

Process of Development of Local Government Capacities North Konawe District, Southeast Sulawesi Indonesia: A Perspective Governance

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Abstract: *The purpose of this study was to analyze stakeholder identification processes, initial capacity assessment, formulation of actions, and implementation of selected actions in capacity building of local governments in North Konawe, Southeast Sulawesi, Indonesia. This qualitative case study involved fifteen participants including upper and middle level leaders and staff in five local government organizations as informants. The collected data was analyzed by an interactive model of qualitative analysis procedures which included condensation of data, presentation of data, and conclusion. The study found that the process of developing local government capacity does not follow a continuous spiral cycle. In the process, there is no comprehensive stakeholder identification and initial capacity assessment involving multi-stakeholders, the formulation of actions is not based on the results of initial capacity assessment, and implementation of selected actions is not fully supported by responsible behavior and compliance with ethical norms that can facilitate capacity growth. The partial process of developing the capacity of local governments more reflects the interventionist and closed traditions of traditional public administration.*

Keywords: capacity building; governance; identification of stakeholders; capacity assessment; formulation of action; implementation

1. Introduction

The capacity building of local governments has been recommended to be the core agenda of developing country development for decades. Hope (2009: 79) suggests that only through capacity building, local governments in developing countries can implement more effectively the new roles carried out by a systematic and massive decentralization process. However, capacity gaps remain a serious problem in the country. Garfias (2015: 1) and Shair-Rosenfield et al. (2014: 90) shows that the level of capacity available in regional governments is currently lower than required. For this reason, according to the analysts, it is now difficult to expect effective and equitable public services and sustainable public sector performance in the country.

Recommended local government capacity building initiatives for developing countries are diverse. But, according to Bhagavan and Virgin (2004: 1-2), the recognition of the superiority of the capacity building model directed by the governance perspective has expanded since the past decade. One model of government capacity development in this perspective is an integrated system model from the United Nations Development Program (UNDP). The integrated system model of UNDP (2009: 21-22) focuses on five functional capabilities that are central to development outcomes, namely the capacities to access situations and define visions; formulate policies and strategies; evaluate; involving stakeholders; and compile, manage and implement the budget. The five functional capabilities interact with each other through the process of identifying stakeholders, assessing initial capacity, formulating actions, and implementing.

Research that investigates the effectiveness of processes / activities and outcomes of capacity building in local governments in developing countries include Vincent and

Stephen (2015), Ngure and Njiru (2013) and Arezki, Quintyn and Toscan (2012). However, these empirical studies, besides showing inconsistent findings regarding processes and capacity development outcomes, also show that development initiatives that work well in a particular location often do not work well in other locations. Actually, UNDP (2008: 17-18) has from the beginning reminded that the development of local government capacity in its essence is context-driven. On this fact, the science of public administration still needs to expand empirical studies on developing the capacity of local governments in the perspective of governance in developing countries.

The Indonesian government began to formulate a general framework for developing the capacity of local governments since 2012 through Presidential Regulation (PR) Number 59 of 2012 concerning the National Framework for Regional Government Capacity Development. The Presidential Regulation directs local initiatives to develop policy, institutional and human resource capacities. The framework for developing capacity in the Presidential Regulation is more advanced than the framework for the period 1999-2011 which focuses on vision and mission, human resources, and organizational structure. However, both are directed by the same perspective namely traditional institutional development. Meanwhile, the State Administration Institutions study (2014: 1-4) in a number of districts showed that the process of developing local government capacity during the previous period was partial and did not succeed in creating the desired capacities.

North Konawe Regency, Southeast Sulawesi, is a new autonomous region that designs and implements regional government capacity building initiatives in accordance with Presidential Regulation No. 59 of 2012. Local government stakeholders, namely the government, the private sector and

civil society all expect the process of capacity building to create five capabilities functional which is central to development outcomes as assumed in the UNDP model (2009: 21-22). However, the science of public administration has not conducted a comprehensive empirical analysis of the process. The main objective of this paper is to analyze the process of developing the capacity of local governments in the perspective of governance in North Konawe Regency during the 2016-2018 period. Therefore, the first part of this paper will present a review of relevant literature, and the last section makes an assessment of the process of developing the capacity.

2. Literature Review

Local government is a public administration entity because, according to Shah & Shah (2006: 1), it is an extension of the executive branch. Like general public administration, the operation of the regional government for a long period of time in the past was directed by a traditional interventionist perspective. Islam (2015: 141-2) says that the tradition of interventionist public administration was put in place by Wilson and Weber in the early 20th century. Since 1990, public administration has begun to rely on the governance paradigm. According to Bovaird and Löffler (2005: 6), governance refers to the way in which state stakeholders, civil society organizations and the private sector, interact with one another in order to influence outcomes of public policies. First adopted formally in the 1989 World Bank Report, now governance has become a public sector reform agenda in many developing countries (Bovaird and Löffler, 2005: 8).

Effective governance, according to Harper (2006: 1-2), requires capacity building. The definition of capacity, according to Milen (2001: 12), is the ability of a system to carry out its functions. In the realm of local government, the essence of capacity can be traced to the idea of state capacity, defined by Kjær and Hansen (2002: 7) as the ability of regions to formulate and implement strategies to achieve economic and social goals in society. Capacity development, according to Morrison (2001: 42), includes the process of carrying out a series of multi-level changes in individuals, groups, organizations and systems, in order to strengthen the ability to adapt to environmental changes. GTZ (2003: 17) suggests that developing capacity as a process can occur forever because of conditions that will continue to change in every government.

The governance approach to developing government capacity, according to Bhagavan & Virgin, 2004: 1), seeks to encourage the creation of an enabling environment, which includes the political, economic, social and cultural contexts that support where the values of pluralism and participation can grow and have strong roots. Focusing on the enabling environment, the governance approach recognizes that capacity building is a process of positive growth and change that runs continuously, not just the creation of a product. One of the governance-based capacity building models is an integrated system model from UNDP. The UNDP Model (2009: 8-9) first identifies three points that are relevant for capacity building, namely in an enabling environment, within organizations, and for individuals. Capacity

development must include the transformation process of a set of functional capabilities that run simultaneously at these three levels.

The process of developing local government capacity, according to the UNDP open system model (2009: 21-22), follows a spiral cycle that includes stakeholder identification, initial capacity assessment, action formulation, and implementation of selected actions. The stakeholder analysis phase includes talking to each other and listening to each other to be able to map the level of importance and influence of each stakeholder. Initial capacity measurement includes establishing baselines for available capacity assets and also the desired capacity level. Action formulation involves developing short-term activities to deal with capacity gaps. Implementation is the stage of realizing selected actions with organizational support and effective operational management. The assumption of this model is that, after the process lasts for a certain period of time, the capacity of the local government will experience positive changes. However, in line with changes in the functions of the regional government, a new development response will be needed so that capacity building will enter a new stage.

3. Methodology

The study was conducted using qualitative design. The research is located in the North Konawe District government organization, Southeast Sulawesi Province, Indonesia. Case studies are applied to exemplify organizations that carry out capacity building actions. The five organizations selected as samples are the Regional Development Planning Agency (RDPA), the Human Resources Development and Human Resources Agency (HRD&HRA), the Inspectorate, the Regional Financial and Asset Management Agency (RFAMA), and the Community and Village Empowerment Service (CVES). The data collection method used consists of interviews, observation, and document studies. The research informants were 15 people, consisting of upper and middle level leaders and staff involved in the process of developing local government capacity in the five organizations. The documents used consist of the Regional Medium Term Development Plan (RMTDP), Strategic Plan (SP), Regional Development Work Plan (RDWP), and Work Plan (WP). Data analysis begins with condensation of data, then presenting data, and finally drawing conclusions.

4. Results and Discussion

Capacity building of the regional government in North Konawe District was elaborated from the sixth mission of regional development in 2016-2021 namely to realize good and clean regional and village governance. From the mission the regional government reduced 25 points of capacity development policy direction, seven of which were oriented towards developing enabling environmental capacity, fourteen others in organizational capacity, and four more in individual capacity. The following are four stages of the process of developing the capacity of local governments in a governance perspective. The four stages provide a cyclical spiral model for the transformation of functional capabilities in an enabling environment.

a) Identification of Stakeholders

The observed capacity building activities consist of: (1) synergy of corporate social responsibility in RDPA; (2) preparation of a roadmap for the development of state civil apparatus in HRD&HRA; and (3) drafting regional regulations on regional revenue and expenditure budgets in RFAMA. All activities are oriented towards developing possible environmental capacities. However, there is no comprehensive stakeholder analysis to identify and define stakeholder characteristics and describe the interests of stakeholders with regard to the objectives of the activities or problems that are to be addressed through these activities. Responsible officials try to define targets, target groups, volumes, budgets, and activity performance indicators by coordinating with fellow government elements that are considered relevant and guided by applicable regulations. Private stakeholders and the general public are not involved in these processes.

b) Initial Capacity Assessment

The profile of the initial capacity of the local government is illustrated macro in the RMTDP. However, local government organizations do not have detailed evidence-based elaboration and do not document the initial capacities at the possible environmental level, organizations, or individuals. This situation is a consequence of not identifying stakeholders at an early stage. In all organizations, the initial status of capacity is only described in general in unmeasured phrases, such as low competency of human resources, behavior of people who pay less attention to environmental aspects, low infrastructure conditions and accessibility, and not optimal productivity. The initial general assessment of capacity was carried out internally by local government organizations, not through a process of mutual conversation and listening involving the three elements of solder government of the regional government.

c) Action Formulation

Capacity building actions in five local government organizations in the 2016-2018 period included 92 annual activities. All documented activities in the Work Plan. The formulation of activities is carried out in an integrated manner with a gradual process of drafting the work plan. The stages of drafting refer to the Regent's circular letter. However, substantial activities in the stages of drafting the Work Plan are not always carried out systematically and comprehensively. The actors tend to choose to carry out activities that are considered efficient. Compared to the use of participatory and collaborative approaches, technocratic approaches tend to be dominant in drafting the work plan. The Regional Work Unit (RWU) forum is dominated by government elements as representatives of RWU. The involvement of the private sector and society at large, besides being considered ineffective in providing useful input, has also not been supported by the availability of strong regulations. However, the formulation of actions through technocratic processes does not refer to the results of the initial capacity assessment.

d) Implementation of Selected Actions

The chosen action of capacity development in the form of annual activities is implemented by implementing devices

that are legally determined by official decisions. The implementing device consists of commitment-making officials, technical responsible officials, procurement officials, and committee / official recipients of work results. The implementation of activities also includes the use of a number of work plan and budget forms as well as documents on the implementation of nationally determined budgets. However, some implementers do not adhere to generally accepted ethics in carrying out actual implementation actions such as communication and coordination, planning activities, compiling costs, contracting, and carrying out activities. Internal monitoring reports often document disorderly behavior and manipulation of resources to pursue personal gains in implementation such as appointment of officials who do not meet objective requirements, budgeting that exceeds the set standard price unit, and shorten the time of implementation of activities.

Data shows that a series/ spiral cycle of local government capacity building activities, which include stakeholder identification, initial capacity assessment, formulation of actions, and implementation of selected actions, are not taken consistently and comprehensively. Identification of stakeholders, as an initial step in the spiral cycle of capacity building activities, is not carried out comprehensively. In fact, the strategic planning literature has provided a number of scientific tools to carry out stakeholder analysis, for example strength, weaknesses, opportunities, and threats (SWOT) analysis, and political, economic, social, technological, legal, and environmental issues. Identification of stakeholder capacity development is only based on a commonsense approach, carried out by internal stakeholders of local government organizations as in the interventionist tradition and covered by traditional public administration.

Capacity building actors in local government organizations do not conduct initial capacity assessments systematically and comprehensively. Furthermore, the perpetrators did not document a comprehensive and detailed baseline data regarding the initial capacity in various dimensions and parameters. Actors only document general regional capacity issues that are not accompanied by adequate technical narratives. Consequently, local government organizations do not have a clear starting point to discuss the desired level of capacity in the future as well as gradually measure progress after capacity building efforts. The importance of this initial capacity mapping has been recommended in the current Neo Weberian State model of public administration reform from Pollitt & Bouckaert (2011: 76-77) in order to put a clear trajectory so that capacity building initiatives do not lead to a utopia.

Formulation of capacity building actions focused on local government organizations and played by internal stakeholders without referring to the results of the initial capacity assessment. In this process, internal stakeholders choose the stages of activity according to the logic of efficiency but ignore inclusiveness and collaborative values. The formulation of local government capacity building actions still resembles the tradition of traditional public administration. Practices such as this deny the rights of private sector stakeholders and the community to be involved in the social learning process and policies as

assumed in the governance-based capacity development model of UNDP. The capacity building model of governance based on local government from UNDP (2009: 21-22) considers it important to involve all stakeholders to talk and listen to each other in collaborative forums.

Implementation of capacity building actions of local government has been paying attention and guided by existing regulations and technical norms regarding communication and coordination, activity planning, budgeting, contract development, and implementation of activities. However, the existence of forms of disorderly, undisciplined behavior and the pursuit of personal benefits in implementing capacity building activities provide empirical support for Hupe's thesis, Nangia and Hill (2013: 4-5) about incongruent implementation as a general phenomenon in developing countries. Local government capacity building actors have not been fully aware of the fidelity of implementation as outlined by Nelson et al. (2012: 4-5).

The capacity building process of local governments in North Konawe District is not in accordance with the open system model of UNDP (2009: 21-22) which includes a four-stage spiral cycle that runs systematically, namely stakeholder identification, initial capacity assessment, action formulation, and implementation of selected actions. By taking part in the capacity building process, the internal stakeholders of the regional government do not carry out the interaction process in governance as suggested by Pierre and Peters (2005: 6), and do not improve governance by involving the public in democracy and educating citizens as stated by Gaebler and Miller (2006: 18). The capacity building process does not reflect the pillar of "think strategically, act democratically" from the recommendations of new public services for public administration theory from Denhardt and Denhardt (2007: 42-43).

5. Conclusion

The process of developing local government capacity does not follow a continuous spiral cycle. In the process, there is no comprehensive stakeholder identification and initial capacity assessment involving multi-stakeholders, the formulation of actions is not based on the results of initial capacity assessment, and implementation of selected actions is not fully supported by responsible behavior and compliance with ethical norms that can facilitate capacity growth. The partial process of developing the capacity of local governments more reflects the interventionist and closed traditions of traditional public administration.

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