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An Empirical Study

THE ENVIRONMENTAL FRIENDLY ECONOMIC CREATIVE MODEL TOWARDS THE PEOPLE AROUND THE RESERVOIRS OF CIRATA THE PROVINCE WEST JAVA INDONESIA

Bambang Heru Purwanto, Soleh Suryadi and
PO Abas Sunarya

Abstract: Cirata which has been operated since 27 September 1987 and has a priority towards goals as the main support means electrical energy supplier for Java and Bali, It still leaves some issues that have not been completely resolved. Issues include environmental degradation, socioeconomic, policy and regulation, as well as coordination between the relevant parties.

The problems that occur in Cirata were caused by industrial and economic activities around the dam which caused serious pollution, and also by the destruction of the Watershed (DAS) upstream Citarum impact on reducing the quality and quantity of water due to erosion and sedimentation processes.

The study of the management of public enterprises around the reservoir, including the cultivation of fish (KJA), agriculture, animal husbandry, and tourism, are known to still conventional and not integrated with each other. This makes the local economy does not show significant improvement and uncontrolled environmental conditions. To overcome these problems required creative eco-friendly economic model.

Creative economic model that is environmental friendly business activities that is concentrated in aquatic weeds, agrosilvopastural, and ecotourism is expected to be able to overcome economic problems of society. Finally, the network model of the environmental friendly creative economic system, water quality, and quantity issues Cirata can be solved.

Keywords: creative eco-friendly economic model, economic growth, and the quality and quantity of water reservoirs.

1. INTRODUCTION

Development is essentially to improve the welfare of the people, which in practice always involves both environmental physical and social environment. This means that the approach to development must be holistic, ie: a blend of economic, social, and cultural. In physical terms, involves the development of land resources on which the life of the population, and socio-economic terms that involve the

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construction workforce and the population as a recipient object impacts, while in terms of cultural development will have an impact on the values espoused locals.

The construction of reservoirs (dams) can not be separated from social issues, culture, and economics. Land compensation issues, the loss of people's livelihood can not be avoided from the dam. The communities affected by the construction of reservoirs increasingly bold in expressing his attitude to the environment. Cirata which has been in operation since 27 September 1987 and has a priority goal as the primary means of sustaining the national electricity still leaves some issues unresolved completely. In Cirata Management Master Plan (2012) has identified the complexity of the problems that threaten the sustainability of the reservoir function. The problems include issues of environmental degradation and chemical biophysical, socio-economic, policy and regulation, management and coordination between the parties, assets and infrastructure.

The problems that occur in the environment of Cirata are caused by internal and external environmental reservoirs. Internal environmental reservoirs such as industrial and economic activities affected pose serious pollution. While the external environment is by the destruction of the Watershed (DAS) Citarum the upstream water quality due to erosion and sedimentation processes are very high.

In addition, the presence of landfill, which is known as Sarimukti landfill, the pollution of water reservoir would be increased by the inclusion of organic matter and nutrients.

Another development is no less important is the growing population Keramba cage (KJA) has reached 53 031 units by the number of active cages as much as 48 591 units or approximately 91.63% of the total number KJA. In according to Governor of West Java's decree 41st, 2002, KJA meet Cirata carrying capacity is 12,000 units. This will provide additional pollution load large enough for Cirata reservoirs.

Increasing development around the reservoir Cirata population has also contributed to the destruction of greenbelt area and inundation. This is evident from the high number of peasant land reservoirs Cirata involving land use, conservation of land into cultivation. Unfortunately again, the practice of community land uses environmentally unfriendly (Masterplan Cirata; 2012).

The above issues can not be separated from the socio-economic problems of communities around the reservoir, so that the dependence on resource reservoirs will be very high. As a solution to overcome the problems associated closely with the communities around the dam is to build a creative economy environmentally friendly. According to Howkins (2001) creative economy is an economic activity in which the input and output is the idea. Therefore, the creative economy concept is an environmental friendly business activities or industries which are based on

sustainability. Eco-friendly creative economy based on the idea that a renewable resource. The hope is that the creative economy can be eco-friendly right model in the management of the reservoir and the surrounding area.

Based on the description above, this paper focuses on the creative economy model of environmentally friendly, which formed the idea of a variety of business activities around the reservoir Cirata community.

2. PROBLEM DESCRIPTION

- a) What creative economic activities that can be developed for communities around the reservoir Cirata?
- b) Is the creative economy network model is built based on eco-friendly and holistic approach is able to increase incomes and environmental sustainability Cirata?

3. THEORITICAL FRAMEWORK

(a) The concept of Creative Economy

Creative economy is a new concept in economic civilization in Indonesia. The concept originated from the creative economy creative industries (CI) that starts from Australia. According to Space (2012) emergence of the creative industries in Australia in connection with proposals for radical reform in the field of justification and funding mechanisms related to the policy in the arts and culture sector. However, this term became widely known as the creative industries developed by the UK Government. Furthermore Space outlining the 1980s, Britain experienced a number persoalan, yaitu: decline in industrial activity, high unemployment, and a reduction in the contribution of government funding for the arts and culture. Then it was introduced a concept, named culturisation of industry. Through this concept, art and culture are no longer seen as the sectors that are always in need of subsidies, but also designed to support economic growth and policies related to the development of innovation.

Another reason creative industries developed by the UK Government and other developed countries because it is not possible to build large-scale industry. Environmental issues and land constraints in developed countries so the main consideration.

Based on the above description, then that becomes the question What is the creative economy and creative economy is the same whether the creative industries?. Through the Department of Media, Culter and Sport (DCMS) (in Space), that is the Creative Industries (CI) is as follows: "those activities roomates have their origin in individual creativity, skill and talent, and the which have a potential

for wealth and job creation through the generation and exploitation of intellectual property and content “.

Creative industries in France is defined as a series of activities in the field of economics that combines the concept of cultural creation and production sectors with large-scale manufacturing industry functions and commercialization of cultural products. While in Indonesia does not use the term creative industries, but the term Creative Economy (KE). Creative economy in Presidential Instruction 6 of 2009 is an economic activity based on the creativity, skills, and talents of individuals to create the creativity and inventiveness of individuals that have economic value and affect the welfare of the Indonesian people.

According to the Working Group on Design of Power Ministry of Trade, the Indonesian Creative Economic Development 2010-2014 (in Suryana: 2013) suggests “the creative economy is a new economic era that promotes creativity by relying on the information and ideas and knowledge (stock of knowledge) of human resources as the main production factor in economic activity. It is the same with John Howkins term that has been chronicled in advance.

Opinions Affif (2012) is a phenomenon of the creative economy and the trend of alternative options, especially in contributing to global economic growth in the third millennium.

According Suryana (2013) is essentially a creative economy economic activity that promotes the creative thinking to create something new and different that has value and commercial nature. Meanwhile, according to the UNCTAD Creative Economy Report (2008) “Creativity in this context refers to the formulation of new ideas and to the application of these ideas to produce original works of art and cultural products, functional creations, scientific inventions and technological innovations. Thus there is an economic aspect to creativity, observable in the way it contributes to entrepreneurship, foster innovation, productivity enhances and promotes economic growth”

Noting the definition of the creative industries and the creative economy, researchers found both that sense there is no fundamental difference. To further research in this paper uses the term creative economy. In accordance with the policy that has been rolled out by the government.

(b) Sustainable Creative Economy

Creative economy is environmentally friendly ideas and individuals or groups that have the potential to increase economic growth by taking into account the surrounding environment. Eco-friendly creative economy is an idea that can significantly increase economic growth by considering the natural resources that can be updated with care, efficiently and effectively. Creative economy is an

innovation eco-friendly individuals or groups to increase revenue by taking into account the environmental ethic based falsapah friendly with the natural surroundings.

Based on the description of the meaning of the creative economy, it can be seen that the keyword of these definitions, are: idea and ideas, economic value, and environmental sustainability. According to economist Paul Romer (1993), the idea is a very important economic goods, is more important than the object that is emphasized in most economic models. He further said, In this world with physical limitations, the discovery of great ideas along with the discovery of millions of small ideas that caused the economy to keep growing. The idea is to combine the instruction that makes our physical resources are limited preparation becomes more valuable. Romer also found a poor country because people do not have access to the ideas used in the national industry to produce economic value. So right once that new ideas and will have a positive impact on the increase in per capita individuals and groups. Good ideas those are not destructive to the ecosystem of the natural environment in which individuals and groups that organize economic activity.

(c) Stakeholders of Creative Economy

Three stakeholders in the creative economy, namely: government, corporate, and community, is presented in the figure below.



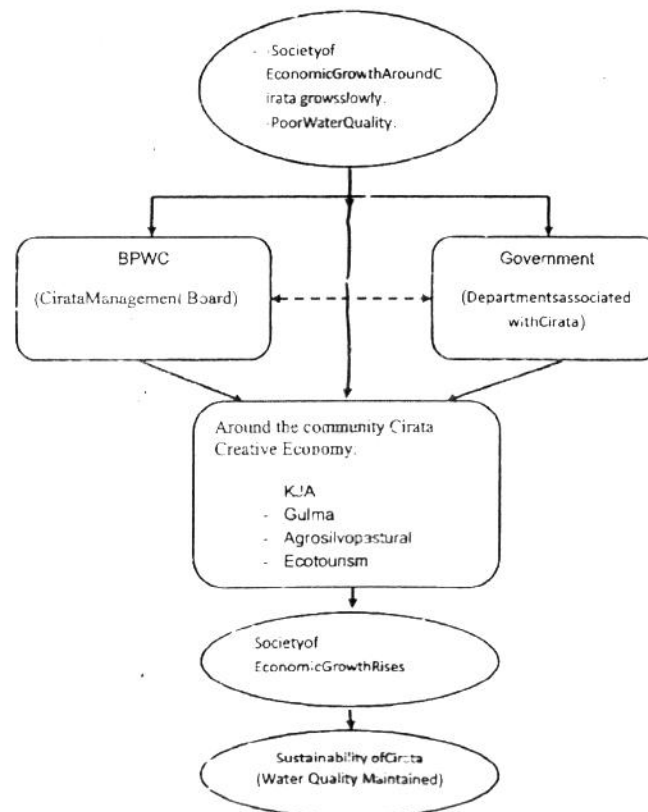
Figure 1: Creative economy stakeholders (Source: Department of Commerce, Economic Development Creative Indonesia in 2025, Business Incubator, ITB; Creative Industries for the Welfare of the Nation, ITB, 2008)

(d) Factors Sustainable Development of Creative Economy

- Policy incentives, government policy on protection products include, tax, fund development, marketing and promotional facilities, to the growth of domestic and international markets.
- Creating a comprehensive program, the program is to drive the creative industries through education, training, and marketing.
- Protection of the law, giving a patent to an invention.
- Improving the quality of services, including: licensing services, market information, and the provision of capital.
- Build partnerships, partnerships with State Owned Enterprises (SOEs) Regional Enterprise or by private companies.

4. RESEARCH MODEL AND METHODOLOGY FOR RESEARCH MODEL

(a) Research Model



Picture 2: Model of Research

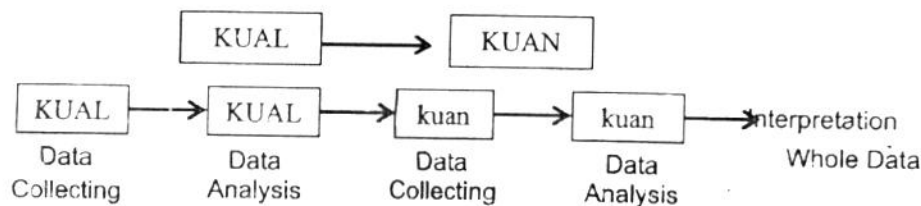
(b) Object Model and Research Methodology

- Object of Research

The scope of the study area is Cirata activities and the surrounding environment. The study was conducted in BPWC, Related Departments, and communities around Cirata residing in Cianjur district, West Bandung Regency, and Purwakarta.

- The method used

The methodology used in this study is a mixed method with sequential exploratory strategy. According to Creswell (2012) Mixed Method is research that involves philosophical assumptions, application of qualitative approaches and quantitative, and mixing (mixing) both approaches in a single study. The sequential exploratory strategy according to Creswell (2012) is the strategy adopted by the collection and analysis of qualitative data in the first stage followed by the collection and analysis of quantitative data on the second stage which is built based on preliminary results qualitatively. This model is shown in the figure below:



Picture 3 : Sequential exploratory strategies

Source: Creswell (2012)

- Data collection techniques

Desk Studies, Observation, Discussion, and Focus Group Discussion (FGD). In accordance with the sequential approach to exploratory qualitative data was done first by using an open interview (FGD). To quantitatively performed using questionnaires in obtaining primary data. Especially for weed quantitative data obtained through inventory types, content, and quality of aquatic weeds (laboratory testing).

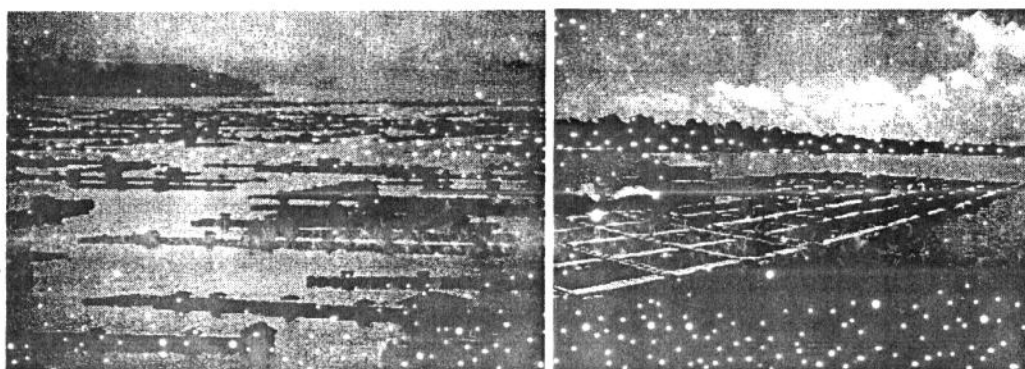
- Analysis of data

For the qualitative approach, the validity of the data is done by triangulation of data and triangulation methods. As for the quantitative use validity and reliability of the instrument, and then processed through the standard deviation. Special laboratory tests to weed, to menginventarisasi type, content, and quantity of aquatic weeds.

(c) Creative Economic Activity Guide Community Around Cirata.

Reservoir space utilization by communities prioritized for communities affected by the construction of dams. In West Java Governor Decree Number 41 Year 2002 on General peraiaran Utilization Development, Agricultural Land and Cirata Region, stated that the right to conduct aquaculture activities in the area of inundation Cirata are residents who live around the reservoir which is expressed in writing by the Head of the Village and known by the local sub-district. The distribution was 80% for communities around the dam and 20% allocated to the business world. So if the population is allowed to exist in KJA Cirata was 12,000 plots, 9600 plots intended for the local community Cirata.

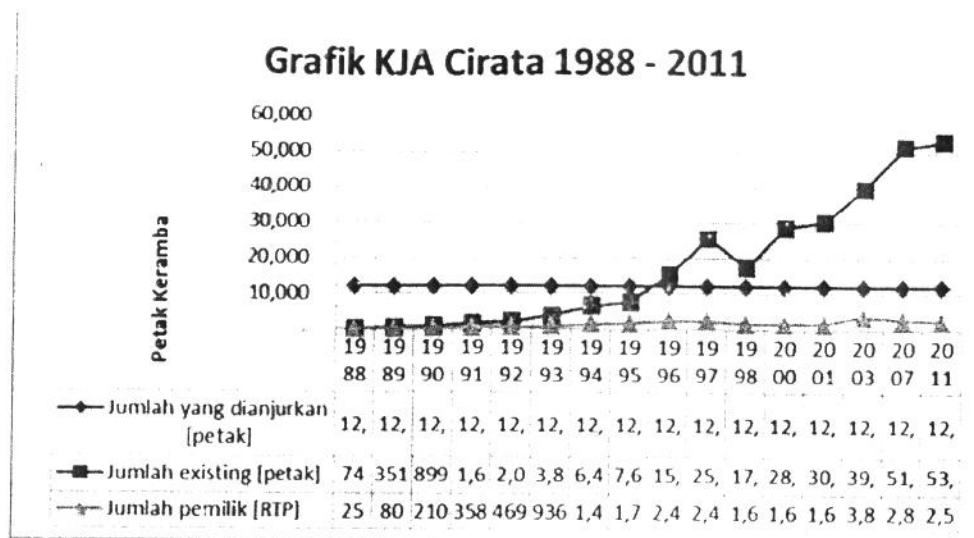
Current conditions management Keramba cage (KJA) over the carrying capacity Cirata waters, and majority owner of KJA local communities around the reservoir is not affected. Surutan land use by local farmers and business development KJA has exceeded 53,031 units, far in excess of the amount recommended by UPTD Cianjur, which is 6200 units and the Governor SK 12 000 plots, affect the degradation of water quality and quantity of waste generated as a result of reservoir. The high sedimentation rate disebabkan by the breakdown conditions and KJA Citarum average of 7.30 million m³/year has exceeded the design assumption that only 5.67 m³/year (KAK Cirata Management Master Plan 2012). For more KJA increasing problem, presented in the figure below:



Picture 4 : Floating NetCages

KJA attention to the growing population and its impact on water quality Cirata, it is necessary to control and efforts to develop new ideas or breakthrough in aquaculture conducted communities around the reservoir.

The results of the discussion in the form of a Focus Group Discussion (FGD) with groups/farmers KJA (informants), as follows: Group / KJA farmers still expect business KJA still maintained. KJA group also agreed that there should be control of the BPWC and related agencies. The agreement shall include: (1) In all regions



Picture 5: Growth Charts KJA

Source: Survey Team PPPSDAL

must form a legal group KJA (2) Agree to not increase the number of KJA (3) All group KJA farmers should be concerned about the preservation of the environment (4) Settling KJA layout for easy transport (5) obey the laws / regulations in force (6) there should be regular monitoring of the authorities (7) the existence of cooperation with the government and companies such as SOE (8) the existence of firmness of law (9) All of the participants agreed with the plan will be the creation of groups / networks.

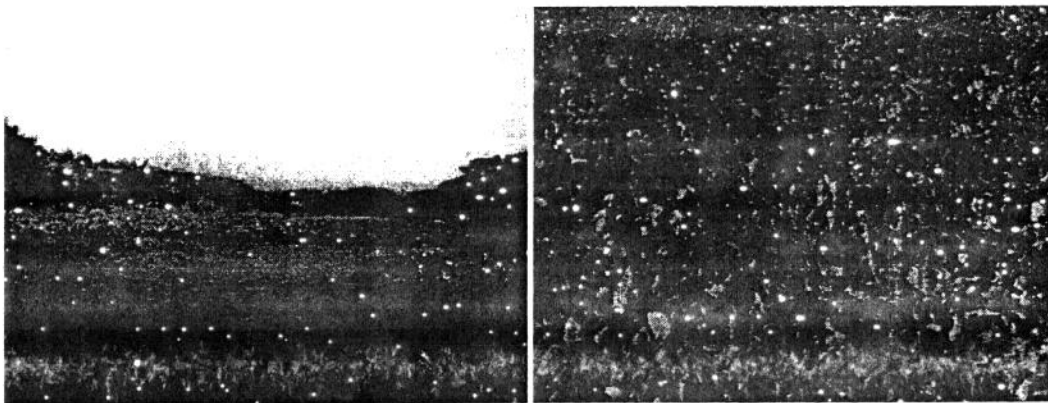
The interviews with key informants in this case the BPWC and agencies associated with the expert team of ubuntu on KJA problems, it is necessary to reduce the number of KJA. According to the key informants is necessary to control the amount of KJA manner: (1) To the Regional Regulation 7 of 2001 have consistently and continuously (2) Establish a task force (task force) KJA control consisting of farmers, BPWC, fisheries agencies, departments nexus and the police are in charge of coordinating and monitoring the KJA is not active and does not have permission (3) the increase in levy in accordance with applicable regulations (4) Increasing the role of the village head who is in control of its territory KJA (5) Enhancing cooperation with agencies related.

According to researchers KJA case should be gradually reduced and eventually none at all. Why is that? because of the existence of economically not able to increase revenue KJA communities around the dam, nearly 75% of businesses owned by entrepreneurs KJA already outside the reservoir Cirata. Communities around the reservoir just so labor alone. In addition, a major contributor to the increasing number KIA sedimentation in waters Cirata.

In lieu of business KJA, BPWC assisted by consultants can offer an alternative other business activities. Creative economy is an environmentally friendly solution to overcome the above problems. Includes any business activity?. Business activities include: management of aquatic weeds, agrosilvopastural, and eco tourism. More details about the third alternative replacement for the community efforts around the reservoir will be described below:

Water weeds (water hyacinth)

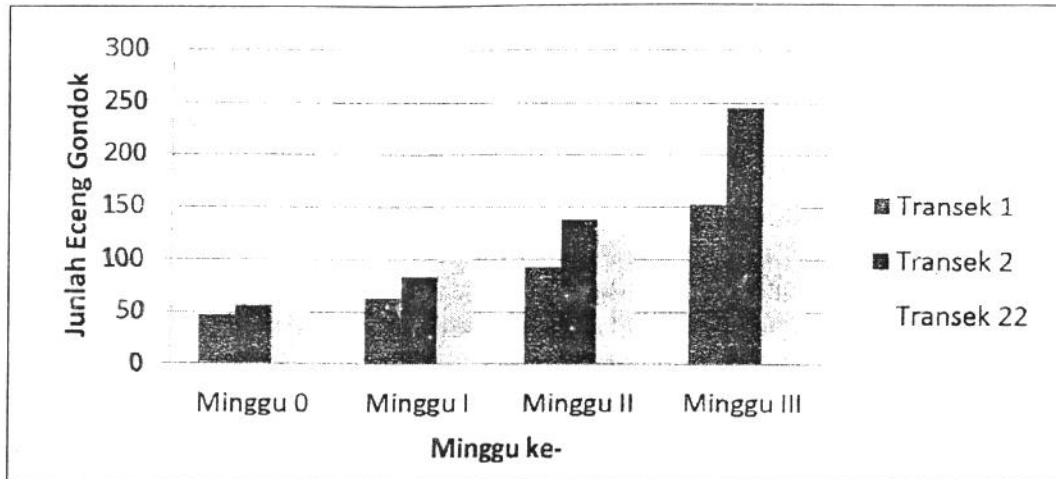
Aquatic weeds such as water hyacinth is very common in almost all regions Cirata puddle, spread over the edge and middle of the reservoir. Populations of aquatic weeds in some areas such as in the intake area, Leuwijurig, and Maniis are very large. Image of aquatic weeds is presented below:



Picture 6 : Gulma on the Intake of Cirata

Results of the research team of experts from PPSDAL-ubuntu (2013), in terms of its morphology, aquatic weeds (water hyacinth) contained in the puddle Cirata generally has a height of less than 40 cm. The average number of added water hyacinth stalks 2-3 per day. By using a simple ratio calculation, obtained a long time dibutukan by weeds (water hyacinth) to be able to multiply itself (doubling time) was 16 days. Weeds also have the ability as a water plant with high tolerance to unfavorable environment. Furthermore, the research team of experts, found that the weeds are able to absorb and accumulate heavy metals (plants hiperakumulator) that his life is in place. Graph the growth of aquatic weeds, is presented below:

High water weed growth is an opportunity for the local community Cirata. Weeds as water hyacinth has a high potential to be used as the products of high economic value, such as: crafts, hands, briquettes, and paper. Creative economy for weeds (water hyacinth) is recommended in composting and animal feed or crafts may be processed aquatic weeds. The result of the discussion through the



Picture 7 : Growth of Water Gulma

Source: Tim Peneliti PPPSDAL-UNPAD

FGD with artisans around the dam that was built by PT. PJB BPWC consisting of 15 people, it can be seen that the processing of aquatic weeds has been done by making processed products such as mats and bags. But it's been processed activity decreased. This is because the quality of aquatic weeds that are in the current Cirata less support for products used as raw materials kerajinan (described above high-water weed size). Indeed there are still processing this weed into a bag with small size products. The challenge is in marketing craftsmen refined products and mat bag is marketing.

The results of the survey research team LPPM UNP PPPSDAL-AD (2013) that treatment of aquatic weeds among the public about Cirata, in addition to landing the PT group. PJB BPWC, that is until today only is individual. Some people have personally been doing weed into penggebur processing plant, only pegolahannya still very traditional.

Efforts to overcome the problem of aquatic weeds, ubuntu PPPSDAL research team (2013) convey ideas and concepts to make organic fertilizer and fermented cattle feed. Laboratory tests have been conducted in order to determine the quality of products produced to conform to established standards.

This idea is a form of cooperation between PT. PJB BPWC with PPPSDAL-LPPM UNPAD agrosilvopastoral program. Organic fertilizer is produced for the media agrosilvopastoral land farmer groups. Meanwhile, feed, to feed the cows and goats are cultivated by farmers who are also incorporated into the program agrosilvopastoral. It is expected that with the new ideas and the rate of water weed population residing in Cirata can be controlled.

Training composting and animal feed using the basic ingredients of aquatic weeds has been done, and got a good reception from the community of farmers and ranchers about Cirata. This is one model of eco-friendly creative economy.

Agrosilvopastural

Problems faced in the management of other Cirata is the greenbelt land use by people who do not pay attention to the affected soil and water conservation, which will result in the construction of hydropower Cirata threaten functions as a power provider and PuloPulo Java Bali. Observations Agrosilvopastural Expert Team (2013) Patterns of current land use is more dominant with seasonal crops (horticultural) and aquaculture without conservation principles, so that the potential of resulting in erosion, landslides, high sedimentation, and pollution of water resources. One root of the problem is the high population pressure in the surrounding reservoir.

Further described the population pressure on the land is a style that encourages farmers to expand their land without regard to the principles of conservation land. Increasing the number of residents who use the land around Cirata both for farming and raising cattle need to be controlled, as it will accelerate the environmental damage the reservoir.

Based on the above problems, the idea or ideas agrosilvopastural propose a model-based local keraifan is the right solution. Agrosilvopastural in PPSDAL-LPPM UNPAD study (2013) is the concept of commodity-based agricultural land management, forestry, and animal husbandry. On this occasion creative eco-friendly economic model for surrounding communities Cirata will be focused on dairy farms.

Existing condition of cattle ranchers activities surrounding communities Cirata, precisely in Kampung Babakan Garut District of Ciranjang Kertajaya Village and Village Ciroyom Cianjur Regency West Bandung District of Cipeundeuy. Observations agrosilvopastural team are outlined below.

Existing condition of cattle ranchers in the village of Kampung Babakan Garut Kertajaya:

1. Cages submerged and had to be removed
2. Plant elephant grass is very needed for cattle feed also submerged
3. Cattle market demand will be low

Conditions eksisting cattle farmers in the village CiroyomCipeundeuy the District, as follows:

1. Manure waste in the waste reservoir to Citara
2. Cattle market demand will be low.

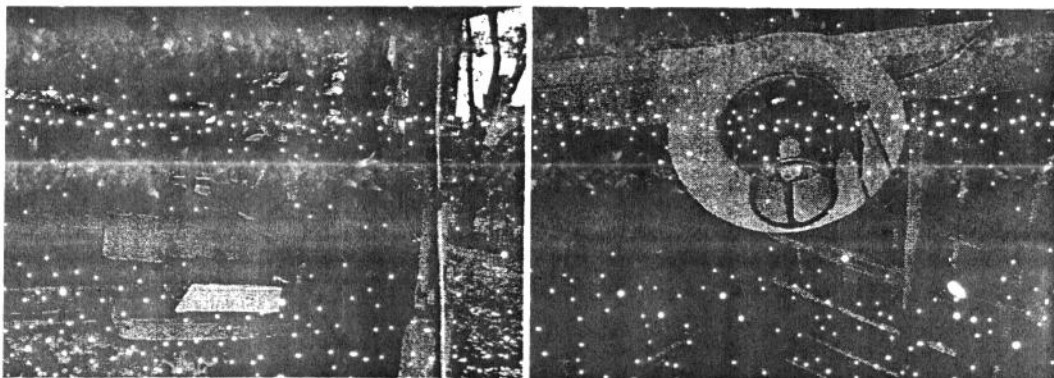
3. Yet exploited cow dung
4. Coordination with local government (township and village) has not been effective.

The result of the discussion through FGDs with cattle farmers in the two villages, it is known that (1) that the quality of fattening cows considered less adequate, as shown by the members of the management and the chairman of the group, that of the 10 cows assistance from Green Buana Sejahtera Foundation (YBHS) BPWC partner stated only 2 good tail, (2) low quality of the additional feed (concentrate), so that cattle are not stimulated to eat the extra feed, (3) location distant grass requires additional time and costs, and (4) Maintenance cow and the cage can not be implemented optimally.

These factors cumulatively bendampak to the low efficiency of the business as a result of low productivity, high cost of production, and low acceptance. To solve this problem it is necessary efforts. Agrosilvopastural specifically for cattle attempted to overcome these factors.

Agrosilvopastural for groups of cattle ranchers cows addressed to the selection, care, cages, feed, manure utilization for both konpos and biogas.

In the implementation of the pilot project specifically for cattle, a team of experts agrosilvopastural has made the manufacture of environmentally friendly enclosure, use dirt for a pilot project for cattle, as follows:

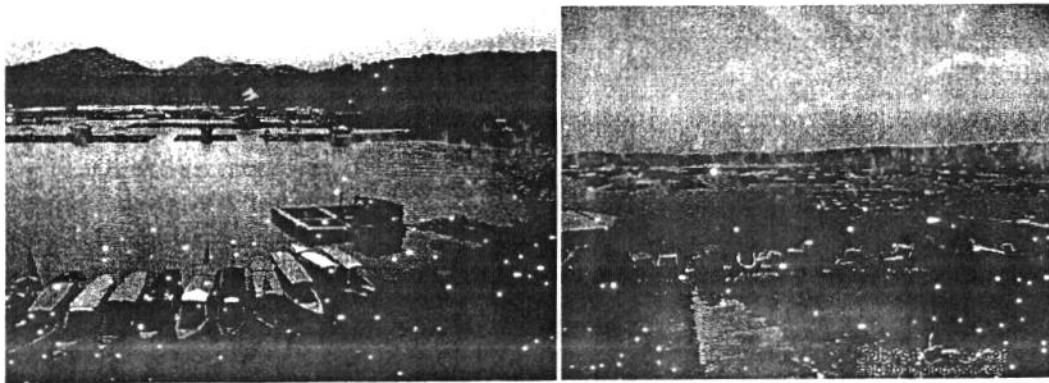


Picture 8 : Cows and Biogas

Environmental friendly economic model through agrosilvopastural expected to create farms with communities around the reservoir, awakening the compost as a fertilizer source of farming development, and the establishment of renewable energy sources in Jangkang long time. Finally, the main target of this agrosilvopastural is able to increase the income of local communities and environmental reservoirs Cirata awake.

Ecotourism

The next creative economic model is ecotourism. Eco-tourism or eco-tourism is one of the environmentally sound tourism activities, with priority on the conservation of natural, cultural aspects of social empowerment, economic empowerment of local communities as well as aspects of education (id.Wikipedia. Org / wiki / Ecotourism). Tourism activities in Cirata are not well ordered and not environmentally friendly. Environmentally friendly economic model through environmental system to sound tourism (ecotourism) is the one alternative to overcome the problems Cirata tourism. Existing condition of tourism activities, shown in the image below:



Picture 9 : Travel location in Cirata

Tourism management Cirata is still conventional. This can be seen in the arrangement of a floating restaurant, which has not noticed the concepts of ecotourism. Security tourist / visitor has not been considered, for example in the boat is not equipped with floats and sometimes over capacity. Prostitution allegedly took place in several locations of tourism. Cirata tourism management are not effective feared a negative impact on the environment, its impact on the local culture are not controlled, and reduced the role of the local community and business competition. Some tourism business comes from outside the affected community development Cirata.

Efforts to address the above issues, ecotourism activities in Cirata should be concentrated on: Adventure Travel, types of cross-country and surfing activities. Tourism research, its activities are: the study of nature damage, logging species, water quality and conservation research. Social tourism, reforestation, and education, for example: general pasilitas development, reforestation of deforested, education and human resource development in ecotourism attraction

An integrated tourism development should also agrosilvopastoral activities aquatic weeds, and KJA. There is a correlation between economic models with

Environmental friendly creative community efforts to increase incomes and also a very important purpose, namely the preservation of water quality Cirata. In the implementation of ecotourism activities is of course necessary guidance and pendampingan of the BPWC, universities, and local and provincial Tourism Department. This is consistent with the theory of the creative economy stakeholders, namely governments, companies, and communities.

(d) Sustainable Creative Economy Model in Increasing Revenue and Community Sustainability Cirata

The linkage between groups was built in order to establish cooperation relationship mutually beneficial business internally. These relationships can be built through the fulfillment of production inputs and outputs each other need each other, so that the process in this system goes into a cycle that is not interrupted or partial run. If the linkage between groups / sub model goes well it will bear a large force in the model and a relationship or association with the external Environmental outside the system.

Linkages between groups / sub-models that can be developed include:

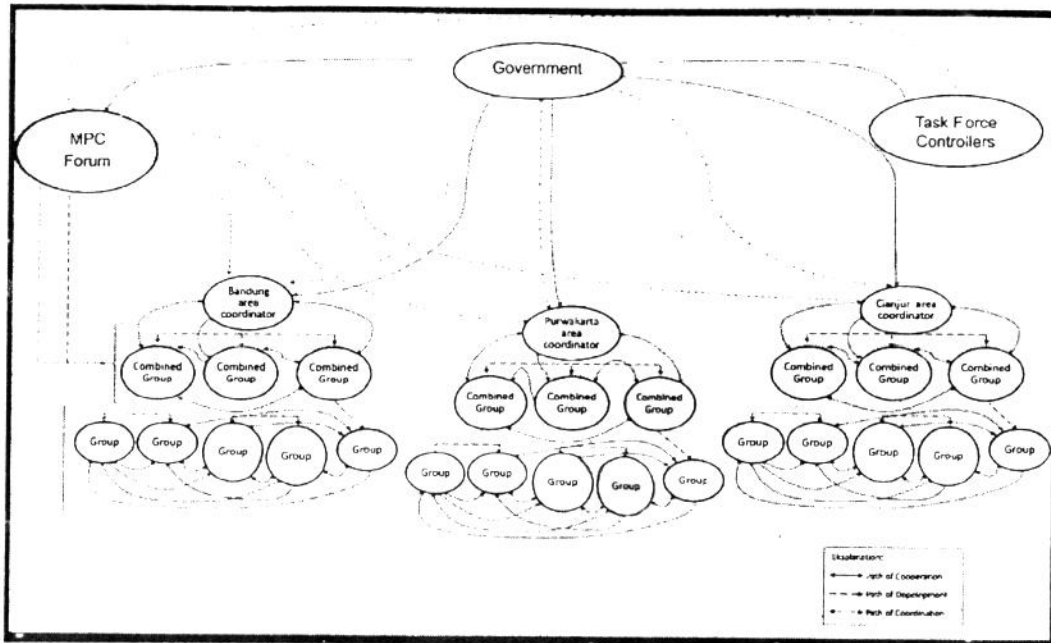
- KJA with ecotourism groups: utilization of fish, cage and boat tours.
- Group surutan land with weeds groups: utilization of compost.
- Group of ecotourism with a group of weeds: boat rental services.
- Group by group agrosilvopasturalsurutan land: utilization of manure.
- Group agrosilvopastural with weeds groups: utilization of compost.

The concept of a community group creative economy businesses are concerned about the development and management of Cirata sustainable manner, involving all components of the tangent and or have an interest either directly or indirectly to Cirata. This group consists of the elements present role and authority of each.

The elements forming the Society of Creative Economy Green Cirata, consisting of:

- Elements of policy makers, consisting of government ranging village to provincial levels.
- Implementing elements, consisting of business Cirata and Department / Government Technical Institute.
- Utilization element, namely members of the community / society that has activity in Cirata.

Structure Sustainable Community Creative Economy is a tangle of linkages between related components and an interest in improving the income of the people around the reservoir and preserve Cirata that can be utilized in a sustainable manner. Creative Flow Model Economic Community Eco-friendly can be developed are as follows:



Picture 10 : Dlow model of community creative economy

Information on flow model of community creative economy:

- Members of the public who have activities in the Area Cirata gathered into groups according to the type of activity or activities undertaken.
- The groups were then collected back in the container combined group, if this group has been combined into a self-developed micro-finance institutions.
- To facilitate the development of combinations of these groups coordinated by the coordinator wilayan established by the district.
- Environmental Control Task Force served as a supervisor and control of business activities around the community Cirata.
- As coordinator of the creative economy environmentally friendly society is BPWC. In addition, BPWC cooperate with the government and other parties such as universities and NGOs provide guidance to community creative economy.

Based on the above description, it is clear that the continuity of the functions of the reservoir must be very closely related to the activities of the local communities that intersect with the area around the reservoir. This means that little by little activity surrounding communities will have an impact on the sustainability of the primary functions of the reservoir in the future.

Creative economic model of environmentally friendly business activities include various community activities around the reservoir, such as aquatic weeds (water hyacinth), agrosilvopastural, and ecotourism dikat in a network model can help increase incomes, and that mainly function Cirata will still be maintained, sustainability Cirata well maintained.

6. CONCLUSIONS AND SUGGESTION

(a) Conclusions

Based on the discussion about creative eco-friendly economic model, it can be concluded as follows:

- Activities creative economy can be developed for local communities is Cirata aquatic weeds, agrosilvopastural, and ecotourism. Creative economy for the cultivation of aquatic weeds is focused on making compost and animal feed. As for the community agrosilvopastural cattle ranchers, cattle activities aimed at the selection, care, cages, feed, and better utilization of cow dung for compost and biogas. The creative economy model for ecotourism environmentally friendly, concentrated on adventure tours, research, and social travel.
- Model the creative economy environmentally friendly networking is done through a holistic and integrated approach between programs / models developed with regional development. Some programs in the areas of water management and land reservoirs, such as KJA, water weeds, agrosilvopastural, and ecotourism can run synergy and interconnectedness with each other even synergies in the overall regional development. Through this networking model of economic growth in the surrounding communities are expected to increase and Environmental reservoirs Cirata controlled effectively.

(b) Suggestions

Firstly, to be creative implementation of environmentally friendly economic activities to efficiently and effectively, Cirata Basin Management Board (BPWC) can implement:

- Guidance on surrounding communities Cirata involved in creative economic activities are environmentally friendly. Form of coaching, including: counseling, education, and training.
- Coordination and cooperation with related agencies, companies, and universities.
- Provide working capital loans for the people of creative eco-friendly economic actors with an interest rate, loan disbursement and repayment are efficient and fast.

- Establish a cooperative network of community groups that incorporated creative economy.
- Provide appropriate information technology in terms of cultivation and post-harvest and entrepreneurship development.
- Monitoring and control of business activity in Cirata.

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CORRUPTION OPPORTUNITIES IN DIMENSION OF REGIONAL FINANCIAL MANAGEMENT

Mukhamad Rachmat*

***Abstract:** The problem of corruption in Indonesia, both at the central as well as local governments, is increasing from year to year. The local government is a product of regional autonomy that possesses potential occurrence of corruption cases, especially in the area of financial management. Therefore, handling corruption conveyed specifically and consistently is to implement in the transparency and accountability of Government Regulation No. 58 Year 2005 on Regional Financial Management in connecting with Act No. 20 of 2001 on Amendments to the Law No. 31 Year 1999 on Eradication of Corruption.*

This study uses a qualitative method, whose aims is to reveal the essential matters related to the experience of the disputing parties and tendencies in their actions to resolve the dispute at hand. Data collection is taken through review of data that can be obtained in legislation, textbooks, journals, research, encyclopedias, bibliographies, indexes cumulative and others. Data analysis technique is performed on the results of the study of primary, secondary and tertiary legal materials.

The results of the research revealed that the negative impacts of decentralization are felt by the regions whose facilities exceeds that of other regions, especially the amount of revenue (PAD). The disease of corruption has spread to many regions and the spirit of decentralization is interpreted by actors of corruption's decentralization involving local authorities and the executive, legislative and judicial parties. Model of financial management is an effective model of financial management that can realize and optimize good governance in local government, namely by employing a participatory planning and budgeting model, which is a political process to obtain a collective agreement through the activity of negotiation between all development stakeholders.

***Keywords:** Good Governance, Participation and management*

I. INTRODUCTION

Cases of corruption in Indonesia is a moderate systemic problem, since almost all levels of government ranging from the level of the central government to local government level. In this paper the problem is focused on the dimensions of the corruption level of local government, particularly with regard to financial management. According to Susanto (2002: 45) corruption at the local government

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level is in terms of revenue, extortion, bribery, providing protection, theft of public goods for private purposes. While this type of corruption according to De Asis (2000: 34) is political corruption, such fraudulent behavior, namely money politics in legislative elections or officials of the executives, illegal funds to finance the campaign, conflict resolution parliament through illegal means and techniques lobby distorted. The latter types of corruption that clientelism (the subscription relationship patterns).

Regional financial issues are not solely on the question of regional autonomy but lately, after the implementation of regional autonomy, regional financial sector has become the most vulnerable to corruption where local government budgets (APBD) as the object of corruption. Report of Indonesia Corruption Watch (ICW) stated that, 38 (thirty-eight) cases of corruption in the financial area occurred in the first semester in 2010, an increase of 23 (twenty three) cases of the same period in 2009. Some cases of revenues and expenditures budget with the potential loss of the state financial budget during 2010. One of which was burglary treasury in North Aceh Rp 220 billion, Budget (APBD) of Indragiri Hulu Rp 116 billion, cash areas in Pasuruan, East Java Rp 74 billion, and funding of regional autonomy in Digoel of Rp 49 billion. Overall, Indonesia Corruption Watch (ICW) recorded double prosecution of corruption cases during the first half of 2010, with 176 cases of corruption resulting in state losses as much as Rp 2.1 trillion.

In relation to the rampant corruption phenomenon of state finances, the Supreme Audit Agency (BPK) over the last eight years (2003-2011) found 318 cases of corruption causing the state loss of Rp 33.8 trillion. All cases have been submitted to the competent agencies, namely the police, prosecutors, and the Corruption Eradication Commission. However, the follow-up from those three law enforcement agencies is still minimal. Of the 318 new cases only 186 cases is done. The details are as follows: the delegation to the ranks of investigators more by 37 cases, exposure / research paper / coordination as many as 21 cases, the investigation of 30 cases, the investigation of 20 cases, proceedings were 2 cases, the prosecution of 11 cases, a verdict / appeal / cassation as many as 64 cases, and SP3 as many as 11 case. The remainder, still hangs on the three institutions (<http://www.bpk.go.id/web/>).

From those description, eventually the writer found a phenomenon in which the behavior of bureaucrats and political elite currently is very bad because they often deceived people, by manipulating facts and norms so that a factual reality can justify himself normatively rather than correct in terms of applicable norms. This is exacerbated by the strengthening of the authority of autonomy without being accompanied by transparency and accountability in the use of money of the country / region. Power is focused on the head of region and unfortunately institution controller in this case the Regional Representatives Council (DPRD) is not functioning optimally, so that if someone holds a monopoly on power and has the authority to decide who should get it. At the same time there is no public

transparency and accountability; accordingly legal violation and corruption occur rampantly.

A new phenomenon in a corruption case with the new mode is discretion use of regional head considered as a single manager with an narrow understanding of the regional finance authority discretion by instructing his staff to issue the money which is corruption-prone areas. The impact of the spirit of the law enforcement officers to combat criminals are felt in the area, many regional heads, heads of agencies, departments / sections, project leader as a burden and could take him to an examination of law enforcement agencies. This condition empirically can be stigma and can make bureaucrats helpless. Innovation policies, programs and policies that have been outlined temporarily ceased because they did not want to take risks. The positions related to financial management is not interesting anymore, and shunned the bureaucratic / political elite. In the end, the absorption of funds Budget (APBD) for public services is not optimal, because the bureaucrats / political elite fear involved in the use of public funds.

Incessant combat of corruption law enforcement agencies feel that authority of legal administrative domain has been taken by criminal law domain and as if criminal law can intervene administrative governmental policies. Building public administration domain has been devastated by cooptation domain of criminal law. So some cases showed that the bureaucrats who run the function or participation in a criminal act. Whereas the formulation of policies has involved stakeholders and processed legally, but in the way the administration could occur criminalization.

In Article 59 of Law No. 1 of 2004 on State Treasury, mentioned state loss can occur because of a violation of law or negligence of state officials or public servants not the treasurer. While compensation under article 35 of Law No. 17 of 2003 to replace the loss in private on state financial losses that are in the submission. Settlement of losses that is lost or reduced, and to improve discipline and accountability of civil servants / officials of the state in general and financial managers in particular areas.

In accordance with those background, then it can be formulated two (2) basic issues, as follows:

1. How are the characteristics of the actions of local government officials in the area of financial management possessing dimension of corruption?
2. How is the model of financial management in realizing and optimizing good governance in local government.

II. THEORITICAL REVIEW

Grand theory used by the writer is theory of Abuse of Authority, which includes the elements of the offense of abuse of authority (Djodjodirdjo, 1985: 35; Sudarto,

1996: 15; M.M Khan, 2002). The theory will be used to answer the research questions dealing with corruption. As a complement theory, the writer uses the middle range theory, in which the writer uses the theory of corruption concerning the elements of corruption, the causes of corruption, the rules governing the issue of corruption. Complementary analytical design is used by the writer in order to find a new model of financial management in developing good governance in local government for the creation of a dynamic public service for the sake of regional welfare.

In the application of this theory, the writer uses the theory criminal action whose dimension is corruption cases at regional finance management which is not in accordance with applicable laws. The theories used are taken from (Djodjodirdjo, 1985: 35); (Sinaga in Kompas, 2003: 1); Sudarto (1996: 115); Campbell (1990); Tanzi (1994); World Bank (1997) and Khan (2002).

III. RESEARCH METHOD

In this study, the researcher used the case-based approach as well as legislation to sustainable financial management and its implications for corruption. Accordingly, in this study the researcher used a qualitative method, which aims to reveal the essential matters related to the experience of the disputing parties and tendencies in their actions to resolve the dispute at hand. Descriptive qualitative methods for the purpose of obtaining a good overview, clear and able to provide the data as accurately as possible about the object to be examined in this case to illustrate the areas of financial management based on Government Regulation No. 58 Year 2005 on Regional Financial Management.

The data that have been collected are cases of misuse of public finance management as well as the mode of corruption in the financial management area, among others are bribery to legislators in filing the draft budget, bribery to legislators in accountability budget, budget misappropriations regional head, tactical funds, misuse of social funds or fictitious grant proposal, the use of the remaining funds without justified or not in accordance with procedures. Manipulation of the rest of the budget for the local elections in the second period, the use of the budget for personal benefit regional heads, and mark-up budget for the procurement of goods and services.

Data collection was conducted by reviewing of data that can be obtained in legislation, textbooks, journals, research, encyclopedias, bibliographies, indexes cumulative and others. In principle, data collection techniques literature study. This technique can be done through an inventory of various products of legislation that have relevance to research problems. All the activities were carried out in a systematic and focused steps, in order to obtain an idea if the rules conflict with other rules or not (either vertically or horizontally); whether the legal principle corresponds to the applicable rules or not.

Processing and analysis of data basically depends on the type of data, for normative legal research with only secondary data only, consisting of primary legal materials, secondary law and tertiary legal materials, then in processing and analyzing the data can not be separated from the various interpretation of the law (Amirudin and Asikin, 2003: 163-166). Normally the normative legal research, the data were analyzed by juridical qualitative analysis with the help of descriptive-analytical and prescriptive decomposition. In doing this, analyzing starts from the historical and comparative juridical analysis.

IV. RESEARCH RESULT

1. Characteristics of the Regional Administrative Deeds in Regional Financial Management which Possesses Dimension of Corruption

Law Number 31 Year 1999 on Corruption Eradication which was amended by Act No. 20 of 2001 which came into force on August 16, 1999 is intended to replace Law No. 3 of 1971 on Eradication of Corruption and the law in lieu of Law No. 24 Prp Year 1960 About the Investigation, Prosecution and Investigation of Corruption. The purpose of the enactment of the law of corruption is expected to meet and anticipate developments and legal requirements for the community in order to prevent and combat more effectively any corruption which is very detrimental to the finances, the country's economy in particular and society in general.

In the law of corruption, there are 3 (three) legal terms that need to be clarified. They are the terms of corruption, public finance and economy of the country. Law No. 31 of 1999 Jo Act No. 20 of 2001 intends to anticipate on financial irregularities or the country's economy which has become even more sophisticated and complex, hence corruption stipulated in this Law is formulated as wide as possible in order to accommodate deeds to enrich themselves or others as it is against the applicable law.

With these formulations, unlawful deeds in terms of corruption can include acts of misconduct in which by the public sense of justice, it can be prosecuted and punished. The unlawful deeds here include unlawful act in formal and material in a sense that though such actions are not provided for in the legislation but if such actions are deemed reprehensible because it does not correspond to the sense of justice or the norms of social life in the community, then such actions can be imprisoned in accordance with Article 2 paragraph (1) of Law No. 31 of 1999 Jo Act No. 20 of 2001 on Corruption Eradication Corruption.

Explanation of the chapter is the perpetrators of corruption acts that meet the elements of the Article, where indemnification of the state or economy of the state that have been made and which do not eliminate the criminal perpetrator of that offense. Indemnification of the state or the country's economy is only one factor

mitigating punishment for the perpetrators. In this law it also stipulates regarding corporations as subjects of corruption that can be subject to criminal sanctions.

2. Financial Management Model to Implement and Optimize Good Governance at Local Government

Good Governance can be defined as a way of strengthening the institutional framework and the government (Bappenas, 2002). This is according to their means is how to strengthen the rule of law and predictability and enforcement. It means roots of corruption and also means to uproot the corruption and the activities of rent seeking, which can be done through a transparent flow of information and to ensure that the information to know the policies and performance and government institutions collected and provided to the appropriate community so that the community can monitor and oversee the management and funds from the public. Bovaird and Löffler (2003: 5) says that good governance brought a number of issues such as: stakeholder engagement; transparency; equality agenda (gender, ethnicity, age, religion, and others); ethical and honest behavior; accountability; and sustainability.

The New Governance Paradigm focuses on grandeur values that uphold the wishes and will of the people, and values that can increase people's participation in national achievement and social justice. The new governance paradigm was born to provide a balance between the strong spirit of the private in the public sector with people's role in development and public service. The last work of strengthening the new governance paradigm is the new public services serving rather than steering (Denhardt, Robert, 2002: 34).

According to the development of good governance paradigm in public administration, the issue of governance is the key discussions in public administration. It is associated with an attempt to create access public participation in public services and government administration. Strengthening this participation aims to enhance the effects of another form of accountability and transparency in government, services and development.

In this context, governance is defined as an interactive relationship based on the exchange of information between the various stakeholders in government. The government is not the only stakeholder governance, but also should involve the community and other interest groups. Strengthening participation is done through, among others, the so-called hearing citizen's charter and a complaints mechanism. Through the strengthening of community participation in public services the government should have the performance and orientation of the fulfillment of the rights of civil society. Furthermore, through the mechanism of such a complaint can submit objections and feedback on government performance, in this case the Ministry of State for Administrative Reform preparing the draft

Law of Government Administration are on the strengthening of the position of the government.

Currently, good governance is an issue raised in the management of public administration. Good governance is the coordination strategy; even more than that it is good manageability between governance in the governmental sector with governance in the public sector, especially the private sector, so that it can be produced transactional output through market mechanisms the most economical of community activities. Therefore, good governance is not only required a efficient and effective public bureaucracy, but also efficient and competitive private sector governance.

V. CONCLUSION

The negative impact of decentralization is experienced by the regions whose facilities exceeds the other regions, especially the amount of revenue (PAD). The disease of corruption has spread to many regions, the spirit of decentralization did well interpreted by actors decentralization of corruption involving local authorities and the executive, legislative and judicial parties. The main characteristics of local government officials who have engaged in corruption in the financial management area are: The regional apparatus, always make use of potential opportunities as the corruption field, for example by exploiting the weaknesses contained in article 3, paragraph (3) of Government Regulation No. 69 of 2010. These characteristics, supported also by the supremacy of weak law which is, not authoritative, less consistent and more concerned about the absence of the culture of shame for corruption; then the actions of the officers who commit acts of corruption, was also marked by the behavior of misusing authority or act against the law, it is supported by conduciveness of autonomous regions that, in this case the local government apparatus, the harness of government and bureaucracy system that is conducive to the contrary, why this is done because the absence of the control system of a strong community, and the lack of regulatory law firm, especially those relying on the legal system that does not follow from any infringement invention which is still weak and has not shown any readiness by the institution leadership. Prominent characteristics of the actions of the officers is that the organizational aspects of individual behavior (culture), organizational aspects, as well as aspects of the communities in which individuals and organizations are located. Other factors that are characteristic of the actions of the officers in the financial management area possessing dimension of corruption are: the motivation of the local officials for corruption, both motifs economic and political motives, the element of motivation is often found in the indictment and court decisions, that the local government officers are always motivated to commit acts of corruption, and is supported by the opportunity, and weak supervision in decentralized systems.

The essence of the implementation of regional autonomy that is mandated by a decentralized system, the goal of fiscal policy is the empowerment of the area and take care of his own household. Then the regional financial system that is used to take care of the household, requires government administration system and development with rigorous surveillance system, in order to be efficient and effective. Then the model of financial management is an effective model of financial management to realize and optimize good governance in local government, namely by using a model participatory planning and budgeting, is a political process to obtain a collective agreement through the activity of negotiation between all development of stakeholders. The political process is done transparently and flexibly so that people gain leverage in obtaining information in any development process underway and every stage of its development. In this case, more participatory planning as a decision making tool which is expected to minimize conflicts between stakeholders. Participatory planning can also be seen as an instrument of social learning collectively through interaction among all development actors. This learning will ultimately improve the capacity of all stakeholders in an effort to mobilize its resources widely. With the model of participatory planning and budgeting, the planning activities should be directed at regional level based on the issues that are relevant to development.

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