

Foreword and Editorial

Asia-pacific Journal of Law, Politics and Administration (AJLPA)

We are very happy to publish this issue of an Asia-pacific Journal of Law, Politics and Administration by Global Vision Press.

This issue contains 5 articles. Achieving such a high quality of papers would have been impossible without the huge work that was undertaken by the Editorial Board members and External Reviewers. We take this opportunity to thank them for their great support and cooperation.

The paper “Fiscal Decentralization and Redistribution: Considering Inclusive Growth” explored that the importance of inclusive growth, which includes both economic growth and mitigation of inequality, is being discussed in many countries. Notably, some studies have actively shown the relationship between fiscal decentralization and income redistribution based on the decentralization theorem that fiscal decentralization affects the competitiveness of the economy and the performance of government. This paper empirically analyzed the effect of fiscal decentralization on inclusive growth focused on income redistribution. The analysis showed that fiscal decentralization had a statistically significant impact on inclusive growth, particularly on redistribution indicators such as the Gini coefficient level, labor income share. As a result, fiscal decentralization, which transfers not only financial resources but decision-making authority to local governments, can contribute to reducing inequality by increasing the level of welfare for the people.

The research paper “Hybrid Institutionas An Enabling Factor of Innovation System: A Case Study of BUM Desa “Sejahtera” Bleberan Village, Gunung Kidul” aims to find the institutional power of BUM Desa as a hybrid institution for the growth of innovation in local economic development in the Bleberan Village, Gunung Kidul. Previous studies of economic institutional links and innovation show that innovation factors are key to strengthening economic institutions. The difference from previous studies is that economic institutions are the determining factor in building an innovation ecosystem. The hybrid institution design inherent in BUM Desa presents several opportunities in the form of institutional excellence that can be utilized to overcome the limitations of strengthening the village economy. The findings of this study are in the case of BUM Desa "Sejahtera" the prerequisites of the hybrid institution format have not been fulfilled due to the weak capacity to institutionalize the rules of the game that bind the perpetrators and instead drag the perpetrators into involvement in conflicts that are not managed. As a result, BUM Desa "Sejahtera" failed in becoming an incubator for the growth of village innovation. Citizen innovation that initially grew did not develop because it was not well captured by BUM Desa. This study is a qualitative study using an instrumental case study method that is oriented towards enriching the theoretical treasure of economic institutions.

In the paper “Institutionalization of Small Business Similar Products in Umbulharjo Sub-District”, Model-based Small Micro Economy (SME) network classifier similar products are SMEs with similar products, so that synergizes the potential well in the capital, the process of production and in the marketing of SME products, while reducing unhealthy competition between players. The results of the study in the District Umbulharjo formed group of SMEs

engaged in batik and jumputan, so the development of SMEs is quite good and can compete with products from other regions. In the development of the SME group engaged in batik and fabric jumputan still facing problems related to human resource capabilities of SMEs in entrepreneurial management. Another problem arises competition between groups, especially in the determination of the standard price of each product SMEs, resulting in price competition between groups. Therefore, in this study focuses on strengthening SMEs, developing relationships with the SME group market, provision of material and financial institutions. Furthermore, building a kind of container or community group batik jumputan and fabric, so it becomes a sort of center or central batik and fabric jumputan Umbulharjo district.

In the paper “Small and Middle Macro Enterprise (SME) Preference in Making Financing Source from Micro Financial Institutions: A Research on SME Preference Identification in Making Financing Source from Micro Financial Institutions”, SMEs is one component driver of economic growth in the city of Yogyakarta. The position of SMEs as one unit of economic activity that is supported by the presence of Microfinance Institutions. Microfinance Institutions consist of the bank (Bank Unit Micro and rural banks) and non-banks (cooperatives and BMT) under the supervision of Bank Indonesia. In this study see the pattern of preferences and the factors that influence the preferences of SMEs in seeking sources of financing of the Microfinance Institutions. To obtain data about the preferences and perceptions of the MFI MSME used cluster random sampling by distributing questionnaires and structured interviews with a sample of SMEs in the city of Yogyakarta, especially Sub-District and District Umbulharjo Kotagede. Meanwhile, the questionnaire was also given to MFIs (Microfinance Bank Unit, rural banks, cooperatives, and BMT) to see their perceptions of SMEs. The data was processed using descriptive statistics and will be interpreted quantitatively and qualitatively. The results of the analysis of the preferences of respondents in general, there is a decisive factor selection MFIs by clients (SMEs) on each MFI forming the segmentation. The conclusion that the differentiated banking MFIs (Micro Business Unit Commercial banks and rural banks) and non-banking MFI (Credit Unions and BMT).

The paper “A Study on the Worker’s Consciousness of Settlement according to Innovative Cities” explored that based on the premise that family migration rate and housing settlement of the previous agency employees will act as important variables in the plan for relocating public institutions, the ratio of family ownership and relocation of employees to the innovative city was reviewed. The analysis results are summarized as follows. First, analysis of migration patterns by gender of survey respondents shows that there are many cases where married men choose to move their entire family over single body share, while the proportion of their total household share over single body share significantly diminishes as for married women. Second, if the subjects supposed to move is single, they prioritize better surroundings around their corporations and working areas including well developed infrastructure such as cultural facilities, hospital, and transportation. Third, married people, especially for married couples who chose to move to the whole family out of innovative cities, cited the improvement of education standards as the most necessary requirement. The relocation of Busan-based institutions seems to have moved from the capital city, and its employees are reluctant to change their children’s educational environment and express concerns about disadvantages from worse school district and decline of educational quality, compared to those in the metropolitan area. Fourth, the survey respondents mentioned their satisfaction with all public domains in their previous residence with those in innovative cities. The survey

found that the higher their satisfaction level of the previous residence is, the less likely they are to reside in the innovation cities.

May 2020

**Editor of the May Issue on
Asia-pacific Journal of Law, Politics and Administration**

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