SUPERVISION ON BY-LAW OF LOCAL GOVERNMENT IN INDONESIA: LESSON FROM REFRESHED CENTRAL-LOCAL RELATIONSHIP IN NEW ZEALAND

Inna Junaenah

Abstract

A by-law as a product of local government is valuable as a legal instrument in implementing the duty to regulate and to administer local affairs. Contemporary, the regulation regarding supervision on by-law points a dynamic and controversial respond. The indication has appeared since the competence of the central government to nullify by-law is repealed through the Constitutional Court Verdict. Government reaction on this Verdict indicates a disharmony, due to some ventures to control local government forwards to tight, for which several other legal instruments are issued. This study aims to find a developed notion of supervision on a by-law to enhance the purpose of devolution. In doing so, a lesson learned from New Zealand will be taken into account following the gap found in the legal position of Indonesia. The research finding shows that a trend of regulation on supervision in New Zealand reflects a transitional relationship between central government from hierarchical to a partnership, through empowerment. In contrast, the legal position in Indonesia addresses to a discouragement or distrust mindset. For this reason, the what can fulfil the gap as a lesson learned from New Zealand is by emerging a unique consultative process to the public both in by-law making, repealing, amending, and or reviewing.

Keywords: comparative; local government; supervision

Introduction

As it will be possibly used from time to time, the term of “by-law”, or sometimes called as “subordinate legislation” and “delegated legislation”, D.C. Pierce defines it as a regulation entertaining a certain geographical jurisdiction and to some places, it is generated by local authorities due to its peculiarity. In Indonesia context, a legal instrument refers to that definition is known as Peraturan Daerah (Perda). Its source comes from the Article 18(2) of the 1945 Constitution of the Republic of Indonesia, which is stipulating the responsibility of local governments to regulate and to manage local affairs through the provision of public services. In order to carry out these responsibilities, local governments have the right to produce by-laws (Perda), and other local ordinances, both at the provincial and municipal (Kabupaten/Kota)

---

1 Faculty of Law, Universiti Teknologi Mara, 40450 Shah Alam, Malaysia | innajunaenah@gmail.com.
2 D.C. Pierce, Delegated Legislation in Australia and New Zealand, (Butterworths, 1977), p. 2.
levels. Nothing explicit constitutional stipulation concerning supervision on local government, but the provision in conjunction with authority and financial relationship between central and local government, which have to be according to the act of parliament. However, in interpreting those provisions, the Local Government Act (LGA) No. 23 of 2014 categorizes the overseeing of local authorities by the central government into two modes. First, the local government shall submit annual reports on its performance. Second, there is a mechanism regarding the overseeing of the process of issuing by-laws and other regional regulations. This study will focus on the administrative supervision of by-laws (Perda), involving a priori and a posteriori supervision including the possibility of approving, annulling or discontinuing by-laws. These are the conditions, under which the central government or the Ministry of Home Affairs, supervise the creation of provincial by-laws, whereas the Governor, as a representative of the central government, supervises municipal by-laws.

The instrument about such supervision gains its basis from the idea that the existence of local government is expected to provide public services adequately. Nevertheless, the sort of local bodies that provide them, as reminded by Bryan Keith Lucas and Peter G. Richards, need to be kept in checked. In line with such idea, Lucas and Richards argue that the local government can undertake nothing function until it is authorized by parliament. Moreover, the presence of a mechanism to assure the financial effectivity and the presence of public services under a certain standard. This vision has similar meaning with the statement that there is no autonomy without supervision (geen autonomie zonder toezicht). In short, the idea of supervision on local government indicates that whatever the broad of authority undertaken by local government, it must be noted that this entity is a sub-system of a state under one responsibility, that is the central government. Considering the scope of supervision on local government is broad and varied. In this part, the study narrows the supervision of by-law as one subject therein.

What makes those characters are inbuilt in a bylaw is because a by-law is one of a form of local government decisions prepared by the local government council involving the head of the local authority. Many of offices in charged are elected by the citizen, which have a consequence of representing the municipal interest. As well, in many states, there are layers of regional government with the municipality. In this tier system, supervision of municipality is achieved by the regional/provincial government and regional entity by the central government. Practically, the supervision on by-law in Indonesia demonstrates a dynamic phenomenon. The system of central government control on Perda is provided in two methods, at a priori (previous) and a posteriori control, which covers the possibility to approve, to annul

3 Article-18-(6), '1945 Constitution of Republic of Indonesia', ed. by Ministry of Foreign Affairs of the Republic of Indonesia (Jakarta: 1945), 18 (2).
4 Article-18-(7), and 18A, '1945 Constitution of Republic of Indonesia', ed. by Ministry of Foreign Affairs of the Republic of Indonesia (Jakarta: 1945), pp. Article-18-(7) 18A.
5 Article-69-70, The Local Government Act Number 23 Year 2014', in 23 Year 2014 (Jakarta: 2014).
6 Article-242, 245, 251, and 252, 'The Local Government Act Number 23 Year 2014', in 23 Year 2014 (Jakarta: 2014).
7 Article-251-(2), 'The Local Government Act Number 23 Year 2014', in 23 Year 2014 (Jakarta: 2014).
8 DJD Macdonald, 'Public Consultation and Decision-Making in Local Government', ed. by Draft (City of Hamilton: the Controller and Auditor-General, 1998).
9 Bryan Keith Lucas, and Peter G. Richards, A History of Local Government in the Twentieth Century (London: George Allen and Unwin, 1978), 158.
and to discontinue the by-law. The LGA 2014 constitutes that previously, the by-law shall be evaluated only in the matters of spatial planning, taxes and retribution revenues, regional long and middle-term planning, and revenues and expenditure budget. In supervising the local government, Art. 242 constitutes by-law on any matters to be forwarded to the Ministry of Home and Affairs for gaining some register number. Broadening this provision, the Ministry regulates (in Peraturan Menteri Dalam Negeri Nomor 80 Tahun 2015) that before promulgated, the by-law is facilitated to have a correction in order to eliminate the possibility of nullifying on by-law at posterior control. Those who are responsible for the preventive control is due to the level of government, that is municipal by-law, and Governor and Minister, respectively check provincial by-law. With the similar pattern of gradual steps, the posterior control can be conducted if some by-law – with any subject matter – is indicated to contradict the higher level of regulations and abuse the public interest. As it must be noted, if the Governor does not annul in the review on the municipal by-law, then the Minister can take over the examination. Kindly speaking, this provision should be read that the Minister can nullify the municipal by-law only if the Governor has been failed to apply it. With the complementary role of the Ministry of Home and Affairs or Governor, the fact points that the form of municipal Perda is on the list of more than 3,143 nullified local regulations. There has been allegation considering the poor quality of by-laws passed under the local autonomy regime. It occurred in the large-scale annulment of 1,765 by-laws and Governor/Mayor Regulations in 2016. As mentioned, the instruments of such annulment are expressed by decree of Minister of Home Affairs for Provincial By-law and Governor Regulations, whereas Municipal By-law and Mayor Regulations are nullified by decree of Governor. The central government appears some reasons for such decision, due to many local regulations affect the obstacles for investment, as well as allegedly being discriminative. Consequently, local government have to re-issue by-law that shall not contradict the contemporary higher legislation, challenge some investments, and discriminative. Otherwise, the local authority will have an administrative penalty or delay on the confirmation of by-law under the LGA 2014.

The Constitutional Court of the Republic of Indonesia counters the instrument to annul such of the thing as an overlap to Supreme Court’s jurisdiction since a by-law is one type of delegated legislation issued by the autonomous local government. Court considers that this doubled supervision is redundant. Since June 2017, following the verdict of the Constitutional Court No. 137/PUU-XIII/2015 and No. 56/PUU-XIV/2016 when reviewing Art. 251 of Local Government Act No. 23/2014, the central government no longer exerts a posteriori control of by-laws on either the provincial or municipal levels. It remains the a priori overseeing as such confirmation/approval mechanism before the enactment/promulgation of a by-law. The

---

10 Article-251, and 252, 'The Local Government Act Number 23 Year 2014', in 23 Year 2014 (Jakarta: 2014).
11 Kementerian-Dalam-Negeri-Republik-Indonesia, 'Daftar Perda/Perkada Dan Peraturan Menteri Dalam Negeri Yang Dibatalkan/Revisi', (Jakarta: 2016).
12 Leo Agustino, 'Pembatalan 3.143 Peraturan Daerah: Suatu Analisis Singkat', CosmoGov, 3 (1) (2017).
13 Constitutional-Court-of-Republic-of-Indonesia, 'Constitutional Review on Local Government Act 2014, the Verdict of Constitutional Law of Republic of Indonesia', (Jakarta: No. 137/PUU-XIII/2015 and 56/PUU-XIV/2016).
14 Constitutional-Court-of-Republic-of-Indonesia, 'Constitutional Review on Local Government Act 2014, the Verdict of Constitutional Law of Republic of Indonesia', (Jakarta: No. 137/PUU-XIII/2015).
court seems to be in consideration that a by-law is a form of delegation legislation, which should only be annulled under the competence of the Supreme Court.

Further, it is common that a regeling decision shall only be void by the equal or higher regulation, not by a government decree (beschikking). Moreover, a by-law that has gone through a previous control should not face a posteriori instrument after issued. Otherwise, it indicates that over the intervention of a higher level of government allows the less empower and suspend the manifestation of public aspiration therein. In other words, it will undermine the notion of decentralization. By these verdicts, the a posteriori supervision on by-law is no longer exist.

Two verdicts of Constitutional Court does not terminate central government from a desire of controlling the existing by-laws. Responding to this condition, Minister of Home Affairs intends to tighten the a priori supervision for any matters of by-law draft. The LGA only mandates a mechanism of registering a number of the by-law to be handled by the Minister. A substance evaluation, under the LGA 2014, is only directed to some issues, explicitly regarding the local taxation and revenue, long and mid-term planning, local government budget and spatial planning. Optimizing the only a priori supervision on the by-law, Ministry of Home Affairs circulate a letter to Secretary of local governments regarding confirming its authority in evaluating and facilitating the making of a by-law.15 By this letter, the Minister broaden the supervision of local government to a general type. It means that the greater oversight of a priori by-laws in the confirmation process can impose constraint local governments’ authority in issuing local regulations. This situation will endorse the supervision of municipal legislation through unlimited prior control. The central government will justify this administrative confirmation system by giving the reason that it will avoid the necessity of reviewing promulgated by-laws. This kind of control is potentially harmful and restraining, and may even delay the process of promulgating local regulations.

Previously, the confirmation of both provincial and municipal by-laws, as set out in the Local Government Act (LGA) 2014, has also been extended by the Ministry of Home Affairs Regulation No. 80/2015. In this regulation, the process of verification shall take within 15 working days.16 In the implementation, the supervisory and confirming process can take up to three months.17 A particular influencing factors are short or length of substance in the draft, as well as the availability of staff utilization.18 This delay also addresses the other questionable aspects of these practices, such as the appropriate capacity, and merit of Ministry staff to conduct confirmation of by-law. In effect, local government experiences the lacking of viability due to this delay of a by-law that can consequently hold up the policy-making process and services at the local level. In other words, this re-centralism indicates the narrowing creativity of local governments in responding to the desires of local citizens. In contrast, Government reaction on this Verdict indicates a disharmony, due to some ventures to control local

---

15 Surat-Sekretariat-General-Kementerian-Dalam-Negeri-Republik-Indonesia, ‘Tentang Penegasan Kewenangan Proses Evaluasi Dan Fasilitasi Penyusunan Rancangan Perda Dan Perkada’, ed. by Kementerian Dalam Negeri Republik Indonesia (Jakarta: 2018).
16 Article-89, ‘Making of Local Government Regulation’, ed. by Ministry of Home Affairs Regulation (Jakarta: 2015).
17 Yunandar Eka Prawira, ed. by Inna Junaenah (Bandung, Indonesia: Member of Provincial Representative Council of West Java, 2017).
18 Aam Amzad, ed. by Inna Junaenah (Bandung, Indonesia: 2018).
government forwards to tight, for which several other legal instruments are issued.

In turn, the call for higher decentralization is worthy due to it is a constitutional mandate that local government shall have wide-range autonomy, which allows the performance to regulate and manage local affairs. Moreover, Indonesia must inevitably open mind in facing some practical-global agenda, particularly, the era of achieving Sustainable Development Goals (SDGs). Indonesia becomes one of the countries that has participated in the launching of the document ‘Transforming Our World: The 2030 Agenda for Sustainable Development’, which came into force in January 2016. This document is endorsed into Presidential Regulation No. 59 of 2017, which requires the provincial government to design a local action plan. In dealing with those commitments, Indonesia must adapt not only national and regional long-term plan but also the proper space for local government to participate. It challenges Indonesia to balance between the legally articulated supervision on local government and appropriate treatment to unlock the development viability of local authorities. Focusing on poverty reduction, equality and inclusion, the central-local relationship should be conducive to rendering local governments catalysts for change.

On the other hand, only Riau, Bangka Belitung Islands, Yogyakarta, and East Kalimantan are the top 4 of 34 Provinces those are in the readiness in achieving SDGs in 2030. In other words, in fragile, crisis-stricken and risk-prone situations, local authorities play a crucial role in safeguarding vulnerable populations, communities and minorities. In terms of welfare, local authorities can give advice and share best practices of governance between local communities, the central government and private operators. New Zealand (hereinafter NZ) applies this idea by relaxing a priori and a posteriori supervision of by-law, which is previously conducted by the central government, and transform it into special consultative with society. The main argument of this treatment, according to Christine Cheyne, is that the local government empowerment is a developed model for contemporary local-central government relationships.

Based on the above-mentioned overview, the highlighted problems, as follows:
1. Over-activism of a priori supervision of by-law conducted by the central government to local authority jeopardizes the creativity and productivity of local government in exercising the duty to regulate and to manage local affairs;
2. the state of dependency of local to central government is inconsistence with the purposes of SDGs, in which the higher decentralization desired.

This study aims to find an improved notion of supervision on by-law in an attempt to enhance the purpose of devolution. In achieving the objective, a lesson learned from NZ will be taken into account following the gap found in the legal position of Indonesia, through the raised of questions: a) How are the similarity and differences of supervision on by-law identified between Indonesia and New Zealand? and b) How would the refreshed model of

19 Armida Salsiah Alisjahbana, Arief Anshory Yusuf, Zuzy Anna, Panji Fortuna Hadisoemarto, Ade Kadarisman, Nirwan Maulana, Wandira Larasati, Aisyah Amatul, Ghina Rahma, and Megananda, *Menyongsong Sdgs Kesiapan Daerah-Daerah Di Indonesia* (Bandung: Unpad Press, 2018), 250.
20 European Commission, ‘Empowering Local Authorities in Partner Countries for Enhanced Governance and More Effective Development Outcomes’, (Brussels: European Commission, 2013), 3-4.
21 Christine Cheyne, ‘Empowerment of Local Government in New Zealand: A New Model for Contemporary Local-Central Relations?’, *Commonwealth Journal of Local Governance*, 1 (2008), 30-33.
relationship between central and local government be formulated through the mechanism of supervision on By-Law as learned from New Zealand?

Several Indonesian scholars pay attention on the effect of two verdicts of Constitutional Court as mentioned earlier. Eka NAM Sihombing views on the annulment of local regulations development. The respected study encourages the instrument of executive preview, due to it is in line with the Article 24A of 1945 Constitution.22 The author disagrees with such suggestion, since the exercise of local government has ground from the Article 18 of the Constitution. The other study on similar issue is conducted by Wahyu Tri Hartomo. The article contributes the expression to agree with the legal certainty on the authority to annul the by-law only by judicial mechanism.23 Nevertheless, this analysis is lacking in viewing the tendency of central control on local government on the previous phase of by-law making. Meanwhile, Yuswanto suggests the merge of the two previous narratives, that is the similar view with Sihombing and Hartomo.24 Eventually, this study focuses on the relook into the importance of ‘refreshed’ relationship between central and local government. Therefore, this study contributes to developing a model of supervision on the by-law, which leads to the empowerment of local government in increasing their capacity.

Research Methodology

By the type of legal research, this study is categorized as comparative law, since it desires to seek inspiration from other jurisdiction into another studied one.25 Additionally, this study requires an analysis of legal doctrines, in searching ‘a better law’26 to explain legal norms, including the possibility of particular legal norms being derived from (among other things) other norms.27 By design, his research adopts a qualitative type of research approach, for it intends to generate a renewal concept based on data.28

Taking NZ as a subject of comparison is based on criteria that are commonly used by scholars in comparative law, as the common denominator, covering comparatum, comparandum and tertium comparationis,29 as distributed in a table:

---

22 Eka NAM Sihombing, 'Development of Regulatory Authority Annulment Of Local Regulations and Regional Head Regulations', Jurnal Yudisial, 10 No. 2 (2017), 217 - 34.
23 Wahyu Trihartomo, 'Implikasi Putusan Mahkamah Konstitusi Nomor 137/Puuxiii/2015 Dan Putusan Nomor 56/Puu-Xiv/2016 Tentang Pembatalan Perda Provinsi, Perda Kabupaten/Kota, Peraturan Gubernur, Dan Peraturan Bupati/Peraturan Walikota', Legislasi Indonesia, 15 No. 2 (2018), 27 - 39.
24 Yuswanto, 'The Discourse of Cancellation Local Regulation Following the Constitutional Court Decision No. 137 Puu-Xiii/2015 and No. 56/Puu-Xiv/2016', Jurnal Konstitusi, 15, Nomor 4 (2018), 711-31.
25 Ian Curry-Sumner, Francois Kristen, Tina van der Linden-Smith, and Jet Tigchelaar, Research Skill Introduction for Lawyers, ed. by First Edition (Nijmegen: School of Law, Utrecht University, 2010), p. 5.
26 Mark Van Hoecke, 'Legal Doctrine: Which Method(S) for What Kind of Discipline?', in European Academy of Legal Theory Monograph Series, ed. by Mark Van Hoecke and François Ost (Oxford, Portland, Oregon: Hart Publishing, 2011), 10.
27 J. J. Hage, 'The Method of a Truly Normative', ed. by Mark Van Hoecke (Oxford: Hart Publishing, 2011), 20.
28 Parmjit Singh, Chan Yuen Fook, and Gurnam Kaur Sidhu, A Comprehensive Guide to Writing a Research Proposal (Surrey-Kuala Lumpur: Venton, 2015), 118.
29 Ratno Lukito, Perbandingan Hukum, Perdebatan Teori Dan Metode (Yogyakarta: Gadjah Mada University Press,, 2016), 26.

---
Relationship between central and local government sources its pattern from the choice between the centralized and decentralized process of government exercises. Alternatively said, decentralization is situated in the manner of a country exercise their organization. In a legal frame, Constitutional Law implies decentralization in a discourse of horizontal and vertical distribution of power, as well as the relationship between State and citizen, or sometimes it contains the guarantee of fundamental rights. In incorporation of the vertical distribution of power, the central or federal government decide whether it is by decentralization or centralization. For the remain facts that in some unitary states, the centralization is reasonably inherent, in the contemporary world, the desire of more decentralized is common. Once decentralization proceeds, local government gain autonomy. However, tiers of governments struggle to reach a harmonious relationship.

Results And Discussion
Theorizing Relationship Between Central And Local Government

Since the variety of subject to be transferred, this part will also gain the definition of decentralization from World Bank as ‘the transfer of authority and responsibility for public functions from the central government to intermediate and local governments or ...’ (WorldBank, unmentioned-b). The respected definition will be followed by the classification of decentralization, namely, in this paper, political decentralization, deconcentration, and devolution. In similar, Rondinelli’s classification covers deconcentration, delegation, devolution and privatization. Rondinelli emphasizes the presence of legal status that allows local units of government laid away from the central government. Besides, the World Bank

---

30 Francois Venter, Constitutional Comparison, Japan, Germany, Canada, and South Africa as Constitutional States. Vol. First Published (Landsdowne: Juta.Co. Ltd., Kluwer International Law, 2000). 193.
31 S Chakunda Vincent, 'Central-Local Government Relations: Implications on the Autonomy and Discretion of Zimbabwe’s Local Government', Journal of Social Science and Public Policy, 3 (2017). 1.
32 World-Bank, 'What, Why, and Where, Decentralization and Subnational Regional Economic', (n.d.).
33 Dennis A. Rondinelli, John R. Nellis, and G. Shabbir Cheema, Decentralization in Developing Countries, a Review of Recent Experience (Washington, D.C.: The World Bank, 1983), 13-30.
reveals the elected mayor and councils, gain their income, as well as for deciding on investment.\textsuperscript{34} It is believed that decentralization could reduce ethnic conflict and secessionism.

Turn to the relationship between central-local government, control relationship between central and local government according to Bagir Manan is considered as the expression of \textit{recht van placet}, that is the right of the central government to approve or disapprove, discontinue or nullify the by-law.\textsuperscript{35} In a broader sense, supervision is not only an effort to enhance the capacity of a local authority is also admitted as part of the control. What Bagir Manan introduce has been the platform for following studies concerning the relationship between central and local government. This study has not elaborated and evaluated the implementation of central-local relation yet under the following laws: The Local Government Act Number 32/2004, which is replaced by the LGA 23/2014. Additionally, Ni’matul Huda argues that the form of a legal instrument used under the LGA No. 22/1999 and the LGA No. 32/2004 practically to nullify by-laws is inconsistent with the provisions. Therefore, Huda suggests that executive review on by-law should be held only in noticeable indicators.\textsuperscript{36} The respected LGA has a similar idea with the Art 7(1) of the Union of Local Authority (IULA), which enabling supervision of local authority only the constitution or Act underpins such source of authority.\textsuperscript{37} In addition, it is only reasonable due to Art 7(2) if having a purpose in ensuring law compliance.

As definitely Huda’s work is presented before the new LGA 2014, the other analysis is necessary to cover the current issues. Within such flow, decentralization is vital as umbrella theory pointing the relationship between central-local government and supervision on the by-law, through which the extent of autonomy is a consequence of political decentralization or devolution, which is mentioned identically.

\textbf{Empowerment Of Local Government As The Purpose Of Devolution}

Dating back to 1995, Zimmerman and Douglas D. Perkins have combined those level of the subject in empowerment theory to both process and outcomes,\textsuperscript{38} whereas Elisheva Sadan serves the scope such theory on micro and macro. This study suggests the process of individual empowerment involves participation in community organization, while at the organizational level a collective action plays the key role in accessing government and other community resources’. Hence, outcomes of empowerment reflected in individual might allow the ability to mobilize ‘control and resource’. Interestingly, Elisheva Sadan pursues empowerment for it is started from ‘a state of powerlessness on which it is desired enhancement of control to be confidence in decision-making’.\textsuperscript{39}

In this study, the mentioned theory of empowerment is necessary to take local government as the subject of empowerment. Based on such a theory, the local government lays in a collective or organization level and affecting social change in the macro-environment. The reason is that local government, as an organization supposes to have a responsibility to develop better control over their jurisdiction, enhance the quality of decision making, with the

\begin{footnotesize}
\begin{enumerate}
\item World-Bank, ‘Administrative Decentralization, Decentralization and Subnational Regional Economics’, (n.d.).
\item Bagir Manan, \textit{Hubungan Antara Pusat Dan Daerah}, (Jakarta: Pustaka Sinar Harapan, 1994), 16-17.
\item Ni’matul Huda, \textit{Problematika Pembatalan Peraturan Daerah} (Yogyakarta: FH UII Press, 2010), 342.
\item IULA-Council, ‘Iula World Wide Declaration of Local Self-Government’1993) <http://www.bunken.nga.gr.jp/data/link/suishinhonbu/shiryoshitsu/iula_decl_txt.pdf> [Accessed 09/03/2020].
\item Douglas DcPerkins, and Marc A Zimmerman, ‘Empowerment Theory, Research, and Application’, \textit{American Journal of Community Psychology}, 23 (1995), 570.
\item Elisheva Sadan, ‘Empowerment and Community Planning’, (n.d.), 137.
\end{enumerate}
\end{footnotesize}
support of participatory of inhabitants. It aims to achieve a better living condition in public matters. Using another variable to adapt is that in the process of empowerment, local government deserve to access the higher level of government and natural, technology and human resources. Additionally, the outcomes of local government empowerment will manifest development of organizational networks, institutional progress and bargaining position.

As revealed, the empowerment of local government might be desired to implement decentralization. Moreover, with presenting another scope of constitutional law, that is the relationship between state and citizen, local government is responsible for creating public participation in the decision-making process. For instance, in expressing that local government empowered, administer of local government, through which participation is facilitated turn to realistic. In turn, such ability allows citizens empowerment “to be active participants rather than consumers of public administrative action”. It can be understood that considering achieving SDGs 11 is an ambitious agenda. Helen Clark considers the empower of local government is critical. In raising deliberative decision making, the empowerment of local government aims to enrich the decentralization process, which Ieva Aurylaitė convinces, due to globalization development.

Comparison Of Supervision On By-Law Between Indonesia And New Zealand

As mentioned at the background, the understanding model of supervision on by-law in the existing law in Indonesia remains a priori mechanism in the form of confirmation by the higher level of government (Minister of Home Affairs/Governor). What is more, the Ministry of Law and Human Rights generates regulation No. 32/2017 on the procedure of legislations dispute under the non-litigation mechanism. There is no direct legislation delegating the making of this Ministry Regulation, but the extension and interpretation on the source of power from the same regulation regarding the organization and work procedures. The respected regulation No. 32/2017 aims to resolve a legislation dispute, which is alleged states in disharmony both vertically and horizontally. The strong message from this regulation is the requirement and steps to proceed investigation are precisely close to judicial review. Article 3 (2) (d) indicates the similarity of those who are eligible to be a petitioner. The principle point distinguishing this regulation with the judicial review is the product, namely official report instead of a verdict, recommending to revoke, to amend or to make a new regulation (Art. 6 (3)). The Art. 6 (1) mention the subject to recommend is, in particular, local government. In short, this regulation addresses the possibility to control by-law not only based on the public petition but as well on mandating Director-General to scrutiny the suspicious legislation that potentially disharmonizes vertically or horizontally (Art. 7 (1)). Further, the effort to control local government occur in 2018 through Law No. 2 in conjunction with the additional power

40 Heidi O. Koenig, 'Empowerment in Local Government Administration: The Case of Elgin, Illinois', The Innovation Journal: The Public Sector Innovation, 10 (2005). 9.
41 Ieva Aurylaitė, 'The Empowerment of Local Government to Involve the Citizens into Political Decision-Making Process to Use the Social Network', Journal of public administration, 16 (2017).
42 Considerans-b-and-c, 'Procedure of Legislations Dispute under Non-Litigation Mechanism << Peraturan Menteri Hukum Dan Hak Asasi Manusia Nomor 32 Tahun 2017 Tentang Tata Cara Penyelesaian Sengketa Peraturan Perundang-Undangan Melalui Jalur Non-Litigasi', in 32, ed. by Ministry of Law and Human Rights (Jakarta: 2017).
of the Territorial House of Representative (Senate). The provision directs the Senate to undertake monitoring and evaluation on the proposed draft of the by-law and the existing by-law.43

The local government system in NZ is considered as ‘Anglo Model’ according to Christine Cheyne, among three board sorts of.44 The other is ‘Franco’ group and “North and Middle European” group. The reason of grouping NZ into the mentioned system is that it mainly does not have a single documentary constitution, yet the source of the existence of local government is gained from quasi-constitutional statutes, covering the Constitution Act 1986, the Local Government Act (LGA) 2002 -which is renewing the LGA 1974, and constitutional conventions. Despite, local government in NZ, which is a ‘creature of a statute’ has a significant degree of autonomy from the central government in the form of decision-making.

As a tier of government, the LGA 2002 covers the layer of local government on regional authority and territorial authority, which have each typical subject matters of a by-law. The regional authority is covering the area of several territorial authorities, in which the typical that of can be characterized as city or district. Organizationally, the local government is consisting of a mayor and regional council or city/district council as the elected officers and the chief executive having the main task to ensure the implementation of the by-law. As previously mentioned, that local government in NZ has ‘significant degree of autonomy’ which is exposed in the LGA 2002 begins with the purpose of local government. It aims:

“(a) to enable local democratic decision-making and action by, and on behalf of, communities; and (b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses”.45

The provision gives the notion of ‘good quality’ in conjunction with local infrastructure, local public services, and performance of regulatory functions.46 The last-mentioned imposes a steady source of right for local government to act necessary measure in performing its governance in an attempt to provide infrastructure, services, and performance that are (a) efficient; and (b) capable; and (c) appropriate to present and anticipated future circumstances. Its broad notion of power reflects the principle of local government to regulate and to manage based on the legal instrument.

In this part, making a bylaw in NZ is a particular power that is given to local government, as one of package. Besides, it goes through the local authority, in enforcing and conducting coercive of the relevant by-law, that are covering administrative action and specific activities in conjunction to land and water services, as well as requiring development contributions.47 Specifically, the regional council has a specific subject matter in making by-law that is regarding a) forest under its control; b) parks or other lands under its control; c)
flood protection; and d) water supply works. Linking those of full-power in making bylaw and the purposes of local government, Cheyne opines that the design is transforming local government from traditional core business to 'new governance'. The term of 'traditional' reflects the mandates on “the three Rs (that is, public health), rubbish and roads”, while the ‘new governance’ do the futuristic mission, namely sustainable development.

Orientating the public interest, supervision on bylaw suggests as such egalitarian due to broadening involve of communities in making by law, including a bylaw regarding the long-term planning and bylaw for alcohol control (Section-130-(a), 2002). Moreover, the LGA 2002 determines a special consultative procedure regarding the making, amending and or revoking bylaw. To whom a consultation should be conducted? The question arises since the desire of consultation has been raised over ten years, as well as the experience of local authorities in interpreting and applying the legal requirements concerning consultation is uneven (Section-86, 2002). Answering the question, DJD Macdonald reveals an authoritative interpretation that "to consult" means to seek information in an attempt to forward legitimate decision-making process in ensuring awareness of parties on the decision therein.

Concerning the special consultative procedure, the local authority even shall propose the draft to be amended or made, or a statement to revoke supplemented because of the proposal. Section 144 stipulates that the Bylaws Act 1910 prevails over the provisions on Regulatory, enforcement, and coercive powers of local authorities (Part 8) and Offences, penalties, infringement offences, and legal proceedings (Part 9). It opens the possibility for any parties to appeal to the High Court, which is guaranteed for the final decision.

Is there any administrative supervision on the by-law, in the sense of a confirmation conducted by Minister of Internal Affairs? Section 18 (1) of the LGA 2002 imposes responsibilities, powers, and duties conferred or imposed on the Minister of Internal Affairs by any of the acts specified in Schedule 1 (Macdonald, 1998b), or by any regulations, rules, orders, or bylaws made under any of those Acts, must be exercised or performed by the Minister. (Noted-in-LGA-2002, 2002) Notwithstanding the intervention of Minister is imposed, in conjunction of bylaw power under the Bylaw Act 1910, the provisions regarding confirmation of bylaw are repealed on 3 June 1998, by section 3 of the Bylaws Amendment Act 1998 (1998 No 29). It is covering

---

48 Section-143-(b),-(c),-(d),-(e), 'Local Government Act of New Zealand', (1 July 2018: 2002), p. 1 July 2018.
49 Section-149, 'Local Government Act of New Zealand', (1 July 2018: 2002), p. 1 July 2018.
50 Section-130-(a),-145,-and-146, 'Local Government Act of New Zealand', (1 July 2018: 2002), p. 1 July 2018.
51 Section-131, 147, 'Local Government Act of New Zealand', (1 July 2018: 2002, as amended by the Local Government Act 2012, No. 121.), p. 1 July 2018.
52 Section-86, 'Local Government Act of New Zealand', (1 July 2018: 2002), p. 1 July 2018.
53 DJD Macdonald, 'Public Consultation and Decision-Making in Local Government', ed. by Draft (City of Hamilton: the Controller and Auditor-General, 1998). 21.
54 Noted-in-LGA-2002, 'Schedule 1 Lists the Scope That Can Be Performed by Minister of Internal Affairs Covering 1) Bylaws Act 1910 (1910 No 28); 2) Land Drainage Act 1908 (1908 No 96); 3) Litter Act 1979 (1979 No 41); 4) Local Electoral Act 2001 (2001 No 35); 5) Local Government Act 1974 (1974 No 66); 6) Public Bodies Leases Act 1969 (1969 No 141); 7) Rangitaiki Land Drainage Act 1956 (1956 No 34); 8) Rates Rebate Act 1973 (1973 No 5) and 9) River Boats Act 1908 (1908 No 165), Noted in the Local Government Act of New Zealand 2002', (2002).
the application to Minister for confirmation of bylaw (LGA_2002, 2002, amended, on 1 March 2017, by section 261 of the District Court Act 2016 (2016 No 49)), Confirmation of bylaw by Minister\textsuperscript{55} and Confirmation of by-law where immaterial error or defect (Section-3, 1910; Section-5, 1910).

As revealed earlier regarding the new governance of local government in performing sustainable development, the system concerning the making and supervising bylaw in NZ is considered as a ‘showcase’ of venture in achieving sustainable development goals that have become a global agenda 2030 (Section-3, 1910). Hon Helen Clark convinces that with the autonomy and power to act, local government is a driver in achieving SDGs, due to no succeeded country having the best practices in SDGs without the role of active local government (Clark, 2017b).\textsuperscript{56} In doing so, local government needs empowerment, well designed local policy and regulation and preserved integrity.

**The Notion Of Supervision On By-Law And Lesson Learned From New Zealand**

The explained comparison above leads to the distinct primary trend between Indonesia and NZ. The central government in Indonesia tends to strengthen the control of the local government, which is risky to be more dependent and causing less autonomous. In contrast, NZ encourages empowerment to local government to resolve their by-law matters, through which it involves public participation in the consultation mechanism. The partnership paradigm as a new platform between central and local government is also reflected if a regular renewal on some by-laws is necessary. The empowerment reflects the basis of trust in the relationship between central and local government. More enumerative, the result of the comparative study is as follows:

| Subject                  | Indonesia                                                                 | NZ                                                                 |
|--------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------|
| **Similarities**         | Unitary state applying devolution                                         | Unitary state applying devolution                                    |
|                          | Authority for local government to make a bylaw                            | Authority for local government to make a by-law                      |
|                          | Repeal the administrative preview of a by-law                             | Repeal the administrative preview of a by-law                       |
|                          | A posteriori supervision on by-law by Court                                | A posteriori supervision on by-law by Court                          |
| **Differences**          | Remains a \textit{a priori} administrative supervision                    | Repealed \textit{a priori} administrative supervision               |
|                          | Extended control of the central government                                | Released control of the central government                           |
|                          | Discourage trend                                                          | Empowerment trend                                                    |

Table 2. Comparison Between Indonesia And Nz

As mentioned, this study begins with the effort to understand the model of supervision on by-law in the existing law in Indonesia. In doing so, the role of the NZ model is an inspiration in answering questions. Therefore, an adaption will be critical in the Indonesian context regarding the extent the proposed model to the legal system. As a result, the comparison forwards to result in a developed model of supervision on by-law in Indonesia as follows:

\textsuperscript{55} Section-3, 'Bylaws Act 1910', (1910).

\textsuperscript{56} Rt Hon Helen Clark, 'The Contribution of Local Government to Achieving the Sustainable Development Goals', in Commonwealth Local Government Forum Conference (Malta: 2017). 5.
Chart 1. Qualification of Adapted Model
In general, it can be stated that empowerment of local government, in nature, is the crown in exercising the purposes of decentralization.

Conclusion
The notion of supervision on by-law in Indonesia indicates such “old fashion”. Thus, a lesson learned from NZ has been taken into account to fulfil the gap in the legal position of Indonesia. In short words, the intention to tighten control of central to local government remain, although the judicial branch moves forward to the progressive phase. The similar dynamic between Indonesia and New Zealand is the repeal of power to nullify by-law undertaken by the central government, due to the reason that the more democratic mechanism is through judicial review. The more progressive provision in NZ involves public participation in an attempt to make, revoke, amend or renew a by-law. Such involvement points enhanced empowerment both to local authority and inhabitants. This added value transforms a paradigm of relationship between central-local government from hierarchical to a partnership.

That pattern improves the notion of supervision on by-law in an attempt to enhance the purpose of devolution as a particular form of decentralization. Such preliminary observation above-mentioned remains a question on the fundamental idea of appearance and dematerializes of administrative oversight of bylaw conducted by the central government in the Unitary State framework. Is it reasonable to be replaced? Is there any another form of relationship between the central and local government that can be developed as the empowerment venture? Those questions are recommended address for further study in an attempt to have greater viability of local government.

Acknowledgements
I thank Indra Perwira (Constitutional Law Department, Faculty of Law, Universitas Padjadjaran) and Normawati Hashim (Faculty of Law, Universiti Teknologi Mara (UiTM), Malaysia) for the comments in the early beginning of preparing the manuscript. I also thank Parulian Renato Binsar (Accounting Research Institute of UiTM) for giving comments in finishing the draft.

References
Agustino, L. (2017). Pembatalan 3.143 Peraturan Daerah: Suatu Analisis Singkat. CosmoGov, 3 (1)(April).
Alisjahbana, A. S., Yusuf, A. A., Anna, Z., Hadisoemarto, P. F., Kadarisman, A., Maulana, N., Megananda. (2018). Menyongsong SDGs Kesiapan Daerah-Daerah di Indonesia. Bandung: Unpad Press.
Amzad, A. (2018, 26 November).
1945 Constitution of Republic of Indonesia, 1945 C.F.R. (1945).
The Local Government Act Number 23 Year 2014, Pub. L. No. 244, 23 Stat. (2014).
Making of Local Government Regulation, 80 C.F.R. (2015).
The Local Government Act Number 23 Year 2014, Pub. L. No. 244, 23 Stat. (2014).
Perubahan Kedua Atas Undang-Undang Nomor 17 Tahun 2014 tentang Majelis Permusyawaratan Rakyat, Dewan Perwakilan Rakyat, Dewan Perwakilan Daerah, Dan Dewan Perwakilan Rakyat Daerah, Undang-Undang Republik Indonesia Nomor 2 Tahun 2018 Tentang C.F.R. (2018).
The Local Government Act Number 23 Year 2014, Pub. L. No. 244, 23 Stat. (2014).
The Local Government Act Number 23 Year 2014, (2014).
Aurylaitè, I. (2017). The Empowerment of Local Government to Involve the Citizens into Political Decision-Making Process to Use the Social Network. *Journal of public administration, 16*(1). Retrieved from https://www3.mruni.eu/ojs/public-policy-and-administration/article/view/4595.
Cheyne, C. (2008). Empowerment of Local Government in New Zealand: a New Model for Contemporary Local-Central Relations? *Commonwealth Journal of Local Governance, 1*(1), 30-33. Retrieved from http://epress.lib.uts.edu.au/ojs/index.php/cjlg.
Clark, R. H. H. (2017a). *The Contribution of Local Government to Achieving the Sustainable Development Goals*. Paper presented at the Commonwealth Local Government Forum Conference, Malta. https://helenclarknz.files.wordpress.com/2017/11/clgf-speech-malta.docx.
Clark, R. H. H. (2017b). *The Contribution of Local Government to Achieving the Sustainable Development Goals*. Paper presented at the Commonwealth Local Government Forum Conference, Malta. https://helenclarknz.files.wordpress.com/2017/11/clgf-speech-malta.docx.
Commission, E. (2013). Empowering Local Authorities in Partner Countries For Enhanced Governance and More Effective Development Outcomes. In (pp. 3-4). Brussels: European Commission.
Procedure of Legislations Dispute Under Non-Litigation Mechanism << Peraturan Menteri Hukum dan Hak Asasi Manusia Nomor 32 Tahun 2017 tentang Tata Cara Penyelesaian Sengketa Peraturan Perundang-undangan melalui Jalur Non-litigasi, 32 C.F.R. (2017).
Constitutional review on Local Government Act 2014, the verdict of Constitutional Law of Republic of Indonesia, § 137/PUU-XIII/2015 and 56/PUU-XIV/2016 (56/PUU-XIV/2016).
Constitutional review on Local Government Act 2014, the verdict of Constitutional Law of Republic of Indonesia, § 137/PUU-XIII/2015 and 56/PUU-XIV/2016 (No. 137/PUU-XIII/2015).
Constitutional review on Local Government Act 2014, the verdict of Constitutional Law of Republic of Indonesia, § 137/PUU-XIII/2015 and 56/PUU-XIV/2016 (No. 137/PUU-XIII/2015 and 56/PUU-XIV/2016).
Curry-Sumner, I., Kristen, F., Linden-Smith, T. v. d., & Tigchelaar, J. (2010). *Research Skill Introduction for Lawyers*. Nijmegen: School of Law, Utrecht University.
DiH: Jurnal Ilmu Hukum  
Volume 16 Nomor 2  
Agustus 2020  
Inna Junaenah

DePerkins, D., & Zimmerman, M. A. (1995). Empowerment theory, Research, and Application. American Journal of Community Psychology, 23(5), 570.

Faqih, F. (2016). Kemendagri: 67,5 Persen Perda Dibatalkan Karena Hambat Investasi. Retrieved from https://www.merdeka.com/peristiwa/kemendagri-675-persen-perda-dibatalkan-karena-hambat-investasi.html. Retrieved 4 september 2016, from Merdeka https://www.merdeka.com/peristiwa/kemendagri-675-persen-perda-dibatalkan-karena-hambat-investasi.html.

Hage, J. J. (2011). The Method of a Truly Normative, (M. V. O. a. M. V. H. (Red.) Ed.). Oxford: Hart Publishing.

Hoecke, M. V. (2011). Legal Doctrine: Which Method(s) for What Kind of Discipline? In M. V. Hoecke & F. Ost (Eds.), European Academy of Legal Theory Monograph Series (pp. 10). Oxford, Portland, Oregon: Hart Publishing.

Huda, N. m. (2010). Problematika Pembatalan Peraturan Daerah. Yogyakarta: FH UII Press.

IULA-Council. (1993). IULA World Wide Declaration of Local Self-Government. Retrieved from http://www.bunken.nga.jp/data/link/suishinhonbu/shiryoshitsu/iula_decl_txt.pdf.

Kementerian-Dalam-Negeri-Republik-Indonesia. (2016). Daftar Perda/Perkada dan Peraturan Menteri Dalam Negeri yang Dibatalkan/Revisi.

Koenig, H. O. (2005). Empowerment in Local Government Administration: The Case of Elgin, Illinois. The Innovation Journal: The Public Sector Innovation, 10(1), 9.

Local Government Act of New Zealand, (2002, amended, on 1 March 2017, by section 261 of the District Court Act 2016 (2016 No 49).

Lucas, B. K., & Richards, P. G. (1978). A History of Local Government in the Twentieth Century London: George Allen and Unwin.

Lukito, R. (2016). Perbandingan Hukum, Perdebatan Teori dan Metode. Yogyakarta: Gadjah Mada University Press.

Macdonald, D. (1998a). Public Consultation and Decision-Making.

Macdonald, D. (1998b). Public Consultation and Decision-Making in Local Government. Retrieved from City of Hamilton: https://www.oag.govt.nz/1998/public-consultation.

Manan, B. (1994). Hubungan Antara Pusat dan Daerah, . Jakarta: Pustaka Sinar Harapan.

Schedule 1 lists the scope that can be performed by Minister of Internal Affairs covering 1) Bylaws Act 1910 (1910 No 28); 2) Land Drainage Act 1908 (1908 No 96); 3) Litter Act 1979 (1979 No 41); 4) Local Electoral Act 2001 (2001 No 35); 5) Local Government Act 1974 (1974 No 66); 6) Public Bodies Leases Act 1969 (1969 No 141); 7) Rangitaiki Land Drainage Act 1956 (1956 No 34); 8) Rates Rebate Act 1973 (1973 No 5) and 9) River Boards Act 1908 (1908 No 165), noted in the Local Government Act of New Zealand 2002, (2002).

Pierce, D. C. (1977). Delegated Legislation in Australia and New Zealand, : Butterworths.

Prawira, Y. E. (2017, 16 August).

Rondinelli, D. A., Nellis, J. R., & Cheema, G. S. (1983). Decentralization in Developing Countries, A Review of Recent Experience. Washington, D.C.: The World Bank.

Sadan, E. (n.d.). Empowerment and Community Planning. Retrieved from http://www.mpow.org/elisheva_sadan_empowerment_chapter3.pdf,. Retrieved 10 December 2018 http://www.mpow.org/elisheva_sadan_empowerment_chapter3.pdf,
Bylaws Act 1910, (1910).
Bylaws Act 1910, (1910).
Local Government Act of New Zealand, (2002).
Local Government Act of New Zealand, (2002).
Local Government Act of New Zealand, (2002).
Local Government Act of New Zealand, (2002).
Local Government Act of New Zealand, (2002).
Local Government Act of New Zealand, (2002, as amended by the Local Government Act 2012, No. 121.).
Local Government Act of New Zealand, (2002).
Siegle, J., & O’Mahony, P. (2006). Assessing the Merits of Decentralization as a Conflict Migration Strategy. Retrieved from http://www.gsdrc.org/document-library/assessing-the-merits-of-decentralization-as-a-conflict-mitigation-strategy/.

Retrieved 12 December 2017, from GSDRC, Applied Knowledge Services http://www.gsdrc.org/-document-library/assessing-the-merits-of-decentralization-as-a-conflict-mitigation-strategy/.

Sihombing, E. N. (2017). Development of Regulatory Authority Annulment oOf Local Regulations and Regional Head Regulations. Jurnal Yudisial, 10 No. 2, 217 - 234. Retrieved from https://jurnal.komisiyudisial.go.id/index.php/jy/article/viewFile/147/pdf.

Singh, P., Fook, C. Y., & Sidhu, G. K. (2015). A Comprehensive Guide to Writing A Research Proposal, . Surrey-Kuala Lumpur:: Venton.

Surat-Sekretariat-General-Kementerian-Dalam-Negeri-Republik-Indonesia. (2018). tentang Penegasan Kewenangan Proses Evaluasi dan Fasilitasi Penyusunan Rancangan Perda dan Perkada. Jakarta.

Trihartomo, W. (2018). Implikasi Putusan Mahkamah Konstitusi Nomor 137/PUUXIII/2015 dan Putusan Nomor 56/PUU-XIV/2016 Tentang Pembatalan Perda Provinsi, Perda Kabupaten/Kota, Peraturan Gubernur, dan Peraturan Bupati/Peraturan Walikota. Legislasi Indonesia, 15 No. 2, 27 - 39. Retrieved from http://e-jurnal.peraturan.go.id/index.php/jli/article/download/180/pdf.

Venter, F. (2000). Constitutional Comparison, Japan, Germany, Canada, and South Africa As Constitutional States (Vol. First Published). Landsdowne: Juta.Co. Ltd., Kluwer International Law.

Vincent, S. C. (2017 ). Central-local Government Relations: Implications on the Autonomy and Discretion of Zimbabwe’s Local Government. Journal of Social Science and Public Policy, 3(1). doi:DOI 0.4172/2332-0761.1000143.

World-Bank. (unmentioned-a). Administrative Decentralization, Decentralization and Subnational Regional Economics. Retrieved from http://www1.worldbank.org/publicsector/decentralization/admin.htm. Retrieved 12 December 2018 http://www1.worldbank.org/publicsector/decentralization/admin.htm.

World-Bank. (unmentioned-b). What, Why, and Where, Decentralization and Subnational Regional Economic. Retrieved from http://www1.worldbank.org/publicsector/decentralization/what.htm. Retrieved 12 December 2018 http://www1.worldbank.org/publicsector/decentralization/what.htm.
Yuswanto. (2018). The Discourse of Cancellation Local Regulation Following the
Constitutional Court Decision No. 137 PUU-XIII/2015 and No. 56/PUU-XIV/2016.
*Jurnal Konstitusi, 15, Nomor 4, 711-731.* doi:https://doi.org/10.31078/jk1542.