

WHO DID CARRY OUT THE MAKING OF PLACE?*

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ABSTRAK

Artikel ini bertujuan melakukan konfigurasi pemangku kepentingan dalam masyarakat dalam rangka menyediakan lokasi atau tempat. Penilaian cara masing masing pemangku kepentingan berperan dalam proses penentuan lokasi atau tempat dengan mengadakan analisis ketersediaan dana dalam rencana anggaran. Untuk memberikan gambaran umum tentang pemerintah dalam pembangunan, perhitungan komprehensif dilakukan guna menentukan ketersediaan dana yang dibutuhkan dalam rencana anggaran belanja nasional dan dikombinasikan dengan struktur rencana anggaran belanja pemerintah lokal. Penggunaan persamaan ICOR membantu menentukan jumlah dana yang dibutuhkan untuk membiayai pembangunan. Berdasarkan hasil dari perhitungan itu, akan membantu membuat kesimpulan tentang sejauh mana pemerintah berperan dalam pembangunan dan pada gilirannya, dalam penentu tempat atau lokasi.

Kata Kunci: Place-making, government role, development budget, public participation.

PENDAHULUAN

Experience of how government of Indonesia has carried out the governance in the old days gave an impression that government was the main actor of development. Moreover, the strong government with centralistic style, as opposed to recent decentralized one, has put government as the dominant body in the overall public policy formulation and implementation. It has come to a public impression that government is the only actor and responsible body of all development activities. Any emerging issue of development has always been thought as the responsibility of the government. But is it true that government has more dominant role than any other stakeholder in the development activities, especially in recent days? Actual activities in the field seem questionable. It is very possible that indeed government has only minor role in the overall funding of development activities.

Development has various meanings and one of them is: a process of changing the present situation into situation nearer to the agreed goals. What common people comprehend at large, development is very frequent materialized with the creation of something; from nothing to something, from one situation to another better situation, from just a simple place to a completely meaningful place. To gaze the discussion to the topic, it is summarized that to do development means to create places. Therefore, government—related to the impression that government is the main actor of development—is definitely also the main actor of creating places.

Is it true? This paper tries to explore facts and information to answer the question: who did really carry out the making of place? It is obvious that various actors,

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government and non-government, play important role in the making of place. But if the society or non-government component has more dominant role, it is unavoidable and a must to serve them with special treatment in the making of place (managing the development). Perhaps there should be a real and truthful public participation process to make the development process effective.

To discuss and explore points rose in the previous part, this paper is composed in the following order. The first part will talk about "a place" and the process of making it, followed with a discussion of society's role in making places. The measurement is based on budget analysis, and budget year of 2008 is selected to ensure that it has been audited and is not obsolete. The subsequent part will be some experiences related to collaboration, and it will be ended with conclusions.

"A PLACE" AND THE PROCESS OF MAKING IT

Various Meanings of Place

If we ask somebody: "what is a place?" various answers will be given to us. A place has different meanings to many persons because they have special, mostly emotional, experience related to the place. Although the word "place" has many definitions and is still subject of many debates, there are some common definitions: Place is space invested with meaning. It is a phenomenon that brings social and spatial together and in part produces them. A place is a meaningful location. It consists of location as physical appearance and non-physical element commonly understood as the sense of the place (Creswell, 2004).

In relation to physical phenomenon such as streets, squares, gardens and other physical establishment, we can observe curiously about who have been involved in the making of those places. Of course, various actors can be proposed as the creator of the place, but in a simple way we can categorize them into two groups: the government and people out of the government (which consists of ordinary people and persons grouped as private sectors).

How The Place is Developing

One of common accepted concepts about place-making is a series of actions related to important place, that is, vital public destinations: the kind of places where people feel a strong stake in their communities and a commitment to making things better. It is not merely the act of building or fixing up a space, but a whole process that fosters the creation of the public space (PPS, 2010). Simply put, place making capitalizes on a local community's assets, inspiration, and potential, ultimately creating good public spaces that promote people's health, happiness, and well-being. This process is

essential—even sacred—to people who truly care about the places in their lives (PPS, 2010). Despite the aforementioned way of thinking, place making concept used in the following discussion will be more on the act of building or fixing up spaces but still put the public involvement as the core of the analysis.

A place can develop from a place with a certain space utilization (different from the present one) or even from nothing. A space that grows and develops from one type of land use into other land use is one kind of place development process. Old adjacent factory buildings—which were actively productive in the previous time and declined in the end—develop into a new recreation center and local handicraft market is an example of this case. The hypothetical process could be: an investor supplied funding for investment to renew and revitalize the declining area into area with new activity. People supported it, and they act as the successor with other activities in that place. The accumulating processes have made the old place become gradually a new enlivened place.

Another case illustrates that a place can also develop from a merely space with no significant use and boundary into a new utilization of space. For example, unused open spaces near the railway station become a people's place for recreation. The place is a few meters higher than the railway. In the enjoyable afternoon, they sit there over a mantras and show to their children how the train comes back and forth as part of free-of-charge recreation, education and togetherness. Furthermore people selling toys, and snacks move toward there too and make the place buzzing. In this case the process is from nothing (spaces with no public activities) become a completed and final functioning new place.

When we are eager to know about who take dominant roles in the development, the instant answer is that the whole society takes part in the making process. However, it can be categorized into three components: the government, the society (common people) and the professionals (private sector). The following discussions describe the magnitude of government's involvement (or the people as reverse) in the making of place.

SOCIETY'S ROLE IN MAKING PLACES

This part will examine about how significant the people's role in the making of places among various actors involved. The approach used in this exploration is by measuring the proportion of fund available for the making of place. To make it easier, the calculation will be based on government expenditure, which will in turn, gives clue of the extent of people's share of funding in the development activities.

Government Budget

The following table with time series data of government budget from the year of 2004 to 2008 shows a steady increase of government expenditure except in 2007 where there is a very tiny drop from the 2006 (Table 1).

Table 1.
The Number of Government Budget 2004-2008

No.	Fiscal Year	Govt'budget (trillion Rps)	Increase (trillion Rps)	Increase (%)
1	2004	336,6		
2	2005	519,8	183.2	54.4
3	2006	671,5	151.7	29.3
4	2007	669,3	-2.2	-0.3
5	2008	985,2	315.9	47.2

Source: RI Ministry of Finance (2010)

The National Budget for the year of 2008 can be learned from the following table which describes detailed revenues and expenditures (Table 2).

Table 2.
Central Government Budget 2008 (trillion IDR)

Account	Budget	Revised Budget	Audited
A. Revenue and Grants	781.35	894.99	981.61
B. Expenditure	854.66	989.49	985.99
1. Central Government Expenditures	573.43	697.07	693.99
<i>a. Salary</i>	128.30	123.54	112.83
<i>b. Asset Expenditure</i>	69.37	67.48	55.96
<i>c. Capital Expenditure</i>	95.41	79.13	72.77
<i>d. Subsidies</i>	97.87	234.41	275.29
<i>e. Interests payment</i>	91.37	94.79	88.43
<i>f. Social grants</i>	66.15	59.70	57.74
<i>g. Others</i>	24.95	38.03	30.33
2. Transferred to Region	281.23	292.42	292.63
<i>a. Balanced Funds</i>	266.78	278.44	278.91
<i>b. Special Autonomy Fund</i>	14.45	13.99	13.72
C. Primary balance	18.06	0.29	84.05
D. Surplus/deficit	(73.31)	(94.50)	(4.38)
E. Financing	73.31	94.50	84.07
F. Surplus/deficit of Financing	0.00	0.00	79.69

Source: RI Ministry of Finance (2008)

On the expenditure side it shows that the allocation for capital expenditure is Rp. 72.77 trillion. It also shows the total transferred funding distributed to provinces and local governments throughout Indonesia in which a portion of the funding is supposed to be capital expenditure.

Calculation of Budget Shares for Making Places

As defined previously, the making of place is assumed to be equal to what we called development, and as by definition the essence of development is changing. What is more, we can learn the changing by observing the result of development. Common

economic term to measure this development changing is Gross Domestic Product (GDP). Budget Statistics Data of 2008 shows that Indonesian GDP at current price is Rp 4,951 trillion and the economic growth is 6.8% (RI Ministry of Finance, 2008), which means the target is of Rp.336.6 trillion (6.8% of the GDP). The question is then: How many trillion is required to yield the targeted increase of GDP?

The following calculation of the required budget is based on *Harrod Domar Growth Equation* related to ICOR. The incremental capital output ratio (ICOR) is the number of units of investment needed to generate one unit of additional income each year in the future. Data of 2001-2005 collected by analysts show there are fluctuations of Indonesian ICOR from 4.23 to 5.52 (Wijono, 2006). For comparison, in the similar period India has an ICOR averagely 4.1 (Tandon, 2006), Korea 3.1, Taiwan 2.7, Japan 3.2 and China 4.1 (Research Institute of Economy, 2004).

Put it simply, this paper uses the number of 4 as the Indonesian ICOR for calculating required investment. Accordingly, to have a yield of Rp. 336.6 trillion an amount of 4 times Rp.336.6 trillion is required for investment, that is, Rp. 1,346.7 trillion. The next question is then who supplies funding of this Rp. 1,346.7 trillion. The general answer, they are the government and the civil society (private sector and common people). But related to the topic we have to know how the role of each actor in the development funding.

It is clear in the national budget that in 2008 government allocates Rp. 72.7 trillion for capital expenditure plus the budget transferred to local government and the provinces, that is, Rp.292.6 trillion (See Table 2). But this transferred budget is not all spent for investment. A review of Sleman Local Government budget shows that only less than 15% of the budget is capital expenditure. Its total 2009 budget is Rp. 1,016 billion, of which Rp. 674 billion is allocated for Indirect Expenditure (salary etc.) The Direct Expenditure is Rp. 343 billion of which only Rp. 115.8 billion is Capital Expenditure (*Anggaran Pendapatan dan Belanja Daerah Sleman, 2009*). This means that the estimated proportion of the Capital Expenditure is about 12% only.

For cross checking uses Central Body of Statistic data which shows the proportion of Capital Expenditure to Total Budget in 2009 of Provinces and Local Government throughout Indonesia. The average proportion is around 26.84% (see Table 3).

Table 3.
Total and Capital Expenditure Budget 2009 of Provinces and Local Gov'ts

Description	Provinces	Local Gov't (LG)	Prov. and LG
A. Total Budget (trillion Rps)	98,983	295753	394646
B. Capital Expenditure (trillion Rps)	23948	87119	111067
C. Percentage (= B/A) in %	24.22%	29.46%	26.84%

Source: Indonesian Statistic Body Data (2009)

Similarly, data from Ministry of Finance shows that the sum up of 33 provinces and 477 local governments total budget in 2009 is Rp. 429,328,292 million. From this total amount, only Rp. 114,518,327 million (27%) is capital expenditure.

The calculation of the government budget allocated for capital expenditure gives a result as the followings: the capital expenditure of the government, central and local consecutively: Rp. 72.7 trillion and Rp. 81.8 trillion; the total is Rp. 154.5 trillion. It is clear that this amount is far from the fund required for economic growth of 6.8% in 2008, that is, Rp. 1,346.7 trillion. To sum up the following table illustrates the overall map of shares for development funding in 2008 (Table 4).

Table 4.
Summary of Government Budget Allocation for Capital Expenditure in 2008

Description	Amount (number)	Units	Portion
A. GDP 2008	4,951,4	trillion Rp	
B. Economic Growth rate	6.8	%	
C. Additional GDP to create (AxB)	336.6	trillion Rp	
D. ICOR	4	-	
E. Investment required (CxD)	1,346.7	Trillion Rp	100%
F. Government budget for investment	154.5	Trillion Rp	11.5%
G. People's share (hypothetical) (E -F)	1,192.2	Trillion Rp	88.5%

Source: Calculated from various sources (RI Ministry of Finance, 2008)

It can be concluded that funding of the government (central, provincial and local), about Rp. 154.5 trillion, is only able to cover 11.5% of the total investment necessity. Hypothetically, the portion of the people is around Rp. 1,192.2 trillion, which is about 88.5%. It means that the role of civil society is more significant, if not dominant, than that of the government, that is, 88.5% compared to 11.5%.

By considering this comparison, government as the public policy making agent should endorse specific ways of working hand in hand with the whole society. Policy makers have to choose the most suitable strategy regarding how to deal with people. In this case, government has to develop an approach of involving people in the development starting from planning and implementation up to monitoring and controlling stages. Participatory planning or collaborative management in development is an example of romantic and rhetoric jargons discussed in the planning society which possibly match for involving people.

CREATIVE COLLABORATION AS THE KEY-ISSUE

Data and analysis discussed previously have shown the significant role of non-government actors in the development. Consequently collaborative values in the place making process become a must. The issue is then: How to make people optimally

participate in the development. There are two ways in seeing the issue, first is to distinguish collaborative policies into the general and the operational one; and secondly is to classify the people into two categories: private sector and ordinary people in the community.

Collaborative Place-Making: Policies for Public Participation

Public participation at actual level is the derivation of general policies. Therefore, high level policies must have a strong notion of public participation. As happened in Indonesia in the last decade, in which democracy is so evolving, there are policies with very strong conception of public participation. For example the Law no. 25/2004 about National Development Planning System which gives enough opportunity for people to articulate their aspiration, is a participative policy. Inside the law, there are formal processes which have been carried out by government beginning at the village level up to the central level. As a formal process, this participatory planning seems adequate for collaborative place making process. However, with regards to regional autonomy era, there are still many tasks for enhancing participatory planning at the level of implementation policy making process, such as:

1. The formulation of better political system so that persons represent ordinary people would like to seriously think about common needs instead of their own;
2. Attempts to change people's attitude in responding to development by widely inform them about the participatory style of the governance;
3. Efforts to embrace NGO's since they feel to be involved in proposing ideas but not in deciding what will be the last decision (budget plan);
4. Hard works to improve people's social economy condition for giving them times to participate instead of to work for daily tough economic struggling; and
5. Other efforts related to cultural, religious, and communication aspects which to some extent contribute to the making of less participative society.

Collaborative Place-Making: Private Sector Participation

People of the private sector are not so many as opposed to the whole population, but ideally they are professional in their filed and are able to easily finance the funding of place making in their professional ways, even in a very huge amount (e.g. The collective worth of the nation's top 40 has doubled to \$42 billion – aboutRp380 trillion, equals to 39% of National Budget) (Nam, 2009). That is only top 40 of the whole 220 million populations.

A common collaborative scheme and already implemented in various countries is Public-Private-Participation, or PPP. It is a kind of development activity funded and operated through a partnership of government and one or more private sector companies. It simulates the private sector agencies to spend their capital in making places because it gives specific privilege to them such as BOT, BLT, ROT, DBFO, BOO, ROO. In BOOT scheme (Build-Own-Operate-Transfer) private agencies receive a concession to finance, design, construct, and operate a facility stated in the concession contract before handing it to government. This enables them to recover their expenses in the place making activities.

Apart from the PPP, the following investment case was an example of creative collaboration between the government and the private sector. An investor in glove industry with 900 labours required certain areas with good access for transporting raw material and finished products in one hand and a feasible land price on the other hand. The actual situation was not able to meet these two requirements, therefore the investor decided to cancel the investment. But the local government try to collaboratively solve the problem. The investor procured the land with less access infrastructure but very suitable price and the local government construct access road to the land with a strong condition: the industry must recruit local labour at least two third of the requirement. In this smart approach the government expenses for road construction cost (equal to 3 months wages of the labours) was able to create 600 employments which means, say in 3 years, was able to generate wages directly received by the labours which is equal to 12 times of the cost.

Collaborative Place-Making: Community Participation

Culture, religion, ideology are able to influence people participation in the making of place. In Sri Lanka for example, Sarvodaya-- an organization developed around a set of coherent views drawn from Buddhism and Gandhian thought – has been able to make Sri Lanka people in more than 15,000 villages to voluntarily help the development (the making of place) activities (Sarvodaya, 2010).

Another case, Sleman Regency in the Special Province of Yogyakarta tries to revitalize the rural area development concept. It attempts to prioritize the community empowerment through the digging of local resources, such as social capital. There are hidden capacities, both financial and social, in the rural ordinary life. Although the daily income of the rural people is mediocre or low, it is still easy to ask them to contribute to the funding of public financial needs. Having observed their condition from the economic point of view, we can say that it is not viable to ask them to contribute to the

construction of public facilities in the community; but from the social point of view it is still possible and practicable. The most important thing is how to utilize social capital hand in hand with a lacking economic capital.

In relation to collaboration, there are such practices in Sleman which involve civil society in the development. The distribution of funds to attract people's participation in the establishment of uncomplicated public facilities at community level, namely the *Bantuan Stimulan Dana Gotong Royong* (or Stimulant Aid for Mutual Cooperation Fund) has exhibited an example of good public involvement. Such fund is provided as a stimulant to build basic infrastructures needed in the people's settlement in communities and is expected to accelerate the economic recovery for the sake of the creation of a more prosperous community.

Table 5.
Stimulant Aid for Mutual Cooperation Fund

No	Description	Fiscal year				
		2005	2006	2007	2008	2009
1	Budget allocated (in millions Rps)	5,000	7,462	8,339	9,804	6,000
2	No. of activities (small packages) in unit	2,994	3,091	3,134	3,159	2,941
3	Community funds absorbed (in millions Rps)	30,606	32,973	44,367	46,155	46,068
4	Proportion of community self support	6 times	4.3 times	5.2times	4.8times	7.6times

Source: Local Government of Sleman 2004 (*Laporan Keterangan Pertanggungjawaban Kepala Daerah Kabupaten Sleman Buku III, 2010*)

In a bid to improve the people's role in the development of physical infrastructure, a stimulant aid for mutual cooperation fund of Rp 6 billion has been allocated in 2009. The fund has been used to help 2,941 local self-help development activities and is successful in inducing people's self-collected fund worth of Rp 46.068 billion (Table 5). It means the proper way of stimulating people has been able to invite public participation in funding about 7.6 times (5 years average is 5.3 times).

Besides improving local infrastructures, the collaborative place-making activities have also succeeded in restoring the public trust about good governance that once disappeared. That way, too, makes the community is willing to maintain the built infrastructures because their sense of belonging is also enhanced. The sense of ownership makes them to become responsible for the maintenance.

CONCLUDING REMARK

Having discussed the topic, the conclusion is that various stakeholders play important roles in the making of place. However civil society has a more important and significant role in the development (means the making of place) compared to the government. Although government has a minor role in funding for investment, it is quite acceptable that the involvement of government in development is not only in terms of fund. It has to be taken into account and firmly consider that government plays important role in formulating public policies that encourage and disseminate self-action or at least co-actions of the people about the making of place. Altogether, persons within the government should be improving to firmly accept facts that the civil society has a very huge share in the development.

It is also the conclusion that only proper collaborative ways are appropriate for dealing with people. Experiences show that proper ways of involving people have resulted true and fruitful collaborative process of place making. In contrast, there are various efforts still needed for betterment of several systems in order to reach a level of fair and trustful public participation.

Finally, the topic question is: Who did carry out the making of place? And the answer is: The whole society members, including the government.

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