



A Semi Autonomous Model to Strengthen the Lowest Bureaucracy: A Case Study in Wonosobo Regency, Central Java, Indonesia

Simin*

Bambang Tri Harsanto

Slamet Rosyadi

Wahyuningrat

Department of Public Administration
Jenderal Soedirman University, Indonesia
*Corresponding Author

Doi: 10.2478/mjss-2018-0060

Abstract

Local government law changes in Indonesia have brought a significant change in terms of authority management in particular kelurahan government as the lowest bureaucracy. Previously, some Kelurahan have the authority to manage and develop funds to improve the community welfare. However, they just recently conduct the administrative functions to implement some duties from the upper government level. This change negatively influences the performance level of Kelurahan. Using some kelurahans in Wonosobo Regency Central Java with a qualitative method, this research tries to explore what consequences may occur as the result of local governance law changes. The results suggest that there should be various efforts to strengthen the institutional capacity of Kelurahan instead of letting them have poor performance. This research provides the theoretical and practical knowledge on the semi autonomous model of lowest bureaucracy for strengthening institutional capacity. Implication of findings from this research is the lowest governmental institution needs to be empowered with more authorities and development budgets in order to improve their actions for the community welfare.

Keywords: local institutional capacity, semi autonomous, authority management, kelurahan, Indonesia

1. Introduction

Public management plays an important role in driving the function of government's administration (Meier and O'Toole, 2002). With good public management, the resources that regional governments have can be effectively used to reach their goal of making their people prosperous. This way, people's satisfaction can be achieved through the improvement of regional governmental executing organization's management quality (Im and Lee, 2010).

Many efforts have been made to improve the regional government's management to make it better. One of them is by institutional strengthening in the effort of clearly distinguishing the function and authority of bureaucracy (Zaharia, 2011). The embodiment of these efforts can be seen from the existence of regulations related to authorization both administratively and politically, including the fulfillment of adequate budgets at each state administrator level.

As the people's demand for better service quality develops and grows more dynamically, regional governments need to prepare a more efficient regional agency organization. This character is shown by a slim institutional structure. The opposite, i.e. thick institutional structure, in addition to being inefficient, has the potential to have main task and function overlapping among the existing organizations. Also, the coordination will even be harder, thus there is a great chance for a conflict

line between those organizations themselves to occur. On the contrary, a slim regional administrative organization will result in better service quality. Such a state of affairs leads to uncomplicated institutional structure and easy-to-understand service procedures for the people, and it also provides the people with legal clarity and certainty. A slim organization will produce a higher quality service and make things easier for the service users (Maarse and Janssen, 2012).

One of these efforts to streamline government's organizational structure can be seen from the change in *kelurahan*'s position. The enforcement of Law No. 23 of 2014 on Local Government makes *kelurahan* lose its status as a local agency. Article 209 paragraph (2) states that Regency/Municipality's Local Agencies consist of: a) Local Secretariate, b) Regional House of Representatives (DPRD) Secretariate, c) Inspektorat, d) Offices, e) Bodies, and f) Districts (*Kecamatan*). It means *kelurahan* is no longer a local agency, because it is not mentioned in that article. This is different when compared to the provisions in two previous Local Government Laws which expressly mention *kelurahan* as a local agency. As a result, the delegation of authority both administratively and politically from regency/municipality to *kelurahan* has changed as well.

Prior to the issuance of Law No 23 of 2014, the issue about the position of a *kelurahan* has actually surfaced. In its relation to districts, the duties and responsibilities between *kelurahans* and districts are deemed to have something in common. The only difference lies in the degree of coverage or extent of their respective duties and responsibilities. This is because *kelurahan* frequently does not receive any transfer of authority from districts. Despite the regulation governing the authorities to be transferred to *kelurahans*, in its implementation this is not so optimal since *kelurahans* are not equipped with adequate human resources, facilities, infrastructures nor budget. It is often the case as well where the technical agency is reluctant to transfer the authority which as per regulation has been transferred to districts/*kelurahans*. At the end of the day, these problems have caused inefficiency in the use of government budget to finance the two agencies.

Kelurahan is a street-level bureaucrat in charge of providing services directly to the community. Therefore, *kelurahan* ought to have a clear and extensive authority in order to improve their performance, particularly in serving the community. Nevertheless, the existence of an organization, particularly *kelurahan*, has not yet been capable of playing its role to be the frontliner of service provision and to give as great usefulness as possible for people in their area. Local governments are deemed as fail to optimally assign a strategic role for *kelurahans*. This might be worsened by this change in *kelurahan*'s position. Below is an illustration of difference in *kelurahan*'s position before and after the enforcement of Law No. 23 of 2014 on Local Government.

The decreased authority owned by *kelurahans* inevitably has some effect on their authority to prepare their planning. The preparation of *kelurahan*'s strategic plan will lose its function as a participatory planning document at *kelurahan* level. This is because the plan and strategy will be made at district level. *Kelurahan* is no longer free to prepare its own strategic planning. It is also certain that *kelurahan* will only be a participant in District Musrenbang (Development and Planning Forum). In the past, even when it served as an SKPD (*Satuan Kerja Perangkat Daerah* or Local Government Agency Unit), many participatory suggestions from the community were not accommodated. They were stuck at District level. It seems to be worse now that *kelurahan* does not stand alone as an SKPD. It will eventually lose its function as the channel for people to get their voices heard.

As its status is no longer a local government agency, this means the government (including regency/municipality) does not decentralize its authority anymore to *kelurahan*. The *kelurahan*'s function as an agency with complete power to organize its people is no longer present. At this rate, local governments need to do something about it in order for the sustainable service provided to the community at *kelurahan* level. However, it is important to provide *kelurahan* with some greater space in making the efforts to lead their people to welfare improvement.

Many issues dealing with the position of *kelurahan* also occur in Wonosobo Regency. In this regency, proposals have been submitted by some *kelurahans* to change their status from *kelurahan* to village (Source: <http://www.radarkedu.com/wonosobo/demo-warga-minta-desa-dikembalikan/>). This is all driven by the increasingly higher demand from the society for better public service provision and regional development. In addition, the village fund factor currently distributed to villages has also been a specific attraction for *kelurahan* to change into village (Harsanto, 2017:196).

The local government should immediately deal with the problematic situation occurring in *kelurahans*. It is important for Wonosobo Regency government to investigate the current *kelurahan's* institutional condition as well as its projection in the future. Therefore, a study on *kelurahan* should be intended to produce some policy alternatives or choices the Wonosobo Regency Government could take to improve *kelurahan's* institutional system. Additionally, this study also provides alternative choices of change from *kelurahan* into village along with the analysis of its impacts. Through such study of *kelurahan*, Wonosobo Regency government will discover the institutional capacity owned by *kelurahan* starting from the structural capacity or authority, human resources, budget and also performance of the *kelurahan* itself.

2. Literature Review

The main objective of decentralization is an answer to enter the *new game era* which brings along *new rules* in all aspects of human life in the future. In such an era, the government might find it hard or even lose the power to control many issues, but the government will be too small to solve all problems encountered by the society (Shah, 1997).

Other arguments regarding the importance of decentralization as follows: 1) the increasingly wider gap between central government and those in regions (Carreras, 2015); 2) the central leadership's frequent failure to understand the difficulties in regions; 3) the frequent technological slackness due to the frequent absence of alternatives available to local officials; 4) the communication gap which frequently causes the projects designed by the central government not matching with the government and people's needs and conditions in regions (Sutiyo and Maharjan, 2017).

In the context of development, the development decentralization at region level can expand the development benefits to lower level, particularly to improve the economic growth of the poor who lives mostly in areas far away from the central government (Johan van Zyl et al, 1995:6). Other researchers also find that decentralization can distribute economic results at local level and it is intended to improve the public service quality, accountability, responsiveness of local governments and local institutional capacity strengthening (see Nannyonjo & Okot, 2013; Boasiako, 2010; Ribot, 2002).

Nevertheless, in order to improve the decentralization effectiveness it is important to adjust the institutions at local level. The environmental challenge encountered by local government demands an organizational strengthening to allow the local government to answer its people's needs and manage the change process itself. In this case, decentralization requires local government reorganizing or strengthening to enable a more efficient and effective management of the organization's resources (Fenwick and Bailey, 1998).

3. Method

This research was conducted in Wonosobo Regency, Central Java Province, Indonesia. It was conducted from April to October 2017. The data were primary and secondary ones. The primary ones were collected by in-depth interview with informants which consist of *lurah* (*kelurahan* chief), regency officials in charge of village governments, district chief, and the management of *Kelurahan's* Community Empowerment Institution or *Lembaga Pemberdayaan Masyarakat Kelurahan* (LPMK) and public figures of *kelurahans*. In-depth interview was focused on such aspects as *kelurahan's* authorities, *kelurahan's* budget, *kelurahan* agency's resource capacity, and *kelurahan's* institutional strengthening model. The secondary data were collected from such documents entitled *Kabupaten Dalam Angka*, *Kecamatan Dalam Angka* and program reports from *Kelurahan*. In this research, the data were analyzed using the interactive model as suggested by Milles, Huberman and Saldana (2014:14). In this interactive model, there are three main cycles, namely data condensation, data display and conclusion drawing. To test the data validity, this research uses data source triangulation. In this case, the data collected through interview are compared among the informants and against the secondary data to improve the credibility and validity of data.

4. Result and Discussion

4.1 Kelurahan's Institutional Strengthening.

From the analysis results, this study found that *kelurahan's* low performance in the field of development was due to the fact that *kelurahan* no longer has the authority to determine its revenue sources and asset management independently. Since they did not have such an authority, *kelurahan* had no power to procure their development funding. With the enforcement of this government regulation, *kelurahan* did not have the authority to manage their human resources needs independently.

In order for *kelurahan* to have the ability to implement development as the case with village, the commitment (political will) from the local government is required to make some *kelurahan's* institutional strengthening. The findings in the field in regard to this institutional strengthening can be detailed as follows:

4.1.1 Strengthening the Authority of Kelurahan Institution

Prior to the issuance of Government Regulation No. 18 of 2016 on Local Government Apparatus, *kelurahan* had the authority to manage its own revenue sources independently which can be used to manage the development in its region. Upon its issuance, that authority is revoked, rendering *kelurahan* weak in terms of their income. This results in *kelurahan's* low performance in many fields including: development, public service, governmental administration, community empowerment and *kelurahan's* income (see Table 1). For *kelurahan* to gain the adequate ability in development once again, it is important for the government to have political will to implement the following policies: (1) *kelurahan* is authorized to make regulations regarding the determination of revenue sources which can be managed by *kelurahan*, such as the establishment of field rent, building rent, kiosk rent and the establishment of levies of market, parking and public toilet, (2) *kelurahan* is authorized to manage assets as its revenue sources, such as the management of lands formerly known as *Bondo desa* (village's property). Being assigned this authority, it is expected that *kelurahan* can have its own revenue sources which can be used to fund the development in its region.

Table 1. *Kelurahan's* Performance Accomplishment in General

No.	Performance Indicators	Program Accomplishment
1	Budget absorption	- The programs implemented had been as specified in DPA - Program implementation accomplishment: 100 % implemented - Beyond DPA: PNPM → P2KP programs - In general, <i>kelurahan's</i> budget absorption has been 100 percent
2	Public service	In terms of public service, there is still a limitation in terms of procurement of <i>kelurahan's</i> infrastructures and facilities
3	Governmental administration	- The estate tax income target has not been 100 percent accomplished - Most <i>kelurahans</i> have not made organization's performance assessment - They have not been 100 percent administratively well-performed.
4	Community empowerment	- The implementation of <i>kelurahan</i> planning and development forum has not been fully effective - Most of them do not have <i>Kelurahan</i> -owned enterprises - Human resources quality is low
5	<i>Kelurahan's</i> income	- The income obtained through <i>kelurahan's</i> locally generated recurring revenues is less optimal

Source: Processed primary data, 2017

4.1.2 Strengthening sources of kelurahan institution's income

The enforcement of Government Regulation No. 18 of 2016 concerning Local Government Apparatus has stripped *kelurahan* off their revenue sources which can be managed independently. This is because *kelurahan* is now merely part of district's SKPD, rather than a separate SKPD. Any funding needed in development activity is highly dependant on the budget allotted at district level for each *kelurahan* in its working area. This makes *kelurahan* unable to manage development programs in its own area as needed by its people.

For *kelurahan* to have adequate ability in performing some development in their region, there is a need to strengthen the management of *kelurahan* institution's revenue sources, such as (1) managing *kelurahan*'s income deriving from rent, levy, urban taxes (estate tax, restaurant, food catering service provider, hotel), (2) establishment of *Kelurahan-Owned Enterprises* or *Badan Usaha Milik Kelurahan* (BUMKel) and (3) Regency Government's commitment to procure fund specifically located for *kelurahan* (ADK)

4.1.3 Strengthening *kelurahan*'s human resources (SDM)

The consequence of making *kelurahan* institution part of district's SKPD is that *kelurahan* no longer has the authority to determine the personnel they require. All employment regulations should refer to the policies decided on by the district and Local Employment Agency at regency level. Meanwhile, *kelurahan*'s function has something in common with that of village in providing services to the community. At village level, the service to the society can be provided by the agency optimally since all of their officers are living in the same village as the service users, allowing the services to be given to them optimally for 24 hours. Meanwhile, at *kelurahan* level not all of its officers live in the area where they are assigned, thus the services to the community can only be provided less optimally. Therefore, it is important for the local government to make policies which will enable *kelurahan* officers to stay in the *kelurahan* they are assigned by providing an official residence for *kelurahan* officers for them to stay hence the services can be optimally given by these officers to their community.

To deal with the personnel deficiency at *kelurahan* level, it is important for local governments to authorise *kelurahan* institution to recruit contract-based personnel to provide non-administrative service at *kelurahan* level. To be this contract-based personnel, those former village officers can be appointed. With their experience, it is expected that they will have possessed the skills required to perform the job at *kelurahan* level.

4.2 *Kelurahan*'s Institutional Capacity Strengthening Model

Having identified the factors which cause the *kelurahan* institution's low performance and described those factors which can improve this performance, a *kelurahan*'s institutional capacity strengthening model can be made. This model is expected to help *kelurahan* to have the ability in providing development service to the community better.

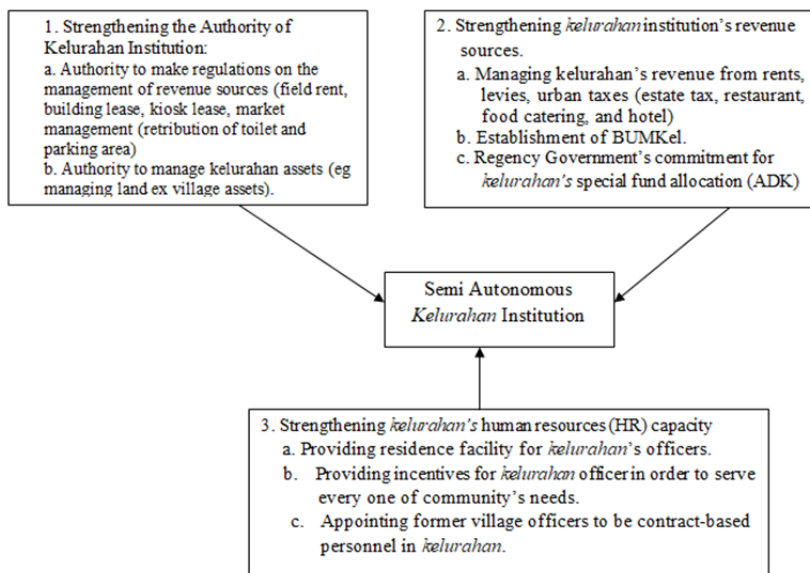


Figure 1. A Semi Autonomous Model to Strengthen *Kelurahan*'s Institutional Capacity

Based on the data analysis, this research formulates a Semi Autonomous Model to strengthen Kelurahan's institutional capacity. With the village fund being managed by village government, *kelurahan* government needs to be strengthened in terms of their authority, budget sources and human resources capacity. The semi autonomous model is chosen to distinguish it from the village government's autonomous model. Kelurahan institution is indeed different from that of Village. Several important aspects which distinguish the two can be seen from their officer's status where *kelurahan's* officers are civil servants (PNS) while village officers' status is non-Civil Servants. Another important distinction is that *kelurahan* is an administrative institution, while village is a governmental institution with political rights. Therefore, a semi autonomous model is not intended to create an understanding that *kelurahan* will be equated to village. *Kelurahan* remains a part of Regency's governmental organization, yet its functions are expanded to allow it to play more role for public interest at *kelurahan* level.

Kelurahan's decreased performance strongly indicates that a new model is required to strengthen *kelurahan* in the future. This strengthening is intended to enable *kelurahan's* capacity can keep on growing, be it its officers or its organization, to perform such functions as government's administration, public service and community empowerment. According to UNDP, the process of developing institutional capacity also has something to do with the efforts of improving ability to assess and react to future needs and keep on updating their relevance and improving effectiveness (Horton et al, 2003). When *kelurahan* is strengthened, it is expected that both the capacity of *kelurahan* officers and institution can adapt to changes.

5. Conclusions

From the research results above, the following conclusions can be drawn:

1. The determinant factors of the low performance of *kelurahans* in Wonosobo Regency are the low authority that *kelurahan* institution has, the minimum budget for *kelurahan*, and limited quantity and quality of human resources.
2. *Kelurahan's* institutional capacity strengthening efforts are focused on the following institutional aspects:
 - a. Strengthening Kelurahan Institution's Authority (Expanding the authorization to *kelurahan* with local government/regent regulations)
 - b. Strengthening *kelurahan* institution's revenue sources
 - c. Strengthening *kelurahan's* human resources (HR) capacity
 - d. The *kelurahan* institutional model which is currently administrative needs to be changed into semi autonomous one in order to adapt to social and economic changes in its environment.

6. Implicaton

For *kelurahan* institution to have the ability to provide development service to the community well, it is important for the local government together with local house of representatives to issue local regulations or at least for Regents to issue Regent regulation regarding *Kelurahan* capacity institutional strengthening to allow it to have the ability to provide development service to the society well. The local regulations or Regent regulations to be made ought to include the authority of *kelurahan* (1) in making rules on management of revenue resources and the in managing *kelurahan's* assets, (2) in managing *kelurahan's* revenues and establishing BUMKel and (3) in appointing its contract-based employees.

7. Acknowledgement

The researcher would like to thanks to the Institute for Research and Community Service (LPPM) of Jenderal Soedirman University that has facilitated multiyears research funding from 2016 to 2017. We also thanks to all parties especially Government Section of Wonosobo Regency which has facilitated data and research permit.

References

- Anonim. (2015). Demo, Warga Minta Desa Dikembalikan. Available at <http://www.radarkedu.com/wonosobo/demo-warga-minta-desa-dikembalikan>.
- Boasiako, KBA. (2010). Public Administration: Local Government and Decentralization in Ghana. *Journal of African Studies and Development* 2 (7): 166-175.
- Carreras, Y.I. (2016). Fiscal Decentralization and Inequality: The Case of Spain, *Regional Studies. Regional Science*, 3 (1): 295-302, doi: 10.1080/21681376.2016.1183513.
- Fenwick, J & Bailey, M. (1998). Decentralisation and Reorganisation in Local Government. *Public Policy and Administration*, 13 (2): 26-39.
- Harsanto, BT., Rosyadi, S., Wahyuningrat, & Simin. (2017). Strengthening Institution of 'Kelurahan' After Implementation of the Law of No. 23/2014 on Local Governance. *Masyarakat, Kebudayaan dan Politik* 30 (2): 188-196.
- Horton, D., Alesaki, A., Bennett-Lartey, S., Brice, K.N., Campilan, D., Carden, F., Silva, J.S., Duaong, L.T., Khadar, I., Boza, A.M., Muniruzzaman, I.K., Perez, J., Chang, M.S., Vernooy, R., & Watts, J. (2003). 'Evaluating Capacity Development: Experiences from Research and Development Organization around the World'. International Service for National Agricultural Research, Netherlands.
- Im, T. & Lee, S.J. (2010). Does Management Performance Impact Citizen Satisfaction. *Conference Paper* presented in KAPA Conference, Seoul South Korea.
- Maarse N. & Janssen, M. (2012). The Need to Adjust Lean to the Public Sector. In: Scholl H.J., Janssen M., Wimmer M.A., Moe C.E., Flak L.S. (eds) *Electronic Government. EGOV 2012. Lecture Notes in Computer Science*, vol 7443. Springer, Berlin, Heidelberg.
- Meier, K. J. & O'Toole, L. J. (2002). Public Management and Organizational Performance: The Effect of Managerial Quality. *J. Pol. Anal. Manage.*, 21: 629-643. doi:10.1002/pam.10078.
- Milles, B.M., Huberman, A.M., & Saldana, J. (2014). *Qualitative Data Analysis, A Methode Sourcebook*, USA: Sage Publication. Inc.
- Nannyonjo, J. & Okot, N. (2013). Decentralization, Local Government Capacity and Efficiency of Health Service Delivery in Uganda. *Journal of African Development* 15 (1): 125-158.
- Ribot, J. (2002). *Democratic Decentralization of Natural Resources: Institutionalizing Popular Participation*. World Resource Institute.
- Shah, A. (1997). Balance, Accountability, and Responsiveness, Lesson about Decentralization. Policy Research Working Paper No. 2021, World Bank, Washington, DC.
- Sutiyo & Maharjan, KL. (2017). Decentralization and Rural Development in Indonesia. Available at <http://www.springer.com/978-981-10-3207-3>.
- Van Zyl, J., Barbosa, T., Parker, AN. & Sonn, L. (1995). Decentralized Rural Development and Enhanced Community Participation. Policy Research Working Paper No. 1498, World Bank, Washington, DC.
- Zaharia, P. (2011). Autonomy and Decentralization – Current Priorities in the Local Public Administration Management. *The Annals of the Stefan cel Mare*, 11 (2) (14):288-292.