

CHAPTER I INTRODUCTION

1.1 Background

Communal conflicts become “headline” all over the world in the last three decades. World Bank (2011) reported that more than 1.5 billion people live in countries affected by communal conflicts . This number is equal to about a fifth of the world’s population. The Uppsala Universitet Conflict Data Program (UCDP) and Peace Research Institute Oslo (PRIO) reported in period 1990 to 2010 about 1.941.658 people were killed due to communal conflicts. Developing countries across Africa, Middle East, and South East Asia faced greater number of dead people because this conflict in which Africa is the highest with 676.263 death followed by Middle East (256.456), and South East Asia (221.976) (UCDP, 2015). This large death toll is also followed decreasing economic development in conflict areas countries. IANSA, OXFAM, and SAFER WORLD (2007) documented that countries across Africa suffered about 15 per cent GDP per capita loss due to communal conflicts in period 1990 to 2010. The Strategic Foresight Group (2009) also reported that communal conflicts in Middle East decreased GDP per capita in this region about USD 12 trillion. Likewise, communal conflict in South East Asia, as well as in average developing countries, costed roughly about 30 years of GDP growth or reduced about 10 per cent GDP (Word Bank, 2011).

Indonesia is among developing countries within South East Asia which has a long history of communal conflicts. Recalling kingdom era of Indonesia, there had been communal conflicts that took place, as follow: Bubat and Paregreg clash (in Majapahit era) , and Bengawan Sore clash (in Mataram era) (Vlekke,

2008; Graaf, 1986). Before 1945 declaration of freedom, Indonesia has witnessed many communal conflicts in the period of The Portuguese, VOC, British, Dutch, and Japan's occupation (see for example Carey, 2008; Suyono, 2003). For example, Carey (2008) presented about "perang desa" or "village wars" due to tax-collectorship which escalated to precede the Java War (1825-1830). Since post-1945 declared freedom, Indonesia has also witnessed communal conflicts of various kinds and in varying intensities. In 1940's, Muso, cs have created communal conflicts for their first communist's up healing in Madiun (East Java) which were so many people slaughtered. In 1950's, communal conflicts occurred along with series of regional rebellion with armed struggle, e.g.: PRRI/Permesta, DI/TII, and APRA/Westerling's uprising (Notosusanto, 1980). In 1960's, the Indonesian communist party (PKI) has upraised and has created many communal conflict violence before and after their bloody movemeln this era, communal conflicts also occurred because of anti-communist movement. In the period of (1960's – 1990's) communal conflicts occurred in Aceh, Lampung, Jakarta, East Timor, and Papua. In the period of (1990's – 2000's), communal conflicts which were caused by ethnic have been occurred in Jakarta, Tasikmalaya, Semarang, Yogyakarta, Solo, West Kalimantan and Central Kalimantan. Moreover, communal conflicts which were caused by inter-religious and inter-ethnic broke out in Maluku, North Maluku and in Central Sulawesi. In addition, many rural areas have been affected by smaller-scale 'routine' communal conflicts over resources, politics, and identities along Indonesian's Archipelago, from Aceh until Papua (World Bank, 2010)

The United Nation Support Facility for Indonesian Recovery (UNSFIR) in 2004 documented pioneering social violent conflict database titled “Patterns of Collective Violence in Indonesia in the period of 1990 to 2003” whereas communal conflicts occurred about 3.608 total number of incidents. The National Violence Monitoring System (2013) reported about 32.963 total numbers of incidents in term of communal conflict in period 1997 to 2013. Communal conflicts in Indonesia not only resulted in various total numbers of incidents but also causing increased number of deaths and reducing GDP per capita. UNSFIR (2004) reported the number of incidents of communal conflict in Indonesia could reach over 10,700 deaths. Likewise, Indonesian Central Board of Statistics (BPS) documented communal conflicts in Indonesia increased to approximately 5.831 death tolls, and IDRs 900 million total number of material losses in period 2003 to 2008 (Vothknecht & Sumarto, 2011). This number is equal to twenty two times of Indonesian’s GDP per capita.

The increasing communal conflict in Indonesia in the period of 1999 to 2014 has been linked with political transition in this country. Free and fair national, central elections of parliament and president have been introduced across the country since 1999. With lack experience of introducing direct democracy, this political change in some extent encourage conflicts in society as more than forty new political parties participated in the national direct election. Moreover, in 2001, Indonesia embraced radical decentralization that transformed the country’s local government political system. Decentralization has given every district or local government the power to perform the key functions of state, including the provision of health, education, environmental and infrastructure

services. They are also accompanied by abundant resources from central government. Further reforms in 2005 allowed citizens to elect their own mayor and parliament through direct local elections: by the end of 2006, more than half of all districts had conducted direct elections (The Ministry of Home Affairs 2007). Abundant resources within district government and new local political power have also encouraged communal conflict during this period (Tadjoeddin, 2014).

Studies of the linkage of decentralization reform and communal conflict in developing countries have been documented. These studies show contrasting results and evidences between decentralization and communal conflict. Some of them found that decentralization is good for creating local stability, providing reassurance to ethnic minorities and reducing communal conflicts. For example, Tranchant (2008) found Fiscal decentralization could reduce the likelihood of conflict by strengthening bureaucratic quality. In Kosovo, Monteux (2006) found that decentralization was a tool to reduce ethnic tensions by providing reassurance to ethnic minorities and legitimacy to the political system. Likewise, In Uganda, Decentralization can also foster local political stability and national unity through granting greater autonomy to conflicting groups, who are forced to enter into a formal bargaining process with the central government (Rothchild, 1994). However, other studies found an increasing communal conflict following decentralization. For example, Green (2008) found decentralization of power to smaller political units can increase local-level conflict by shifting power from ethnically heterogeneous areas to those dominated by only one or two ethnic groups. Brancati (2006) found decentralized systems of government could increase communal conflict when regional parties vote are high. Likewise, Gurr

(1993) presented that political system change could shape communal conflict because of institutional weakness. They all believe that there is a direct connection between increasing episodes of communal conflict with decentralization.

Many studies on episodes of communal conflicts which are related to decentralization reform in the early 1999 in Indonesia have been conducted. However, these studies show inconsistent results. Some of the studies documented that decentralization reforms were positively associated with communal conflicts in some places (see for example, Tajima, 2009; Welsh, 2008; Klinken, 2007), while other studies showed negative association between decentralization reform and communal conflict (see for example, Diprose, 2009; Diprose and Ukiwo, 2008; Murshed et al., 2009). For example, Tajima (2009) found decentralization could increase communal conflict because of mismatches in both formal and informal institutions of security and order following the political change of governmental system from centralization to decentralization. Welsh (2008) reported that the power vacuum which resulted from the policy decision to transfer authority from the center to localities (decentralization) increased episodes of communal conflict in local area. Instead, Klinken (2007) reported that democracy transition in Indonesia was followed by widespread communal conflicts which threatened more than 10.000 lives of people across archipelago. However, Diprose (2009) found that decentralization has addressed long-standing inter-group tensions and horizontal inequalities at the local level, particularly where geographically concentrated ethno religious groups have previously been marginalized from government. This study strengthened her

previous argument by which she conducted joint research with other scholar on manuscript titled “Decentralization and Conflict Management in Indonesia and Nigeria” (Diprose and Ukiwo, 2008). They both found that decentralization can assist with conflict mitigation by providing self-autonomy and an institutional framework for managing tensions at the local level, as long as the process is implemented as promised to local peoples. Then, Murshed, et.al (2009) argued that fiscal decentralization could abate communal conflict because fiscal decentralization and the increased size of local government could alleviate pent-up frustrations with a centralized state. Fiscal decentralization as local government expenditure is seen to satisfy the needs of communities with which people identify more closely.

Although several prior studies show interesting result, several limitations are notified. **First**, several prior studies use provincial and districts level in addressing the association of decentralization and communal conflict. By ignoring the lower administrative tiers, the study could not capture the effect of decentralization and communal conflict properly. Those studies unable us to see that the mostly prone areas of communal conflict laid in lower level administration tiers rather than in districts or provinces.

Second, most of the prior studies has not linked yet simultaneously all three dimensions of decentralization and communal conflict. Some of them only examine the linkage between the fiscal decentralization and communal conflict, while the others only discuss the linkage of political decentralization and communal conflict.

Third, from a temporal variation perspective at the national level, most of prior studies ignore multilevel dimension of communal conflict. Ignoring multilevel dimension of communal conflict may result in bias estimate in which the results unable to control unobserved contextual influences across villages within districts that may relate to shift communal conflict (Blalock, 1984).

Fourth, some of prior studies used limited geographical coverage. For example, Murshed et al. (2009) study only covered districts within Java Island and therefore findings could only be generalized within communal conflicts across districts in this Island.

This study aims to fill those gaps in several ways. **First**, this study uses national representative census about the nexus between decentralization and communal conflict by focusing on Indonesia over the period of 2008-2014. However, this study mostly differs from previous studies which only covered limited provinces and districts in Indonesia (see for example, Diprose, 2009; Murshed, et.al, 2009). Since this study captures the association of decentralization and communal conflict in Indonesia, It will cover whole regencies/cities level and villages/neighborhoods level instead. By analyzing the association of decentralization and communal conflict until Indonesia's lowest administrative tier (village *desa* and neighborhood *kelurahan*), this study reveals effect of decentralization on the areas mostly prone to communal conflicts.

Second, this study discusses not only about fiscal decentralization but also about political and administrative decentralization and their effect toward communal conflict. By considering more than 1 (one) measurement of decentralization simultaneously, this study provides more robust findings.

Third, this study examines the linkage of decentralization and communal conflict which considers multilevel model. By considering the multilevel model, this study is able to examine the link between decentralization (in regency/city level) and communal conflict (in village level). This analysis can be used to address multilevel heterogeneity, assuming that the association between the dependent variable and its covariates vary between regency/city and village level (Ballas and Tranmer, 2012).

Fourth, this study differs from some of prior studies which used only limited geographical coverage (see for example see Murshed, et.al (2009 and Diprose, 2009). By using larger coverage of districts and municipalities, villages and neighborhoods within whole the provinces of Indonesia, this study contributes in enhancing the results and findings which can be generalized within communal conflicts across districts in Indonesia.

1.2 Research Questions

Three questions frame this study in examining the linkage between decentralization and communal conflict in Indonesia: (1) How is the geographical distribution of communal conflict in Indonesia during the latest six years of decentralization period (2008-2014)?, (2) Does decentralization effect in reducing communal conflict in Indonesia?, (3) What are determinants of communal conflict in Indonesia?

1.3 Aim And Objectives

This research aims to examine the linkage between decentralization and communal conflict in Indonesia. To achieve this aim, this study have three objectives, as follow: (1) To explore the trend and to map spatial distribution of

communal conflict in Indonesia during the latest six years of decentralization era (2008-2014), (2) To analyze the relationship between decentralization and communal conflict in Indonesia in the period of 2008-2014, and (3) To identify determinants and variables of communal conflict in Indonesia in the period of 2008-2014.

1.4 Organization of The Thesis

This thesis begins by arguing that radical decentralization in Indonesia since 2001 links with communal conflict both in positive and negative association. Indonesia has faced many communal conflict incidences over this national history. Therefore, in chapter one, this study introduced the episodes of communal conflict in Indonesia since Kingdom Era (Majapahit) until decentralization era, and introduced how latent and dangerous of communal conflict in developing countries is, as well. Furthermore, chapter two begins by laying out the theoretical dimensions of the study: Decentralization and Communal Conflict. It looked at how these two concepts will be linked which were documented at several contrasting results of previous research both in positive and negative association. The third chapter presents the source of data and methodology used for this study. Finally, The forth chapter presents result and discussion.