

CHAPTER 2.2

DEVELOPMENT OF THE REGIONS

2.2.1 The Overall Role of the Department of Home Affairs

The Department of Home Affairs (*Dalam Negeri*) has a mandate for guiding regional activities and programs, including the coordination of the development of regional governmental apparatus, political and social development in the regions and the development and government of village institutions. The Department retains a prominent and powerful position within the Indonesian Government and is empowered to issue a wide range of regulations under the Minister's signature and govern a wide range of activities in the regions.

The Department operates through four centrally based Directorates-General:

<i>DJ Pembangunan Daerah (Bangda)</i>	Regional Development
<i>DJ Pembangunan Desa (Bangdes)</i>	Village Development
<i>DJ Pemerintahan Umum & Otonomi Daerah (PUOD)</i>	Public Administration & Regional Autonomy
<i>DJ Sosial Politik (Sospol)</i>	Social & Political Affairs

The Department is responsible for the overall administration of government in the regions, by assisting regional governments at all levels to develop their capacities, and ensuring that what happens in the regions is in accordance with national regulation and policy and planning guidelines. It also plays a key role in the guidance of political and social affairs in the regions.

To appreciate the concept of regional capacity it is necessary to recognise that there are two types of government organisation involved in regional development. These are the centrally based sectoral or "vertical" authorities (*kanwil*), which have a national mandate for development in their individual sectoral fields, and the regional or "horizontal" or autonomous authorities (*dinas*) which have a mandate for the implementation of development programs in their respective geographical regions. Regional authority in the Indonesian context means level 1 regional government in the province under the leadership of the governor, with its own provincial assembly and a degree of provincial autonomy to determine local regulation and revenue collection. A parallel arrangement exists at district level, under the leadership of the *bupati*, or regent. These issues have already been discussed in Chapters 1.3 and 1.4.

This distinction has led to the gradual evolution of two types of government organisation; sectoral and regional. This arrangement is always subject to the proviso

that Indonesia is a unitary rather than federal state, where central regulation always takes precedence over and guides regional regulation. It is also subject to the common adage "regional autonomy is more a duty or responsibility than a right".

This situation leads to a degree of inevitable tension. Central authorities have sought to extend their sphere of influence in the provinces, with the legitimate claim that their technical specialisation gives them the insight to guide and supervise technical development in the regions. Conversely, provincial and district authorities have sought to extend their own expertise to govern at the local level and to implement development programs, with the legitimate claim that they better appreciate the particular needs of the region and of development opportunities and constraints.

2.2.2 The Central Role of *Bangda* in Regional Development

The Directorate-General of Regional Development (*Bangda*) is strategically placed between the central and regional government organisations. It is the only central sectoral organisation that can act in a fully inter-sectoral manner in regional development issues. Cross-sectoral agencies such as *Bappenas* can also act in an inter-sectoral manner. *Bangda* is also the only central authority that can fully represent the regional perspective in national level negotiations concerning development. If regional development is to proceed with a balance or integration between the efforts of regional and sectoral authorities, an organisation of this type must exist at the central level.

Many projects with which AIDAB personnel are likely to be involved have clear connections with *Bangda*, as AIDAB supports the efforts of GOI to further development in the regions. *Bangda* is involved with various AIDAB supported projects in the following ways:-

- A support for regional planning activities with which projects are concerned; and

- A central level counterpart agency (with lead agency status) for some projects (eg. NTTIADP).

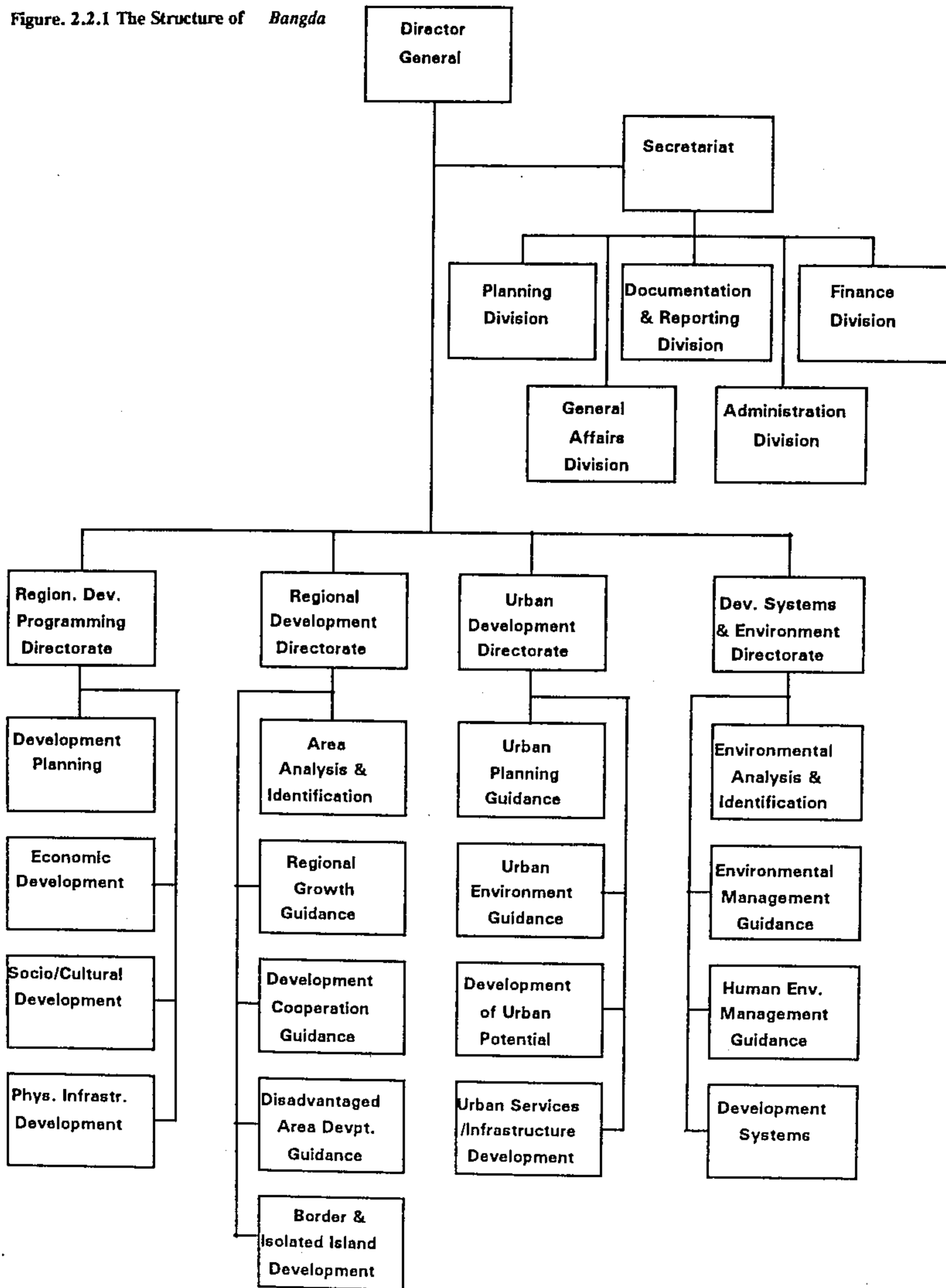
AIDAB personnel involved in projects in which these are the case should certainly take the opportunity to get to know the relevant *Bangda* staff.

The structure of *Bangda* is shown in Figure 2.2.1.

The roles of *Bangda* and the central authorities it works with are:-

- Coordination of the *Inpres* program (excluding *Inpres Desa*, which is handled by the Directorate General of Village Development). *Bappenas* also has a major role in the formulation and approval of *Inpres* programs;

Figure. 2.2.1 The Structure of *Bangda*



Provision of guidance in the management of urban development and administration in the provinces. The Department of Public Works is responsible for technical guidance on urban planning and infrastructure development;

Provision of guidance in the implementation of regional integrated area development (IAD) projects (mostly as a result of agreement to place donor funded IAD projects under the umbrella of *Bangda*). *Bappenas* also has a major role in this;

Guidance to regions in the "bottom-up" planning process, in cooperation with *Bappenas* and *Bangda*. *Bangdes* is also involved in "bottom up" planning at the sub-district and village levels;

Guidance to regions on lesser developed and border area development; and

Guidance to regions on environmental aspects of the regional development process. The Ministry of Population and Environment has a role in this.

Bangda does not have direct representation in the regions in the way that sectoral departments do through the *kanwil* system. Instead, its counterparts are considered to be all level 1 and 2 officials involved in regional development activities. Particular links are encouraged, however, between *Bangda* and *Bappeda*. There is also a unit in the *Sekretaris Wilayah Daerah* at both Level 1 and Level 2, known as *Biro Bangda*. This unit undertakes administrative activities dealing with rural development from a regional perspective, including a role in programming and reporting on regional development activities. It is advisable for project staff to maintain contact with *Biro Bangda* in the provinces. *Biro Bangda* is changing its name under the new regulations for regional administrative structures to *Biro Penyusunan Program*, or Bureau for Program Preparation.

2.2.3 The role of *Bangdes* in Village Development

The Directorate-General of Village Development (*Pembangunan Desa* or *Bangdes*) consists of a secretariat and five directorates as follows:-

<i>Pengembangan Desa</i>	Village Development
<i>Pembinaan Ketahanan Masyarakat Desa</i>	Rural Community Resilience
<i>Pendayagunaan Sumber Dana</i>	Rural Development Resources
<i>Pembangunan Desa</i>	Utilisation
<i>Pembinaan Kesejahteraan Keluarga</i>	Family Welfare Development
<i>Tata Pemukiman & Pemasaran Desa</i>	Rural Residential & Marketing Systems

The Directorate-General of Village Development is mirrored at the provincial level by an office known as the Directorate of Village Development (*Direktorat Pembangunan Desa*). This title is somewhat confusing as the term "Directorate" is usually reserved for national units headed by a director. The *Direktorat Pembangunan Desa* is headed by a *kepala direktorat*, who is responsible to the governor of the province in the Governor's capacity as *kepala wilayah*. The office is consequently neither a *dinas* nor *kanwil*. It has a similar status to a *dinas* in that it reports directly to the governor, but in a way that would usually be done by a *kepala kanwil*. It has a role in ensuring that national policies on village development are effected in the regions, and has strong links to the *DJ Pembangunan Desa* in Jakarta. According to *Keputusan Menteri Dalam Negeri 135*, the directorate fulfils the following functions:-

To prepare implementation plans, to control and provide technical guidance in the effort of village development;

To provide extension support to *gotong royong* (village mutual activities); and

To monitor and report on *gotong royong* efforts, village economies and the development of village infrastructure.

It has the following units:-

<i>Bagian Tata Usaha</i>	Administration
<i>Sub-Direktorat Pembinaan Usaha</i>	Development of Village Mutual
<i>Gotong Royong</i>	Activities
<i>Sub-Direktorat Perekonomian Desa</i>	Village Economy
<i>Sub-Direktorat Pembinaan Prasarana Desa</i>	Village Infrastructure
<i>Sub-Direktorat Pengembangan Desa</i>	Village Development

At the district level another office exists with a similar function. Known as the *Kantor Pembangunan Desa*, it reports directly to the *Bupati* or *Walikota*. It has the following roles:-

To prepare implementation plans, to control and provide technical guidelines in the effort of village development;

To develop *gotong royong* activities, to provide extension support to the development of village skills;

To provide assistance to the creation of new settlements and to the raising of village quality of life; and

To monitor and report on *gotong royong* efforts, village economies and the development of village infrastructure

At the *kecamatan* level these functions are handled by a branch of the *camat's* office known as the *Urusan Pembangunan Masyarakat Desa*. This office reports directly to the *camat*.

2.2.4 The Role of PUOD in the Development of Regional Autonomy

PUOD is in charge of guiding the evolution of regional autonomy throughout Indonesia, implying that this happens at a pace determined by national government. The Directorate-General also guides regional administrative activities. The functions of PUOD are:-

Formulation of policy, provision of leadership and guidance in the field of general regional administration and in the development of regional autonomy;

Granting permission to regional authorities for organisational developments; and

Ensuring that regional administration and efforts towards autonomy are conducted according to national policy and laws.

Many of the regulations guiding regional structures and the activities of regional authorities emanate from PUOD. The organisation is:-

<i>Sekretariat</i>	Secretariat
<i>Direktorat Pembinaan Pemerintahan Daerah</i>	Regional Administration Development
<i>Direktorat Pembinaan Umum Pemerintahan</i>	General Administration Development
<i>Direktorat Pembinaan Pemerintahan Desa</i>	Village Administration Development
<i>Direktorat Keuangan Daerah</i>	Regional Finance
<i>Direktorat Pembinaan Pendapatan Daerah</i>	Regional Revenue

2.2.5 The Directorate-General of Social and Political Affairs

The Directorate-General of Social and Political Affairs (*DJ Sospol*) consists of a secretariat and five directorates:-

<i>Pembinaan Umum</i>	General Development
<i>Pembinaan Kesatuan Bangsa</i>	National Unity Development
<i>Pembinaan Masyarakat</i>	Community Development
<i>Pengamanan</i>	Security Affairs
<i>Pembinaan Ketentraman dan Hansip</i>	Civilian Defence & Public Order Development

2.2.6 The *Inpres* System of Development Grants

Inpres stands for *Instruksi Presiden* or Presidential Instruction. It has two meanings:-

As a type of regulation issued by the President (see Section 1.5.2); and

As a form of financial grant made through Presidential Instruction to autonomous regions

This section deals with the latter meaning.

Inpres grants are provided to the regions at both level 1 and level 2. Planning and implementation of the use of *Inpres* funding is essentially the responsibility of the regional governments. While *Inpres* supports the enhancement of regional capacity to implement development, it does not directly support regional efforts to raise revenue for regionally determined development activities. They are thus a form of *Medebewind* or co-administered development. (see Section 1.4.3 for a definition of this form of development). *Inpres* is also grouped under the term *Bantuan Pembangunan* or national development assistance to the regions.

2.2.6.1 *Inpres* types and example grants for 1990

Table 2.2.1 summarises the *Inpres* grants by type and amount for 1990. It also summarises what the various grants can be used for and by whom. The allocation figures for 1990 emphasise the importance of *Inpres* funding within the national budget.

The allocations shown in Table 2.2.1 are in Rp. $\times 10^9$. The total *Inpres* budget for 1990/1991 was Rp. 2.332×10^{12} . The total development budget for the period was Rp 16.225×10^{12} . *Inpres* was thus 14.4 percent of the development budget.

2.2.6.2 *Inpres* Regulations

The basic regulations concerning the *Inpres* process are contained in a collection of laws. These are available in a book entitled "*Himpunan Perundangan Program-Program Inpres*" or "Collection of Laws on the *Inpres* Programs", published in 1992 by the Directorate General of Regional Development. The regulations given in Table 2.2.2 are contained in this collection.

Type of Inpres	Bahasa Indonesia	1990/1 funds	Purpose	Through
<i>Inpres</i> Regional 1 (Block)	<i>Inpres Dati 1</i>	486.6	Provincial roads and bridges Irrigation inc. maintenance upgrading and repair Other regional efforts for the benefit of the nation	<i>Dati 1</i>
<i>Inpres</i> Reforestation	<i>Inpres Reboisasi</i>	33.1	Planting trees Nurseries Forest land use planning	
<i>Inpres</i> Regional 2 (Block)	<i>Inpres Dati 2</i>	391.8	Communications infrastructure Production infrastructure Environment quality improvement	<i>Dati 2</i>
<i>Inpres</i> Primary Schools	<i>Inpres Sekolah Dasar</i>	521.7	New buildings Classrooms and equipment Head teacher's houses Building rehabilitation Caretakers' houses Book supplies Sports supplies	<i>Dati 2</i>
<i>Inpres</i> Health Facilities	<i>Inpres Sarana Kesehatan</i>	188.6	Medicine supplies Health centre development (including Health sub-centres) Mobile health centre supplies Doctors' motorcycles Bicycles for paramedics Village water supplies Village sanitation	<i>Dati 2</i>
<i>Inpres</i> Road Support	<i>Inpres Penunjang Jalan</i>		Road mending Bridge repair	<i>Dati 2</i>
	(province)	206.9	Road surfacing	
	(district)	472.5	New bridges	
<i>Inpres</i> Regreening	<i>Inpres Penghijauan</i>		Agro/soil conservation trials Erosion control structures Grass and tree planting	<i>Dati 1 & 2</i>
<i>Inpres</i> Village (Block)	<i>Inpres Pembangunan Desa</i>	180.6	Village projects prioritised by village people Village projects supporting womens activities	<i>Camat</i>

Table 2.2.1 *Inpres* Categories, Purposes, Funding and Channels

<i>Inpres</i> Category	<i>Inpres</i> Regulation
Regional Level 1 & 2 <i>Inpres</i> Grants	<i>Inpres</i> 6/1984
Regional Level 2 Block <i>Inpres</i> Grants	<i>Inpres</i> 5/1983
Primary School <i>Inpres</i> Grants	<i>Inmendagri</i> 3/1989
Health Infrastructure <i>Inpres</i> Grants	<i>Inmendagri</i> 9/1986
Greening and Reforestation <i>Inpres</i> Grants	<i>Inmendagri</i> 17A/1989
Development Credit and Market Restoration <i>Inpres</i> Grants (now discontinued)	<i>Inpres</i> 10/1983
District Roads <i>Inpres</i> Grants	<i>Inmendagri</i> 22/1984

Table 2.2.3 *Inpres* regulations

2.2.6.3 The *Inpres* Process

Requests for *Inpres* funding come from the "bottom-up" planning process. Requests for funding for village projects are discussed in the villages during March and April and passed onto the *Rakorbang* consultations between May and August. Requests for *Inpres* funding for Level 1 and 2 projects will be discussed at the *Rakorbang* consultations. All requests are screened during these consultations and are passed on to national consultations in November and December. The Directorate-General of Regional Development plays a major role in coordinating *Inpres* allocations in discussions with *Bappenas* and the Department of Finance during the last two months of the year. Consultations are also made with sectoral departments at this stage on the technical suitability of the project proposals.

Following the President's Budget Speech in January, *Bangda* is responsible for assisting provinces to prepare DIPDA (*Daftar Isian Proyek Daerah* - literally regional approved project lists) which includes the *Inpres* project allocations. Provinces will assist districts to do the same. Funding is available usually from April onwards (although sometimes not till June/July) and is drawn through state cash offices in the regions via: *Bank Rakyat Indonesia* for most parts of the country; *Bank Expor Impor Indonesia* in Irian Jaya; and *Bank Dagang Negara* in East Timor.

Sectoral departments' involvement in *Inpres* are shown in Table 2.2.4.

2.2.7 Regulations for Regional Autonomy

There are many regulations regarding regional autonomy. They define the way regional governments can act, and the measures for which they are considered responsible. This includes the ways they are allowed to raise revenue locally. A list of these mechanisms has already been given in Section 2.1.6.2. The one regulation with which foreign project staff in the regions are strongly advised to become familiar, is *Undang Undang* No. 5 of 1974. This is entitled "Basic Principles on Administration in the Region" (*Pokok-pokok Pemerintahan di Daerah*). It defines many of the terms used frequently in the regional context and provides the basis for all regional structures. It defines the responsibilities of regional heads (ie. Governors and *Bupati*) and of the Provincial and District Assemblies (DPRD1 and DPRD2). It also defines the basis for regional revenue raising. UU 5/74 is available in English from the Department of Home Affairs.

Department/Official	Role in <i>Inpres</i>
Home Affairs	Control and guidance of the implementation of <i>Inpres</i>
Finance	Supply and control of funds
Public Works	Technical control and guidance for roads/water resources/buildings under <i>Inpres</i>
Agriculture	Technical control and guidance for agricultural inputs to environmental protection
Forestry	Technical control and guidance for forestry inputs to environmental protection
Education and Culture	Technical control and guidance for primary school developments in <i>Inpres</i>
Religion	Technical control/guidance for religious school development in <i>Inpres</i>
Health	Technical control and guidance for all health services under <i>Inpres</i>
<i>Bappenas</i>	General planning of <i>Inpres</i> , ensuring it synchronises with other programs
Population and Environment	General control and guidance of environmental protection activities under <i>Inpres</i>
Minister for State Apparatus	Expertise development in <i>Inpres</i> (shared with BAPPENAS)
Minister for the Role of Women	Coordination of planning and programming for the PKK programs in <i>Inpres Desa</i>

Table 2.2.4 Organisational Roles in *Inpres*

2.2.8 Regulations Issued by The Minister of Home Affairs

Every year hundreds of regulations are issued by the Department to cover the many facets of regional development. They are usually available at the beginning of the following year. The following are useful collections: they are only available in *Bahasa Indonesia*:-

"*Himpunan Peraturan Tentang Pemerintahan Di Daerah*" - Collection of Regional Administration Regulations. Penerbit Jembatan, Jakarta 1986.

Although this only covers regulations made between 1970 and 1986, it is still considered by many regional and central officials to be the standard work on regional administrative regulation. Most regulations in this volume emanate from the Minister of Home Affairs.

"*Himpunan Peraturan Pemerintahan Daerah 1988 - 1991*" - Collection of Regional Administration Regulations from 1988 - 1991. CV Eko Jaya, Jakarta, 1992. This covers many of the areas missed in the Jembatan volume. Most regulations in the volume come from the Minister of Home Affairs.

"*Peraturan Perundangan-Undangan Tentang Pemerintahan Daerah dari Tahun 1945 s/d 1983*" - Laws on Regional Administration Between 1945 and 1983. PT. Eresco-Tarate, Jakarta/Bandung, 1983. This only covers major laws and government regulations on regional administration, made between 1945 and 1983. The laws and regulations are given verbatim, with explanatory text.

"*Koordinasi Sistem Pemerintahan Daerah*" - Coordination of the Regional Administration System. Bina Dharma Pemuda, Jakarta, 1990. This is a collection of regulations concerning various aspects of coordination between the many agencies working in the regions, with examples of regulations made to covers specific coordinating circumstances. Regulations in this collection are made by the President, the Minister of Home Affairs and the DPR.

"*Himpunan Peraturan-Peraturan Tentang Penyerahan Urusan Pemerintahan Pusat Kepada Daerah*" - Collection of Regulations on the Transfer of National Administrative Functions to the Regions. DJ PUOD, 1981. This collection traces the transfer of powers from the national government to provinces between 1950 and 1980.

"*Kitab Undang Undang Pemerintahan Daerah*" -The Book of Regional Administration Law. Bina Aksara, Jakarta, 1985. This book provides a major commentary on *Undang Undang 5/1974* on regional administration, and on its equivalent for village administration, *Undang Undang 5/1979*. Also included are many other regional and village regulations, plus a comprehensive list of regions at Levels 1 and 2.