

SUSTAINING BASIC PUBLIC SERVICE DELIVERY IN THE DECENTRALIZED LOCAL GOVERNMENT IN INDONESIA¹

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ABSTRACT

This paper discusses the impact of the implementation of Minimum Service Standard (MSS) policy on the quality of basic services district/city governments deliver to their citizenry. One of the expectations of the decentralization policy, which got underway in 1999, was to contribute to the improvement of the quality of public services. The issuing of Government Regulation (GR) No. 65/2005 which outlined guidelines on setting and implementing MSS for all sectoral ministries was very much in line with that process. Study results obtained from a survey of local government officials attest to the reality that most local government have yet to implement the 15 MSS set by 15 sectoral ministries. Some of the factors that have hampered the implementation of MSS include lack of clarity on substance of MSS policy (unclear concept of basic services and of MSS; variety of approaches used in various sectoral ministries such as input, process, output and outcome); and constraints that implementing organizations face (insufficient budget allocation and human resource capacity, unclear functional assignments, and lack of integration of MSS in local government development plans)

1. Introduction

This paper discusses the implementation of Minimum Service Standard (MSS), which constitutes an instruments that is aimed at ensuring the quality of public service delivery, which is obligatory for local government agencies that deliver obligatory services. The issue is important due to the fact that Indonesian Government has since 1999 been committed to implementing decentralization policy and regional autonomy. Law No. 22/1999, which was later amended to become Law No. 32/2004, laid the foundation for the management of a more decentralized local government. Based on the law, with the exception of foreign affairs, defense, fiscal and monetary, judiciary and religious affairs, other government services were delegated to district/city governments (Rasyid 2002 & 2003).

Extant research on decentralization is many and varied. Several studies in Indonesia show that decentralization has the ability to enhance the quality of public service delivery (Brojonegoro 2002; Pramusinto 2012 & 2013). Meanwhile, results of other studies do not support such development (Pramusinto 2005). Besides, the implementation of decentralization policy in Indonesia has been characterized a mixture of optimism and pessimism (Dwiyanto et al. 2008). On one hand, decentralization formally devolves most of the authority to local governments to manage their own affairs; implementation of

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decentralization policy by the central government has been by and large halfhearted at best. The central government shows a tendency of issuing various regulations which have been characterized by efforts to regain some of the control over resources that had been devolved to local governments.

Improving the quality of public service delivery is one of the goals of decentralization policy. This is understandable given the reality that the quality and quantity of public service delivery in Indonesia does not improve. Governance Assessment Survey (2007), which was conducted by the Centre for Population and Policy Studies, Gadjah Mada University shows that public access to public service delivery in areas of education, health, civil administration and investment continues to be low. The study shows that the largest proportion of local government budget expenditure goes toward serving interests of the bureaucracy leaving little for public service delivery. Besides, the low quality of human resources also contributes significantly to poor public service delivery members of the public receive.

The goal of this research is to examine the extent to which efforts by the central government to ensure the delivery of quality public services do run smoothly. In improving the quality of public service delivery, one of the instruments the government uses is setting the MSS policy that serves a reference for local governments in delivering public services. The research questions this study sets out to answer include: (1) to what extent has the local government implemented MSS? (2) What factors influence the implementation of MSS by local governments? To find answers to the above questions, this study is presented as follows. The section that follows discusses the importance of decentralization and implications for public service delivery. Subsequently, an analysis of the implementation of decentralization in Indonesian and adoption of MSS follows. The last section delves into various factors that relate to substance of the implementation of MSS policy by local governments.

2. Importance of Decentralization and Public Service in Local Governments

In the last three decades, decentralization of the government has assumed great importance in many developing countries. In many countries, decentralization of government is a reflection of wide ranging and extensive economic and political reforms (World Bank 1997). Political changes worldwide have offered local communities the opportunity to express their demands and paved way for bringing economic and political systems closer. Decentralization of government functions increases the efficiency in the conduct of public service delivery (local governments and private sector). Besides, the collapse of the centralized economic planning system has fostered increased participation of local governments in economic and political systems.

The World Bank and many other international donors have provided assistance to decentralization projects in many countries in Africa, South Asia, Latin America and the Caribbean, Middle East and North Africa, and Europe and Central Asia. Decentralization projects covered such areas as dealing with urban problems, social funds, health, education, environment, water, and so on (Litvack et al. 1998). In Latin America, decentralization in Colombia, Argentina and Chile is in the realm of education; in Brazil in the road infrastructure; and in Brazil, Mexico and Colombia with regard to fiscal transfer to sub-national governments (Burki et al. 1999). Many countries in Africa have implemented democratization and decentralization of power from the center to lower tiers of government

that include local municipalities, districts, or provinces, regions, or states (Dickovick and Riedl 2010).

The definition and implementation of decentralization varies with the political system and sector. Rondinelli (1981 and 1989) highlights the existence of three forms of decentralization: deconcentration, delegation and devolution. Deconcentration occurs when the central government devolves responsibilities for the conduct of certain services to its offices/agencies in the regions. Thus, deconcentration, does not involve any transfer of authority to lower levels of government and is unlikely to generate benefits or pitfalls of decentralization. Meanwhile, delegation refers to a situation whereby the central government transfers responsibility for decision-making and administration of public functions to local governments or semiautonomous organizations that are not wholly controlled by the central government but are ultimately accountable to it. One key feature of these organizations is that they usually have a great deal of discretion in decision-making. Devolution, which is a more extensive form of decentralization, refers to a situation in which the central government transfers authority for decision-making, finance, and management to quasi-autonomous units of local government. Devolution usually transfers responsibilities for services to municipalities, which have powers to elect their own mayors and councils, raise their own revenues, and have independent authority to make investment decisions.

Based on various sources, decentralization is credited to generate positive effects on the conduct of government affairs. Various international donor agencies lend support to decentralization as it enhances stability (or security), democracy, and development (to include service provision) (Dickovick and Riedl 2010). However, whatever the origins, decentralization may have significant repercussions for resource mobilization and allocation and ultimately for macroeconomic stability, service delivery, and equity (Litvack et al. 1998). Fisman and Gatti (2000) in one of the first attempts at examining the issue empirically, looked at the cross-country relationship between fiscal decentralization and corruption as measured by different indices. Estimates obtained showed that fiscal decentralization in government spending was associated with lower level of corruption.

Nonetheless, the quality of local governments may raise concern about decentralization practices. The success or the lack thereof, of decentralization depends in part on, institutional arrangement. While decentralization may induce better incorporation of local preferences in public policy (Oates 1972), the quality of public service delivery at the local level may deteriorate if local governments have lower efficiency than the central government (Smith 1985). To that end, the impact that decentralization has on the quality of public service delivery depends in part on institutional design that reflects the capacity of local governments in such areas as human capacities, financial resources or local leadership.

3. Decentralization in Indonesia and its Impact on Public Service Delivery

The New Order Government under the stewardship of Suharto that was at the helm for 32 years was highly centralized. The central government had decisive control over the public policy making and public service delivery. Law No. 5/1974 on local governments placed more emphasis on deconcentration than devolution. Political decentralization with powerful local governments was lower than administrative decentralization that involves strong authority in the central government.

Law No. 22/1999 and Law No. 32/2004 significantly changed the structure of power/authority as it ushered in a new era which is characterized by the devolution of power/authority to district/city governments. Subsequently, district/city governments have become a dominant component of government administration in Indonesia. Local government now have the opportunity to elect their leaders (district/city heads) through direct popular vote. Positions of heads of local government heads which during Suharto regime were occupied by military personnel have since been replaced by directly leaders who hail from various professional backgrounds that include businessmen, academics, activists, social organization activists, and bureaucrats. With new leadership at the helm of local government administration, many of them have been able to come up with innovations in public service delivery.

In some local governments, innovation process has been wide ranging and intensive. Local governments such as Solo city, Yogyakarta city, and Kulon Progo district, have implemented local policies that are underpinned by higher public participation and local resource based economic development. Besides, some local governments such as Sragen district, Yogyakarta city, Sleman district, Jembrana district and Surabaya city have implemented one stop permit service delivery, a measure that is aimed at attracting investors. Moreover some local governments have implemented electronic government and citizen charter, a policy that is aimed at improving the quality of public service delivery.

4. Policy Regulating on MSS

To ensure that decentralization policy and local government autonomy run smoothly with respect to public service delivery, the Indonesian government issued GR No 65/2005 that obliges local governments to implement MSS. Subsequently, ministries issued regulations that laid out formulations of MSS for areas under their respective jurisdictions. By the time this report was being written, 15 MSS have been set, and currently await implementation at the local government level.

Table 1. Various Forms of Regulations on MSS

No	Area of MSS	Regulation issued to set MSS	Regulation on technical guidelines relating to MSS	Regulation on detailed MSS financing and guidelines
1	Public Housing	State Minister for Public Housing regulation No.22/PERMEN/M/2008	Appendix I and II to State Minister for Public Housing regulation No.22/PERMEN/M/2008	State Minister for Public Housing regulation No.16/2010
2	Home Affairs	Minister of Internal Affairs regulation No.62/2008	Appendix to Minister of Internal Affairs regulation No.62/2008	Draft
3	Social Affairs	Minister of Social	Appendix II to Minister of	Minister of Social

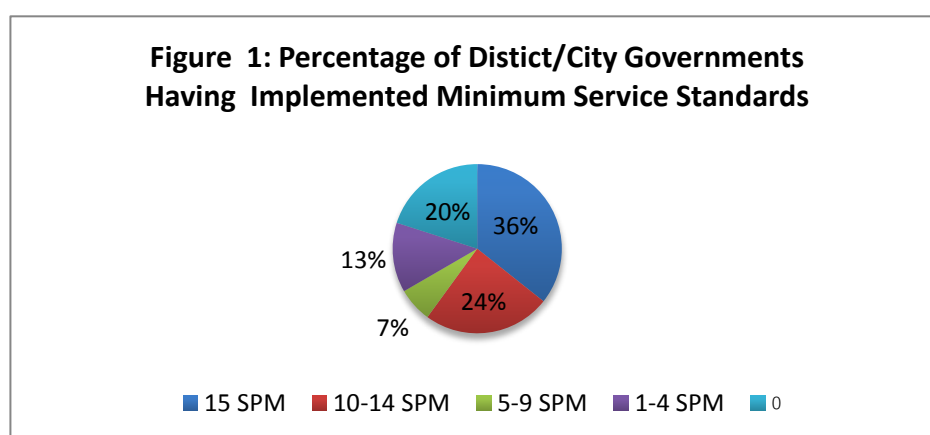
		Affairs regulation No.129/huk /2008	Social Affairs regulation No.129/huk/2008	Affairs decision statement No.80/huk/2010
4	Health	Minister of Health regulation No.741/2008	Minister of Health decision statement No.828/MENKES/SK/IX/2008	Minister of Health decision statement No.317/MENKES/SK/V/2009
5	Women and Children Empowerment	State Minister for Women Empowerment and Child Protection regulation No.01/2010	Appendix III to the State Minister for Women Empowerment and Child Protection regulation No.01/2010	
6	Environmental Protection	State Minister for Environmental Protection regulation No.19/2008	State Minister for Environmental Protection regulation No.20/ 2008	Draft
7	Family Planning	National Family Planning Coordination Board Head regulation No.55/hk-010/b5/2010	Appendix II to the National Family Planning Coordination Board Head regulation No.55/hk-010/b5/2010	National Family Planning Coordination Board Head regulation No.231/Hk-010/B5/2010
8	Manpower	Minister of Manpower regulation No. PER.15/MEN/X/2010 affairs No.PER. 15/MEN/X/2010	Appendix II to Minister of Manpower No. PER.15/MEN/X/2010	Appendix III to the Minister of Manpower No. PER.15/MEN/X/2010
9	Elementary Education	Minister of National Education No.15/2010	Decision Statement issued by the Directorate General.	Draft
10	Public Works	Minister of Public Works regulation No. 14/PRT/M/2010	Appendix II to the Minister of Public Works Regulation No. 14/PRT/M/2010	Draft
11	Food Security	Minister of Agriculture regulation No.65/Permentan/OT.140/12/2010	Appendix I to the Minister of Agriculture regulation No.65/Permentan/OT.140/12/2010	Appendix II to the Minister of Agriculture RI regulation No.65/Permentan/OT.140/12/2010

12	Arts	Minister of Culture and Tourism regulation No.PM.106/HK.501/MKP/2010	Appendix II to the Minister of Culture and Tourism regulation No.PM.106/HK.501/MKP/2010	Draft
13	Communications and Informatics	Minister of Communications and Informatics regulation No.22/PER/M.KOMINFO/12/2010	Appendix to the Minister of Communications and Informatics regulation No.22/PER/M.KOMINFO/12/2010	Draft
14	Transportation	Minister of Transportation regulation No.PM 81/2011	Appendix to the Minister of Transportation regulation No.PM 81/2011	Draft
15	Capital Investment	Head of Investment Coordination Agency regulations No. 14/2011	Appendix to the Capital Investment Coordination Head regulation No. 14/2011	Draft

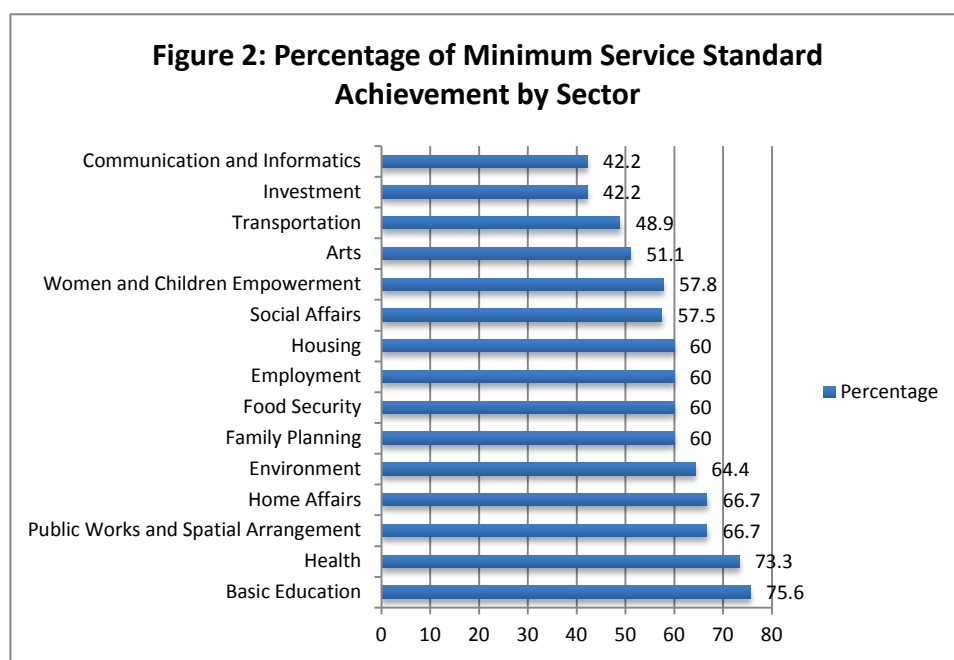
5. Implementation of MSS Policy at Local Government Level

In practice, some local governments have implemented all or most of the MSS. However, there are other local governments which are still at the preparatory phase level of developing the framework to implement MSS.

Survey results show that the implementation of MSS in local governments continues to be very low. This is reflected in the statistics that indicate that only 36 percent of 45 district/city governments that have so far succeeded to implement 15 MSS, while 24% of district/city governments have so far implemented 10-14 types of MSS. Otherwise, the implementation of MSS in most district/city governments is still very low, with just 7% of the having implemented 5-9 MSS, 13% have implemented 1-4 MSS, while 20% of district/city governments have not implemented any MSS (Figure 1).



Based on figure 1, which depicts the level of implementation of each type of MSS by local governments, it is evident that with the exception of MSS in areas of education and health which have a success rate of 75.6% and 73.3% respectively, overall the achievement rate of all local governments on implementing all types of MSS is still below 70% (Figure 2). Meanwhile, based on realization or successful implementation, survey results show that the achievement on the three strategically important MSS is still extremely low: basic education (70.07%); health (56.68%) and public works and spatial planning (57.41%) (Figure 2).



The implementation of MSS at district/city government level continues to face many obstacles which have meant that achievement has not lived to regulation expectations. The following is an example of the implementation of MSS in several sectors in South Tangerang district government. In 2012, South Tangerang district government had an annual budget of Rp. 1.98 trillion that was allocated to finance public servants related expenditure and public service delivery.

Case #1: Implementation of MSS in Education Sector

There are 16 indicators that are used to measure and gauge the performance of the implementation of MSS. One of the indicators, in accordance with MSS criteria, is the number of pupils in one elementary class must not exceed 32. Nonetheless, the reality is that today, on average each elementary class in South Tangerang district has 40 pupils. To that end, strict adherence to MSS requirement would necessitate the construction of 800 new elementary school class rooms in the district. Assuming constructing one class costs Rp. 300 million, the constructing 800 additional classrooms would require Rp. 240 billion (12% of the annual budget). The costs gets even higher if the cost of an additional 800 teachers needed to teach in the additional classrooms is taken into consideration. For the junior high school level, compliance with the requirement that every class must not exceed 36 students,

one can only wonder at the level of additional expenditure the district government will have to spend on the construction of additional class rooms and paying for additional teachers.

Case #2: Implementation of MSS in Health Sector

MSS in the area of health consists of 18 indicators. This includes for example: (1) 95% coverage of pregnant mothers by 2015; (2) 80% coverage of midwifery complications in 2015; (3) 90% coverage of maternity assistance by health practitioners with requisite competence in 2015; (4) 100% coverage of supplementary foodstuffs to breast feeding for 6-24 months infants in poor families in 2015; (5) 100% coverage of treatment for infants suffering from malnutrition in 2010; (6) 100% coverage of basic health service delivery for the poor in 2015.

Setting such MSS is not a difficult task for the ministry of health simply because such exercise constitutes routine work officials are accustomed to doing. However, the problem lies in the reality that many people do not have easy access to health service delivery due to the fact that family doctors who are assigned by the social security agency to them, are often very far from their homes (this leads to many of them deciding to seek treatment from doctors who are in close proximity of their homes despite the fact that by so doing they have to pay such doctors for services they receive); many health services are not covered by social security agency (a mother has to pay Rp 7 million out of her pocket if she delivers her child in a government hospital)².

South Tangerang district government health office faces formidable shortage of human resources which is attributable to the presence of very many community health service centers. There is contradiction between the Minister of State Apparatus (Kemenpan) Regulation No. 26/2011 on working hours for civil servants and working hours practitioners have to put in community health centers. Every health center must have a minimum of two doctors, while there must always be a medical doctor on standby in every health service center. Civil servants are required to work for 150 hours in a month, while every doctor rendering services in health centers is required to work for 360 hours (health center operations that require 720 hours divided by two people). Thus, every health center that provides treatment requires the attendance of 4 doctors who must be on standby to provide treatment and three doctors for non-treatment rendering health centers. The same applies to the large number of patients who seek for treatment in health centers (400 patients/visitors). Shortage of doctors to attend to such a large number of patients means that many of them end up not receiving treatment they need.

Case #3: Implementation of MSS in Public Works Sector

Bina Marga office, in South Tangerang city government has several items that are related to MSS in the area of public works. These include roads, water and drainage standard. The problem with the Ministerial regulations lies in the fact that they do not have clear categorization as well as differences in perception across offices that remains pervasive (for instance the meaning of pleasant and safe road). The criteria used to define a good, average, and deficient road is very subjective and not clear. The understanding of a road that is in good

² Interview with several members of the public on the use of health and health service security services.

condition varies. Data released by some sections also tends to vary. In general, at the inception of Tangerang city government in 2009, 30 percent of roads in the city were categorized as damaged, and by 2011, some improvement had resulted in a reduction of damaged roads to 20 percent of all roads in the city.

The target of MSS with regards to roads, which is to increase the availability of safe and pleasant roads by 60 percent in 2014, is not relevant. This is because the capacity of South Tangerang city government to construct roads is extremely limited (the capacity to construct roads is just 60 km of roads per year, while the mileage of roads that needs construction is 320 Km out of 640.9 Km in 2012). Moreover, infrastructure that needs construction is not limited to roads but also other infrastructure such as bridges and flyovers.

The obstacle that Bina Marga faces is the shortage of technical manpower equipped with the capability to undertake planning and supervision. With regards to planning, there is need to undertake field survey (conduct technical calculations) and conduct auction (human resources with the requisite certificates to undertake supervision is still very limited). Nonetheless, compared with other districts in Banten province, the condition in South Tangerang is a lot better.

6. Problem of Policy Content: Misconception of MSS

6.1. Ambiguity in the Concept of Basic Service

Lack of clarity or ambiguity in the concept of basic service has become one of the root causes of difficulties that local governments have faced in implementing MSS. In the GR No.65/2005, the government defines basic public service delivery as “public service provision that is primary and absolutely essential for the public to fulfill social, economic, and government needs to support their lives”. If the service delivery does not fulfill public needs, it induces a situation whereby the livelihood of members of society will be endangered.³

However, the question is do the 15 MSS that cover 69 types of services which have been issued constitute basic public services as stipulated in GR No.65/2005? Some respondents drawn both from the central government and local governments contend that not all public services, which are included in regulations relating to MSS issued by ministries can be categorized as primary or basic public services that society needs to fulfill its social, economic and government/administrative needs. For example, MSS in the area of arts stipulates among others: art research service, art exhibition, and arts organizations. According to many sources, those art services should not be categorized as primary public services. The weak concept on primary services is considered by many sources and opportunity for ministries to use the formulation of MSS policy to achieve their respective set targets for sectoral programs and policies.

To that end, the process of formulating MSS that are easy to implement requires delimiting the coverage of public services that are categorized as primary/basic. Public services that require the formulation of MSS, should be the nature that is primary and

³ In public administration literature, basic public services in general refer to “public values”, that is rights which are inalienable for every citizen or government, that are enjoined in the constitution. However, the limited capacity of the government has meant that there it is imperative for prioritizing the fulfillment of the needs that are absolutely necessary for the sustenance of people’s lives.

essential for sustaining social, economic, and government/administrative duties as stipulated in GR No. 65/2005.⁴ By improving the orientation and focus of MSS toward primary services that are essential and mandatory for local governments, will greatly help to simplify or limit number of such services, making implementation easier. Thus, considering the limited capabilities that local governments have, sharpening the focus of MSS will make the implementation of MSS more realistic. In any case, sharpening the focus is beneficial to clarify the distribution of functions between the central government and local governments in implementing concurrent functions.

6.2. Discrepancy in MSS: Service Standard Vs Performance Achievement Target

The discrepancy in the MSS concept is discernible from differences that are abound in the formulation of MSS by ministries and institutions. Out of 15 MSS that have been issued, two different categories of MSS formulation are evident: MSS that take the form of standards of services and MSS that are in the form of performance achievement targets for local governments in the provision of certain public services.

A good example of MSS which was formulated as service standard is the kind that was issued by the Ministry of National Education such as: “The availability of a unit of education within a distance that is easy to reach by walking on foot, that is maximum of 3 km for elementary school/elementary Islamic school and 6 km for junior school, junior Islamic school from the permanent settlement in remote areas”. Meanwhile, the interpretation of MSS as an achievement target is discernible in MSS issued in relation to firefighting/extinguishing division which reads: 25% coverage of service delivery in 2015 (see Permendagri No. 62/2008). The coverage of service delivery with respect to firefighting division was revised upwards in Permendagri No. 69/2012 to 85% in 2015. Similar formulation of MSS is also evident in the area of health, which reads: “95% coverage of K4 pregnant mothers in 2015”⁵ (see Permenkes No. 741/2008), and MSS in the area of drinking water: achieve 70% access to safe drinking water in 2014 (see Permen PU No.14/PRT/M/2010).

The formulation of MSS which was misconceived as coverage of certain public service performance as stipulated in GR No. 65/2005 that states that MSS stipulates on “the quality and types of basic services that are mandatory for local governments and constitute rights for the population in those jurisdiction to have”. The government regulation clearly states that “MSS as an instrument of the central government and local governments to ensure that members of the public have equitable access to quality basic services”. To that end, if MSS is considered to be an achievement target of a certain service for a certain population, which means that MSS loses its important function as an instrument that is tailored to foster equitable access for the population to primary services, more so if the target falls below 100 percent.

The implication of the misconception in the way ministries understand MSS which is in contrast to the spirit of GR No. 65/2005 implies that some members of the population will not have access to basic public services. Moreover, what is cause for concern is that groups of

⁴ Regretably GR NO. 65/2005 does not set criteria of what constitutes an absolute need. If absolute refers to something that must be available to support the sustenance of people’s lives with respect to social, economic, and government aspects, then it follows that the number of MSS that fall into the category of absolute service should be reduced which will make them realistic and easy to implement by local governments.

the population who are excluded from service delivery will not have the right to stage their claim and sue the government for failing to meet their basic needs simply because MSS are interpreted as coverage of public service delivery in a gradual manner. That means that the government will not be liable to prosecution for not delivering basic services to some of the population since the formulation of MSS does not stipulate that coverage should be 100 percent in certain year. Thus, the above reality seems to be diametrically opposed to the spirit of ensuring that all the population have equitable and indiscriminate access to basic services.

6.3. Lack of Clarity in the Coverage of MSS Indicators: Input, Process, Output and Outcome

The variety of indicators used constitutes another problem that relates to the concept of MSS. GR No. 65/2005 gives ministries the scope to choose the indicators they used in formulating MSS. Such scope has led to varied interpretation in formulating MSS indicators among ministries. Some ministries, such as the Ministry of National Education, formulates minimum standards that have a coverage that include inputs and process. For example: The availability of 1 teacher for 32 students and 6 teachers for each elementary school (input); Each teacher makes a learning plan based on a syllabus for each subject he/she teaches (process)

On the contrary, Ministry of Health formulates its MSS only on the basis of output indicators. For example: 100% coverage of primary health service for poor people in 2015 (output); 80% coverage of health promotion and people empowerment of “alert village” in 2015 (output)

The implication of the above difference is reflected in difficulties that arise in determining aspects that have priority hence need standardizing to facilitate their implementation at the local government level. Given the budget constraints, local governments have to make a scale of priority of public service and implement it gradually. Using several indicators (covering input, process, output and outcome) may lead to expensive cost of providing services. Focusing on input and process does not always produce good outputs; however, relying on output leaves some confusions of local government staffs in making programs to achieve the output.

7. Problem of Implementation

7.1. Weak Role of The Ministry of Internal Affairs in Implementing MSS

The role of the Ministry of Internal Affairs as a focal point in the implementation of MSS is stipulated in the government regulation GR No. 65/2005.⁶ As a focal point, the Ministry of Internal Affairs is charged with the function of facilitating and managing the consultation process which other ministries carry out during the formulation of MSS. The discrepancy in the formulation of MSS as reflected in using different MSS concepts across ministries attests to the ineffectiveness of the consultation process that constitutes an important role of the Ministry of Internal Affairs. The role of Regional Autonomy Advisory

⁶ Article 5 of the GR states: formulation of MSS is the responsibility of each ministry which should be carried out with the consultation with the Ministry of Internal Affairs, whereby the consultation team is formed on the basis of a decision statement issued by the Minister of Internal Affairs.

Council (Dewan Pertimbangan Otonomi Daerah/DPOD) to assist sectoral ministries to develop technical MSS does not work.⁷

The position of the Ministry of Internal Affairs, which has the same powers and authority as other ministries is often cited as one of the factors that are responsible for ineffectiveness of coordination of the formulation of MSS and management of Regional Autonomy Advisory Council.⁸ Other factors cited as responsible for the discrepancy in the concept of MSS that are issued by various ministries lies in the limited capacity of officials of the Ministry of internal affairs who are charged with supervising ministries and in the formulation of MSS.⁹ Thus, weak coordination and supervision of MSS formulation has led to the situation whereby many ministries have resorted to using MSS as an instrument to achieve sectoral targets through local governments.

7.2. Role of Ministries in Formulating and Implementing MSS

Ministries play a central role in formulating MSS because they are charged with the responsibility of formulating the draft and approval of MSS that are issued by each ministry. Besides the formulation phase, ministries and institutions play a crucial role in providing guidance to local governments on the implementation of MSS. Unlike the role played by the ministry of internal affairs that entails providing general guidance to the government in general, the task of local governments in implementing various MSS in the delivery of various mandatory services is very much influenced by the effectiveness of the technical guidance provided by ministries that take the form of facilitation, provision of general orientation/direction, education and training. Besides, other forms of technical assistance include:

- a. Calculating resources and funding needed to achieve MSS set, including the shortage in funding
- b. Formulating MSS achievement plan and determining annual MSS targets
- c. Evaluate MSS performance achievement
- d. Report MSS achievement performance.

The role of providing guidance above is based on the assumption of the existence of an effective technical guidance and coordination pattern provided by the central government, in this case ministries, with local governments, which technically are managed by sectoral local government offices as stipulated in MSS. At the level of ministries, existing institutions do not provide sufficient support to local governments to play that role in an effective manner.

⁷ DPOD does not receive the support of technical team that has the ability to policy analysis of issues, which DPOD deliberations decide. The same applies to the provision sufficient analysis support for policy on MSS, which DPOD members use in making decisions during DPOD sessions.

⁸ The issue that for a long time has been a source of debate in local governments. Many recommendations on empowering DPOD by placing it directly under the President or Vice President have been made. See Ferrazi, et. al, *Stock Taking On Indonesia's Recent Decentralization Reforms Update 2009*, Jakarta: USAID, DRSP

⁹ Discrepancy in the concept correlates with the institutional structure in the Ministry of Internal Affairs. The function of local government management is under the Directorate General of Regional Autonomy which is under Directorate of Government Functions II. Dualism in the two directorates is in part attributable to the discrepancy in the concept of MSS as the orientation of the two with respect to aspects of the concept of MSS differs.

7.3. Lack of Socialization of MSS to Stakeholders in Local Governments

The central government has an important role in enhancing understanding and providing necessary support to stakeholders of all issues that relate to MSS. Nonetheless, results of this study show that understanding of stakeholders at local government about MSS is still very limited. Moreover, the limited understanding is not confined to standards, indicators, and values but also very evident with regards to aspects that relate to the measurement of MSS. In any case, some sources consider the disseminating of MSS from the central government to local governments to fall short of what is desired. Consequently, MSS neither do constitute the foundation on which public services that local governments deliver to their citizenry are based, nor is sufficient support available for those providers of public services.

Key local government informants contend that weak socialization of MSS is discernible from the limited socialization process they received. The form of socialization that informants received, took the form of 1-2 session short speeches delivered by officials from the ministry of internal affairs and ministries and institutions, hence far from sufficient to address more technical and practical problems of local governments. Local government key informants noted that what is they need is comprehensive explanation of MSS, that includes legal basis for implementing MSS¹⁰, integration of MSS in development planning, calculation of expenditure on implementing MSS, and evaluation of the performance of MSS implementation.

Minimal effective socialization has also led to low local government budget support for the implementation of MSS. Thus, on one hand, local governments face tight competition for the limited budget support, and limited financial capacity that characterize many local governments on the other, have led to a situation whereby resources to support the achievement of MSS budget has been difficult to realize. Besides, lack of dissemination of MSS to the public has not yet increased people's understanding that MSS is important for fulfilling citizens' rights on basic services.

7.4. Weak Integration of MSS in Local Medium-Term Development Plan (RPJMD)

As a standard for public service delivery, integration of MSS in local government development planning will constitute commitment to achieving MSS as part of integrated development. The integration of MSS must be done in local government strategic planning, as stipulated in article 9 section (4) of GR No. 65/2005, where MSS must be part of achievement plan in local government medium term development plan (RPJMD – 5 year plan for entire local government) and local agency strategic plans (Renstra SKPD – 1 year plan for each agency)

Nonetheless, local governments face various difficulties in integrating MSS in development plans as mentioned above. Integration of MSS in medium term development plans is not an easy feat if the vision and mission of heads of local governments that are articulated in medium term development plans are not commensurate with national policies that are embodied in MSS. This can become a problem in jockeying for budgetary support

¹⁰ Should MSS be based on local government regulations or district/city regulation? Differences abound with respect to understanding between officials in the Ministry of Internal Affairs and those at the local government level. Consequently, the orientation of socialization work undertaken by the Ministry of Internal Affairs also varies.

required to finance minimum service achievement indicators. Besides, another obstacle relates to the legal framework that underpins the integration of MSS in medium term development plans.¹¹ The problem of integrating MSS into medium term development plans very much depends on the local political context in general, and the bargaining power that the head of local government has. If the commitment local government head to minimum service commitment is clear, the process of integrating MSS in medium term development plans becomes easier if the latter become an important component of elections for local government heads.

7.5. Limitations and Inefficiency of Budget Allocation for MSS

Problems that are connected with budgeting for MSS at the local government level include: weak capacity and performance based budgeting tradition, and budgeting inefficiency and limited financial capacity of local governments. With regards to capacity, planners and formulators of budgets face difficulties in calculating costs required to achieve set performance targets. Limited budget capacity was cited as a problem by respondents in Grobogan, Semarang, Tangerang and Serang who noted that if the implementation of just one MSS were to be carried out consistently, it would end exhausting the entire budget for the district/city government. Besides, absence of performance based budgeting in many local governments' means that many of them encounter difficulties in allocation budget expenditure to implement MSS simply because they are accustomed to allocating budgets based on routine activities for every local government office without paying attention to performance achievement measures.

Meanwhile, with respect to budget inefficiency and limited financial capacity of local governments, the bloating of the local government structure over the last decade has had the consequence that most of the budget allocation goes to serve interests of the bureaucracy and local government employees. Moreover, as results of budget inefficiency, local governments have faced difficulties in improving public service delivery in accordance with MSS criteria. Besides, bad budgeting practices that are distortive as reflected in mushrooming of pork barrel budgeting practices",¹² has led to a situation whereby limited local government budget allocation is hardly available for implementing MSS.

Efforts to overcome difficulties local government face in implementing public service delivery in accordance with dictates of MSS should be placed within a general framework. The availability of budget to implement MSS delivery in various areas requires enhanced efficiency, effectiveness, and accountability in using central government and local government budgets. With respect to central government perspective, increased support for local governments can be achieved through higher effectiveness and accountability in the use of special grant and deconcentration funds.¹³ Special grant can be used as an instrument to

¹¹ Differences in regulations of the legal basis of medium term development plan is an issue that has been center of debate in local governments. Some experts would prefer medium term development plan to be approved through regional regulation, while others incline to support the local government elections head option.

¹² The amount of funding for representing varies across local governments as it depends on the bargaining position of members of local government assemblies vis-a-vis District head. Pork barrel funds undermine the efficiency, effectiveness and accountability of the use of local government budgets. Thus, if pork barrel funds were to be tailored to fulfilling public services in accordance with MSS as well as increase the efficiency of government activities, they should contribute to enabling the government meet MSS in conducting public service delivery.

¹³ Special grant allocation should be used to support the achievement of national targets with respect to conduct of local government functions, in practice has been plagued by distortions leading to ambiguity in the

overcome fiscal shortages in the implementation of MSS. Meanwhile, the government can use deconcentration funds to strengthen local government guidance and supervision capacity to implement MSS.

7.6. Institutional Discrepancy at the Local Government Level

The existence of local government organizations that should serve as focal points in the implementation of MSS in various public service activities is imperative. To date, institutions which local governments designate as playing the role of coordinating the implementation of MSS vary. This has included “Organization Section” (Bagian Organisasi) and Local Development Planning Agency (Bappeda). The choice of the “Organization Section” very much depends on the assumption that organizational section is part of the local government secretariat, which makes coordination easier. Nonetheless, the reality is that many “Organization Sections” have failed to serve their responsibilities as focal points with regards to MSS implementation in local governments because they are not involved in local planning.

The involvement of focal points in local government development planning, is a key requirement for successful implementation of MSS as it facilitates the integration of MSS achievement targets into medium term development plan. Besides, organizational sections that are designated as providers of coordinating functions are not involved in the implementation of various public service delivery activities, which means that they lack the technical capability to supervise the implementation of MSS by local government agencies. To that end, some local governments opted to choose “Local Development Planning Agency” as the focal point in implementing MSS. This was based on the assumption that “Local Development Planning Agencies” have the authority to undertake planning as well as the ability to supervise the implementation of various local government development programs.

However, using development planning agency as the focal point does solve the institutional problem because ministries continue to use relevant local government agencies as an extension of their presence at local government level, and not development planning agencies. The above condition has led to fragmentation of the implementation of MSS at the local government level, which is a problem that is compounded by the absence of synergy across sectors. This is contrary to the reality on the ground that shows a strong relationship between the successful implementation of MSS in the delivery of basic public service and support from other sectors.

7.7. Discrepancy in the Functional Assignment across Tiers of Government

Besides technical implementation problems, results of this study also show that poor implementation of MSS is also very much attributable to the discrepancy in the functional assignment between the central government on one hand and local governments, on the other, which is stipulated in GR No. 38/2007. In the area of education, for instance, the local government structure vests the achievement of MSS in education with the district/city governments. Nevertheless, state-owned Islamic schools such as state elementary Islamic schools, state Islamic junior schools and state Islamic high schools, are not under the

contribution that special grants makes toward achieving national goals. Deconcentration funds are often susceptible misused through the duplication of public service programs that are in fact the responsibility of local governments. The use of deconcentration funds in education and health to finance programs and projects which constitute the responsibility of local governments has become common. See Dwiyanto, *Ibid*.

purview of the local government head, but directly under the control of the Ministry of Religious Affairs, which constitutes central government authority.¹⁴ The low quality of Islamic schools cannot be improved by district governments as the Islamic schools belong to the Central Government, although their performance influences the MSS in education which is the local government's responsibility.

Another discrepancy lies in the inconsistency in the distribution of concurrent functions which is plagued by duplication across tiers of government. In the area of education, many functions are implemented jointly by the central government, provincial, and district/city governments. For instance, "socialization of the basic framework and structure of education curriculum for kindergarten, elementary, and intermediate school", "supervision of the use of educational assistance and facilities", and "supervision and facilitation of international in guaranteeing the fulfilment of international quality standards".

The duplication in the distribution of functions has adverse implications for program and budget allocation duplication. It is thus not a surprise that the budget allocation and human resources which supposed to be 70% for local governments and 30 percent for the central government, is instead the converse of that. Budget allocation and human resources as a direct consequence of the devolution of most of the functions to local governments, which would be in line the money follows function principle, is in reality still under the control of the central government. This condition is by and large, attributable to the limited capacity of local governments to mobilize financial resources that are required to implement 15 MSS.

8. Policy Recommendations

Based on the study analysis presented above, the following are the key policy recommendations on improving MSS implementation by policy makers at the local government level.

8.1. Recommendation on improving the concept of MSS

a. Clarity of the concept of basic public service. The government should use the following criteria to make clarification on the concept of basic service: (1) the purpose of providing the basic service is to fulfill basic needs and rights of citizens as enshrined in the constitution; (2) the basic service is an absolute necessity, which means that the public needs it to sustain their lives with respect to social, economic, and government/administrative affairs; (3) the provision of the basic service is mandatory for local governments.

b. Clarity of standard of MSS. There is need to more clarification of the concept of MSS as a minimum quality standard and service that constitute services which public providers must deliver and the right for all Indonesian citizens to have, instead of a coverage of service target for a certain local government to achieve.

c. Clarity of coverage of minimum standard indicators. There is need for emphasis on indicators that highlight outcome achievement standard. Emphasis on input achievement standards is not only inefficient, but also often does not guarantee the realization of quality

¹⁴ Interview with several officials in the local government education office

public service delivery. The Ministry of Internal Affairs as the leading ministry should facilitate ministries to revise gradually the formulation of the concept of MSS concurrent with the implementation of existing MSS.

8.2. Recommendations on Strengthening Institutionalization in the implementation of MSS

a. Coordination and supervision of MSS implementation. DPOD should be supported by a technical team that has the capability to give recommendations and review of MSS proposals that are made by every ministry. As the focal point in the setting and implementation of MSS, increasing effectiveness calls for efforts to enhance the capacity and understanding of Ministry of Internal Affairs staff. Besides, there is need to streamline the distribution of tasks and responsibilities between the Ministry of Internal Affairs as the focal point and accountable for general government functions on one hand and ministries as parties that are accountable for technical/sectorial functions during the implementation of MSS.

b. More effective dissemination of MSS. There is need for more intensive dissemination of MSS to stakeholders, especially official charged with the task of providing public services, local government assembly members, and public service users. There is also need to incorporate minimum achievement targets in monitoring the performance of local government as well as in the development of incentive systems in local governments. Besides, there is need for public education on the importance of the implementation of MSS as a policy that guarantees constitutional rights of citizens to fulfill their basic rights.

c. Integration of MSS in local medium-term development plan. The development of an incentive and disincentive system to encourage the integration of MSS in local medium-term development plan, accomplished through the prioritization of performance achievement indicators as main performance indicators that support sufficient budget allocation and make MSS achievement as an integral component of local government performance evaluation.

d. Efficiency, effectiveness and accountability of budget expenditure on minimum public service standards financing. There is need to increase the capacity of local government performance based budgeting and MSS performance as a basis for budget allocation. There is also need to develop an incentive and disincentive system to encourage local governments in mainstreaming MSS incentive system in budgeting, as well as a source of pressure on local governments in increase budget efficiency. There is need to make use of special grant funding as an instrument that enhances local government capacity to achieve MSS targets.

e. Strengthening institutional capacity of local governments. Ministry of Internal Affairs should increase the capacity of local development planning agencies which serve as focal points in MSS implementation at local government level. Moreover, the central government should guarantee the availability and equal distribution of manpower in strategically important areas for improving social welfare such as health and education. The position and role of the governor as the representative of the central government in the regions, can be utilized to serve as the provider of guidance and supervision of district/city governments.

f. Improving the functional assignment among tiers of government. Ministry of Internal Affairs should as soon as possible revise the highly divisive and confounding GR No. 38/2007 on the functional assignment. The government regulation constitutes more of a

compilation of core functions and tasks than an ideal functional assignment that would lead to the conduct of public service delivery in as an effective and efficient a manner.

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