

Summary

Part 1 - The Structure of Government

The basic principles and structures of government in Indonesia are described. This includes national bodies, regional administrations, the important concepts of regional autonomy, the regulatory structure and the public service system.

Chapter 1.1 - Overall Structure of the Government of Indonesia

1.1.1 The philosophy and basis of government (1)

The Indonesian Constitution lays the basis for all governmental activity, which is guided by the Five State Principles or *Pancasila*. A number of operational principles are derived from this basis of government, as is the Indonesian system of legislation and regulation. Included in the operational principles are those defining sectoral and regional spheres of activity.

1.1.2 The role of the MPR, DPR and other Supreme National Bodies (3)

Broad policy in the Government of Indonesia is set by the People's Consultative Assembly (MPR) once every five years. This leads to the establishment of Five Year Plans. Legislation and the overall supervision of Government is carried out by the National Parliament (DPR). This includes the establishment of annual national budgets. The Supreme Advisory Council, the Supreme Court and the Supreme Audit Board complete the provision of the highest level governmental functions.

1.1.3 The President and Cabinet (4)

The President holds executive powers under the Constitution and reports to the People's Consultative Assembly (MPR). The Vice President deputises for the President in all areas. A Development Cabinet is appointed once every five years. The current Cabinet consists of Coordinating, State, Departmental and Junior Ministers.

1.1.4 National Government Bodies (7)

Sectoral activities in GOI are carried out at national level by Departments headed by Departmental Ministers. Cross-sectoral activities at the national level are handled by Non-departmental Agencies. These agencies are defined.

1.1.5 Departmental Agencies (7)

There are 21 Departments in GOI. Their spheres of activity are described.

1.1.6 Non-Departmental Agencies (13)

There are also 21 Non-departmental agencies. They are listed and their chief officers given by title. The National Development Planning Board, the Indonesian Institute of Sciences, the National Standards Board and the National Family Planning Coordination Board are of immediate connection to the AIDAB program. Their spheres of activity are described.

Chapter 1.2 - National Departmental Structures

1.2.1 Departmental Structure (16)

Departmental organisation varies for sectoral reasons but all Departments possess a similar structure with Secretariat-General, Inspectorate-General, Directorates-General and support agencies. Many Departments have provincial representation.

1.2.2 The Minister (16)

The general roles of Ministers are described.

1.2.3 The Minister's Expert Staff (17)

All Departmental Ministers have teams of senior advisers. The composition and appointment of these teams is covered briefly.

1.2.4 The Secretariat-General (18)

Overall administration of a department is handled by the Secretariat-General, with a Secretary-General reporting to the Minister. The roles of secretariats-general are defined by legislation. A stylised structure is presented.

1.2.5 Bureaux in the Secretariat-General (19)

The composition and number of bureaux in a secretariat-general varies according to sectoral needs. However, a general pattern of bureaux exists for all departments. The roles of the planning, personnel, finance, supplies, legal affairs, public relations and foreign aid coordination bureaux are covered.

1.2.6 The Directorates-General (22)

The composition of directorates-general in a department varies considerably with sectoral need. A nominal maximum number is defined by regulation. A general pattern of sub-units within each directorate-general also exists. This is presented.

1.2.7 Central Research Agencies (22)

Most departments possess a research arm, mostly responsible to either the Minister or the Secretary-General. A table of selected research agencies for the departments is given.

1.2.8 Central Support Agencies (24)

Most departments also possess other central support agencies. These include training centres, libraries, data centres and other more sectorally specific bodies. A selection is given in tabular form.

1.2.9 Regional Vertical Offices (26)

The system of regional representation for departments is introduced, prior to more detailed examination in Chapters 1.3 and 1.4.

Chapter 1.3 Regional Structure

1.3.1 Regional Levels of Administration (27)

A comprehensive system of regional administration exists in Indonesia in parallel with the national departmental and non-departmental structures. This includes provincial, district, sub-district, village and neighborhood administrations.

1.3.2 The Governor and *Bupati* (29)

Governors head provincial (Level 1) administrations and are responsible both to the national government and to their provincial assemblies. A parallel situation exists for the *Bupati* or Mayor at the district or autonomous town level (Level 2). Dual responsibilities of this nature are a reflection of the principles of national and regional spheres of interest in the regions of Indonesia. This brings about the important concept of the distinction between *wilayah* and *daerah*.

1.3.3 The Regional Secretariats (31)

Governors, *Bupatis* and Mayors are assisted by regional secretariats. The secretariats have both national and regional functions. There is some variation in the composition of the secretariats, based on the development requirements of the regions concerned. These structures are being amended.

1.3.4 The Regional Planning Board (32)

Development planning in the regions is coordinated by regional planning boards, also responsible to the Governor, *Bupati* or Mayor. Their compositions also vary according to regional development requirements and loads. Typical units in the regional planning boards are outlined as regional project workers will need to liaise with them.

1.3.5 Horizontal and Vertical Offices in the Regions (34)

Regional representation for national sectoral departments is the responsibility of the *kantor wilayah* or regional vertical office. Their roles are generally supervisory, although they do play a role in implementation of nationally funded projects. The main emphasis in implementation is, however, on the *kantor dinas*, sometimes known as the regional horizontal office. These report to the Governor or *Bupati*. A graphical summary of regional administrations and their relationships with national government is provided.

1.3.6 The *Camat* and Sub-District Structure (35)

Fewer sectoral structures exist below the district level. Sub-district administration is headed by the *Camat*, who is a career public servant. Regional autonomy does not exist at this level and below, with all powers bestowed on the *Camat* from above. The *kecamatan* administration is briefly described.

1.3.7 Village Administration (38)

Village heads are responsible for a range of government services and programs at the village level. They have a small administration to assist them. They also head the Village Resilience Organisation, which directly supervises programs. A potentially useful source of data is the annual Village Monograph.

Chapter 1.4 Regional Autonomy

1.4.1 The Meaning of Regional Autonomy (41)

Regional autonomy is crucial to Indonesia's development. Its definition arises directly from the Constitution. Indonesia is a unitary, not a federal state. It is important therefore to understand the meaning of regional autonomy in the Indonesian context. Effectively a dual system results from this, with regions empowered to conduct their own development in line with national policies. This is reflected in the parallel administrations of the *wilayah* and the *daerah*. These concepts are explored further.

1.4.2 The Role of the Department of Home Affairs in Regional Autonomy (42)

The roles of national sectoral departments are contrasted with that of the Department of Home Affairs, which has the mandate to supervise regional government. All regional full-time employees are controlled by the Department.

1.4.3 The Three Modes of Regional Development (43)

Most project workers are familiar with the concept of decentralisation. Its definition in the Indonesian context needs careful note. Decentralisation is one of three modes of regional development provided for under Indonesian legislation. The other two

are deconcentration and co-administration. The three modes illustrate possible interplay between national and regional authorities in regional development.

1.4.4 The History of the Development of Regional Autonomy (44)

Indonesia has consistently expanded the roles of the regions in their own development since Independence. A chronology of legislation illustrates this.

1.4.5 Multiple Responsibility in the Project Environment (46)

The dualistic sectoral and regional approach to development also makes it highly likely that Indonesian public servants will have responsibilities to both national and regional superiors. This issue is discussed.

1.4.6 The Project "Packet" System (46)

Projects in the GOI context are clearly defined by legislation, with a difference to the way overseas organisations often perceive projects. Each GOI project has a project leader and a treasurer, who are responsible for discrete packets of development activity, often defined through contractual arrangements. Projects can be local or can cover more than one province. Larger projects are divided into a number of sub-projects. Examples from the Department of Public Works illustrate this system.

Chapter 5 Regulatory Structure

1.5.1 The Need to Understand Regulations (49)

There are many regulations in Indonesia that pertain to development, whether they be laws or regulations passed by the DPR or regulations and decisions made by the President, the Ministers and high level public servants. The project worker needs to take note of the regulations that apply to his or her circumstances.

1.5.2 The Hierarchy of Regulations (49)

A hierarchy of regulations exists beginning with the Constitution and progressing to a series of more sectorally specific decisions. The hierarchy is explained.

1.5.3 The Form of Regulations (50)

Most Indonesian regulations follow a similar format that explains the reasons and precedence for them before giving their content. The format is explained with an example.

1.5.4 Where to find out about regulations (50)

Regulations are available from several different sources, including their originating authorities. Counterpart project staff should be able to assist in locating relevant

regulations, and translations should be obtained of the more important ones as a matter of priority.

1.5.5 National and Regional Regulations (52)

The Constitution defines Indonesia as a unitary state. Consequently, regional regulations must conform to national regulations and systems are in place to ensure this.

1.5.6 Organisational Structure and Regulation (52)

Organisational structure is always specified in regulation. Generic structures are often defined by Presidential decision or by decision of the Minister of Home Affairs. Individual structures are specified by the heads of the authorities to which they apply, with reference to generic documentation. De facto alterations can be found in practice, due to organisational response to change. The form of organisational regulations is fairly standard. This form is explained.

1.5.7 Coordination and Regulation (54)

Inter-sectoral coordination is often defined in joint decisions made by the relevant Ministers. This may be relevant to the project environment in cases where a project is attempting inter-sectoral activities. Joint decisions are time consuming to obtain.

Chapter 1.6 The Indonesian Public Service

1.6.1 The Public Service Hierarchy - Echelons and Groups (55)

A person's management position in the Public Service is defined through the "echelon" system, whilst grades for pay and seniority purposes are defined in the *golongan* or "group" system. Examples are given for reference. Personnel management is undertaken by personnel unit attached to most units and sub-units within GOI. Terms and conditions are set by Civil Servants' Administration Agency under regulations promulgated by DPR. A system of promotion examinations is in place, which forms important stepping stones for individual careers.

1.6.2 National and Regional Public Servants (57)

All permanent employees of the Public Service are known as "organic workers". They are divided into categories according to the source of their funding and their relationship to it. Their appointments are confirmed by the Civil Servants Administration Agency. Terms and conditions are regardless of category. Two categories of non-permanent employee also exist; one corresponding to contract employees, the other to temporary "honorarium" holders. These are explained.

1.6.3 Public Service Leadership (58)

Multiple responsibility is common in GOI. This is augmented by the concepts of the lines of command and supervision, which have different meanings in Indonesia than they do in Australia. This is summarised by examining the relationship between the "leader", the "deputy leader" and the "implementor". Examples are given to illustrate.

1.6.4 Structural and Functional Positions (61)

Structural positions exist within the organisational structures as defined by regulations governing routine administration. Functional positions exist, usually within the project structures established to administer the development budget. Individuals can hold both functional and structural positions.

1.6.5 Institutional Reports (61)

The practice of preparing institutional reports on project inception can assist to clarify the institutional environment in which the project must operate. Some suggestions for content of institutional reports is given, with comment on possible ways of obtaining the information.

1.6.6. Duty Statements (62)

Duty statements do not always exist. Where they do, they can be detailed. An example is given, explaining likely terminology.

Part 2 - Agencies in Cross-Sectoral Development

A selection of cross-sectoral issues is taken to illustrate the roles of different agencies in multi-sectoral development activities.

Chapter 2.1 National and Regional Planning

2.1.1 *Bappenas* (65)

Coordination of all development planning activities at the national level is undertaken by *Bappenas*, the National Development Planning Board. *Bappenas* is the direct counterpart of AIDAB in Indonesia. It coordinates the preparation of the *Repelita* documentation and the annual development budget. It has 7 major areas of administration organised on cross-sectoral lines.

2.1.2 The Department of Finance (67)

The Department of Finance is responsible for approval of all national budgets prior to their ratification by the DPR. It undertakes this alone for the routine budget, and

shares the function with *Bappenas* for the development budget. It also operates a system of regional Treasury Offices for financial disbursement.

2.1.3 The Framework for Planning (67)

Indonesia now operates a 25 year plan system within which individual 5 year plans are formulated. Each five year plan follows the issue of the Broad Guidelines on State Policy, passed by the MPR. Regional five year plans follow a similar pattern after issue of regional guidelines. The national and regional budget structures are discussed.

2.1.4 The Budget Cycle (71)

The Budget follows a preparation, authorisation, execution and audit cycle, on an annual basis. This requires a number of different documents to be prepared. The major documents are discussed along with responsibilities within the budget cycle.

2.1.5 The Regional Planning Process (73)

Indonesia operates a regional consultation process annually in its budget preparation. This is colloquially known as the "top-down, bottom-up" process. It begins with meetings in villages, which screen project proposals for consideration by a series of meetings at sub-district, district, provincial and sub-national level. Sectoral proposals from GOI authorities at sub-district, district and provincial level are integrated with proposals from villages, prior to final recommendations for budget inclusion in Jakarta. Technical planners often use more detailed planning mechanisms which parallel the "top-down, bottom-up" process. An example from Public Works is given. "Technical planning" and "general planning" require careful definition from their contexts.

2.1.6 Sources of Finance (75)

National revenues can be broadly divided into taxation, non-taxation and loans and grant revenues. Regional revenues can be directly collected, assigned by national government, or in the form of grants, subsidies and loans.

Chapter 2.2 Development of the Regions

2.2.1 The Overall Role of the Department of Home Affairs (77)

The Department of Home Affairs has the overall mandate for the guidance and supervision of regional and village administration, development and autonomy. As a central government department, it is in a unique position, in that it becomes involved in all aspects of regional administration in all sectors.

2.2.2 The Central Role of *Bangda* in Regional Development (78)

The Directorate-General of Regional Development (*Bangda*) in the Department of Home Affairs has a variety of roles in regional development. Amongst these are the

coordination of the *Inpres* program of regional grants, guidance in urban development and administration, guidance of the regional consultative planning process and in the implementation of special region and integrated area development. Its structure is examined.

2.2.3 The Role of *Bangdes* in Village Development (80)

Bangdes is the Directorate-General of Village Development. It has local counterpart organisations in each province, district and sub-district. Structures at national and regional level are examined.

2.2.4 The role of PUOD in the Development of Regional Autonomy (82)

PUOD stands for Directorate General of General Government and Regional Autonomy. It is the initiator of many of the generic organisational regulations governing institutional development in the regions. It is also charged with assisting the regions to develop administrative capacity and to fulfill their autonomous role.

2.2.5 The Directorate-General of Social and Political Affairs (82)

The structure of this D.G. is given.

2.2.6 The *Inpres* System of Development Grants (83)

Inpres forms a major mechanism for financing regional development and can be viewed as a form of co-administration. In 1990/1991 it accounted for 14% of the national development budget. The categories and amounts provided (1990/1991) in the *Inpres* system are given, together with references to regulations describing the operation of *Inpres*. Many sectoral departments as well as the National Development Planning Board, *Bappenas*, have a direct role in the *Inpres* process. These roles are described.

2.2.7 Regulations for Regional Autonomy (86)

There are many regulations governing regional development and autonomy. *Undang Undang 5/1974* is vital reading for those wishing to understand regional administration. It is available in English.

2.2.8 Regulations Issued by the Minister of Home Affairs (87)

The Department of Home Affairs produces many regulations each year. A short bibliography of collections of such regulations is given as reference.

Chapter 2.3 Environment & Population

2.3.1 Introduction (88)

The issues of environment and population are becoming more pressing within the context of Indonesian development. This is changing the way that sectoral and regional organisations operate.

2.3.2 Agencies Involved with Environmental Issues (88)

The Ministry for Population & Environment is charged with development of policy in this vital area. The newly formed environmental protection agency, *Bapedal*, is charged with implementing environmental management and pollution control measures. Most departments now also have a role in environmental protection. A selection of examples is given.

2.3.3 Agencies Involved with Population Issues (91)

The National Family Planning Coordinating Board coordinates Indonesia's massive family planning effort, whilst the Department of Health implements many of the country's family planning services. Other departments also play prominent roles in family planning.

2.3.4 LIPI's Population Research Activities (93)

The Indonesian Institute of Sciences (LIPI) has a number of programs that are examining aspects of population growth and mobility and the effects these have on social conditions.

Part 3 - Selected Sectoral Agencies

This Part provides profiles for the following sectoral departments:-

- The Department of Agriculture (95)**
- The Department of Forestry (108)**
- The Department of Education (120)**
- The Department of Health; and (135)**
- The Department of Public Works (144)**

These are the sectoral agencies with which AIDAB project personnel are most likely to work. Other agencies are referred to elsewhere in the volume.

Each profile contains the following information:-

Section 1. Sector Perspective

A brief examination of some of the issues pertaining to the sector and its organisations.

Section 2. The Structure of the Department

The organisational structure is given in diagram form.

Section 3. The Secretariat-General

The structure of the Secretariat-General is given, showing the bureaux present.

Section 4. The Inspectorate-General

The structure of the Inspectorate-General is given, along with details of regional and sub-sectoral responsibilities within it.

Section 5. The Directorates-General

Each Directorate-General in the Department is briefly described.

Section 6. The Central Support Units

Training, research and other central departmental support agencies are listed.

Section 7. Provincial Arrangements in the Sector

Provincial arrangements vary amongst the sectors. Some have structures that go to village level, other only to district level. The roles and functions of *kantor wilayah* and *kantor dinas* are highlighted in each case, along with details of extension arrangements as appropriate. *

Section 8. Relevant Legislation in the Sector

A table of key relevant legislation for the sector is given. *

* N.B. The format for the profile on the Department of Education departs slightly from the above pattern. Section 3.3.8 describes organisational arrangements for universities, and Section 3.3.9 deals with relevant legislation. Section 3.3.10 lists acronyms used in the Department.