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# **Good Governance and Local Government in Contemporary Indonesian Context**

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**Abstract** :Government is one of the elements of a country that has function of formulating, expressing, realizing people aspiration. In its development, the concept of government undergoes transformation of paradigm from state to a public orientation. Therefore the policy of local government has a significant consequence in running the governance that is politically steps toward democratization. The presence of government will be very meaningful in involving its people in planning, implementation and supervision in the development. This paper explains that there is a close relationship between the implementation of good governance with decentralization policy or the existence of local government).

**Keywords:** Good Governance, Local Government, Indonesian Context.

## **Introduction**

Since the stipulation and enactment of Law No. 22 Year 1999 regarding Regional Government and Law No. 25 Year 1999 regarding Financial Balance Between Central and Regional Government and subsequently Law Number 22 Year 1999 revised by Law No. 32 Year 2004 and Act No. 25 year 1999 with Law No. 33 of 2004, has brought changes to legislation from various levels, starting from the Constitution of 1945 (through various amendments), Legislation Decrees, Act, Government Regulation, Presidential Decree, and Presidential Regulation, include also local government decree which has been issued by various official state institutions to provide a basis and further regulation of various aspects related to local government. Those laws substitute of Law No. 5 Year 1974 on the Principles of Governance in the Region. The shift of government from centralized to decentralized in the Law has had a very significant impact in the services of local government especially in various regions in Indonesia which have diversity with different characteristic of social, culture, custom, geographical condition and ability. On the other hand, the central government's response in the decentralization process in the post-reform era did not go smoothly. This was marked by the appeal of implementation concepts such separation area to reform new local governments. The democratic norms as well became another challenge in the performance of local governance. This paper discusses how to implement good governance in the context of local government by the framework of regional autonomy to achieve Indonesia's national goals.

## **"Good" as an objective of Governance**



The word governance comes from the word *to govern* (which has different meaning with *to command* or *to order*). The term of *good governance* has been translated into various terms such as implementation of a trustworthy government, well-management (UNDP), good and responsible governance (LAN). While the word *government* in Oxford dictionary comes from the word *govern* which means legally control and run a country, city, etc. ", Which means: *"The authoritative direction and administration of the affairs or men / women in a nation, state, city, etc."* Meanwhile, UNDP (United National Development Program) defines good governance as *"the exercise of economic, political, and administrative authority to manage a country's affairs at all levels." It comprises mechanisms, processes, and institutions, through which citizens and groups*

*articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences"*. In the sense of good governance have three legs, namely: economy, politics, and administration. Economic authority includes decision-making processes that facilitate the implementation of economic policy. The economic aspect has implications for equity, poverty, and quality of life. While the political authority includes the decision-making process for policy formulation and administrative authority explores the implementation of the policy. Thus, government institution covers three domains: state, private sector and society. These three interact in performing their respective functions. The function of the government is to create a conducive legal and political environment. On the other hand, it acts as a regulator and facilitator that allow the community to independently play an active role as an economic actor. The private sector creates job opportunities and income. While society has a positive role in social interaction, economy, politics, and include invite groups in society to participate in that substantial scope. According to United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP, 2011), the concept of governance is not something new. This concept is as old as human civilization. In simple terms, governance means "the process of decision-making and the process by which decisions are implemented or not implemented. In this case governance can be used in various contexts such as corporate governance, international governance, national governance and local governance. Further, as confirmed by UNDP that *"governance transcends the state to including ideas of civil society organizations and private sectors, because all are involved in most activities promoting sustainable human developments"*. The definition identifies three key components of governance, namely the state and its institutions, civil society organizations which traditionally disregarded in previous government systems and private sectors that are not expected to be involved in the process

and dynamics of government. From the above understanding can be drawn another meaning that good governance is the art or moral style of good governance, need more moral-legal points in the implementation. Good governance refers to a responsible, effective and efficient state administration by maintaining the synergies of constructive interaction between state institutions, private sector and society.

### **Local Government and Implementation of Good Governance: The Basic Concept**

According to the Law no. 12 year 2008 on Regional Government in Indonesia, defines regional government as the implementation of authority by the regional government and local senator board (DPRD) according to the principle of autonomy as wide as possible in the principles of Republic of Indonesia as referred to the 1945 Constitution. Regional autonomy is the right, authority and obligation of regions to regulate and manage their own governmental affairs and the interests of local communities in accordance with the laws and regulations. In the framework of



regional government authority as mentioned in the mandate of the 1945 Constitution, local government manages the governmental affairs according to the principle of autonomy and assistance tasks which are directed to accelerate the realization of community welfare through the improvement of services, empowerment and participation of the community, and enhancement of regional competitiveness with the principles of democracy, equity, justice, privilege, and uniqueness of a region in the system of Republic of Indonesia. Good Governance refers to the notion that power is

no longer solely owned or governmental, but emphasizes the execution of government functions jointly by governments, civil society, and the private sector. Good governance also means the implementation of socio-political policies for the benefit for all, not only for the prosperity of individual or groups. Good governance is the most prominent issue in the current era of regional autonomy. Assertion aggressively conducted by the community to the government to carry out the

implementation of good governance in line with the increasing level of knowledge and public education and the influence of globalization. In relation to the enforcement of local governance, the principle of good governance in practice is by applying the principles of good governance in every policy making and decision taken by the local government bureaucracy in the implementation of public service functions. In general there are some principles of good governance that the public concerns to be implemented in local government, including:

- Participation of the society All citizens have a right in the decision-making, either directly or through legitimate representative bodies representing their interests. Such comprehensive participation is built on freedom of expression and assembly as well as the capacity to participate constructively. This principle is not yet fully felt by the people especially in policy making of government's program where society is only limited to the proposal.

- Transparency

Transparency is built on the basis of free information flow. All government processes, institutions and information need to be accessible by the interested parties, and the available information should be sufficient to be understood and monitored. In the local government, especially on finance matter, the community is not yet fully able to access so that there is confidentiality of information that only certain people know. For example in terms of budget in government institutions that have not been exposed to public either through data print-out or internet.

- Effectivity and Efficiency

Government and institutions processes produce results according to the needs of citizens and by using the resources as optimal as possible. But the reality stills un-effective and un-efficiency budget usage so that a lot of funds which utilized yet not maximal. In the construction of roads for example, done but below standard quality, so it does not last long and requires repairs in the short future. Indeed employing good governance practices can be done gradually in accordance with government capacity, civil society and market mechanisms. One of the strategic options for applying good governance into local government is through the provision of public services. As a concrete manifestation of *good governance* implementation in public services, Widodo explains that the main characteristic of "good governance" is (i) government (public administration) which is expected to function as planned and does not waste budget, (ii) the government should perform its functions on the basis of equality ethical standards and morality norms, (iii) state or local apparatus capable in respecting the legitimacy of institutional conventions that reflect people's sovereignty (democracy), and (iv) government responsive to the variations evolving within the community, and takes positive act and control public reaction over the made policies. The concept



of good governance is not only necessary at the national level, but even more important at the local level. Act No. 22 Year 1999 and the revision of Act No. 32 Year 2004 regarding regional government are required manifestation for the realization of good governance. Doubtful arises concern about decentralization of authority to local governments will transfer smaller crowns and bribery practices to the regions if it does not placed within the framework of democratization at the district level, the spirit of Act No. 22 Year 1999 and Act No. 32 Year 2004 can be considered as a change point from central-government centered looking to be local-government centered looking. Each region is free to define its own authority, apart from the authority of central government and other matters of provincial government obligations. To prevent the transfer of authoritarian style and top-down cultures from the central to the regions, this regulation is complemented by the efforts for local democratization. First, local legislative bodies as control institutions equal to the executive level. Second, one of the authorities of municipal DPRD is to elect the regional head without requiring permission and be responsible to the central government and the regional head, and proposing impeachment to the regional head if necessary as a loyalty to the public. Third; in urban areas it is expected that local governments may facilitate social organizations, community organizations and "religious forums" as a medium for local government, communities and private parties to synergize or interact in policy making for local interests. In this connection, service as one of the government functions, at the operational level must be able to protect and provide the needs of the community. Provide and protecting the demands of society as part of the service form is intended to satisfy the public. The importance of public participation in improving the quality of public services also gained the right momentum along with the emergence of an era of regional autonomy which gives greater flexibility to every region to design and determine kind of services needed by the community.

#### **Good Governance for Local Government: What and How in Indonesian Context**

The success of the regional government enforcement cannot be separated from the active participation of members in the community as a form of community responsibility. Local community whether as a system or as an individual, is an integral part of the local government system, because one of the principles in regional autonomy is aimed to build a prosperous society.

Of course it is not an easy task to realize the three principles of good governance such as participation, transparency and accountability in daily government practice in Indonesia. However, there are still factors that hinder the implementation of those principles. These factors are the uneven aspirations from the community; usually aspiration only comes from the elitist level, the lack of awareness from community towards their participation in policy-making or programs. Then in the application of transparency, the government fails to provide full information needed by the community so that the community consider that policies or regulations are created only by the government. If the implementation of government accountability is also less to carry out accountability to the community, it is marked with the Accountability Report addressed to the DPRD sometimes not in accordance with the programs that have been implemented. In relation to the process of achieving good governance in local governments, the Indonesian government since 2000 has upheld Government Regulation No. 101 of 2000 about principles of good governance as follow:

- Professionalism, to enhance government capability and moral in order to provide effective services



with affordable cost - Accountability, enhances accountability of decision makers in all areas of public interest

- Transparency, creates mutual trust between the government and the community through the provision of information and ensuring ease in obtaining accurate and adequate information

- Excellent services, the implementation of public services that include good procedures, clarity of

tariffs, punctuation, ease of access, completeness of facilities and infrastructure as well as friendly

service and discipline

- Democracy and Participation, encourage every citizen to use their right to express opinions in the decision-making process, which concerns the public interest either directly or indirectly

- Efficiency and Effectiveness, ensure the delivery of services to the community by using the available resources optimally and responsibly

- The supremacy of the law and acceptable to the whole society, realizing a law enforcement for all parties without exception, upholding human rights and concern to the values that live in society

These principles are certainly not an easy task to implement with the limitations of the local government itself. Purposes that Indonesians attempt to achieve by local government can be described as:



In the Indonesian context, among the things that still need to be done is to create good governance in local government such follows:

**First**, the amendment of the 1945 Constitution: This step is very important, because it affects the rules under it. Political conflicts that occurred throughout the history of this country, sourced from the quality of the constitution. The recommendations of the Constitutional Commission should be used as a reference for improvement, especially in relation to humanity substance or the



relationship between democratic institutions. If the constitution has not been amended, it is difficult to expect good governance lead to the right direction.

**Second,** law enforcement for corruption and judicial oversight: These two competent institutions in this respect must be powerful and legally protected. Anti-corruption agencies must also be able to enter into vulnerable areas, such as the military, and the high-level of state officials. An anti-corruption body must also be protected from partisan spirit, moreover to politicians. If only limited to self-produced wealth, potentially to be a hoax on transparency and accountability of state officials, both military and non-military, the announcement is no use if the source is not investigated. For judicial commission is also expected to be able to monitor the law enforcement, preventive and repressive supervision put the judicial institution as an independent institution; the intervention of political power means that political debt greatly influences in decision-making, and the worst thing is distribution of power which is carried out by the central and regional levels. Regional autonomy should be upgraded into a power-based autonomy of local government and if it necessary to create local democracy organizations as opposition of parliamentary and local government performances.

**Third,** De-bureaucratization, The Indonesian bureaucracy is a source of congestion in responding to public demands as well as being slow in its task. Numbers of civil servants resulted inefficiency, in addition to the accumulation of unfinished duties. Head of a district, for example, is one of a victim in this situation by having a job in the level of national and local which almost simultaneously. On a smaller scale, Posyandu has also been a victim of too many tasks from the Ministry of Health, Ministry of Home Affairs, Ministry of Education, not to mention private bureaucrats such as Dharma Wanita, Kadin, KNPI and state or regional institutions. In other words, numbers of government policies are top-down nuanced, showing the dominance of the central government. As a result, there are many development strategy that are not in line with what regions need, not in accordance with the potentials and region predominance.

**Fourth,** Empowerment of regions autonomy must also be balanced with the distribution of knowledge simultaneously and equally. Not only in the sense of "local content" in the national educational system, especially in diversification of knowledge sources such as teacher, books, and educational infrastructures. Jakarta is no longer a Centre point for academics to live a decent life, but can directly take part in the region. For foreign donor agencies, this policy has been developed in some way, by making a contract with scholarship candidates to take part in the region after graduated. Local governments should expand to hire more youth to be civil servants especially in the sectors of management, industry, marine, and agribusiness. Public and private universities can

synergize to set forward policies oriented to the quality and professionals. Curriculum of public and private universities must also in the basis of performance competence with attention to local content.

**Fifth,** independent mass media; the mass medias do not have to be profits organizations, they may be nonprofit. Mass media like this are needed with a local-oriented interest, and directly provide news that is bottom-up, while educating in the broader meaning. In comparison, mostly mass media in Jakarta are already co-opted with political or capital interests, so they are a missionary rather than public service. With the growth of independent and informal mass media, of course, must be balanced with intensive cooperation with other civil society. To simplify a good governance in Local government we propose a logical framework as below:





Source: Modified from Romeo (2002)

## Conclusions

The principles of good governance have been well presented ethically, morally, as well as academic studies. As mentioned before, the urgent thing is institutionalized the basic principles, including institutionalization of the law through arrangements in the Act for instance. If difficulties met at the central level to reach an agreement, local good governance is another possible option. Institutionalized the law at regional level can be done through province, city/regency, district regulations or through the institutionalization of urban regulation. Enforcement of good governance is one of the absolute and minimum requirements for the growth of democracy in the practical level. The future of democracy journey in this country as well as the civil society lies in how to apply the principles of good governance. These principles include: accountability, transparency, efficiency and effectiveness, as well as the growth of private sector in the social and economic circumstances.

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