

ACEH IN POST CONFLICT: THE ROLE OF UU-PA IN SOCIO-ECONOMIC DEVELOPMENT*

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ABSTRACT

The leadership of Indonesia and Aceh both want a form of political stability and peace in the province of Aceh (Naggroe Aceh) through division of power that is balanced and dignified. For the people of Aceh the 'Law on Aceh Government(UU-PA)' is something that should be linked to this. In the process of creating a stable economic growth, the leadership of Aceh should give priority to producing a set 'local regulation (Qanun or Perda)' that can bring about a new development mechanism which can be considered as an initial effort to translate the implementation of the 'Helsinki MoU and UU-PA' in the form of action plans for the implementation of development and economic activities in the province of Aceh. This article will try to elaborate on what is thought to be useful in planning the re-development of Aceh, which are, among others: An Aceh leader with a vision, developing in a participatory manner and enabling innovation, ensuring political stability and peace, a leadership that gives priority to micro-economic policy, the need to introduce a new development mechanism such as 'public corporation'. It is necessary also for Aceh leadership to make an effort towards establishing 'Transnational Cooperation' with the global community to attract foreign investors. The final two points are related to the obstacle to the development in Aceh. These are: the

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large amount of non-productive funds in the Bank of Indonesia in Jakarta and the existence of corruption in the Aceh bureaucracy.

Keywords: *Law on Aceh Government(UU-PA), Local Regulation (Qanun), Development Mechanism, Economic Development and Transnational Cooperation*

INTRODUCTION

With the signing of the Helsinki Memorandum of Understanding on 15 August 2005 it led to the birth of UU-PA (Rule of Law in Aceh), which was approved by the Parliament of Indonesia on 11 July 2006 and approved by the President of the Republic of Indonesia, Dr. Susilo Bambang Yudoyono on 1 August 2006 and subsequently submitted to the Aceh Parliament (DPRA) on 3 August 2006 (Lukman T., 2006). UU-PA births what we regard as 'the basic division of powers', which is very balanced and dignified between the Indonesian government and Aceh Government, while it was also an important contribution towards a comprehensive political stability in Aceh, thus breathing in new life to the Aceh province by delegating substantial authority

WHAT SHOULD BE THE PRIORITY STEPS IN ACEH

With such a broad delegation of authority to make a local government, Aceh has been at the forefront in the development planning in the region. At the same time the emergence of UU-PA also indicated that the claim of autonomy by the Aceh government was very high. The question that now arises is how should we develop self-reliance so that social justice and harmony can be realized in Aceh? What we mean by development efforts undertaken here is a conscious and a well thought out plan to implement methods that can lead to changes in economic growth and improve quality of life of the citizens throughout the community for a long period of time.

Actual success of the development and prosperity of the people of a region does not only depend on the ownership of vast dominion alone, as there is no guarantee that the territory formerly rich in natural resources such as Aceh will automatically make the people in the region prosperous. Despite that, the wealth of natural resources is a potential that must be managed as best as possible, however if the 'government's policy' is not relevant to the needs of the Aceh province, as a policy issue that is not produced or derived from the (bottom up) but are all still at the top (top down), then the policy will be difficult to be realized. Therefore we expect the leadership in the 'New Aceh'

should make the rule of ‘*law on Aceh Government(UU-PA)*’ as the momentum for the rise of Aceh and the future rise of this region should be the result of local initiatives.

In other words, locality development through local potential must be an adequate approach to the development of legitimacy or validity. The Government of Aceh should understand that before making the ‘*Vision and Strategy*’, it is very important to know in advance what is available in Aceh and who gets to be the ‘*actor*’ or acts as the ‘*development actors*’ in the area. The planning and development must come from the facts (potential and resources) that is in the field. The vision, mission and powerful program that will be made by the Government of Aceh must be the main pillar of all development activities in Aceh.

Creating a stable economic growth in addition to making sustainable development planning is not an easy matter for governments everywhere, especially for the province of Aceh which has just escaped from conflict and tsunami tragedy. Even though the conflict happened thirty years earlier (before the signing of the Helsinki Agreement 08.15.2005) not only involved the allocation of resources, but also destroyed the economic resources in Aceh, which was followed by the legacy of capital flows outside the province, as well as the destruction of asset sources that have existed before, all these things gave effect to the decrease in production of the Aceh government itself.

Therefore we cannot expect that economic empowerment efforts in Aceh can be achieved or not simply by applying the ‘*Conventional Economic Policy*’, but the government should in fact introduce Aceh’s new development mechanism, as encouraged in clause 10 UU-PA¹ and appropriate to the situation in Aceh as a new region recently freed from various problems. We need to create a development plan for the future of Aceh, among others:

There Must be A Leader who has A Sharpness to the Vision of Aceh

The vision in this context is ‘*the perspective of a person or group of people about its future construction*’. Thus, the vision that should be possessed by the leader of the ‘New Aceh (Aceh after the first local elections in 2006 and the second one in April 2012) should be the vision and drive that can arouse the spirit to move forward. Aceh’s strategic vision should stand on the potential

¹ Article 10 UU-PA of the Law on Aceh Government(UU-PA). Please refer to Undang-Undang Republic of Indonesia No. 11 (2006) on the Aceh Government, article 10(1). Jakarta: Department of Internal Affairs, 23.

and resources of the region of Aceh, followed by the utilization of its resources and its stakeholder participation.

Leaders of the 'New Aceh' should take a proactive approach, embracing the full potential of its community to determine the future. So the role of leadership is very important in the movement of the regional development. Usually a district would work in the development process simply because it has strong leaders, it has vision and has the ambition to build.

As an example we can see is the Japanese Governor of the Oita province, Mr. Hiramatsu. He is a governor who represents the district with an enthusiastic attitude to be active in improving the Japanese centralized system with the implementation of regional development based on local initiatives.

Through movements of powerful programs like the 'One Village One Product',² Hiramatsu tried to organize and develop the special potential of each individual in the country professionally. His vision and strategy has been successful in promoting and cultivating a spirit of healthy competition among the community in Oita province that has no natural resources such as Aceh.

However, through a movement that he encouraged, the villages in the Oita province have been able to produce commodities, attractions, and culture that possess a high resale value. We believe that the leaders of the Aceh government, who have just been selected in April 2012, will implement the same strategy. God willing, the rural communities in Aceh will feel proud and be more motivated to participate in the development process.

The success of the movement 'One Village One Product' in Oita, demonstrates to us that the general feeling of lack of dependence experienced by rural communities can be overcome when people know their personal lives have a special potential and they possess the desire to develop it. It is clear in this case that the government plays a role of a supporter and driver only just so people could appreciate their self-made independence.

Developing through Participation and Innovation Stimulation

It is clear that by passing of the 'Law on Aceh Government (UU-PA)', the construction of a new Aceh should be towards self-reliance and be of a nature of local development, which should mean that its growth is based on socio-

² Please refer to "Masa Depan di Daerah", accessed on 25 August 2006. Rahmat (The Future is in the Provinces and Districts), [http:// aa.f415. Mail Yahoo.com.ym/show letter? MsgId=8478-12912, poltek93@yahoo.com](http://aa.f415.Mail Yahoo.com.ym/show letter? MsgId=8478-12912, poltek93@yahoo.com).

economic potentials that exist at the Aceh province, and its central point is to organize and transform the potential in the region itself as a driving force for local economic development.

Although the presence of '*the originator of the local development*' is very important in realizing these goals, however the inclusion of all relevant institutions and mutual support in the community as a collection of a business, investigation agencies, universities, nongovernmental organizations and other institutions that form in the area also is crucial to the success of the development program.

We also need to understand the development of business competitiveness is needed so it's easier to achieve an increased productivity in the area. It is this productivity that is definitely related to the utilization of every resource wisely and the creation of an added value for each product produced in the area.

As an example of the success of the implementation of the concept of development that is 'to build a participatory', it has been widely practiced by President Jose Maria Figueres Olson in Costa Rica (Rizeria Ada, n.d.: 17). Costa Rica is a country previously known for the name '*banana republic*' because its economy depends on the outcome of bananas that is exported out of the state. However, under the leadership of President Olson (*Ibid.*), he has managed to convince the collaboration of local communities, institutions and related institutions and businesses from outside the country. As a result the state has managed to convince outside investors that are on par with Intel and Motorola to provide an integrated area and bureaucracy that are both welcoming and friendly (*Ibid.*). The result is now Costa Rica can eventually grow as a developed country that is regarded as an important exporter of medical equipment to the world and with the success it is today the country has also earned the nickname as the "Switzerland of Latin America."

One other aspect which is important for the achievement of the development program that is 'sustainable economic development' is that it must be different to what would normally have been designed. For it to be performed differently from others there is a need for innovation. Innovation is the key to competitiveness and is very vital. The problem is how can we create a climate for innovation. We see a wealthy country in the world with massive innovations such as Japan, Switzerland and Finland, these countries are very competitive in their industry. Japan with electronics, Swiss with watches and Finland also with telecommunications 'Nokia'.

Ensure the existence of political stability and peace

As with conflicts that occur in other parts of the world, we note that the ‘*common understanding of peace*’ is often considered fragile, because many are under the impression that ‘*inked peace*’ on a piece of paper often do not bear political stability and peace, but what contributes to political stability and peace is where all the parties involved in the previous conflict can start reconciling. Even the experience of international community to inform us that political stability and real peace will only be sustainable when the former ex-fighters who return into society can secure a job and start their new life.

Even with ‘*Helsinki MoU*’ signed, a form of political stability and peace in Aceh was beginning to be felt by the people of Aceh in general, but also a new hope had begun to arise among the people of Aceh, in particular in connection with the funds for the outcome referred to in clause 181 UU-PA,³ which entitles the Aceh government to receive 70 percent of the net revenue from oil and natural gas in the province of Aceh.

Although the UU-PA mechanism for revenue and empowerment mechanisms between central government (Jakarta) with the Aceh government is relatively clear, however, a mechanism that can ensure justice between the provincial government to local government is still not clear, and to avoid instability of politics in the future, concrete explanations of the laws needed, guided by the results between the provincial and district governments.

Before the birth of the UU-PA, the only legal division of revenue between the central government and regional administrations which resulted in economic resources is the 22/1999 law and the 25/1999 law (Bambang Brodjonegoro, 2003: 282-304), which relates to the ‘fiscal decentralization law’ or ‘revenue sharing policy’. If the current practice of not sharing the spoils to the districts (*kabupaten*) where the economic results produced is not looked into, it can turn off the rise of the initiatives that can increase the growth of economic power in the province. Things like this will certainly eliminate the rulers and community interest among the districts in their efforts to create a funding source and at the same time it can be very detrimental to the ruling of provincial and local governments. The only way out of this dilemma is the need for the DRPA and the DPRK to produce a clear local regulations (*Qanun or Perda*) of revenue between provinces and districts (*kabupaten*) according to existing law, the 22/1999 law (fiscal decentralization law).

³ Undang-Undang Republic of Indonesia, 296

Government's Micro-Economic Policy Priority

Aceh who had just escaped from the tsunami tragedy of course is still faced with the 'key issues' such as to ensure stability in micro-economy, reviving a monetary policy management system, determine the major sources of funds that is in the province of Aceh as well as what should be a priority district spending.

Although the results petroleum and natural gas in the province will continue to decrease in time of the generations to come, but Aceh is also lucky because of the funding from 'Special Autonomy', which amounted to U \$ D 421 million per annum, coupled with a production area of U \$ D 1.4 billion per annum (Lukman T., 2006: 4), and on top of that, the remaining tsunami funds stored by the World Bank for economic empowerment projects in the province of Aceh. All this would add another source of funds to the development of Aceh.

Aceh's government spending priorities may have to be given to infrastructure and to the service sector which evidently can increase sources of funding to local governments, particularly priority should be given in the areas of subsidy grants that could produce export commodities.

In the early day of the department, under the administration of Governor Irwandi Yusuf, he was aware of the need for entrepreneurial activities in Aceh in his announcement '*Scheme Peumakmu Nanggroe*' (*Ibid.*), even though eventually the local banks, also shared the same awareness. The reality is that until now the entrepreneurs in Aceh is still faced with the 'financial dilemma. Even former vice President of Indonesia, Muhammad Yusuf Kalla in his speech at the opening of 'Congress on Aceh Merchant' on 28 July 2007 in Banda Aceh mentioned that 'the purpose of establishing the bank as a monetary institution is to recommend a credit to the players, and not only to save money' (Serambi Indonesia, 2007: 1). He also added 'at this time the people of Aceh need to venture to the capital to ensure the economic empowerment efforts can work better. Bank Indonesia should at least allow interest reserve fund that was unproductive to be dissolved' (*Ibid.*). With the efforts to create a prop in the field of institutional credit lending such as 'Aceh Credit Guarantee Agency' (Aceh Credit Guarantee Board) (ACGB) should immediately be established through the approval of the local regulation (*Qanun*) or regulations needed.

From the perspective of the existence this ACGB bias we consider as local monetary institutions created by clause 10 UU-PA⁴ to revive the activities of small-scale entrepreneurs in Aceh. The main assessment for the provision

⁴ Undang-Undang Republic of Indonesia No. 11.

of credit by this body is not how much collateral such as shop houses and other assets that will collateralized by the credit applicant, but the proposal is appropriate to set forth as a pioneer industry that can generate a faster export income to the government of Aceh.

Besides the presence of ACGB, other facilities that are needed in demand to turn the export activity is in Aceh is the management of small-scale ports in some districts in the Aceh province, as well as the availability of facilities 'Pre Export Financing Facility (PEF)' which should be provided by local banks in Aceh. The existence of both these major facilities is a prerequisite to boost trade activities between other countries in this era.

There should be S New Development Mechanism

To obtain self-government powers, which began on January 1, 2008 has opened the way to the Aceh government to introduce a board, body or a new institution to apply in accordance with the development and economic empowerment into the casting of 'sustainable economic development'.

Many developing countries in various continents since the near 70's was forced to reform the administration as being the development of adaptation measures towards the administration or management development which orientated an 'action or goal orientation'. This is needed because of the institution or mechanism entrusted with the task of development in most developing countries in the near 70s have faced many difficulties in the bureaucracy as well as a variety of issues that must be complied with the law. The situation has slowed the decision-making process that led to a delay to the implementation of the program development in the country. Professor Milton J. Esman (Milton E.J., 1972: 88) says "the main reason for this proliferation of government corporation was to mitigate the rigors of normal financial, procurement, and personnel controls for activities which requires energy, innovation, and dynamism and must respond quickly to changing situations, assuming that 'government' and its ordinary procedures are (and must always be) slow, legalistic, and cumbersome."

As a way out of the problems, a theory of development was put forward by Edward Weidner (V.P. Panadikar, 1970: 30) referred to by the term 'developmental Administration' had been introduced in many developing countries as a form of development in most of the management reform of their country. To be clear it is needed to be clarified here that the administration or development management is a development of management activities that are directly related to the action or goal oriented.

In other words ‘Administration or Management Development’ can be regarded as a pattern of government power management related to the implementation of the priority development of the planned changes as a result of the decision to improve the system and institutional development in any country. With the ‘Developmental Administration’ it is a process of change in the management of government power to create a policy or a new development of mechanisms that will lead to social justice in a society. To achieve development and economic empowerment that is sustainable economic development in the Aceh district, then a mechanism or a new development agency in the form of an institution or institutions that are semi-government referred to the public corporation with its own legal and socio-economic nature, are very important in Aceh as a step in the development of institutional transformation of the province.

Public Corporation was originally a board or body that was held to be answerable for carrying out socio-economic development program that is not a priority for the government, as well as help the government in various fields required, at all levels of governance (provincial or district level). In 80 short stout developing countries have set up and use the existence of the public corporations or institutions such as institutional economic development in a district level to generate a regional economic development more quickly. This institution is very different as the local government institutions already have existed such BAPPEDA at all levels of government. Instead Public Corporation serves as a body of full autonomous, which promotes economic empowerment activities in a region and its activities ‘not bound’ to the current political development, but serves as agents of development in each region (*kabupaten*)

The need for the existence of an institution such as ‘Public Corporation’, if it can be established in Aceh province, it will be referred to as the ‘*Lembaga Pemberdayaan Ekonomi Nanggroe Aceh* (LEPENA) or ‘Aceh State Economic Empowerment Body ’ and to the local government at the district level (*kabupaten*) it’s likely to be called the North Aceh ‘*Lembaga Pemberdayaan Ekonomi Aceh Utara* (LEPEAU) or North Aceh Economic Empowerment Body ’, and also for other districts throughout Aceh. Corporate bodies that are semi-government has its own advantages compared with other existing government developments bodies throughout Aceh like BAPPEDA for example.

Among the advantages possessed by the corporate bodies, among others: 1. The board of directors or chief should consist of people who are experienced in development and they were not government officials (PNS). 2. The board is keen to promote activities that do not concern the public sector (government). 3. Corporate boards are designed to make operations with low profit or

allowing some loss of profit in order to create or establish social justice in society in a region. 4. It is also acts as a policy implementing institutions in an area. 5. Institutions that is free from government control while it is free from unwanted political pressure. 6. The Board also has flexibility in the financial, technical and management (United Nations, 1972: 3).

The existence of this corporate boards in many developing countries are now in accordance with United Nations (UN) and can be categorized into four forms according to their functions:

- a) In the Monetary area and Industry, Public Corporation is responsible in the cases of money such as loans, investments and so on, for example, is the existence of Malaysia's National Entrepreneur Development Corporation(PUNB)' or Credits Guaranty Corporation(CGC), and the Industrial Development of Pakistan, as well as The Korea Investment Development Corporation.
- b) In the area of promotions, which encourage the development projects and trade through the entrepreneurs, there is the Kenya and Ghana National Trading Company Industrial Development Corporation.
- c) In the area of operations, corporate body operating to continue the activities of the commencement of operations until the project is a project to be delivered to the public sector or other private sectors, for example there is Uganda Development Corporation.
- d) In the area of Corporate Technical Institutions it is crucial in research and development of new technologies, provide assistance to industry in the field of management and expertise as well as provide training to managers from industry, as an example is the existence of The National Development Corporation and the National Research Development Corporation of India (United Nations, 1972: 23-24).

For the implementation of economic empowerment efforts and the efforts to create prosperity, and social justice at the district level is the appropriate establishment of a new development mechanism as mentioned above, it is going to be difficult to avoided if the Acehnese people really want to see 'Understanding Helsinki and UU-PA' imply a more bigger meaning into their lives.

As the North Aceh was once considered as a region that generates a lot of financial resources to Aceh through of oil and natural gas it is necessary the existence of the '*Lembaga Pemberdayaan Ekonomi Aceh Utara (LEPEAU)*' normally made an effort to pioneer the creation of new 'development mechanism' to other districts throughout Aceh. As being new institutions on the district board, it will serve as follows: 1. Establish economic

empowerment bodies that characterize corporations, in every district in an effort to help local governments create new views, 2. Organize the formation of land banks in assisting local governments to provide infrastructure to attract investors from within and abroad, 3. To speed up ethnic integration efforts and restructure society by eliminating ethnic identity through economic activities in an area. 4. To assist commercial and industrial communities in the district, 5. To operate the development of new centres of economic growth, as well as employment opportunities for the community. 6. Preparation of district, 7. Strive to eliminate poverty in the district, 8. Make arrangements for the development of settlements or housing for people in the district, 9. And other areas that lack of attention from the government at district level.

ACEH AND INTERNATIONAL RELATIONS

When the tsunami struck the country December 26, 2004 is very clear that the involvement of international agencies is a vital necessity in the development of Aceh, but until now we can see that the involvement of international community in the world overseeing the use of bank funds for the implementation of economic empowerment projects in the province Aceh.

Even if we look from the perspective of globalization, what makes a very clear influence of globalization on all aspects of our lives right now is due to the development of global communications and the monetary system. It is now clear to us that production is not the only factor that contributes to the existence of mutual relations between people of a country with the international community.

Through the information technology revolution ideas, cultural values and life elements that occur in parts of the world have exchanged rapidly between the international communities to create a sense of commitment among the international community, to a value that is no longer a local value, but that value has become a global value among the world community.

Thus we see the sympathy of the global community for the suffering people of Aceh. When the tsunami hit Aceh, the 'Multi Donors Trust Fund (MDTF)' had successfully collected redevelopment funds in not less than 8 billion dollars. This means that globalization has facilitated the web of interconnectedness between non-state actors.

In the context of Regional, the people of Aceh is part of the ASEAN community and are aware of the existence of 'cooperation agreement' between the ASEAN and international agencies, as well as cooperation agreements

between Indonesia and other foreign country, aimed at bridging the gap between ASEAN, and also between Indonesia and other countries of the world.

Understanding Helsinki, in particular the clause 1.3.2 (the economy) says: “Aceh has the right to carry out trade and business with the international community, as well as inter-provincial investment areas and also between countries” (Centre for Management Initiative, 2005). On the basis of this understanding as well as the resolution in the UU-PA,⁵ we hope the leaders will be able to forge a new Aceh ‘Aceh Corporation Transnational’, an economic empowerment effort in Aceh.

PROBLEMS THAT INHIBITS DEVELOPMENT IN ACEH

To gain a better understanding of the problems that hindered the development in Aceh before, there were a few important factors among others:

1. Funds Retained the Oversize Productive

Prior to approval of the UU-PA, the government in various provinces in Indonesia have received various forms of development budget, in the form of “DAU (General Allocation Fund),” Balanced Funds, or what is mentioned in the “Fiscal Decentralization” (UU22/1999 and 25/1999 Law) relating to the ‘Revenue Sharing Policy (Bambang Brodjonegoro, 2003: 282-304).’ However, the central government reports that most of the funds that have been sent to the local government was in large amounts which has made the *Funds Being Not Productive* in generating development in the area,⁶ but government district development budget claims that it is stored in the form of Certificates of Bank Indonesia at Bank Negara Indonesia (BNI) in an effort to do business with the development budget, by fixed deposit interest rate between 11-13 percent less per year. An example is local government funds transferred from the northern districts of Aceh government in BPD Lhokseumawe account to the account of Bank Mandiri in Salemba of IDR 220 billions without approval from the DPRK, North Aceh. The President of Indonesia is very aware of what is happening in the district, with a speech in Parliament that was held in Indonesia on 23 August 2007 Dr. Susilo Bambang Yudhoyono (2007) says until the middle of this year alone in the Jakarta regional government, their reserve

⁵ Article 165, Undang-Undang Republic of Indonesia No.11.

⁶ Please refer to “Dana Tidak Productive (Unproductive Fund)” at the [http://aa.f514.mail Yahoo./ym/Showletter? MsgId=13350](http://aa.f514.mail.yahoo./ym/Showletter? MsgId=13350), Jakarta: 25 August 2006. Rachmadpoltek93@yahoo.com

had reached IDR 96 trillion rupiah. This is very ironic, because at the time there were credit needs of the people in the district to undertake development projects and economic empowerment efforts, but the money funded was not productive.

What is happening to storage development funds in the form of '*Non Productive Funds*' among the provincial government leaders are certain that it reflects the existence of lack of human resources in the province, while also the absence of political stability in certain regions.

2. The Existence of Corrupt Practices in Aceh Bureaucracy

Besides the late approval of Qanun or the local regulations (*perda*) by the Aceh Parliament (DPRA) to interpret the performance of each clause UU-PA in relation to the needs of new development mechanism, the division of power and revenue sharing between the government of Indonesia with the government of Aceh, there are other issues that can be raced more dominant and be regarded as an important issue which crippled the development of Aceh. The issue is the existence of corrupt practices in Aceh bureaucracy.

Since bureaucrats are ordinary people, it has become the norm to make a decision, not all decisions, that are not detached from the assessment of which they can earn profit and not for general interest of the public. What we mean by the term corruption here is 'the abandonment of standards of behaviour expected by those in authority for the sake on unsanctioned personal advantage' (David Jary & Julia Jary, 1991: 88). While the American Encyclopaedia have been defining corruption as 'a general term for the misuse of public position of trust for private gain. Its specific definition and application vary according to time, place and culture.... Corruption in political concerns is the illegal pursuit or misuse of public office' (David M.C., 1990: 22).

Indonesia is one of the world's largest Muslim country and according to Transparency International (TI), it has regarded Indonesia as one of the majorly corrupted countries in the world as well. According to the TI corruption spread in relation to CPI last year there were 158 countries and it showed that the best Islamic state ranked only 29th. More than half of the bottom 10 are Muslim countries and if taken the average of the Islamic state as a whole, the points earned is 3, 06 of the 10 points that put an Islamic state in 89th position (Muhammad Shabari Abd Madjid, 2006). This was very poignant fact as Muslims are regarded to be very moral strong and ethical, but it appears our lives are filled with corruption.

Azwar Anas,⁷ while he serves as vice governor of Aceh in 2003 through his interview with the International Crisis Group (ICG) from Brussels, he admitted the existence of corrupt practices in Aceh and promised to study a number of preventive measures such as the local government to announce the monetary plans to local media as well as local NGOs and DPRA invited to monitor how the Aceh government used the public funds in development projects in the area.

Even in a report that was produced by the 'Agency Against Corruption in Society (SAMAK)' in 2001 says there were 374 cases of corruption that have not been brought to the court for,⁸ and in the turn of the year 2002, corruption cases in Aceh had increased to 766 unresolved cases,⁹ which totalled to be billions of rupiah and regional development funds that have disappeared just like that. With the approval of the UU-PA that provides 70 percent of oil, natural gas and other natural resources to the Aceh government it is sure if the corruption cannot be overcome, then Aceh will not become the richest provinces in Indonesia, but instead be a province in which the most corruption occurs between the other provinces throughout Indonesia.

Determination of the leadership of President Susilo Bambang Yudhoyono in tackling corruption in Indonesia till the extent the former governor of several provinces in the republic had to be confined in prison, is one that we should respect. The efforts and success in combating corruption will certainly require concerted effort as well as enforcement of a strong anti-corruption law. A giant Chinese icon, Wang An-shih (1021-1086M) (Muhammad Shabari Abd Madjid, 2006) in his efforts to combat corruption in the country said that, 'to fight corruption successfully, one requires higher moral authority and the law has to be efficient and rational'.

Actually it is not difficult to enforce the law, but what are the difficulties to have a strong determination, effort and professionalism in fighting serious corruption. Enforcement of the law cannot be done halfheartedly, because it is confidence, and so it requires honesty. Without honesty, law enforcement is merely a display, but it will work as a mask to cover up their crime. This is what makes corruption difficult to contain.

Robert Klitgaard (*Ibid.*) in his book 'Corrupt Cities: A Practical Guide to Cure and Prevention', explains that 'the failure of efforts to combat corruption

⁷ International Crisis Group Report No.18 (Brussels: ICG, 27 June 2004), 4.

⁸ "Korupsi di Aceh: Penduduk Miskin Meningkat", Sinar Harapan, 31 March 2003.

⁹ "Sebanyak 392 Kasus Korupsi di Aceh Belum Diproses Hukum", Kompas, 2 Januari 2003.

is solely due to the approach that the law is too exclusive and do some heart'. While we are not allowed to discriminate in relation to punishment in combating corruption, the person in charge of the sentencing of punishments should also be composed of individuals who are trustworthy and the government should also have its own strategy in eliminating corruption, perhaps the Chinese proverb "to catch a snake, catch its head. If we catch its body then the snake can still bite us", is relevant in the fight against corruption in Aceh.

CONCLUSION

With the division of powers between the Indonesian government and Aceh government, as very broadly and dignifiedly as stated in the Law No. 11 Year 2006, Indonesia has made local government in PEMDA Aceh is at the forefront in implementing development in Aceh. The granting of authority to the broader government showed increasing survival. The question now is how to build self-reliance so that social justice and harmony can be achieved. Although Aceh is rich in natural resources, it is not a guarantee that it can lead to prosperity and social justice in Aceh. For a successful development, a district government policy should be constructed relevant to the needs of this region and it should be coming from below (bottom up) and not from the top (top down) until the policy is too difficult to be applied. What is needed in Aceh is the development through of local resources, and it should be used as a development approach based on adequacy or validity. It is very important for the government to determine in advance what is available in all districts in Aceh and who gets to be the 'Actor' or responsible as development actors in each district in Aceh. By that means the planning and execution of development in each district is to be derived from the fact (potential and resources) within the district, from the Vision and Misiones well as the programs made by the local government. It should be the main pillar of all development activities in Aceh.

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