in the 1990s, but has yet to yield the progress hoped for by the front-runners of the movement. One important reform that remains unmade is that of the bureaucracy in local government. This failure is a signal that the political process which has occurred, more or less, at the community level (in the form of a more democratic society in Indonesia) has yet to result in more accountable and responsible local government. According to Heather Sutherland (1983: 160), these two political and administrative processes are inseparable; a failure in either one triggers failure in the other.

Bureaucracy is the backbone of local government, and therefore is the public face of local governance. In Indonesia it has always faced public distrust, perhaps even worse since the fall of Suharto's regime (Agus Dwiyanto, 2008: ix). Dwiyanto notes protests and demonstrations, as well as occupation, disruption, and destruction of government offices and facilities in many places in Indonesia. He states further that public dissatisfaction with and distrust of bureaucracy and local government in Indonesia has been triggered by previous public experience with bureaucracy under Suharto. The Public Service had become the political vassals of the regime. Suharto was well-known to use the ABRI (military), Birokrasi (bureaucracy), and Golongan (political groups) as his tools, and in those circumstances no civic authority could prioritize service to the public. On the contrary, the political elite were the bosses.

The reformation movement in Indonesia demanded good governance (which means accountable and responsible government among other principles). Syarief Makhya (2010: v-viii) noted, however, that more than ten years later the movement had not succeeded in implementing the principles of good governance. The Government of Lampung Province, he says, still faces many problems, including: conflicting interests among local districts, maladministration in the government, public dissatisfaction with services, corruption, impractical budgeting, poverty and unemployment, the failure of the local house of representatives to control the local bureaucrats, public skepticism and dissatisfaction with the civil servant recruitment process.

**ABSTRACT**

The dramatic shift in the management of local government in Indonesia, from the centralised, authoritarian New Order Era to the more democratic Reform Era since 1996, met public demands for, among other things, more accountability. Decentralised local government requires a system that allows the Central Government to supervise and, at the same time, gives local governments the capacity to carry out their duties. This paper compares the institutional capacity of three regencies in Lampung using a ten-part inter-sector performance evaluation method developed by the Sustainable Capacity Building for Decentralization, project funded by the Indonesian Ministry of Home Affairs. Three separate surveys between 2007-2011 used the data from a 10% sample of all civil servants in each rank. We show that local government institutional capacities in Lampung Province differ not only regionally, but also within inter-sectors functions. All three regencies performed poorly in the inter-sector function of information and communication, and all three performed best in procurement of goods and services. In terms of local autonomy, the single recipe of symmetric decentralization which applies similarly all over Indonesia, needs to be replaced, we suggest, with asymmetric decentralization, which is more suited to the local governments’ varied institutional needs.

Keywords: local autonomy, inter-sector performance based governance

**INTRODUCTION**

The process of reform in Indonesia started
According to Budi Setyono (2005: 3-7), government and bureaucracy in Indonesia have difficulties in accepting administrative change, civil service reform, and privatization. A team at Gadjah Mada University (Abdul Gaffar Karim, et al. 2003: 3-159) found that governments, at both central and local levels, face many problems related to local autonomy, such as the authority relationship between Central and Local Governments and the financial relationship between them. Indeed, globalization and domestic political democratization have put local governments, in this case local governments in Lampung Province, in a position where they must meet the demands of both Central Government and the customers. Satisfying one is not easy; it is even more difficult to satisfy both.

This paper looks at the capacity of three regencies in Lampung Province to meet inter-sector performance standards set by the Central Government of Indonesia.

THEORETICAL FRAMEWORK

 Scholars in the field of public management have long debated the substance and methodology of assessing government or public management. Moorhead and Griffin (1995: 180-190), for instance, argue that performance measurement cannot be separated from total quality management and can be measured through individual assessment methods, comparative techniques, and new approaches that use multiple raters and comparative methods. Bovaird and Loffler (2003: 127-137), on the other hand, state that performance can be measured through some indicators such as economy or cost per employee, productivity, efficiency, effectiveness, cost-effectiveness; or through input, output, intermediate outcome, end outcome, and environmental indicators. To measure those indicators, some statistical methods must be used.

Nutley and Osborne (1994: 125) offered indicators similar to those of Bovaird and Loffler. They went further and said that measurement of economy is required to ensure that for any given cost level, inputs are maximized; that measurement of efficiency is required in order to ensure that for any given level of output, required inputs are minimized (or that for any given level of inputs, output is maximized); and that measurement of effectiveness is most challenging since this covers the political and strategic decisions about who should get services at all.

Those three measurements related to a single organization. Decentralization and local autonomy cannot be assessed through single organization performance, but must be assessed on the capability of autonomous regions to perform their functions or to achieve their goals.

Local autonomy is not a new concept; it is sometimes called regional autonomy. In the field of government science, local autonomy is defined as the freedom of an institution to conduct business within its own capability (Abdul Gaffar Karim, et.al, 2003). In Indonesia, however, local autonomy is a new concept, “. . . marking a transitional phase from authoritarian rule towards a new democratic system of government in which civil society played a more prominent role….moreover, accompanied by a process of decentralization, bringing regional autonomy and democracy while making government more transparent” (Henk Scholte Nordholt and Gerry van Klinken. 2007: 1).

Local or regional autonomy, therefore, is inseparable from democratization and decentralization and accountable government. Some scholars point out that local or regional autonomy can be defined as the right, authority, and responsibility of any autonomous region to self-regulate and self-manage all of its government affairs and all public interests based on the prevailing laws and regulations (M. Ryaas Rashid, 2002: 31-39; Ramlan Surbakti, 2002: 41-51; Kusumo Widodo, 2002: 83-90).

This definition contains several important aspects.

First, local autonomy means self-regulating and self-managing capability. The terms “self-regulating” and “self-managing” are problematic since there is always a debate on whether the regulation should be broad or limited. Second, the locus of autonomy must be well defined, at both provincial and regency level.

In the case of Law number 32/2004 concerning local autonomy in Indonesia, the period preceding its promulgation was marked by serious academic debates over autonomy. Some academics wanted more authority for provinces while others wanted it at regency level. The issue was settled by giving provinces limited autonomy while regencies have broad autonomy. Provincial governments act as intermediary bodies linking Central Government and the Regencies in each province. The new law modeled its arrangement of local autonomy on the previous Local Government Law number 5/1974. Under this law, local autonomy was placed on the level
of Regency and City for several reasons (Sudrajat Kuncoro, 2002: 3).

Politically, regencies and cities are considered as having less regional fanaticism, and therefore less incentive to engage in separatism. Regencies, in closer proximity to people than the provinces are, provide a better service to the people than the provinces do. Also, regencies know people’s interests better than provinces do. Finally, Kuncoro sees regency level government as having more potential to improve local government accountability (to the people) than provincial level government has.

Those two different laws, though, have similar paradigms: local autonomy must be real, accountable, and dynamic. “Real” means that local autonomy is actually needed “Accountable” means that the deliverance of autonomous power to any region is justifiable in the regional and national interest. Dynamic means that implementation of local autonomy is a process, getting better with time. (Sudrajat Kuncoro, 2002: 3). According to Wahyudi Kumorotomo (2008: 1-5), decentralization as a political act is not always accompanied by fiscal decentralization since it means giving away wealth from the central treasury to the regions. The benefits, however, include improvements in public service, higher economic growth, less poverty, better macro economic management, and better governance all round. A region can never function without money. A region has to be financially self-reliant.

The process of giving away power from central to lower government requires supervision, monitoring and evaluation, to avoid fragmentation. Several models of performance evaluation have been developed by different institutions. Zethami et.al (1990), for instance, propose six variables to be studied: the public’s personal needs, expected service, and perceived service, and the providers’ perception of customer satisfaction, service quality, and service delivery.

Based on that model, the Ministry of Civil Servant Empowerment of the Republic of Indonesia through Ministerial Decree number KEP/25/M.PAN/2/2004 sets standards for the quality of service to the public; they are: simplicity, ease, clarity, accuracy, promptness, responsibility, completeness, accessibility, courtesy, respect, and comfort.

One measure of a local authority’s capability is the proportion of regional original-income (pendapatan asli daerah) to Central Government subsidy in the local budget. Fiscal decentralization, as stated earlier, needs to accompany decentralization of authority, to let local governments balance their budgets.

The Ministry of Home Affairs has these ways to evaluate local capability: an internal survey audit, and a customer satisfaction survey. The internal survey audit looks at administration, finances, audit trails, legal compliance, structural development, human resource management, information technology and communications, and planning for the future, internal evaluation, and procurement of goods and services.

Those ten inter-sector functions come from indicators used by scholars in their research. Hood (1995: 93-94), for instance, argued that the public sector is sharply distinct from the private sector in terms of organizational continuity, ethos, methods of doing business, organizational design, people, rewards, and career structure. Pollett (2005: 2) compared financial management, human resource management, and planning capability in four European countries. Auditing expertise as an indicator of good provincial government was used by Gendron, Cooper, and Townley (2007). Tollbert and Mossberger (2006) used a different indicator, “e-government”, or information technology (IT) and communication capability, to assess trust and confidence. Sven Modell (2001) studied public sector management. Kloot and Martin (2000) assessed government performance by financial strength, community participation, internal business processes, and innovation and learning capability.

Our choice of inter-sector functions above recognises the fact that local governments in Indonesia may or may not choose certain sectors to manage as well as the sectors mandated at their establishment. Accordingly, the Central Government must adjust its approach. This model is based on a survey of government officials.

Different Inter-Sector Performances of Three Local Governments in Lampung Province

Comparing the results of surveys in three regencies (East Lampung, South Lampung and North Lampung), it is clear that of the ten functions, IT and communication is the most difficult to perform. In the initial survey in the three regencies, information and communication was perceived as bad by the respondents. Its rating improved, if at all, no more than to not good. A huge gap yawns
The Ministry expects offices of regencies to be not only internally linked, but also externally linked and accessible by the public. In short, the Ministry specifies total e-government at the regency level. This expectation is beyond the capacity of regencies in Lampung Province. Most regencies lack a stable power supply and do not have a telephone line, let alone an internet connection. Another more subtle reason is that since e-government transparency means possible exposure of wrongdoing and less room for corruption, in some regencies there is reluctance to implement it.

Information and communication definitely relate to transparency, participation, and accountability. Failure to communicate affects local governance. People must be able to access and influence policies, activities, and budgets. Equally, government agencies need to communicate policies and activities to the people and to get feedback (Drake, Malik, Ying, Kotsioni, El-Habashy, Misra. 2001-2002; McNeil and Malena. 2010). In the World Bank Report entitled Demanding Good Governance: Lessons from Social Accountability Initiatives in Africa, McNeil and Malena (2010: 205-207) concluded that slow

### TABLE 1. TOTAL SCORE FOR 10 PERFORMANCE PARAMETERS BY RESPONDENTS IN ALL OFFICES OF EAST LAMPUNG

| No | Function                                    | Score 2006 | Status 2006 | Score 2009 | Status 2009 |
|----|---------------------------------------------|-------------|-------------|-------------|-------------|
| 1  | General Administration                      | 41.90       | Not good    | 61.3        | Fair        |
| 2  | Finance Management                          | 33.49       | Bad         | 63.3        | Fair        |
| 3  | Audit                                       | 57.11       | Fair        | 75.6        | Good        |
| 4  | Legal                                       | 57.41       | Fair        | 67.8        | Fair        |
| 5  | Organizational development                  | 59.15       | Fair        | 77.0        | Good        |
| 6  | Human Resource Management and Development   | 38.65       | Bad         | 55.5        | Fair        |
| 7  | Information and communication               | 21.51       | Bad         | 47.2        | Not good    |
| 8  | Development Planning                        | 51.61       | Not good    | 73.9        | Good        |
| 9  | Program and Activity Implementation, Monitoring, and Evaluation | 56.74 | Fair | 78.1 | Good |
| 10 | Procurement of Goods and Services           | 72.26       | Good        | 83.2        | Good        |
| 11 | Average                                    | 46.19       | Not good    | 68.3        | Fair        |

Source: Surveys in 2006 by Ari Darmastuti, Pujo Suharso, Nusirwan, and Asrian Hendi Cahya and in 2009 by Ari Darmastuti, Endri Fatimaningsih, and Suripto.

### TABLE 2. TOTAL SCORE FOR 10 PERFORMANCE PARAMETERS BY RESPONDENTS IN ALL OFFICES OF NORTH LAMPUNG

| No | Function                                    | Score 2007 | Status 2007 | Score 2009 | Status 2009 |
|----|---------------------------------------------|-------------|-------------|-------------|-------------|
| 1  | General Administration                      | 54          | Not good    | 50.9        | Not good    |
| 2  | Finance Management                          | 44          | Not good    | 51.5        | Not good    |
| 3  | Audit                                       | 22          | Bad         | 34.7        | Bad         |
| 4  | Legal                                       | 26          | Bad         | 53.6        | Not good    |
| 5  | Organizational development                  | 56          | Fair        | 61.9        | Fair        |
| 6  | Human Resource Management and Development   | 34          | Bad         | 57.8        | Fair        |
| 7  | Information and communication               | 21          | Bad         | 34.0        | Bad         |
| 8  | Development Planning                        | 46          | Not good    | 60.8        | Fair        |
| 9  | Program and Activity Implementation, Monitoring, and Evaluation | 34 | Bad | 70.2 | Fair |
| 10 | Procurement of Goods and Services           | 56          | Fair        | 75.4        | Good        |
| 11 | Average                                    | 39          | Bad         | 55.1        | Not good    |

Source: Survey in 2007 by a team lead by Ayi Ahadiat and 2009 lead by Ari Darmastuti.
information and poor information handicap both local and national governments, whether decentralized or not.

Procurement of goods and services is easier for regencies to perform. The tables below show that this function rated *fair* and *good* in all three regencies. The main reason is that procurement of goods and services is clearly guided by formal regulations, namely Presidential Decree number 80/2003.

Procurement of goods and services is a critical government activity since it may lead to corruption through disbursement of a large local budget. Such money is the instrument to alleviate poverty and improve people’s welfare. Therefore procurement must be transparent and accountable (Ratnawati in Karim, et.al. 2003, p. 297).

For overall inter-sector functions, North Lampung shows the poorest performance, having *bad* status (Anonim, 2006) and changing only to the status of *not good* in the second survey. The other two regencies, East Lampung and South Lampung, on the other hand, show status of *not good* in the previous survey improving to *fair* in the second one. Overall, East Lampung is highest, South Lampung came in second, and North Lampung was third. The data also show that both East Lampung and North Lampung fared best in procurement of goods and services while South Lampung fared best in program and activity implementation, monitoring, and evaluation.

The different performances may be explained by the work culture in those three regencies. Respondents in East Lampung were always eager to attend FGDs (focus group discussions) and interviews, and were very open in answering as well as explaining things in interviews. Informants and resource persons in North Lampung, on the other hand, tended to be restrained and close-mouthed during interviews; it was even harder to hold FGDs. We even faced difficulties in finding people to interview. The respondents in South Lampung can be ranked in between East and North, not as co-operative and open-minded as those from the East Lampung, but not as hard and closed as their counterparts from North Lampung.

However, these answers from civil servants may not be 100% honest, and may not show exactly what the conditions are in each regency. External surveys, that is, customer satisfaction surveys, paint a different picture. According to Syarief Makhya (informal interview in July 2013), the public in North Lampung as customers were more satisfied with government services than the public in South Lampung.

Human resource (HR) management is crucial to performance. Delaney and Huselid’s survey (1996) of over 590 profit and non-profit organizations, found a positive association between HR and perceived performance. The three regencies clearly show organizational defects here. All of them showed *bad* or *not good* HR in the first survey and only one regency improved to *fair* in the second. Interviews revealed that unfair recruitment, quick rolling of officers, spoil system of career have

| No | Function                                           | 2009 | 2011 |
|----|----------------------------------------------------|------|------|
| 1  | General Administration                             | 54.48| 61.1 | Fair |
| 2  | Finance Management                                 | 37.45| 61.1 | Fair |
| 3  | Audit                                              | 55.52| 60.3 | Fair |
| 4  | Legal                                               | 51.09| 50.1 | Not good |
| 5  | Organizational development                         | 67.44| 54.0 | Not good |
| 6  | Human Resource Management and Development          | 47.91| 53.5 | Not good |
| 7  | Information and communication                      | 34.21| 46.6 | Not good |
| 8  | Development Planning                               | 48.65| 64.3 | Fair |
| 9  | Program and Activity Implementation, Monitoring, and Evaluation | 60.52| 69.8 | Fair |
| 10 | Procurement of Goods and Services                  | 71.27| 65.4 | Fair |
|    | Average                                             | 52.83| 58.8 | Fair |

Source: Surveys in 2009 and 2011 by a team lead by Ari Darmastuti
created dissatisfaction among government officers of these regencies.

Another crucial aspect is organizational structure. A big bureaucracy means more spending on staff salaries; a small bureaucracy means more efficient government. Efficiency has become the core principle of reinventing government (Hindy Lauer Schachter, 1995). Our data show South Lampung decreasing from fair to not good, while East Lampung improved from fair to good. Respondents in North Lampung did not see any improvement; in both surveys the category remained the same, fair. In terms of organizational structure, South Lampung rated the poorest of the three regencies.

**CONCLUSION**

Local (or regional) autonomy in Lampung Province has produced different results in the three regencies. In general, North Lampung scores lower than South and East Lampung. East Lampung shows the highest performance. All three regencies show low performance in IT and communication and have high performance in provision of goods and services. South Lampung shows the highest performance for program and activity implementation, for monitoring, and for evaluation.

The variability of local government capability to perform leads us to consider asymmetric decentralization (Kasmiiyati Tasrin, 2012; Andy Ramse, 2002) as an alternative to the symmetric decentralization that so far has been the single guideline from the Central Government. This asymmetric recipe might be more suitable for the varied institutional capacity of local governments in Indonesia, at least as shown by this survey of three regencies in Lampung Province.

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