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**Cultural cooperation, institution building, and metropolitan  
governance in decentralizing Indonesia**

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# Cultural cooperation: Metropolitan governance in decentralizing Indonesia

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## **Abstract**

*The metropolitan governance debate has been influenced to a considerable degree by a calculus approach, viewing metropolitan governance as essentially created by local actors to reduce the transaction costs of inter-jurisdictional public service provision. Another influential theoretical route has featured a structuralist approach, which emphasizes the role of state structure in producing formal institutions to enable governance at the regional level. Both approaches tend to be formalistic, simplistic and deterministic in nature and, thus, neglect the dynamic interactions between the actors and their more informal, intangible yet more basic, legitimate institutions such as culture. The current paper examines the dynamic role of culture in metropolitan governance building in the context of decentralizing Indonesia. The analysis focuses on a nation-wide ‘best practice’ experience of metropolitan cooperation in Greater Yogyakarta, where three neighbouring local governments known as Kartamantul have collaboratively performed cross-border infrastructure development in order to deal with the consequences of extended urbanization. Drawing on sociological institutionalism, it will be argued that the building of this metropolitan cooperation is rooted in the capacity of the actors to reinvent, transform, and mobilize the usable elements of culture as the a resource for collaborative action.*

*Keywords: culture; Indonesia; institutionalism; metropolitan governance; social construction*

## **Introduction**

In the face of fragmented society and global state restructuring, it has been suggested that culture needs to be reinvented as a societal mobilizer and, furthermore, as a key governing resource (Keating, 2001, Castells, 2003, Keating et al., 2003). The current paper examines the role of culture in the building of metropolitan governance. It addresses the main question: to which extent and how does culture influence the success of metropolitan governance building?

In the past decades, many researchers have, among other, relied on a structuralist approach in the analysis of metropolitan governance. Their viewpoint has an emphasis on the restructured and “rescaled” state as the primary source of institutions that enable or constrain the behaviour of local (and global) actors interested in a metropolitan region (Brenner, 2003, Cole, 2004, Souza, 2005, Beall, 2006, Johnson, 2006). Moving away from this structuralist tradition, in this paper, we will show that local and regional actors do not heavily depend on the state structure in order to sit together building effective metropolitan governance. Instead, using a sociological institutional framework, it will be argued that the building of such metropolitan governance is in fact centred on the capacity of these actors to reinvent, transform, and mobilize culture as the key local resource for collaborative action.

This paper takes a ‘best practice’ experience of metropolitan governance building in Indonesia as the case study. For more than half a century, Indonesia has been one of the world’s most culturally plural nations, integrated into the global economy a few decades ago, and just undergoing a decade of ambitious decentralization policy. A radical decentralization shift within the state structure has resulted in institutional fragmentation within major metropolitan regions (Firman, 2009). However, a considerable success story is currently

flourishing in Greater Yogyakarta, the largest extended urban agglomeration in the south-central part of Java Island. In the last decade, three neighbouring local governments known as *Kartamantul* (the acronym for Kota Yogyakarta, Kabupaten Sleman, and Kabupaten Bantul) have agreed to collaboratively deal with rapidly growing extended urbanization by performing cross-border urban infrastructure planning, development, and management through a joint secretariat. Due to this unique achievement, Kartamantul Joint Secretariat (KJS) has been awarded by the Ministry of Home Affairs and several leading international development institutions, such as the World Bank and GTZ (the German Agency for International Cooperation – now GIZ), as the ‘best practice’ for inter-local government cooperation in decentralizing Indonesia (Sutrisno, 2004, Sekretariat Bersama Kartamantul and GTZ, 2006, Firman, 2010).

In the next section, the paper will first restructure the debate on metropolitan governance. It will look more closely at the institutional dimensions of metropolitan governance and will suggest focusing on the constructive potentials of culture. The case study analysis will evaluate the recent best practice of inter-local government cooperation in Kartamantul. We have conducted series of semi-structured interviews with the local governments and regional managers who have been actively involved in the building of KJS. The result of these interviews show that it was not rational awareness, organizational leadership, or power relational influence, but the dynamics of culture that provides a fundamental explanation to this rare success story. The main analysis will further explore the ways these cultural dynamics were promoted and how they were brought into the realm of metropolitan governance. It will be concluded that, even in a historic place like Yogyakarta, culture in itself hardly matters in metropolitan governance building unless the actors use, transform, mobilize, and interlink them with the modern, democratic, and decentralized institutional arrangements emerging at the higher levels.

## **Restructuring the metropolitan governance debate**

According to a number of scholars, there are now at least four main approaches to metropolitan governance: the reform school, the public choice school, new regionalism, and rescaling/re-territorialization (Lefèvre, 1998, Savitch and Vogel, 2009, Tomás, 2011). This classification is made on the basis of different attributive normative values attached, i.e. equality, efficiency, democracy, and competitiveness. The classification itself provides a limited conceptual explanation on the *processes* underlying the building of metropolitan governance. In order to better understand these underlying processes, alternatively, in this section we suggest following the institutional line of reasoning in explaining various possible models of metropolitan governance building.

It is important for the purpose of our discussion to first define metropolitan governance as a set of institutional arrangements and its implications for coordinated collective actions at the metropolitan scale. As such, the debate on metropolitan governance can be closely linked to the development of new institutionalist theories, particularly those from the fields of economics, political sciences, and sociology. To open up the discussion, we first broadly define institution as a relatively stable and structural feature of society that exists to affect the preferences, interests, or identities of actors (Peters, 1999). There has been a considerable diversity in new institutional theories, which mostly can be divided into at least three major approaches: rational choice (calculus) approach, historical (evolutionary) approach, and sociological (cultural) approach (Powell and DiMaggio, 1991, Hall and Taylor, 1996, Immergut, 1998). An overview of these approaches and their (potential) implications for metropolitan governance models are summarized in **Table 1**.

**Table 1** The institutional approaches and metropolitan governance models

The first approach (rational choice) has viewed metropolitan governance as consisting of a set of instrumental rules and incentives negotiated among participating local governments to reduce transaction costs inherent to inter-jurisdictional coordination (Feiock, 2007, Miharja and Woltjer, 2010). Typically, rules and incentives would not pre-exist. The main motivation for designing these rule-like arrangements is to internalize the spill-over effects of fragmented actions by local governments. Metropolitan governance functions effectively under voluntary and free-market systems. It aims to achieve the economies of scale of common resource allocation and efficient public service provision, thereby increasing collective benefits at the regional scale (Heeg et al., 2003, Laquian, 2005a). Common organizational models resulting from these rational assessments are cooperative and network-based arrangements among local governments (Heeg et al., 2003, Feiock, 2009).

In comparison, the historical approach to new institutionalism has emphasized institutions in the form of organizational structure, legal framework, and procedure, which often emerge as an unintended consequence of unequal power distribution (Hall and Taylor, 1996). Following this approach, metropolitan governance can be seen as a product of formal state-society relations at a particular place during a specific episode of history. The institutional structure for metropolitan governance tends to be path dependent and inert and only evolves incrementally in the long period. Any sudden change to the structure is seen as essentially unlikely, unless with the help of considerable external coercion or radical power exercises as can be exemplified in, for example, regime shifts within state government

(Souza, 2005). It is also evident within this approach that radical metropolitan reform often needs to clash with longstanding informal institutional arrangements (Beall, 2006).

The historical approach to metropolitan governance may even go back further to an older institutionalist argument, viewing the state – or its new variants such as the “rescaled” state – as the primary source for institutional emergence (Brenner, 2003). Institutions, ranging from constitution writing in the most classical form to globalized market systems, tend to be seen as a given factor for the establishment, reform, or adjustment of metropolitan governance (Johnson, 2006). Formal and hierarchical metropolitan governance models, such as administrative consolidation and multiple tiers of government (Barlow, 1997), are typical exemplifications to this approach.

### ***Towards a cultural approach***

The rational choice approach has concentrated its analysis on observable and tangible factors of institutions such as geographical proximity, demographic homogeneity, law, and policy networks (Feiock, 2007). Relying largely on calculus analysis, this reductionist approach tends to be reluctant to include more intangible factors such as culture (Williamson, 2000). Some proponents of the historical approach, however, have a strong interest in this particular form of informal institution. At the same time, their scope of analysis is often reduced to the stable properties of culture such as norm, value, and trait (Putnam, 1993, Hofstede, 1994, Tabellini, 2010). There is almost no room for metropolitan ‘transformers’ to influence embedded cultural properties, which evolutions are perceived as slow and mostly imposed from above. According to the historical approach, these cultural properties can directly and automatically determine the general and comparative outcomes of collective action, thus further neglecting the cognitive capacity of actors in re-interpreting and mobilizing institutions (Keating, 2001, Keating et al., 2003).

Among the three major new institutional theories, the sociological approach has included culture more holistically in its analysis – therefore it is often referred to as a “cultural approach” (Hall and Taylor, 1996). According to this approach, it is hardly useful to separate culture from institution as institutions themselves are interchangeable with culture in its broadest sense. Culture as an institution is not static but “constantly being made and remade” (Keating et al., 2003: 26). Hence, we should not restrict the notion of culture to embedded societal properties but also include relatively more dynamic categories inherently attached to certain groups such as routine, ritual, custom, myth, and ceremony (Meyer and Rowan, 1977, March and Olsen, 1984, Hall and Taylor, 1996). The sociological approach to institutions shifts our emphasis from a normative role of culture to its symbolic meaning by including, for examples, folklore, the history, and the language (Keating et al., 2003: after Frankenberg & Achuhbauer, 1994).

The implication of culture on metropolitan collective action is fundamentally contextual. Culture cannot in itself function as an institution unless the actors in a metropolitan region are aware of its relative existence. If we focus on this interpretive, cognitive dimension, then culture as an institution does not just function to structure actors’ preferences and constrain their interests, but also shape the identities of these actors and their region (Powell and DiMaggio, 1991, Hall and Taylor, 1996, Keating et al., 2003). Furthermore, culture can then be transformed by actors as a mobilizing resource for carrying out meaningful collective action with regards to the future of the region. Resulting metropolitan governance arrangements, therefore, perform not merely to achieve economic efficiency, technical functionality, political stability, or societal order, but, rather, seek an appropriate scale at which collective action on issues like sprawl, cross-border infrastructure provision, or regional economic development, can socially be legitimized.



The main emphasis of the sociological approach to new institutionalism is not on the object of culture per se, but on the institutionalization of culture. Culture is not just viewed as the basic form of institutional property but also as the process through which such an institution is constructed among actors. The approach essentially rejects the clean break between institution and collective action. Instead, it recognizes that there is mutually constitutive interaction and multistage anchoring along these two often seemingly disjointed realities in day-to-day practice of governance (Zucker, 1987, González and Healey, 2005). As a result, there might be different levels of institutionalization of culture. Every level continually shapes but is also being shaped by other higher and lower levels as well.

It can be concluded that metropolitan governance studies have, to varying extents, included rational choice and/or historical approaches in their analysis. Nevertheless, these studies have typically given limited attention to cultural realities and the potential of the sociological (cultural) approach to explain governance success. In our view, this latter approach, especially its institutionalization framework, can be enhanced to bridge the gap between the instrumental and normative arguments, between the bottom-up and top-down approaches to metropolitan governance building. In doing so, this framework helps to explain the linkages between these seemingly contrasting realities through the process of social construction (Hudalah et al., 2010a, 2010b). Focusing on the role of culture, we will apply this sociological institutional way of analysis into a case study of best practice of metropolitan governance under Indonesia's current decentralization system, in which local governments agreed to build collaborative, joint obligatory institutional arrangements at the regional level.

### **The decentralization euphoria: Towards fragmented metropolitan governance**

With the enactment of Law No. 22/1999 and Law no. 25/1999, which was later amended with Laws no. 32/2004 and Law no. 33/2004, on Regional Administration and Regional Fiscal Balancing respectively, Indonesia has been establishing an ambitious decentralization policy during the past decade (Government of Republic Indonesia, 1999a, 1999b, 2004a, 2004b). The implementation of this policy has demanded a fundamental reform of the long-standing centralized and hierarchical administrative system and practice, into highly decentralized and democratic arrangements. The common objective of decentralization has actually been functionalist of nature, which is to bring public services closer to the people or, in other words, to make them more responsive to local needs. However, as it was drafted under the potential risk of national disintegration following the fall of Soeharto's totalitarian regime, in Indonesia, the formulation of decentralization policy was rather political. The most radical element of the policy has been the transfer of governmental authorities directly to local government, mostly without any intermediary role of provincial government agencies. The national political leaders generally thought that by giving up most power to a large number of smaller administrative units, separatist sentiments would be weakened or, at least, easier to control (Fitriani et al., 2005).

As an adverse effect of this national political pragmatism, decentralization has left little room for establishing strong institutional arrangements at sub national levels. The "institutional gap" at the regional levels has encouraged processes of local egoism and regional fragmentation. There is evidence that local government agencies within extended urban areas commonly assume that they have their own 'kingdom of authority' (Firman, 2009). A widespread view among municipalities is that they carry out regional development policies by themselves without much need for consultation with their immediate neighbours.

Due to this fragmented political landscape, the rebuilding of governance at the regional level is an increasingly important policy and research agenda in decentralizing Indonesia.

Until the mid-2000s, inter-local government cooperation has been experimented in major metropolitan regions in Indonesia, notably in *Gerbangkertasusila* (Greater Surabaya); *Bandung Raya* (Greater Bandung); *Kedungsepur* (Greater Semarang); *Mebidang* (Greater Medan); *Mamisamata* (Greater Makasar), *Jabodetabek* (Greater Jakarta), and *Kartamantul* (Greater Yogyakarta). In conducting the cooperation, most of those regions still rely on sectoral coordination without any clear institutional arrangement. Such unstructured cooperation often meets difficulties when it faces different and conflicting regional issues. In a later development, several regions have attempted to formalize their cooperation by, among other, establishing regional development coordinating bodies or BKSP (*Badan Kerja Sama Pembangunan*). Unfortunately, most BKSPs such as Greater Jakarta have restricted their role towards merely a complementary institution. They are not equipped with distinct authority and sufficient resources to synchronize fragmented local development frameworks. As a result, most inter-local government cooperation practices have failed to collaboratively perform in the geographical rescaling of public services and economic development. As can also be found in other Asian countries, many decentralized governance practices have achieved success in urban and regional plan-making, but have faced extreme difficulties to further consolidate the participating local governments in implementing the agreed plans (Laquian, 2005b, Hudalah et al., 2007).

### **Reinventing the historic region: Rationality, power, or culture?**

Kartamantul is a distinct, historic region. It is located in the Yogyakarta Special Province, once the capital of the Great Islamic Javanese Sultanate of Mataram as established in the 17<sup>th</sup> century. Until now, the leading successor of this sultanate still survives in this particular region with strong cultural as well as political influences. The sultans have long played a

symbolic role within the Javanese society as the guardian of their culture (Carey, 1986). Besides, the laws on Yogyakarta Special Province have allowed the sultans to be automatically appointed as the governor. While a revised law is now being drafted to better accommodate the basic principles of decentralization and modern democracy, the term of office of the current Sultan has been extended several times.

The city of Yogyakarta and its surrounding region have played an important role for the national economy to meeting global competition. Due to its heritage, cultural richness, and longstanding historical legacy, the region has enjoyed its position as the second largest domestic and foreign tourist destination in Indonesia next to the Island of Bali. Besides, the region is also well known as the National Capital of Students. There are about 90 higher education institutions of various levels located in the region, which have made it the largest concentration of higher education activities in Indonesia. In fact, the region has secured its position as the home for the country's second largest, global research university, which is Gadjah Mada University (UGM). Other urban economic activities that increasingly play a significant role for the economic competitiveness of the region are creative industries such as the art and the handicraft industry (Firman, 2010).

With a total population of 1.9 million in 2008, of which approximately 800 thousand urban population, Kartamantul is now emerging as one of the metropolitan regions in Indonesia (Firman, 2010). Yogyakarta Municipality is the core of the metropolitan region, where most of urban economic sectors are concentrated. While the administrative urban area is very limited (33 km<sup>2</sup>), the functional urban area continues to grow and expand. The extended urban area now covers five sub-districts in the upper rural region of Sleman District (108 km<sup>2</sup>) and three sub-districts in the lower rural region of Bantul District (93 km<sup>2</sup>) (see **Figure 1**). As an illustration to this rapid urban expansion, in the period of 1990-2002, it has been reported that every year 253 hectares of agricultural land in Sleman District were

converted into built-up areas, while 85.75 hectares were converted annually in Bantul District (Sekretariat Bersama Kartamantul and GTZ, 2006).

**Figure 1** Map of Kartamantul (Greater Yogyakarta)

The rapid extension of the functional urban area of Yogyakarta has had implications for regional infrastructure needs and the sustainability of the surrounding rural hinterland. Therefore, the two neighbouring districts and the municipality agreed during the early 2000s to build metropolitan cooperation through the establishment of a so-called Kartamantul Joint Secretariat (KJS) (Sekretariat Bersama Kartamantul, 2001a). KJS has played a strategic role in creating balance and harmony between regional economic development on the one hand and environmental protection on the other. Through this collaborative platform, the local government agencies involved enhance coordination in the planning, implementation, monitoring, and evaluation of cross-border infrastructure across the urban region. Regional cooperation started with solid waste management but now also includes wastewater, water supply, public transportation, roads and drainage systems, and, ultimately, spatial planning (Sutrisno, 2004, Sekretariat Bersama Kartamantul and GTZ, 2006).

***The decision making structure of KJS***

The KJS has a unique decision making structure, which is based on a three-tiers model of management (see **Figure 2**). First, the heads (Bupati) of Sleman and Bantul Districts and the

mayor (Walikota) of Yogyakarta City, as the ultimate decision making actors, are at the top management level or the policy making team. The middle management level or the steering team consists of high ranks officers, including the secretary of the local governments and the head of the treasury and the head of local planning agencies and heads of relevant technical departments in the local governments. Finally, the lower rank officers (staff) responsible for the technical implementation are involved in the lower management level or the technical team.

**Figure 2** The three-tiers model of decision making

The decision making in KJS tends to follow a *bottom-up* process. It commonly materializes from the lower management level of KJS. At this beginning level, every infrastructure, environmental, or urbanization problem emerging from the local communities is calculated rationally and argued “selfishly” by every local government in order to ensure that the problems are accurately mapped from the beginning (Sutrisno, 2004). When an issue has already been agreed, middle management will then hold meetings to discuss topics connected to resources allocation such organizational arrangements, budgets, and regulations. These meetings at the middle level are more cooperative and less egocentric. Nonetheless, the process often involves power exercises in which various political strategies such as informal lobbying are used by high rank officers from each local government to promote their own interests (Sekretariat Bersama Kartamantul and GTZ, 2006).

Following this political process, the three heads of the local government will hold meetings to sign a draft agreement for collective action, mostly in the form of a Joint Local

Government Decree (*Keputusan Bersama*). The agreement should in turn be implemented by each local government. These final meetings are usually set informally through dinner invitations among top locally elected leaders. Every decision here is no longer predominantly determined by rational calculation or by power redistribution. Instead, these most crucial meetings tend to be ceremonial, symbolic and, thus, cultural in character as it is framed by trust, mutual understanding and embedded common vision that have already been shared informally among the local governments.

### ***The case of regional solid waste management***

The triggering and most salient thematic field of metropolitan cooperation under KJS is the practice of regional solid waste management (Sutrisno, 2004, Sekretariat Bersama Kartamantul and GTZ, 2006, Firman, 2010). In 1996, the first regional waste disposal infrastructure (located in Piyungan, Bantul District) started to operate. In the beginning, the management of the regional waste disposal was coordinated by the province. However, following the implementation of the decentralization policy, coordination was transferred to the three local governments through KJS (Sekretariat Bersama Kartamantul, 2001b). The cooperation was conducted through budget-sharing for the operation and maintenance of the waste disposal, technological development of the waste treatment system, environmental management, and an arrangement of charging rates. As a further development, since 2005 PT Global Waste Solusi was selected as the private waste treatment company that would be responsible for converting regional solid waste into electrical energy.

In order to explain the effectiveness of this particular field of cooperation more empirically, we conducted semi-structured interviews with sixteen key actors whom were directly involved for several years in the building of the metropolitan cooperation, especially in relation to this solid waste management. The respondents consisted of professionals, local politicians and bureaucrats. The professionals were represented by the first and second

office managers of Kartamantul Joint Secretariat<sup>1</sup>. The local politicians and bureaucrats were represented by the heads and secretaries of the local governments and heads and staff of the Local Planning Agency (Bappeda) and the Environmental Department (Dinas Persampahan) from each local government. The Sultan/ governor, the private sector, and the community were not included in the analysis since there was not sufficient evidence from earlier studies as well as from our fieldwork on their direct involvement in the cooperation. The questions for this analysis were centred on the reasons for joining the cooperation and the perceptions on the factors leading to the effectiveness of the metropolitan cooperation (focused on the solid waste management), including its historical accounts and contextual setting. The result of these interviews provides an overview on the extent to which the three new institutional theories are evident in the case study: rational choice institutionalism (rational argument), historical institutionalism (power relational/ organizational argument), and sociological institutionalism (cultural argument) (see **Table 2**).

**Table 2** Respondents' perception on the success factor

An indication from our preliminary analysis is that rational choice institutional arguments for inter-local government cooperation were evident in Kartamantul. Half of the interviewees perceived that the success story of the cooperation can be explained by various calculus factors. The most basic factor is, certainly, geographical proximity. The three administrative regions are neighbouring with each other thus are functionally interdependent

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<sup>1</sup> One exception was that the answers from the first regional office manager were mainly abstracted from their own writing (Sutrisno, 2004).



with each other. It was also perceived that the up-scaling of solid waste management at the regional level increases its economies of scale. Moreover, the local governments were aware that they had mutual interests (Sutrisno, 2004, Firman, 2010). First, Yogyakarta Municipality as the core of Kartamantul, is the region's engine of growth, but has very limited space for waste disposal. In the upper region of Yogyakarta's watershed area, Sleman District has a strategic ecological function as the water recharge area for the whole urban region. However, this district also needs access to the lower region for its own waste disposal. Meanwhile, located in the lower part of the Kartamantul and having less fertile soil, Bantul District has various potential locations for waste disposal development while at the same time apparently it should maintain its environmental quality as the buffer zone for the region.

Moving away from rational choice justification, we then evaluate whether there also are factors in relation to unequal power distribution. A historical, structural viewpoint may expect that the long standing influence of the Sultanate and the strong leadership of the Sultan could provide a basis for regionalization to persist thus constraining the regional fragmentation from happening. Surprisingly, our interviews generate little evidence for this argument. There were only three respondents who thought that power relational factors such as political influence, organizational coordination, and leadership (of the sultan, KJS or the heads of the local governments) were the most important determinants for the cooperation to be as effective as they witnessed.

We are now moving to the previously neglected dimension of institutionalization, which is the relevance of culture in explaining the success story of the metropolitan cooperation. It is remarkable to notice that about half of the respondents agreed that culture matters during the cooperation building. More importantly, if the rational choice arguments were completely true, there should be a relatively comparable result of interviews across different origins of the respondents. However, it is evident that most of the respondents favouring the calculus

factors originated from Yogyakarta Municipality and Sleman District, which no question would take benefits from the establishment of the regional waste disposal outside their territories.

A seemingly contrasting view can be found from their counterpart in Bantul District. From a rational viewpoint, they have considered themselves as suffering losses in the cooperation. Their garbage share was not more than 10%, and, thus, could not compensate the externalities generated by the regional waste disposal within their own jurisdiction, such as environmental degradation and declining road infrastructure performance. Nevertheless, it is remarkable to note that the district kept supporting and committing to the cooperation. They have inclined to frame their voluntary participation beyond a rational calculation towards a cultural way of thinking, including routine, custom, symbol, tradition, and embedded value that had already been shared among the local governments. The Secretary of Bantul District emphasized : ‘we agreed that we did not talk about costs and benefits (of the cooperation) but humanity ... it (the cooperation) was based on custom, culture, and ‘spiritual’ unity ... Therefore the Kartamantul cooperation is actually a ‘*kerja sama budaya*’ [‘cultural cooperation’], for human civilization”. In the next section, we will provide a more profound exploration on the process of this “cultural cooperation”, focusing on the ways key actors activate, transform, and mobilize “cooperative culture” during their cooperation building.

### **Building metropolitan cooperation through culture**

The previous section has revealed that, at various critical points, culture has played a significant role in explaining the success experience of the metropolitan cooperation under KJS. Exploring the role of culture in the metropolitan governance building, this main

analysis is primarily based on the semi-structured interviews with the key informants identified in the previous section. It pays special attention to the eight respondents whom perceived that culture was important in shaping the metropolitan cooperation building. The structure of the interview questions was based on the layers of institutionalization (Zucker, 1987) and the governance transformation framework (Coaffee and Healey, 2003, González and Healey, 2005). Particularly we asked the respondents to tell their own success story in relation to: communication style; strategy making and visioning; decision making process; planning policy approach and model; and governance organizational form, structure and procedure. To ensure validity and consistency, when necessary, the respondents were interviewed several times and the results were crosschecked with secondary data and related studies. As the main results, we have identified at least four emerging practical examples of the social construction of culture in the case of Kartamantul metropolitan cooperation: (1) the building of cooperative culture; (2) the evolution of governance form and style; (3) collaborative visioning; and (4) the transition towards decentralized governance structure.

### ***The legacy of routine***

Kartamantul's collaborative experience dates back to the Integrated Urban Infrastructure Development Program (IUIDP). This project started in the early 1990s and was supported by the central government under the assistance of the Asian Development Bank (ADB) and SDC (the Swiss Agency for Development Cooperation) (Sutrisno, 2004, Sekretariat Bersama Kartamantul and GTZ, 2006). This project was introduced to encourage decentralization in urban management policy and thus emphasizing bottom-up approaches and the role of local governments in carrying out integrated urban infrastructure development.

Under this coordinative framework, the local governments have developed a practice of meetings as an important routine. These meetings in turn have glued a motivation for longer term cooperation. From the beginning, intensive, person-to-person, and frequent gatherings

were the basis for this cooperation to work well – whereas in other regions it was difficult for local governments to meet with each other. For example, meetings at the technical level were held almost twice a week and attended by staff from the relevant agencies related to specific sectors. The meetings looked at the infrastructure, urbanization, and the environment as an integrated issue that needed to be solved collaboratively.

Our evidence suggests that it took more than six years to change predominant egocentric ways of thinking among the governments. With practices of frequent meetings, those involved in the inter-local government cooperation were conditioned to diminish self-centred thinking. As the current office manager commented: “Actually egoism still existed (among the local governments) but (since) we often met, often discussed, gradually they gave in to each other ... in turn they shared experiences and burdens and sacrificed for each other”.

Since they often discussed, talked, about the same problem, e.g. solid waste disposal management, with the same orientation, a sense of togetherness and an enthusiasm for routine cooperation emerged among the local governments. The three local governments have now been “accustomed to work together” in managing cross-border urbanization (Sutrisno, 2004: 5). It has become a common vision among the local governments that Kartamantul as a metropolitan region should be seen as an integrated cultural entity: “it (Kartamantul as a geographical entity) has become a daily language or embedded tradition. So if we think about our own territory, it will always be related to other (neighbouring territories). It has become (our) daily ‘menu’” (the Secretary of Sleman District). Given this constructed cultural basis, it was later not difficult for them to work collaboratively in the new decentralization era, in which the formal role of the province as the regional coordinator disappeared.

### ***Cooperation á la “arisan”***

The development of KJS has, to a certain extent, followed the tradition of *arisan*. Arisan, which literally means “cooperative endeavour”, has been widely practiced as the Javanese

form of rotating credit association where “a lump sum fund composed of fixed contributions from each member of the association is distributed, at fixed intervals and as a whole, to each member of the association in turn” (Geertz, 1962: 243). Arisan has long evolved from merely economic association into social ritual, symbolic institutions whose main purpose is to strengthen the solidarity of a community. The main motivation for individuals to join arisan is usually not just to receive money but to engage with the Javanese civic values of *rukun* (communal harmony) and *gotong royong* (mutual help).

The elements of arisan have largely characterized the decision making processes and structure of KJS, especially in its early periods. First, the local governments have never developed any clear formal procedure for electing the head of KJS. From the beginning, they spontaneously agreed that this highest political position in KJS would be seated by one of the heads of local governments. The position is taken in three-year turns. This rotating position clearly resembles the distribution of money in arisan.

The initial institutional arrangement of the metropolitan cooperation was also highly informal and unstructured. Even the head of KJS is often acclaimed without any immediate legal framework. The Secretary of Sleman District further illustrates this unstructured arrangement: “So, at that time, it was just like ‘arisan’ ... If we coincidentally met with each other, we would remember about Kartamantul. However, if we did not meet, we would forget (Kartamantul) because everybody (each local government official) had already their own tasks”.

In fact, the first motivation to build the cooperation itself was so much ritual and symbolic in the sense that the inter-local government initiatives were not based on clear-cut objectives but rather tied by the very broad common values of togetherness and mutual awareness. It was only at a later stage that they started to build a more formal, strategic vision in order to better structure different emerging cooperation initiatives. With this incremental

process of governance building, KJS has indeed been able to gradually obtain strong legitimacy from their members.

### ***Collaborative visioning as storytelling and role playing***

In Javanese culture, storytelling is an important form of local wisdom for raising mutual understanding. This Javanese unique tradition has long been depicted in the famous *wayang* (puppet) shows and various court dances as the medium to extensively tell and retell folktales or historical events from previous generations (Koentjaraningrat, 1985, Sekretariat Bersama Kartamantul and GTZ, 2006). However, the urban Javanese in the modern days has become more plural and integrated into global culture. Materialistic and individualistic lifestyles are becoming more apparent in their everyday life. As a result, the storytelling tradition has to some extent disappeared in many metropolitan regions. Nevertheless, in Greater Yogyakarta these two seemingly competing strains – traditional life and modern cosmopolitan life – continue to coexist harmoniously.

In 2003, the province and KJS, with the assistance of GTZ, started to work on the Urban Quality (UQ) project. The project aimed at strengthening the institutional capacity of the new-born Joint Secretariat and supporting the decision making process. The project team, including high rank officials from respective local governments and supporting staff from KJS, designed a participatory workshop to develop the vision and missions for KJS. After conducting a thorough evaluation, the team concluded that the storytelling and role playing tradition could be enhanced into a participatory method of visioning emphasizing “the collaborative construction and reconstruction of the story” (Sekretariat Bersama Kartamantul and GTZ, 2006: 53). The emerging method was, among other, inspired by Propp (1968) who had analysed various stories and legends around the world. He identified that there are four fixed elements of every story that can be used as a common guideline in constructing a folk tale: the main actors, the problem, the storyline, and then an end with happiness. The team

expected that such an inclusive method could persuasively transform the participants who were usually silent in real life to be more active in expressing their ideas. It is argued that the storytelling and role playing method has increased a sense of joint ownership and shared obligation among the local governments:

“After the workshop, the shared understanding of the members about the essence and substance of cooperation was enhanced, and communication between the administrations is now running more smoothly and with vitality ... What is more, the various interests of stakeholders are clear and there are no longer hidden conflicts” (Sekretariat Bersama Kartamantul and GTZ, 2006: 55).

The vision of KJS is to realize fair, participatory, transparent and democratic cooperation; to create pleasant, beautiful, and healthy urban environment completed with high quality public services and facilities to meet the community’s needs and expectations. Meanwhile, its missions are: to promote fair negotiations; to mediate conflicts; to coordinate managerial functions and the implementation of projects; to facilitate decision making processes; to build strong network; to initiate change; and, to mobilize experts’ advises and recommendations.

### ***From my “parent” to our “big brother”***

Since the pre-colonial age of Islamic kingdoms, the Javanese have developed one of the most hierarchical social systems in the world. The social structure does not so much reflect economic wealth or superiority of blood but is generally based on parental model stressing mutual respect and responsibility and a symbiotic reciprocity between the lowest and the highest strata (Moertono, 1981). This model of social relationship has resulted in a paternalistic government culture in the modern Indonesia. Adopting this cultural value, a higher governmental tier must serve the lower ones just like a parent who protects, cares for

and concerns with his children. Meanwhile, a lower tier must comply with the higher ones as children obey and respect their parent (Liddle, 1996).

The paternalistic culture has characterized the inter-governmental coordination in pre-decentralized independence Indonesia (Cowherd, 2005, Hudalah and Woltjer, 2007). In the case of Kartamantul, this relationship was apparent among the province and the three local governments (see figure **Figure 3a**). In the context of an increasingly fragmenting urban region, this parental relationship was a necessity in resolving various horizontal conflicts emerging among the local governments:

“...differences of opinion and conflicts between members of the Joint Secretariat were also inevitable. Nevertheless, Javanese values, especially in Yogyakarta with its symbolic Kraton (the Sultanate) and Sultan, sought harmony and peace in the face of conflicts such these. In these matters, the Province, as the ‘atasan’ (the boss), assumed a ‘bapak’ (parental) role in the solving of problems and in the resolution of conflict” (Sekretariat Bersama Kartamantul and GTZ, 2006: 61).

With the implementation of the decentralization policy in 1999, the hierarchical relationship between the province and the local governments has abruptly disappeared. Nevertheless, these three local governments still insisted to continue their cooperation. It was a difficult transition for this new-born metropolitan cooperation. Since the province has no more authority to coordinate the inter-local government cooperation, the literal application of the Javanese parental value seems to be no longer relevant. As a creative solution, the parental role of the province was gradually reinvented and transformed into a wider social one. Among the local governments, the province is still considered to have a “familial” role but is not anymore positioned as “parent” or the boss but their “big brother” or a strategic partner. For this reason, in the new decentralized organizational structure of KJS, the hierarchical lines between the province and the local governments have been removed. The



province is now placed at an equal level but with a closer relationship to local governments (see **Figure 3b**). The horizontal ties among the participating governments are drawn much clearer in the current structure. The structure is now also more open by including the community and the private sector as another extended partner in the metropolitan cooperation (Sekretariat Bersama Kartamantul and GTZ, 2006).

**Figure 3** The inter-organizational structure of KJS: (a) *before* decentralization; (b) *after* decentralization

### **From “cooperative culture” to “cultural cooperation”**

This paper has examined the role of cultural factors in explaining the practice of metropolitan governance building in the context of Indonesia’s transition towards modern democratic and decentralized country. The main analysis has focused on the best practice of metropolitan cooperation under Kartamantul Joint Secretariat (KJS), where three neighbouring local governments in Greater Yogyakarta have collaboratively performed cross-border infrastructure development in order to cope with the rapid extension of functional urban area. The case study analysis has shown that rational-transactional decision making processes played a role only at the most superficial level of the governance structure. It is also evident that the governance transformative processes did not always entail conflicts and confrontations or hegemonic political exercises. Instead, at least at the highest level of the decision making process, the inter-local government interaction has penetrated into a symbolic layer of structuration underlying these rational choices and observable power

games, where culture as the basic form of informal institution mutually interacts with the emerging formal institutions.

Keating (2001: 220) has suggested that “culture is important not so much in itself but in the way it is used”. Translated into the case of Kartamantul, it is not a pre-existence of “cooperative culture” that matters but the building of “cultural cooperation”. It means that the implication of culture on the metropolitan governance building is not deterministic but interpretive and complex. Culture is not seen as a static, historically dependent factor but a dynamic, emerging resource for mobilizing collaborative action. Culture in the forms of routine, tradition, custom, local wisdom, and value needs to be first activated by local leaders and planning professionals in order to provide meaningful frameworks for collective action. The actors as cultural entrepreneurs carefully select, evaluate and transform the elements of culture that might be relevant with the current democratization and decentralization contexts. Later, they mobilize and apply this constructed culture for the purposes of enhancing metropolitan cooperation.

We can learn from the case study that integrating culture into modern, democratic, and decentralized state structure can be far from oppressive but mutually reinforcing. In fact, it encourages the learning process to happen and, thus, enables innovative metropolitan governance models such as KJS to emerge. It seems that by applying such a culturally sensitive model of governance, we may be able to increase the resilience and survivability of our metropolitan regions in facing dramatic state restructuring and unforeseen global change.

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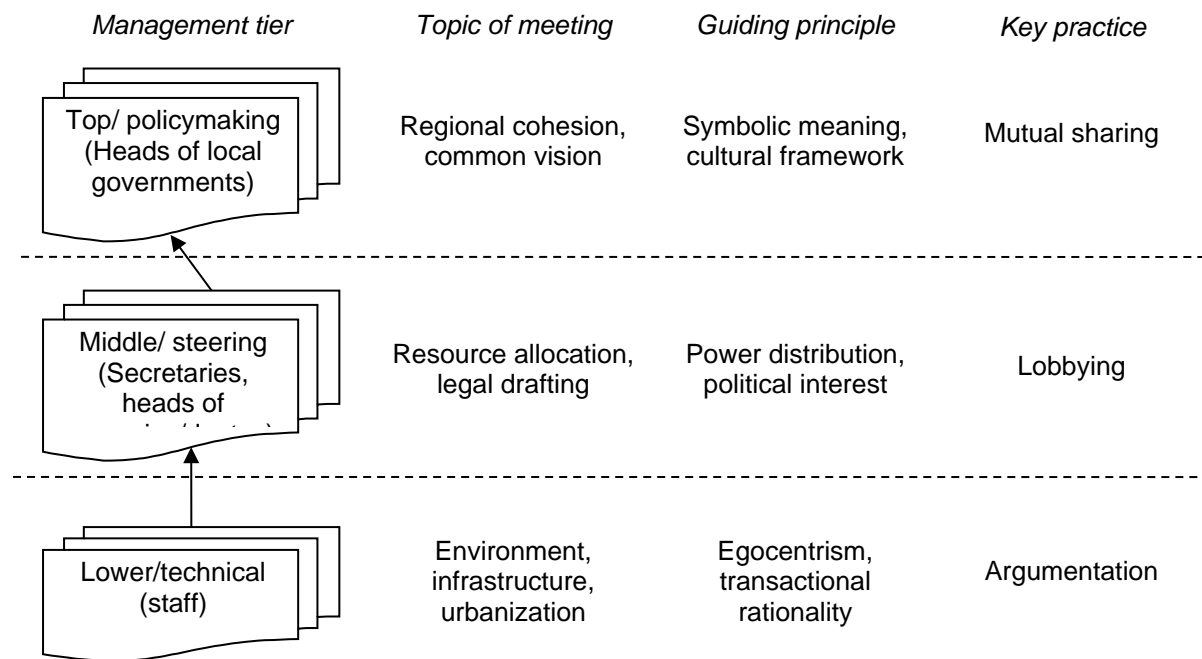
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**Table 1 The institutional approaches and metropolitan governance models**

<b>Comparison</b>	<b>Institutional approach</b>		
	<b>Rational Choice (calculus)</b>	<b>Historical (evolutionary)</b>	<b>Sociological (cultural)</b>
<i>Typical form of Institution</i>	Rule, incentive	Structure; framework; procedure	Routine, myth, ritual, ceremony
<i>Role of institution</i>	Instrumental; to structure actors' preferences	Normative; to constrain actors' interests	Symbolic; to shape actors' identities
<i>Performance indicator</i>	efficiency; technical functionality	Societal order; political stability	social legitimacy; appropriateness
<i>Institutional dynamics</i>	Intended, active, holistic	Unintended, passive, incremental	Socially constructed, transformative, emerging
<i>Institutional practice</i>	Bargaining, negotiation	Power exercise, coercion	Communication, mutual sharing
<i>Analytical approach</i>	Transaction cost	Historical analysis; comparative analysis	Structuration/ institutionalization
<i>metropolitan governance model</i>	voluntary cooperation; network	consolidation; rescaling	Collaboration; joint obligation



**Figure 2 The three-tiers model of decision making**



**Table 2 Respondents' perception on the success factor**

<b>Respondent's origin</b>	<b>What was <i>the most important factor</i>?</b>			<b>Does culture matter?</b>
	<b>Rationality<sup>1)</sup></b>	<b>Power<sup>2)</sup></b>	<b>Culture<sup>3)</sup></b>	
Yogyakarta	3	2	-	1
Sleman	3	-	1	2
Bantul	2	1	3	4
Professional	-	-	2	2
<b>Total</b>	<b>8</b>	<b>3</b>	<b>6</b>	<b>9</b>

Notes:

- 1) geographical proximity, functional interdependence, economies of scale, mutual benefits
- 2) coordination, leadership, political influence
- 3) routine, custom, symbol, tradition, embedded value

**Figure 3 The inter-organizational structure of KJS: (a) before decentralization; (b) after decentralization**

