

Local governments are hurting more than making things better.

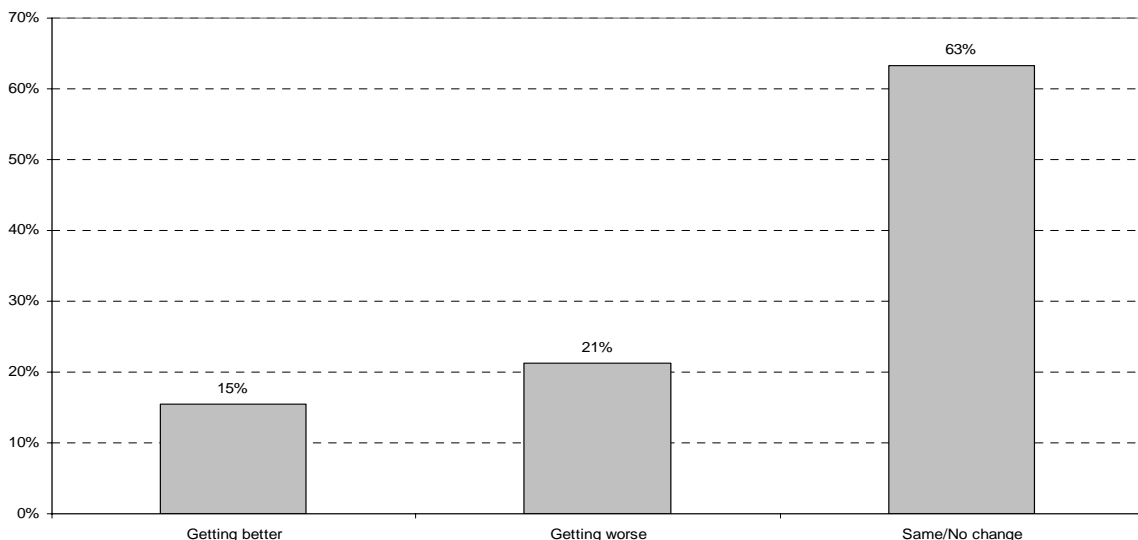
The devolution of power, moving forward from a central autocratic control to bite-sized local governments reflecting the will of the local population, can only be deemed progress in a new democracy like Indonesia.

But it is fraught with problems, new in shape and form. In a special poll recently conducted across the country, Roy Morgan Research measured the people's response to the progressive rollout of local government. 2083 people 14 years of age and older were interviewed, projected to represent the views of almost 90 per cent of the population. Almost half the people felt that the actions taken by members of their local government was in their own interest or that of their political party. Though there were no significant variances to the norm either in terms of gender or geography, the young were much less forgiving than the rest.

Asked whether their economic conditions had improved since regional autonomy was introduced in their area, 63 per cent believed that there had been no change. A mere 15 per cent thought that conditions were improving, but 21 per cent were of the view that they were in fact getting worse. This is not what anyone would consider a ringing endorsement for the progress of democracy.

Critics will argue that devolution of power has created more obstacles in the fight against corruption. The banter among businessmen today has changed. Instead of "Madame Ten Per Cent" paving the way for business to get started in the days of the dictatorship, now there are numerous little wheels to grease in a much larger democratic machine. Idle chatter aside, the desire to create smaller fiefdoms by politicians wanting to carve an ever-growing number of provinces is a worrying sign. Papua is witnessing a small group of ousted politicians trying to reclaim power by slicing up the sparsely populated territory in to smaller provinces, for their own gain.

"SINCE LOCAL GOVERNMENT WAS INTRODUCED, THE ECONOMIC CONDITIONS FOR MY FAMILY ARE..."



In contrast, the people of Indonesia have greater faith in the federal government. The “Good Government Monitor” updated every 90 days shows a further improvement for the October-December 2007 quarter. Almost 60 per cent believe the national government is “doing a good job running the country”, a dip of just one per cent from the previous quarter. Only 31 per cent “don’t trust the current government”, an improvement of 3 percentage points. 72 per cent continue to hold their faith in democracy and believe it is working, while the fight against corruption remains almost unchanged with 87 per cent concluding it is “one of the major problems affecting this country”.

After a difficult two years, the average family’s main income earner appeared able to pay the monthly household expenses in the October-December quarter of 2007. The Roy Morgan Consumer Confidence Index continued to climb upwards, reaching a robust 115 during that period. Not surprisingly, marketers across the spectrum of products and services, fast moving consumer goods, cellular networks and motorcycle manufacturers all ended the year satisfied with the progress made under difficult economic conditions. A long and difficult stretch appears to be improving, finally. But while the signs of the local economy are showing some glimmers of hope, it can be held hostage by an increasingly fragile global economy reeling from the twin shocks of oil prices and subprime loans in the US.

These conclusions are based on Roy Morgan Single Source, the country’s largest syndicated survey with over 27,000 Indonesian respondents annually, projected to reflect almost 90% of the population over the age of 14. That is a universe of 140 million people. The results are updated every 90 days. The opinions expressed are my own.

Business has no religion. Money is its only god and the pursuit of profit is the primary aim. In the creation of wealth, families and societies are enriched in numerous ways and every employer can justifiably feel proud of the contributions they make. But there are a myriad opportunities to go the extra mile, to contribute beyond the norm. Some are leading by example. Mohamed Yunus of Grameen Bank has shown the way in Bangladesh with the empowerment of millions by his micro-financing schemes . Mo Ibrahim of Celtel is promoting good governance across Africa with grants to governments setting standards. Two new heroes, to name just a few from the developing world of business have joined the ranks of living legends like Bill Gates and Richard Branson.

In Indonesia, the fight against corruption cannot be won by the government alone. Associations like the KADIN, Indonesia’s apex Chambers of Commerce, need to take the lead in assisting the government in the fight against corruption. Though the act of passing a resolution is a mere first step, it can act as a call to action to individual CEOs and captains of industry, to pass the message along the chain of command at each and every enterprise. Without collective awareness leading to individual actions, Indonesia’s fight against corruption will be a losing battle. If local governments are also encouraged to wield power for individual gain, the situation will only magnify exponentially. The cynics among us have probably stopped caring. To them I recommend Barack Obama’s “Audacity of Hope”.

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