candidates in the society (2) to map the voters' demands (3) to determine the most effective political machinery that will act as a vote getter; and (4) to find out about the most effective media to do the campaign.

### Local Council Training

The roles and functions of local councils in monitoring local governments are very important. They need to make sure that participative and democratic policies will be espoused. Members of provincial and regent local councils are required to have strong capacity to understand democratization matters, regional autonomy, legislative techniques, budgeting, local Politics, and political marketing. Thus, it is important to empower members of local councils.

In order for local councils to be able to response every problem that will come out as a result of any policy implemented by the central government or local governments, the Indonesian Institute invites the leaderships and members of local councils to undergo training to improve their capacity.

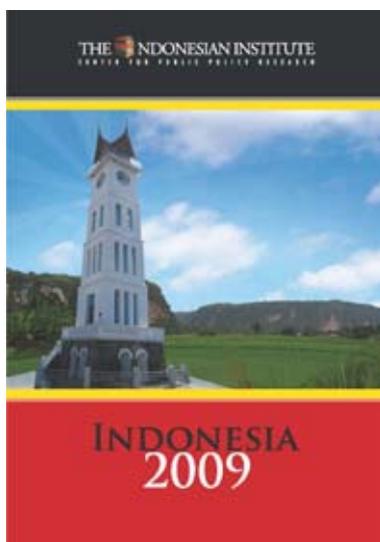
## Available now!

### The 2009 INDONESIA REPORT

**The Indonesian Institute, Center for Public Policy Research (TII)** has again published its annual publication, **Indonesia 2009**, after previously producing the report in the years 2005, 2006, 2007, and 2008.

The publication is aimed at presenting clear pictures of economic, legal, social, and political developments and of policies espoused by the Indonesian government. The 2009 Indonesia is published so as to give complete data on Indonesia in 2009. This annual publication is expected to become a basis for predicting Indonesia's short-term and long-term trends.

The publication of a report on Indonesia is also expected to assist policy-makers in the government, the private sector, academia, national and international think tanks in getting actual information and contextual analyses on economic, political, security, and social developments in Indonesia.



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7. Protection of Indonesian Migrant Workers Abroad
8. Gloomy Portrait of Child Protection

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