

## **REGIONAL DEVELOPMENT IN REGIONAL AUTONOMY CONTEXT IN PEKANBARU**

**ZAILI RUSLI**

Universitas Riau, Pekanbaru, Indonesia

### **ABSTRACT**

The implementation of regional development in the city of Pekanbaru is becoming quite advantaged, since it is one of three cities in Indonesia that predicted will continue to grow and become an investment choice in 2015. This means that the development of the city still can be carried on which until now is experiencing a positive progress. Some programs and activities are gradually able to answer challenges and more complex development issues. Pekanbaru is considered to be superior because the city is a home to several multinational companies, especially in the sector of oil-gas and plantations. Its economic growth, which is above 8 percent, allows the power consumption of its people moving dynamically. Therefore, the needs of residential properties, especially commercial properties, continue to show growth in the city. In 2015, it is predicted that the development of the houses will increase, so does the stretching to hotels and shopping centre.

Keywords: regional development and regional autonomy

### **INTRODUCTION**

Every city always experiences the dynamics in the development either in big cities or small ones. The dynamic development of Pekanbaru can be seen from various indicators, such as indicators of population, economy, social and culture. The population of Pekanbaru, based on the data at the end of this period, was noted as more than one million people with an average growth rate of 3.9% per year. This population growth is caused by migration resulted from a quite high economic growth. The population is getting bigger and raises new problems in the context of development, such as the growing population in poverty from year to year.

In the implementation of regional autonomy, Pekanbaru is quite beneficial, because the city gets a big allocation of fund balance for each district/city. This means that the development of Pekanbaru can still be carried on. During the 15-years of regional autonomy, the development of the city experiences increase. Some programs and activities are gradually able to answer challenges and increasing complex development issues. As an anticipation of the



limited development budget in preparing urban facilities required by the community, the government of the city established partnerships with third parties.

Pekanbaru is a city that has a heterogeneous society. Looking at this very heterogeneous composition, the population will carry the burden of development that is increasingly crowded, Pekanbaru needs to be led by the leaders who have experience in the area of governance, experienced, have a clear vision, honest, and populist. Meaning that, Pekanbaru should be remain governed by the leaders who are capable to flatten regional development in order to dampen local disintegration, accepted by all parties and being the patron for the whole society of Pekanbaru. The interpretation of the vision of the city development is actually as a development for all people and all communities and implemented evenly. In concrete the purpose of development of Pekanbaru is to attempt to continue the already running development, improve, try to overcome and solve strategic problems of area that have not yet indicated the maximum results.

The city of Pekanbaru has now become a metropolitan city. The city, whose nickname "sorcerer", is incarnated as the centre of economic growth and the most prospective investment city in Indonesia. Based on the data of Government of Pekanbaru until the end of 2001, the amount of investment in Pekanbaru has reached Rp 4,100 Trillion exceeded the achievement by 2013, which only worth Rp 1.3 Trillion.

Based on survey taken by University of Indonesia in 2013 on Indonesian cities as the destination of investment for entrepreneurs, Pekanbaru was chosen as the best investment destination in Indonesia. It apparent from the real currently conditions through rapid economic growth and investment. Many investments opportunities are available ranging from the small to the large scale such as in the culinary sector, power plant, the hospitality to Palm oil derivatives industry. Furthermore, the other investment chance is housing, either housing for middle-class or elite. In fact currently there are more and more home stores (shop) which evolved in three parts of Pekanbaru, which are Tampan, Tenayan Raya, and Rumbai

Therefore, from the above statement I will analyze the success of Pekanbaru in the context of Regional Autonomy. The focus of my research is "is the development done in Pekanbaru suitable with the context of the birth of the regional autonomy?"

## LITERATURE REVIEW

### 1. Regional Autonomy

According to Ichsan (1997:17), decentralization in Indonesia is legally sourced on the Constitution of 1945. Along with the explanations, it is mentioned that the territory of Indonesia is divided into either autonomous region or an administrative region. Meanwhile, according to Rasyid (1998), he argues that by decentralization the Central Government can concentrate on the formulation and implementation of national policies that are fundamentally. It is the time for the local governments to be given the trust to perform more creatively giving meaning to the implementation of governance and development.

Kaloh (2002:8) explains that the concept of Local Government is in fact already very old. From some literatures it can be noted that the present system of local government is essentially a combination of traditions and techniques of organizing local government which has been influenced in its development by factors of history, politics, economic and social. Even though, there are traditions, that are categorized as the early innate giving its own colour to each type of local government.

While according to Thoha (1999:27), he explains that there are four important things in assessing an area that can take care its own household, which are; (1) the existence of elements played by the Government, (2) in order to manage its own household equipments and apparatus are needed, (3) to finance its own submitted affair, it is necessary for its own finances, and (4) the setting and management of the Affairs are done through initiatives and the wisdom of their own.

Seen from the four things above, it can be assumed that the decentralization is a path that cannot be denied. However, there are many districts and cities that have not been able to implement which is in their own authority. This can be seen from the financial aspect as a source for financing its regional development which is still lacking. On the other hand, there are also regions that have a surplus on their own regional revenues/*Pendapatan Asli Daerah* (PAD), so it brings out the gap in regional development. Decentralization manifests regions to arrange autonomously and organise its own household.

According to Sumaryadi (2005:39) regional autonomy is an area that has legal self-sufficiency. Therefore, regional autonomy focuses more on aspiration rather than condition. Furthermore, Salam (2004:11) explained that the conception of the granting of regional autonomy should not burden the people, but instead it gives motivation, empowers and resurrects the initiative and encourages the community participation in development efforts so that autonomy will cultivate independence in organising and taking care its own household.

Whether the development of the region is successful or not in conducting the authority affairs in regional autonomy, there are few things to be noted according to Kaho (1995:60). Some of these are:

- a. Human capital must be good
- b. Finance must be sufficient and good
- c. the equipment must be sufficient and nice
- d. the organisation and management must be quite good.

Besides those principles, other autonomy principles are also conducted, namely enforceable real and responsible. The enforceable real principle is the principles that the governance affairs must be implemented based on the real duties, authority, and obligation; and have potential to grow, live and evolve in accordance to the potential and uniqueness of the region. Thus, the contents and type of autonomy for each region are not always the same. Meanwhile, the definition of responsible autonomy is autonomy, in its implementation, must be fully in line with the objective and purpose of the grant of autonomy, which is basically to empower region, including improving people's welfare as the major part of the national goal. In line with the principle that the implementation of regional autonomy should always be oriented to the improvement of the community's welfare by always paying attention to the interests and aspirations that are grown in the community.

Besides that, the organizing of regional autonomy should also ensure the harmonious relationship from one region to other regions, meaning that regional autonomy must be capable to building cooperation among regions in order to improve well-being and prevent imbalances among regions. It is also important that the regional autonomy should also be able to ensure a harmonious relationship between regions with the Central Government, meaning that the regional autonomy must be able to maintain and safeguard the country's territorial integrity and uphold the unitary State of the Republic of Indonesia in order to realize the goals of the State.

Thus, the regional autonomy is about how local governments can manage its region well without any gaps between society and the Government in order to achieve its own goals which are not deviate from the regulations.

For this problem, Supriatna (1992:19) suggested that the decentralization concerns always on the question of the powers associated with the delegation of authority from Central Government to the regions official or local government institutions to run the government affairs. Furthermore, it is argued that forms of decentralization in practice are:

- 1) Deconcentration or decentralization of administration is the transfer of some administrative powers to the regional offices and to Department of the Central Government,
- 2) Devolution or political decentralization is the awarding of authority in decision making and control against certain resources to regional or local officials,
- 3) Delegation is a transfer of managerial responsibilities for certain task to organisation outside the structure of Central Government,
- 4) Privatization is the transfer of duties to voluntary organisations or private companies which are either looking for advantage or not.

In other words, Litvack & Seddon (1998:8) in Sadu Wasistiono (2002:5) state that there are at least five essential conditions for successful implementation of decentralization:

1. The framework of decentralization should pay attention to the link between the local financing and fiscal authorities with the functions and responsibilities of granting services by local governments;
2. Local communities must be informed of the possibility of servicing fee and delivery as well as its resources, with the hope that the decisions taken by the local authorities are meaningful;
3. The community requires a mechanism to convey their view that can bind the politician, in an effort to encourage the public to participate;
4. There should be a system of accountability based on public and transparent information that allows the community to monitor the effectiveness of the performance of local governments, which prompted politicians and local officials to be responsive;
5. Instruments of decentralization, such as the institutional framework, the structure of responsibility for administering services and intergovernmental fiscal system must be designed to encourage targets politicians.

According to Bryan & White (1987:237) it is known that the regions will have small capabilities if they are solely assigned to follow the policies of the Centre Government. If responsibility and resources are delegated, the ability of the local agencies will increase. In addition, the principle of democracy can be realized in the region with the existence of people's opportunities to participate in governance and development as well as the local government is obliged to the people and responsible to the higher levels of Government.

Besides the opinions expressed by the experts above, then Kaho (1987:38) stated that: "the implementation of local governance of a country depends on the shape of the concerned country. The Republic of Indonesia is a unitary State with a decentralized system which may be determined in article 18 of the Constitution of 1945".

Since the independence, these provisions have been run with various laws that give authority to the local governance based on embraced principles.

## 2. Regional Development

Regional development is a process in which local governments and its communities managing resources and establishing a partnership between the local governments and private sector to create new jobs and stimulate the development of economic activities (economic growth) in the region.

The Theory of Growth and Economic Development of the Regions analyzes the economy of a region very difficult because of:

1. Data about the region is very limited especially if the regions are differentiated based on the notion of regional capital. With the very limited data it is very difficult to use methods that have been developed in giving an overview of the economy of a region.
2. The available data generally do not correspond to the data required for the analysis of the region, since the collected data are usually intended to meet the needs of national economy analysis.
3. Data about the economy of the region is collected very difficult, since the regional economy is more open compared to the national economy. It also results in data about the flows income and outcome and the area are difficult to obtain.
4. For the NSB, despite of a lack of data as a commonly in reality, those limited data, many of them, are hard to believe, giving rise to difficulty to perform an adequate analysis of the condition of the economy of a region.

New paradigm of regional development Theory in the decades of the 1960s and 1970s in the study of economic development is still dominated by dependencia theory. This thinking is based on economic and social conditions of countries that are still underdeveloped (underdeveloped countries) caused by external factors i.e. imperialist countries and the penetration of MNCs on the economy of emerging countries. In some cases these policies led to the nationalization of foreign capital independency evolved as a response to the weakness in dependencia theory. The progress of the economy in developing countries will be better through industrialization which also created a joint decision for the global economy. In essence, the shift is happening and the role of Government in the economy is declining, and further, economy restored to market mechanisms. The role of the private sector through the MNC's is more important in administering the economy despite government intervention is still required in some cases. Cooperation between Governments and the private sector are getting better because basically foreign direct investment does not only generate capital but also technology. The shift of the development paradigm is caused by the demonstration effect of the success of the development strategy of new Asian industrialized countries (NICs). The increase in foreign direct investment by the NICs rises in two decades, especially in the export-oriented industrial strategy.

### RESEARCH METHOD

This research used a qualitative approach. Qualitative research is used because it can reveal the real events on the field and can also reveal the hidden values (hidden value). The qualitative approach is often used in social research and also known as naturalistic approaches (Lincoln and Cuba, 1985).

In order to process data collection there are three activities performed, namely the process of entering the location of research. Data is collected through Interviews, observation, documentation.

Data analysis is done by the reduction of the data, the presentation of the data, drawing conclusions or verification. Checking and the examination of the validity of the findings or data on the qualitative research are to obtain naturalistic conclusions based on criteria developed by Lincoln and Guba (1985), namely: credibility, transferability, dependability and confirm ability. For the purposes of the degree of validity it is used a triangulation, the checking of the associate members and friends discussions (Lincoln and Guba, 1985). Triangulation was used in this research including: data sources and methods. Transferability as a matter of empirical is relying on context similarity between sender and receiver.

## DISCUSSION

The development that have been done by the Government of Pekanbaru, namely:

- 1) Creating and fostering a conducive climate of business with the economic populist-based;
- 2) Providing schools and educational institutions that supported excellent professionals, so that it can generate human resources who have quality, independent, creative and innovative;
- 3) preserving, fostering, and developing the Malay culture that is capable of being up to the days by retaining the identity so that it is created the advance, independent and able to compete community;
- 4) Fulfilling the necessities of life and the life of the community;
- 5) Creating a community of faith through religious education and enabling religious institutions as an element of coaching people.

The recently development for Pekanbaru can be seen through:

### a. The acceleration of Infrastructure

The acceleration of infrastructure development includes urban infrastructure, such as; the water resources sector, transport, housing and settlements. Development of water resources is to provide fair access to the whole of society to get and control the damaged power for people's lives. Development priorities in the field of transportation infrastructure are directed towards the road, and land transport. The development of housing and basic infrastructure development includes residential settlements and the construction of the rubbish. Infrastructure development which is equitable to increase the quality of service of transport in order to compensate for the growth sector of the high economy among others is the construction of inter region Terminal. The improvement of the quality of the settlement infrastructure is still inadequate, especially the infrastructure of Community's environmental health and flood control such as the road condition, drainage, rubbish and clean water, including completion of the optimisation operations work of Regional Drinking Water Company (*Perusahaan Daerah Air Minum*/PDAM) Tirta Siak Pekanbaru with PT. KTDP.

In general the existing infrastructure in Pekanbaru still needs to be improved, especially in the effort to develop an industrial area Tenayan (*Kawasan Industri Tenayan*/KIT) that is recently in preparation. The availability of the infrastructure, particularly transportation facilities will be able to encourage investment and to unite the region throughout ring road that would reduce the impact of traffic congestion in the city. In addition to transportation (roads and bridges), fields and subfields covered in infrastructure developments are:

1. Electricity
2. Information and communication
3. Water resources and Irrigation

4. The settlement and development of the region
5. Terminals and Airports
6. Parking slots

Infrastructure development program is conducted in addition to having social functions of basic infrastructure through service to the community, also has a function, i.e., an attempt to move the potential areas so that the flow of goods, services and actors of economic activity so that can be run with swift, effective and efficient.

b. Socio-culture and religion

During this period it has been created an integrated poverty alleviation programs that involve a variety of offices and relevant agencies in order to reduce the amount of poverty each year. Improving the quality of human resources through education and training activities, the development of the physical education facilities and infrastructure based on faith and obey, as well as the preservation of Malay culture through various types of activities include book publishing the book “Tunjuk Ajar” as a guide. For the future, the public social development should hand in with an increased provision of employment, the provision of public facilities, as well as the ability and commitment of the officials of the city government in handling problems of the community of the city. Consistent in law enforcement have to be in line with the economic development and social culture.

On the side of culture, as the provincial capital, where the Malay culture is the local culture, with its open character, tolerant, moderate, then it is reasonable when the Pekanbaru city’s vision is formulated by placing the Malay culture as the soul/life and spirit which direct the city’s development in the future. Malay culture as the culture of local community will be preserved, even, it will be attempted to preserve amongst the people of the city which transforms to the new metropolis.

c. The enhancement of performance of the Government Officials

The performance of the Government Officials at various Department and agency is perceived by community still not maximum, although Integrated Services Agency has been established as a form of commitment in ease of service to the community. There is an impression that in the period of the implementation of regional autonomy, thus the quality of officials is getting more apprehensive. Government officials, whom are supposed to be a public servant, instead ask served on his realm. The right solution to this problem is the leadership that is capable to increase employee work ethic, discipline, create good governance and clean government. Through hard effort it has managed to create clean governance and authoritative by issuing action plans of implementation of good governance.

d. The environmental development and the other supporting factors

The enhancement of K3 Program by delegating some of Major’s authority to the sub district governance is through cleanliness management and retribution collecting according Decree of Major No. 7 in 2004. The enhancement of participation of community and private sectors in running the development is by ease the permit, namely housing construction, hospitality and shopping centre.

## CONCLUSION

The success of the development in the Pekanbaru is not only determined by the above factors. Development in the field of the environment and other supporting factors also determine the success of a development. The development of the above five sectors is one that should not be separated. If only one or two sectors are alone developed, then the inequalities in development will occur in the future. Therefore, the development in the environment sector and other supporting factors must not be removed of the success of the development in Pekanbaru

## REFERENCES

- Harjanto. Perencanaan Pengajaran. Jakarta : Rineka Cipta. 2008
- Khairuddin. 1992. *Pembangunan Masyarakat*. Tinjauan Aspek; Sosiologi, Ekonomi, dan Perencanaan. Liberty. Yogyakarta.
- Mosher, A.T. *Menggerakkan dan Membangun Pertanian*. Syarat-Syarat Mutlak Pembangunan dan Modernisasi. Disadur oleh : Ir. S. Krisnandhi dan Bahrin Samad. C.V. Yasaguna. Jakarta.
- Ndraha, T. 1990. *Membangun Masyarakat Mempersiapkan Masyarakat Tinggal Landas*. Rineka Cipta. Jakarta.
- Rudito, B. dan Budimanta, A. 2003. *Pengelolaan Community Development*. Indonesia Center For Sustainable Development. Jakarta.
- Sadyohutomo, Mulyono. 2008. *Manajemen Kota dan Wilayah (Realita dan tantangan)*. Bumi Aksara. Jakarta
- Slamet, M. 2003. *Membentuk Pola Perilaku Manusia Pembangunan*. IPB. Press. Bogor.
- Solihin, D. 2006. *Perencanaan Pembangunan Partisipatif*. Makalah disampaikan pada Pelatihan Aparatur Pemerintahan Daerah. Jakarta, 27 Desember 2006. Sekolah Tinggi Pemerintahan Abdi Negara.
- Soetomo, 2006. *Strategi-Strategi Pembangunan Masyarakat*. Pustaka Pelajar. Yogyakarta