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**Organizational Resource Curse: Sectionalism and Synchronization in  
Indonesian Resource Policies**

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Sustainable development (SD) has been mainstreamed as many nations' objective. However, countries are not advancing equally in achieving SD. Some countries are well on their ways while others remain flustered. Previous studies have been done to understand what are the determinants and indicators of a country's sustainability. Scholars have agreed that proper natural resource management (NRM) matters and that government effectiveness, integrated policies, and coherent policy portfolio play significant roles in achieving SD.

In NRM study, a great amount of knowledge has been established to understand present governments' challenges and to propose what the government needs to do. Despite an abundance of knowledge, many countries, including Indonesia, have far-from-ideal environmental and economic conditions. This reflects the discordance between the richness in policy recommendations and the suboptimal results. Hence understanding how governments work, especially on the agencies that interpret and execute policies deserve further industrious and in-depth studies.

There is a gap of knowledge within resources governance study. Throughout several decades scholars have acquired a great deal of knowledge about how resources can affect a nation's economy. We understand the paradoxical relation of resource abundance and low economic growth, which has been dubbed as resource's curse. Scholars also know what the curse's telltales are and what can the government do to evade it. Knowledge about the relation between resources and corresponding local people's livelihoods has also been explored. Yet, we know surprisingly little about how resources influence the structure of ministries—i.e. the very agencies that formulate and enforce laws to govern resources and people. This thesis attempts to fill in that knowledge gap.

Past literatures overlook or implicitly treat bureaucratic structure as a bystander or a result of political maneuvers rather than as a determinant that influences policymaking. The development of bureaucratic structure: how they work and contribute, or become parts of the problem that present institutions face, is still a relatively uncharted territory in the study of NRM. To understand the linkage between resources and bureaucratic structure, this thesis asks why compared to other nations' natural resources and environmental ministries, Indonesia's number of ministries tend to be higher than average, what are the effects of this idiosyncrasy, and how has, in turn, the repercussions influenced the government back?

In this thesis, the evolution of ministries in Indonesia is evaluated. The regimes studied encompass late Sukarno's Old Order until the present regime. Early Sukarno's regime is excluded because all of its cabinets exhibited minimal stability—i.e. all of them were irregularly short-lived. Since this thesis also attempts to understand the nexus between bureaucratic structure and laws, the evolution of natural resources laws is also examined.

Interviews with the current Indonesian bureaucrats and politicians were also conducted to complement and fine-tune the data used in this research.

Policy coordination in Indonesia has been made complex by the dispersion of authority. Ministries are classified into two-classes: state ministries and departmental ministries. Unlike state ministries, departmental ministries are agencies that directly contribute in managing the national assets; hence they are also commonly referred as portfolio ministries. Natural resources and the environment are managed by the State Ministry of Environment, Department of Agriculture, Department of Forestry, Department of Energy and Mineral Resources, and Department of Fisheries and Maritime Affairs.

This thesis shows that resource abundance can trigger persistent organizational problems. The sectoralization of ministries was started in the late Sukarno's era and continued throughout different regimes. Under difficult economic condition in 1960s, Indonesia was pressured to focus on commoditizing natural resources. Hence the government responded by forming agencies at the level of authority of ministries to give sufficient attention to the issue of natural resource management. However, this "division of labor" has evolved to differentiated bureaucratic turfs and sectoral egotism, which has hampered policy coordination processes.

New Order bureaucracy can be characterized as centralistic and sectoralized administration. Sectoralized laws were made and left to perpetuate as the law formulation process was done by sectoralized agencies, with their own respective jurisdictional turfs. It is also found that resources laws tend to be based on commodity sectors and they evolve within

their own respective sectors. On the other hand, legal drafts on cross-sectoral natural resource management experience difficulties in reaching the parliament for ratification.

The Government of Indonesia is aware about the issue on policy coordination. Hence, efforts on promoting policy coordination have been made. Within the executive branch there are *ad hoc* councils. Their primary mandate is to synchronize policymaking. Within the legislative, a National Legislation Program was established to track policy coherence. Yet it is still too early to see the result of these programs.

Compartmentalized ministerial systems enable each ministry to focus on and accomplish its respective targets. At the same time, this man-made separation of authority faces challenges when dealing with the indivisible nature of some resources. Ministries' compartmentalization affects the progression of the laws in a way that natural resources law remain compartmentalized based on commodity. This thesis recommends that incremental changes that are conducive for policy coordination, such as more funding for coordinating councils, national legislative programs, and gradual replacement of sectoral laws with integrative law should be made.

Sectionalized administration can be used as a form of resistance from political pressure. Conflict of policies under the compartmentalized agencies arrangement, can transfer the agencies' authority to decide to be recentralized to the president. President may, unilaterally, issues decree to solve the conflicting policies. This way, resistances to pressure occur through what seemingly inadvertent recentralization in decision-making. Further study is needed to understand how this mechanism may democratic processes within the government.

Further research shall also be done to explore one of the key variables that emerge in this thesis. The origins and implications of the variability of the time that it takes for legal drafts to enter the parliament and to obtain ratification need to be understood. The ability for agencies to decelerate and accelerate law makings can be seen as a tool to exercise power. This will further develop our understanding about the connection between bureaucratic procedures and democracy.