



Asymmetric Policy Concept for Border Areas Development: Issues and Challenges

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Abstract

Since the enactment of Law No. 23 Year 2014 about Local Government, there is a mechanism shift in service delivery from the local government to central government, especially related to infrastructure management in border areas. This shift has reversed the policy of decentralized service delivery mechanism to centralized one. This policy has confused the local governments in adjusting their policies to the central government policies. Thus, an asymmetric policy needs to be implemented in order to accelerate border areas development. This paper intends to propose the alternative options in dealing with the new policy and to design a better way how the central government may intervene asymmetrically the sub-national governments in accelerating development and service delivery mechanism in border areas. The descriptive analysis is used as the main method for this paper.

Keywords: asymmetric decentralization; border areas; basic infrastructure; funding framework; regulatory framework; institutional framework

1. Introduction

The Indonesia's development directions set in the Medium-term National Development Plan (*Rencana Jangka Menengah Nasional/ RPJMN*) Year 2015-2019 suggested development acceleration for improving people's welfare by providing public services, empowerment, and community participation with regard to the principles of democracy, equity, justice and local wisdom. The Government has set nine Priority Agendas called *Nawa Cita*, where the 3rd agenda emphasized: "to develop Indonesia from the periphery by strengthening regions (*daerah*) and villages (*desa*) within the framework of a unitary state". The 3rd agenda of *Nawa Cita* formed the basis for the commencement of asymmetric decentralization for the development of border areas and disadvantaged areas, rural development, the strengthening of local governance, and the improvement of the quality of local governance, as well as the arrangement of new autonomous regions (*Daerah Otonomi Baru/DOB*) for the sake of of the local people welfare. This study aims to propose alternative options in dealing with the new policy and to design a better way how the central government may intervene asymmetrically the sub-national governments in accelerating development and service delivery mechanism in border areas.

2. Asymmetric Decentralization Policy

Fritzen & Lim (2006) defined decentralization as the main principle of regional governance in a unitary state, especially the developing countries, while the main principles of organization in a state government within the framework of the federation is non-centralization. Fritzen & Lim (2006) distinguished decentralization into four types. First, administrative decentralization, which is the transfer of responsibility for policy making, planning and management of the central government handed over to the local

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government in two forms: (i) de-concentration, which suggests the central government to expand the functions of certain governance to local regions, where the local governments are responsible for the central government; and (ii) delegation, which suggests the central government to give some government functions to the local governments, where the local governments are responsible to the central government.

The second type is fiscal decentralization which suggests the allocation or distribution of responsibilities and resources from the central government to the local governments. The third type is political decentralization or devolution, which is the carry-over of the central government power to the democratically elected local government in order to increase government accountability and people's participation. The fourth type is a market decentralization which suggests the transfer of substantive control over the allocation of resources to non-state actors or businesses, commonly called privatization.

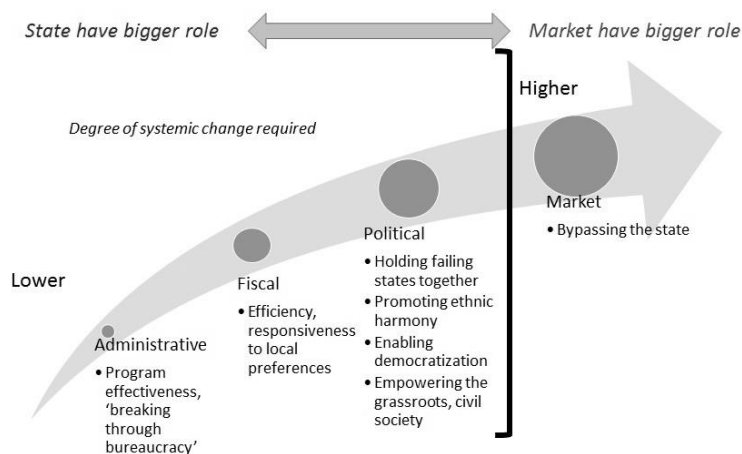


Figure 1. Ideological Spectrum of Decentralization
(Source: Fritzen & Lim, 2006)

In mathematics, symmetric and asymmetric terms used to describe a variety of size and shape. Similarly, in terms of public policy, the symmetric policy is uniformity and similarity measures in relations between the country's political units, both political units at the same level, as well as with the state system as a whole. Meanwhile, the asymmetric policy is a situation where diversity in larger communities finds political expression through the government that has varying degrees of autonomy and authority. The asymmetric policy should be limited to four terms as a platform: first, asymmetric policies applied by speed variable (transitional) or geometric variable (permanent); second, asymmetric policies are politically driven or capacity was driven; third, asymmetric policies for developed growth center areas or developing peripheral area; and fourth, asymmetric policies are naturally de facto or requires a de jure framework to control the policies to encourage the people's welfare (Watts, 2004).

Asymmetric policy divided into three levels, which are administrative asymmetry, fiscal asymmetry, and political asymmetry. Administrative asymmetry achieved with an agreement between the central and local authorities where the competence are agreed considering the administrative capacity of the local authorities. Fiscal asymmetry enters the realm of treating differences in regional income drawdown authority in the form of tax and non-tax, as well as shopping areas. Political asymmetry applied mainly for non-economic and political reasons in countries where there are local units with different capacities or where there are local units with different responsibility (Veljanovski, 2010)

Indonesia has implemented asymmetric policy on three levels. Administrative asymmetry occurred in Papua and Aceh Special Autonomy. Papuan's People Assembly (*Majelis Rakyat Papua/MRP*) have the authority to considering and approving the governor/vice governor candidates, the preparation of special regional regulation (*Peraturan Daerah Khusus/Perdatus*) in terms of spending special autonomy funds (*Dana Otonomi Khusus*), as well as the Provincial Regulation (*Peraturan Daerah Provinsi/Perdasi*) drafted by provincial government of Papua/West Papua and parliament (*Dewan Perwakilan Rakyat/DPR*) of Papua/West Papua (Pemerintah Republik Indonesia, 2001). Meanwhile, Aceh Special Autonomy applied in a different configuration and nomenclature of the regional administration from *mukim*, a subdivision of regency collected from some districts (*kecamatan*) to the *kampong* (village) (Pemerintah Republik Indonesia, 2006).

Fiscal asymmetry applied in Special Autonomy Funds for Papua Province, West Papua Province, and Aceh Province and the Specialty Fund for Yogyakarta Province. By law, 2% of total general allocation fund (*Dana Alokasi Umum/DAU*) were allocated for Papua Special Autonomy, as well as 2% for Aceh Special Autonomy.

Political asymmetry occurred in election of Sultan Ngayogyakarta Hadiningrat as the governor and Adipati Pakualaman as the vice governor of Yogyakarta automatically (Pemerintah Republik Indonesia, 2012); Islamic law and Wali Nanggroe institution in Aceh; and the establishment of the Papuan People's

Assembly as representatives of the indigenous of Papua (*Orang Asli Papua/OAP*), as well as exclusive right of OAP to be the governor and vice governor of Papua.

Table 1: Asymmetric Policy Forms in Indonesia

Provinces	Administrative Asymmetry	Fiscal Asymmetry	Political Asymmetry
Yogyakarta	X	√	√
Aceh	√	√	√
Papua & West Papua	√	√	√

Source: Adapted from Utomo, 2009

3. General Policy on Border Areas Development

The Republic of Indonesia has land and sea boundaries with 10 neighboring countries. Indonesia's land is directly adjacent to Malaysia, Papua New Guinea, and East Timor. Indonesia's maritime area is directly adjacent to India, Malaysia, Singapore, Thailand, Vietnam, Philippines, Republic of Palau, Australia, East Timor and Papua New Guinea. The state border areas (*Kawasan Perbatasan Negara/KPN*) located in 41 regencies/municipalities in 13 provinces including Aceh, North Sumatra, Riau, Riau Islands, West Kalimantan, East Kalimantan, North Kalimantan, North Sulawesi, East Nusa Tenggara, Maluku, North Maluku, Papua and West Papua.

The state border area is a major manifestation of state sovereignty, a mirror of how a country is said to be developed, developing, or underdeveloped when compared with the neighboring countries. Therefore, the Act No. 7 Year 2007 about the National Long-Term Development Plan (*Rencana Pembangunan Jangka Panjang Nasional/RPJPN*) 2005-2024 stipulated that the shifting of border development paradigms is important. First, the paradigm of previous development leads to inward-looking, but the global challenges require competitiveness, so the paradigm must be changed to outward-looking with the border areas potentials as a gateway to economic activities with the neighboring countries.

Second, the paradigm of border areas as a backyard because the formerly Java-centric development needs to be changed into a view that the border areas are the national front yard, so that the outermost small islands got special attention from the government to promote developments. Third, the paradigm of border areas development does not only rely on security approach by preserving, protecting and defending the sovereignty of the state, but also on prosperity and ecological approaches emphasizing equal development, prosperous people, and sustainable development.

In the Act No. 43 Year 2008 about the State Territory, it was stipulated in the Article 14 that the border areas management controlled by the central government and implemented by Border Management Agency at central and regional levels (Pemerintah Republik Indonesia, 2008). The implementation of the law manifested in the establishment of Presidential Regulation No. 12 Year 2010 about the Establishment of the National Agency for Border Management (*Badan Nasional Pengelola Perbatasan/BNPP*), the preparation of policies directed by the Coordinating Minister for Political, Legal and Security Affairs, the Coordinating Minister for Economic Affairs and the Coordinating Minister for People's Welfare (Pemerintah Republik Indonesia, 2010). BNPP headed by the Minister of Home Affairs and composed of the Minister of Foreign Affairs, the Minister of Defence, the Minister of Justice and Human Rights, the Minister of Finance, the Minister of Public Works, the Minister of Transportation, the Minister of Forestry, the Minister of Maritime and Fisheries, the Minister for National Development Planning (*Badan Perencanaan dan Pembangunan Nasional/BAPPENAS*), the Ministry of Rural, Disadvantaged Areas Development and Transmigration, the Commander in Chief of the Indonesian Army Forces, the Chief of the National Police, the Chief of State Intelligence Agency, the Chief of Geospatial Information Agency, and the Governor of the provinces that have border areas. BNPP assisted by a Permanent Secretariat that has daily duties and functions to assist the Head of BNPP and provide technical support, coordination, and administration to BNPP.

The definition and authority of the central government in the border areas emphasized in Article 361 of the Act No. 23 Year 2014 about the Local Government, the state border region is the outermost district (*kecamatan*) in terrestrial and marine areas directly adjacent to other countries (Pemerintah Republik Indonesia, 2014). The authority of the central government in border region covers all the authorities on border management and use of border areas. Thus, the central government has the authority to:

- Stipulation of detailed spatial plan;
- Control and permits utilization of space, and;
- Infrastructure development for the region.

Governor as the central government representative coordinates the implementation of the development of border areas, assisted by the mayor, then assign the district head (*camat*) in the border areas. The formation of *kecamatan* in border areas defined by the Regency/Municipality Regulation with the approval from the Minister of Home Affairs.

The implementation of the Act No. 23 Year 2014 regulates the establishment of the Presidential Regulation on Spatial Planning in some border areas, namely:

- Presidential Regulation No. 174/2014 about Spatial Plan for the National Border Areas (*Rencana Tata Ruang Kawasan Perbatasan Nasional/RTR KPN*) in East Nusa Tenggara;
- Presidential Regulation No. 31/2015 about RTR KPN in Kalimantan;

- Presidential Regulation No. 32/2015 about RTR KPN in Papua Province;
 - Presidential Regulation No. 33/2015 about RTR KPN in Maluku ;
 - Presidential Regulation No. 34/2015 about RTR KPN in the North Maluku and West Papua Province.
- Another implementation of the new law on local government is the establishment of the Government Regulation No. 18 Year 2016 about the Local Apparatus (Pemerintah Republik Indonesia, 2016). The implications on the regulation on border areas development are the symmetrical authority of *kecamatan* where there is no distinction between authority size of *kecamatan* in the border areas and other regions. *Kecamatan* is formed to coordinate the government services, public services, and the empowerment of rural communities (*desa*). *Camat* has the following tasks:
- a. Handling the general government affairs;
 - b. Coordinating the activities of community empowerment;
 - c. Coordinating the efforts of the organization of peace and public order;
 - d. Coordinating the implementation and enforcement of legislation and regulations Regent/Mayor;
 - e. Coordinating the maintenance of infrastructure and public service facilities;
 - f. Coordinating the implementation of the activities of the regional government carried out at the district level;
 - g. Directing and supervising the activities of village (*desa/kelurahan*);
 - h. Implementing the government affairs under the authority of Regency or City that is not carried out by the local government units of Regency or City in the *kecamatan*; and
 - i. Carrying out other duties as instructed by the legislation.

The newest Act of State Territory and Local Government became the legal basis of asymmetric decentralization in the border areas. KPN itself has different characteristics to other areas, because before a country established with the boundaries of sovereign territory, the people between two countries lived in the same area and interacted each other. Following the enactment of the border areas, the community split into two distinct groups of state citizens with the different stage of country development, development issues, and problems which require different treatment, asymmetric and incomparable to other areas besides border areas.

As the implementation of Act No. 26 Year 2007 about Spatial Planning (Pemerintah Republik Indonesia, 2007), the government has set Government Regulation No. 26 Year 2008 about the National Spatial Plan (*Rencana Tata Ruang Wilayah Nasional/RTRWN*) (Pemerintah Republik Indonesia, 2008). In the RTRWN it is stated that the growth and development of the border areas, some urban areas has been designated as a National Strategic Activity Centre (*Pusat Kegiatan Strategis Nasional/PKSN*) (Pemerintah Republik Indonesia, 2007). The urban areas defined as PKSN should meet the following criteria:

- a. Urban centers potentially serve as the cross-border checkpoints with the neighboring countries;
- b. Urban centers which serve as the international gateways connected with the neighboring countries;
- c. Urban centers which function as the major transportation hubs connecting the surrounding areas, and/or;
- d. Urban centers which could encourage the economic growth and development of the surrounding areas.

The infrastructure of roads linking between PKSN with the other PKSN in the state border areas, or PKSN with the other activity centers, is a national strategic road. The zoning regulations in PKSN prepared by considering:

- a. Utilization of space for urban economic activities which carry out the functioning of competitiveness, defense, the center of investment promotion and marketing, as well as an international gateway for customs, immigration, quarantine, and security affairs;
- b. Utilization of limited military cooperation activities with other countries by taking into account the physical condition of the environment and social culture.

The Presidential Regulation No. 2 Year 2015 has set the target, policy direction and strategy of border areas development acceleration for five years from 2015 to 2019 (Pemerintah Republik Indonesia, 2015). The border areas development target is the development of border economic centers located in 10 PKSN and 187 District Prioritized Location (*Kecamatan Lokasi Prioritas/Lokpri*), as well as increased security and prosperity of border communities in 92 Outer Small Islands (*Pulau-pulau Kecil Terluar/PPKT*).

Table 2. Border Areas Development Targets 2015-2019

Target	2014 (Baseline)	2015	2016	2017	2019
Border Economic Development Center (<i>Pusat Kegiatan Strategis Nasional/PKSN</i>)	3 (111 prioritized location)	50 Lokpri 3 Cross-Border Checkpoints (<i>Pos Lintas Batas Negara/PLBN</i>)	3 100 Lokpri 7 PLBN	10 PKSN 150 Lokpri 7 PLBN	10 PKSN 187 Lokpri
Increased security and prosperity of border communities	12 Outer Small Islands	10	30	50	92 Outer Small Islands

Source: RPJMN 2015-2019

The border areas development target for 2015-2019 is to accelerate the border areas development in various fields as the nation's front yard and a gateway to economic and trade activities with neighboring countries in an integrated and eco-friendly system for improving people prosperity, and also strengthening national defense and security. Strategies set for accelerating border areas development are as follows:

- a. Developing economic growth centers in border areas by providing transportation infrastructure, energy, water resources, and telecommunication-information;
- b. Developing reliable human resources and utilization of science and technology in the use and management of local potentials to enhance competitiveness;
- c. Establishing connectivity in the PKS to *Lokpri*, regional activity centers (regency capitals), national activity centers (provincial capitals), and the neighboring countries, establishing connectivity by providing sea transportation to improve the quality and intensity of services in the maritime-based borders;
- d. Opening access to *Lokpri* by land, river, sea, and air transportation with non-status road/mode/dock and pioneering services;
- e. Building energy sovereignty in the Kalimantan borders, and the telecommunication sovereignty for all state border areas;
- f. Optimizing Border Crossing Areas development integrated with collaborative role and function of the Customs, Immigration, Quarantine, Security (CIQS) to comply with international standards;
- g. Improving the quality, quantity, as well as the standardization of defense and security infrastructure of land and sea borders, communities are involved in securing the borders and sovereignty of the country;
- h. Confirming state borders through pre-investigation, refixation, maintenance (IRM), IRM implementation, diplomatic negotiations, institutional structuring supported by the completeness of the data/supporting map, strong role capacity and institutional function;
- i. Improving import-export trade flows, trade cooperation, and border defense and security cooperation with the neighboring countries;
- j. Implementing asymmetric decentralization policy for the border areas in providing public services (regional basic and social infrastructure) and fiscal distribution;
- k. Implementing specific policies and organizing the establishment of DOB in the welfare-oriented border areas through funding, monitoring and evaluation; and
- l. Reforming public services in the border areas through the strengthening of the villages in *Lokpri* with facilitation, supervision and mentoring activities.

To implement the strategy of state border areas development, funding, regulations and institutions policy framework will be necessary. The policy framework to accelerate the development of state border areas defined in RPJMN 2015-2019 (Pemerintah Republik Indonesia, 2015) is explained below.

1. Funding Framework

Funding framework which is directing fund allocation for the development of border areas, i.e. State Budget funds in Regional Transfer, namely Tasks Fund (*Dana Tugas Pembantuan*), Deconcentration Fund (*Dana Dekonsentrasi*), the General Allocation Fund (*Dana Alokasi Umum/DAU*), Special Allocation Fund (*Dana Alokasi Khusus/DAK*); Local Budget (*Anggaran Pendapatan dan Belanja Daerah/APBD*) funds; off-budget funds such as CSR, PPP, Grant and Trust Fund.

DAK, especially for the Border Areas Infrastructure (*Surat Pengukuhan Pengusaha Kena Pajak-SPKP*) is useful to building infrastructure in border areas. DAK allocation policy is implemented in order to open the isolation of border areas. In the regulation of the Head of BNPP No. 9 Year 2016 (Kepala Badan Nasional Pengelola Perbatasan Republik Indonesia, n.d.), it was stated that DAK SPKP used on a range of activities as follows:

- a. Construction/improvement of non-status roads and bridges which connect *Lokpri* with surrounding activity centers;
- b. Construction and rehabilitation of small piers or boat moorings to support transport in coastal areas unhandled by the Ministry of Transportation;
- c. Provision of inland waters/insular transportation mode to increase the flow of people, goods and services, and;
- d. Provision of boarding schools for junior and senior high school pupils, and official residence for teachers built in *Lokpri* unhandled by the Ministry of Education and Culture.

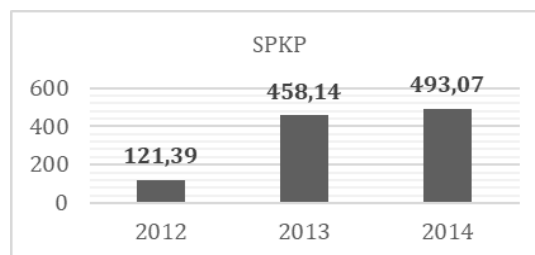


Figure 2. DAK SPKP 2012-2014 (Rp. Billion)
(Source: Kementerian Keuangan Republik Indonesia, 2011, 2012, 2013)

The DAK allocation for border areas infrastructure was eliminated in 2015 and merged with the DAK allocation for rural transport focused on rural connectivity infrastructure for the disadvantaged regions and border areas.

In 2015, there are five (5) fields to which it allocates Affirmative DAK as follows:

- a. DAK for irrigation infrastructure;
- b. DAK for drinking water infrastructure;
- c. DAK for sanitation infrastructure;
- d. DAK for road infrastructure; and
- e. DAK for rural transportation.

The restructuring of the DAK component has become more focused and had a significant impact. Restructuring DAK affects the combination of the Special Allocation Fund of the Disadvantaged Regions Infrastructure (DAK SPDT) and the Special Allocation Fund for Border Areas Infrastructure (DAK SPKP) into the Special Allocation Fund Sub-sector of Rural Transportation (*DAK Transportasi Desa*) in the form of DAK affirmative. This simplifies the output of transportation infrastructure.

2. Regulatory Framework

Based on the border areas development targets for 2015-2019, the regulatory framework needed in supporting the acceleration of border areas development program is as follows:

- a. Regulation arrangement of fiscal system regulation in favor of border areas (fiscal distribution and fiscal management of the central and local governments);
- b. Regulation arrangement related to conducive cross-border trade in favor of border communities (inclusive) and provision of value-added processes (competitiveness);
- c. Strengthening the instruments of Border Areas Master Plan and Action Plan arranged by BNPP as a reference to border areas development, both at the central and local government levels;
- d. Division of authority within the central government agencies, as well as between the central and local governments in managing the development of border areas;
- e. Settlement of Border Areas Spatial Plan as a reference to spatial development;
- f. Regulation arrangement related to the use and licensing of forest area either for basic regional infrastructure, including transportation, telecommunications, water, and energy, or forest area use for the border communities;
- g. Regulation arrangement to improve the status of some traditional cross-border checkpoints to become international-standard cross-border checkpoints.

3. Institutional Framework

The institutional framework according to the border areas development targets for 2015-2019 is to improve the management and development of border areas as follows:

- a. In terms of management and development of border areas, the institutional strengthening of BNPP will be necessary to related sectors, both coordination mechanisms and synergies in the central and regional governments. The Master Plan and Action Plan will be the basis for all stakeholders in developing the border areas;
- b. In terms of cooperation among countries in border areas development, the institutional harmonization of inter-state cooperation is needed to be integrated with state border management agencies;
- c. In terms of cross-border management, the establishment of integrated one-stop cross-border institution of Customs, Immigration, Quarantines, and Security (CIQS) services are needed. Currently, the cross-border services are ineffective and inefficient because each agency has its own service units;
- d. In order to confirm territorial borders with the neighboring countries, strengthening the cross-border diplomatic institution is needed, both on the capacity of negotiation and diplomatic team, as well as the institutional restructuring of technical, strategy, and policy level (decision-making levels).

4. Issues Analysis: Asymmetric Policy for the Development of the Border Region

RPJMN 2015-2019 stipulated that asymmetric decentralization policies applied to border areas development on the provision of public services (regional basic infrastructure, social services, governmental, etc.) and the fiscal distribution. The central government authority stipulated in the Act No. 23 Year 2014, Article 361, paragraph 3(c) covers the infrastructure development of border areas. The infrastructures required to the border areas development are: (i) regional basic infrastructure such as connectivity, energy, water resources, telecommunication-information and waste management; (ii) social services on education and health; and (iii) governmental infrastructure to respond the authority expansion of *Kecamatan Lokpri* (Pemerintah Republik Indonesia, 2014).

Therefore, asymmetric policies for border areas development manifested in three ways:

- a. Asymmetric Funding: distribution of fiscal management directed to affirmative action for border communities, as well as increasing the capacity of local government in border areas;
- b. Asymmetric Regulation: more extensive powers of central government for providing the infrastructure in border areas and outer small islands (PPKT);

- c. Asymmetric Institution: more extensive authority to district *lokpri* in the form of asymmetric decentralization with the establishment of special regions to accelerate the development and effectiveness of public services.

Tabel 3 shows the inputs and recommendations proposed by the local governments in the National Workshop on Border Areas Development (*Workshop Nasional Kupas Tuntas Kebijakan Asimetris di Perbatasan Negara*) held by the Directorate of Disadvantaged Regions, Transmigration and Rural (*Direktorat Daerah Tertinggal, Transmigrasi, dan Perdesaan/DTTP*) of BAPPENAS on August 10th, 2016, regarding the border areas development activities requiring asymmetric policies.

Tabel 3: Summary of National Workshop on Border Areas Development

Local Governments	Inputs and Recommendations
Aceh (BAPPEDA)	<ul style="list-style-type: none"> ➤ Recruitment of fresh graduated students or young people in a mentoring program for construction on border areas while reducing unemployment ➤ Aceh has drawn up the action plan that can be used as a reference
Riau (<i>Badan Pengelola Perbatasan</i>)	<ul style="list-style-type: none"> ➤ Needs mapping, and delegating the authority of central, provincial, regency/city governments to develop the border areas, so that it can be an evaluation basis for border development ➤ The results of this border asymmetric policy workshop as inputs for higher authorities ➤ There is a limitation of border management agency in keeping program for different sectors because each sector has different regulations ➤ The establishment of the agency in the area strategically extends the attention and accelerates the border development, but with the rigidity of the Government Regulation No. 18/2016 it will be counterproductive to the program
Riau Islands (Natuna Regency)	<ul style="list-style-type: none"> ➤ The commercial rights in Nipah Island stipulated by several ministries, but never optimally utilized ➤ <i>Lokpri</i> verification proposed by the Government of Riau Islands Province related to Batam City border areas must be solved ➤ Spatial planning authority in the border areas must be solved ➤ Clarity of local government responsibility for border management is needed
West Kalimantan	<ul style="list-style-type: none"> ➤ In the Fiscal Year 2016, the border areas infrastructure development funded with DAK, grants and Rural Funds (<i>Dana Desa</i>) ➤ The central government program should be agreed by the regents for sustainable asset management commitments ➤ Human resources of village officials limited while new regulation requires reduction on new recruits
Sanggau Regency	<ul style="list-style-type: none"> ➤ Monitoring and evaluation system needs to be well-designed so the province could be involved ➤ Affirmative DAK needs to be specified, e.g. every border areas received at least IDR 50-100 billion annually, so significant, but so far only IDR 16 billion, making it less significant ➤ Ministries/Agencies' programs need to be agreed by the regents, mainly related to who should manage and maintain assets ➤ Civil service recruitment needs exclusion, quite helpful in border areas ➤ Border Trade Agreement (BTA) should be reviewed, Trade Ministry must have concerned with asymmetrical policy in the border ➤ BNPP should be the coordinator of activities in PLBN (cross-border checkpoints) as the Justice Ministry is not suitable to coordinate customs and quarantine
Sintang Regency	<ul style="list-style-type: none"> ➤ Monitoring and evaluation: so many failed procurements, or many projects but not based on <i>Lokpri</i>, unfinished projects, finished projects but dysfunctional → needs DAK for border areas ➤ The strategic road from Sintang City towards PKSN are still non-national status → DAK for the road improvement ➤ No cross-border checkpoint or PLBN, but included in new plan of 9 checkpoints building, but constrained to status of protected forest area ➤ Need incentives for health services
Sambas Regency	<ul style="list-style-type: none"> ➤ Competitive products improvement according to the potential of local natural resources (rubber, palm oil, pepper) ➤ Development/upgrading of infrastructure in the growth center and its hinterland, and provision of inter-regional infrastructure networks adequately ➤ Increasing the availability and quality of basic social services ➤ Increasing border areas security to cope with illegal activities ➤ Accelerating border dispute resolution with Malaysia
East Kalimantan	<ul style="list-style-type: none"> ➤ Borneo siding with IALKI (Indonesian Sea Lanes of Communication) needs more permanent infrastructure. Border Management Agency has been transformed into Border Development Agency ➤ It has been allocated funds for 34 sub-districts, especially construction of the port island of Maratua, Berau Regency to increase access to the island ➤ There is no national road on border areas of Mahakam Ulu Regency

Local Governments	Inputs and Recommendations
North Kalimantan	<ul style="list-style-type: none"> ➤ Needs spatial plan in Maratua Island, Berau Regency ➤ Bridge construction in border areas
	<ul style="list-style-type: none"> ➤ Malinau-Krayan road already built, but cannot be used due to the extreme natural conditions ➤ Dual citizenship solely needed for trading with Malaysia ➤ Limited opportunity to become civil service because of education gap. Civil servants are not the locals and serving no more than six months because of facility problems. There are traffic arrangements which accommodate traditional trade lanes across Malaysia ➤ Improving the quality of the Malinau-Krayan road ➤ Policy to accommodate dual citizenship issue ➤ Concerns about health, education, electricity infrastructure ➤ New Autonomous Region is needed to facilitate the span control on the border ➤ Belly bridge to open access to Krayan
East Nusa Tenggara	<ul style="list-style-type: none"> ➤ The action plan is not down-to-earth, there is no life quality improvement of border communities between Indonesia and East Timor ➤ East Timor developed the border areas with the local wisdoms when Indonesia developed the border areas with the national measures ➤ Oecussi in East Timor has developed tourism while tourism in NTT was underdeveloped. East Timor provides subsidies for citizens on the border ➤ The need for local resources management and promotion
Maluku	<ul style="list-style-type: none"> ➤ Main problems is isolation and poverty, especially in infrastructure, education, and health ➤ Maritime Toll (<i>Tol Laut</i>) was ongoing but limited to small islands to the regency towns served by the Maritime Toll ➤ Road construction must be taken over nationally because of minimum local budgets ➤ Local hospital in Dobo should be improved, boarding high schools and vocational schools needed to build for supporting communities on the small islands ➤ The asymmetric policy should accelerate development in the border, and there should be a special allocation fund for the border ➤ There are still high levels of poverty in the border areas above 25%
Papua	<ul style="list-style-type: none"> ➤ The issue of authority at the border between the Military Regional Command, the Regional Police Service, and the BNPP need to be clarified. Officials at the border must be placed permanently, so it does not move to another place anymore (BAPPEDA of Boven Digoel) ➤ Difficulties in border coordination with Provincial BPP and BNPP ➤ BAPPEDA of Papua supports the diminishing of sectoral ego, emphasizing the local characteristics has the specific condition of social and cultural character with Papua New Guineans ➤ Papua Special Autonomy has already brought forward an asymmetric policy, but the overlapping sectoral regulations hampered the development processes, the development only focused on Jayapura, other regencies on the border areas should be developed too ➤ In Skouw, people already can shop in PNG with a card issued by Immigration Service. This need to be managed ➤ Commodities in Boven Digoel are rubber, durian, plantation products such as palm oil trade, potential to be exported to PNG by citizens who have the cross-border cards

Source: BAPPENAS, 2016

Based on the inputs from the local governments, we classified some asymmetric policies that should be implemented in three frameworks, such as: (i) Funding framework which implemented in two actions which are increasing the local capacity and affirmative action; (ii) Regulatory framework which implemented by expanding the central government authority in border areas development; (iii) Institutional framework which implemented by expanding *kecamatan* authorities as the government agents in the border areas.

Some recommendations from the local governments are grouped into two actions which are increasing the local capacity and affirmative actions. These actions should be delivered in funding framework mechanism.

Table 4. Simulation of Asymmetric Policy in Border Areas Development

Regions	Increasing Local Capacity (Administrative Asymmetry)	Affirmative Action (Fiscal Asymmetry)
Aceh	Training of local youth for mentoring program in border areas	Included within Aceh Special Autonomy Fund
Riau	<ul style="list-style-type: none"> ➤ Authority in border areas involved provincial and regency governments ➤ Strengthening authority of local border agency in coordinating all sectors 	No action needs to be taken
Riau Islands	Border areas spatial plan involved the local	Commercial activity right on Nipah Island

Regions	Increasing Local Capacity (Administrative Asymmetry)	Affirmative Action (Fiscal Asymmetry)
	governments	
West Kalimantan	<ul style="list-style-type: none"> ➤ Upgrade Entikong as an international trading dry-port ➤ Local indigenous right to the border areas' public officials recruitment 	<ul style="list-style-type: none"> ➤ Health services incentives for border communities ➤ Upgrading non-status road to be national road ➤ Upgrading basic regional infrastructure ➤ Increasing availability and quality of basic social services
East Kalimantan	No action needs to be taken	<ul style="list-style-type: none"> ➤ Construction of port in Maratua Island, Berau Regency ➤ National road and bridge construction on border areas in Mahakam Ulu Regency
North Kalimantan	<ul style="list-style-type: none"> ➤ Local indigenous right to the border areas' public officials recruitment ➤ Involvement of new autonomous regions (e.g. Malinau, Nunukan Regency) in managing the border areas 	<ul style="list-style-type: none"> ➤ Construction of an airport in Krayan and open airline from Nunukan to Krayan with subsidized price ➤ Constructing health, education, electricity infrastructure
East Nusa Tenggara	Local wisdom inclusion in the border areas development	<ul style="list-style-type: none"> ➤ Subsidiary policy for border communities ➤ Developing food security, fisheries, small business, local services, SMEs, and cooperatives ➤ Increased empowerment of women and children
Maluku	Developing local government capacity which has insular characteristics	<ul style="list-style-type: none"> ➤ Constructing 120 km of national road ➤ Improving local hospital in Dobo ➤ Developing new routes of Maritime Toll to remote islands
Papua	Strengthening of coordination between BPP, Kodam, and Polda in managing cross-border areas activities	Included in Papua Special Autonomy Fund

Source: BAPPENAS, 2016

Some issues arising when these proposed actions need to be delivered. Funding for border areas development besides connectivity scattered in all the Work Plans (*Rencana Kerja*) of Ministries/Agencies which had no significance to be synchronized with the Action Plans (*Rencana Aksi*) of BNPP. Thus, no solid fiscal plan for border areas except in DAK *Transportasi Desa* which focused in two regions, i.e. the Disadvantaged Regions and Border Areas. The policy of DAK SPKP in 2012-2014 had a wider focus, including water, energy, and telecommunication infrastructure, not only connectivity.

In the regulatory framework, expanding the authority of central government means expanding the power of BNPP to consolidate and coordinate all Ministries/Agencies and regions in developing border areas. The enactment of recent Local Government Act 2014 has strengthened the central government authority to develop border areas, added more power than what had been stipulated in the State Territory Act 2008. The asymmetric policy should be simulated by drafting amendment of the Presidential Regulation No. 12 Year 2010 which regulates the membership, authority, and bureaucracy of BNPP. The bureaucracy of BNPP limited only to the civil servants from the Ministry of Home Affairs, certainly, it had become a constraint for BNPP to coordinate Work Plans to be synchronized with BNPP Action Plans.

In the institutional framework, an asymmetric policy implemented by expanding the authority of *kecamatan* means that the third level local government will have a higher autonomous degree to provide public services. Some policies that should be simulated are: (i) inclusion of local indigenous when recruiting the civil servants of *kecamatan*; (ii) provision of services that could be delegated from the regency to the *kecamatan* of border areas (e.g. levying a local tax or fund allocation from Regency Budget (*APBD Kabupaten*) asymmetrically for the *kecamatan* government). Unfortunately, the enactment of the Government Regulation No. 18 Year 2016 about Local Apparatus giving symmetrical policy, the conformity of task and function of *kecamatan* government. The opportunity to run an asymmetric policy that has been given in the State Territory Act 2008 and the Local Government Act 2014 closed in this new Local Apparatus Regulation.

5. Conclusion and Future Challenges

To conclude, there are some highlights for asymmetric policy for the border areas development. In terms of funding issue, the elimination of DAK SPKP to become DAK Trades makes the border areas development has become more focused on the connectivity for opening access to Lokpri, but it is not a priority program because DAK Trades also used to upgrade connectivity in the disadvantaged areas. Funding for the construction of non-connectivity basic infrastructures such as energy, water resources, telecommunication-information, waste management, education, and health are still fragmented in the Ministries/Agencies' budget items, therefore, the border areas development program still not well

coordinated. The regulatory framework involving BNPP for consolidating and coordinating border areas development programs across the agencies has not clearly defined the suitable authority for synergized line Ministries, Agencies and the provincial governor members. The ministries effectively involved are the Ministry of Public Works and the Ministry of Public Housing, which received fund allocations for constructing border areas infrastructure, as well as the Ministry of Home Affairs as the representative civil servants in BNPP and the border areas. If the authority of BNPP remains not clear enough, it will weaken the central government intervention in controlling the spatial use and maintaining the effectiveness of infrastructure development for improving the border community economy. Lastly, the institutional issue is associated with the implementation of the Government Regulation No. 18/2016 about Local Apparatus. It contains the *kecamatan* or district apparatus which is undoubtedly rigid and symmetrical, whereas in the *Kecamatan* Lokpri border areas require a broader authority to provide effective public services. Concurrence of affairs shared in detail between the central, provincial and regency/municipal governments stated in the Local Government Act No. 23/2014 also provide a disjointed coordination and responsibility when the problems occurring in the border areas, although the central, provincial and regency/municipal governments have some jurisdictions in the areas.

With the supporting factors of border areas strategic position as the nation's frontier, thus the concept of asymmetric policy for the border areas is as follows:

- (i) Speed: the authority of central government in the infrastructure development of the border areas aimed to accelerate the developing pace of people welfare on the nation's front yard in transitional speed;
- (ii) Scope: the authority of central government to increase the local government capacity as well as affirmative action by constructing regional basic and basic social infrastructure for border communities;
- (iii) Scale: the authority of central government to build *Lokpri* become able to become a hinterland for PKSN urban areas as the economic growth centers on the borders, the scale of development will not lead to the establishment of new autonomous regions (DOB) or the introduction of border areas special autonomy.
- (iv) Damage Control: the authority of central government requires a policy framework in asymmetric funding, regulation and institution, therefore, the government needs to keep its intervention policy as an attempt to maintain the integrity of the Republic of Indonesia.

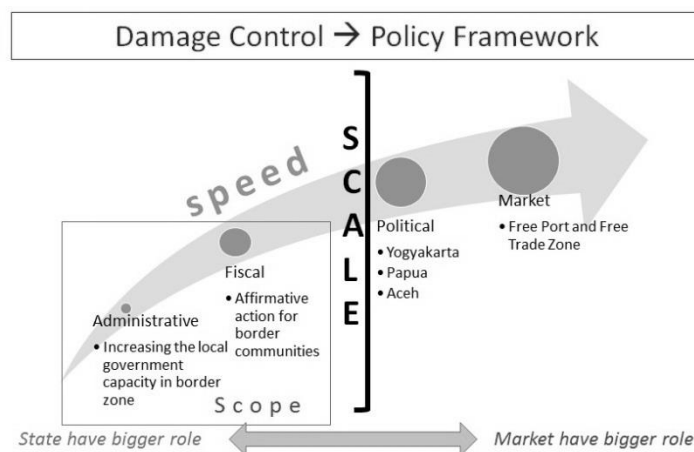


Figure 3. Asymmetric Policy Concept for Border Areas Development (Source: Modified from Watts, 2004 and Fritzen & Lim, 2006)

Asymmetric policy challenges in the implementation of decentralization are how these policies become effective within the framework of Indonesia as a unitary state. The implementation of the policy needs to consider the existence of people diversity which ought to be preserved, which also requires asymmetric policy approach in another sector as well. For example, the asymmetric policy in Papua requires an anthropological approach so that OAP, immigrants and all stakeholders feel the effectiveness of Papua Special Autonomy. The asymmetric decentralization policy to develop border communities in Indonesia where they lived in the peripheral regions certainly needs a different approach because of various problems in the border areas, so that the people welfare can be improved to keep the development in just and evenly conditions.

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