

## Resource Curse: Governance in One of Indonesia's Richest Districts

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### Abstract

This paper is an attempt to answer a question on why a rich district development has not accelerated during Indonesian local autonomy. It discusses the governance of Kutai Kertanegara District, East Kalimantan Province. The paper concludes that without proper government management, strict regulations and qualified personals, the money is not used for programmatic government policies, but had been used to gather political support during 2005's local election and dispersed among elites.

Political support was gathered through employing more employees that now equals to 1 bureaucrat serving 25 people. The money has also been shared among local elites which can be seen through direct cash transfers to *kecamatan* and *desa* since 2002. Without accountability procedures and lack of central government's control, the money has been shared among local actors, including NGO's and private actors creating massive local corruptions.

### Bionote:

Bayu Dardias is a lecturer at the Department of Politics and Government, Gadjah Mada University, Yogyakarta Indonesia. He completed his Master of Art in 2006 and Master of Public Policy from the ANU in 2009. His research interest is in Indonesian Decentralization, Public Policy and Public Sector Reform. His writings are available at <http://bayudardias.staff.ugm.ac.id>

### Panel Preference

Decentralization, local governance or local politics.