Administrative Region Proliferation and a Conflict of Interests on Public Bureaucracy Distribution in Indonesia

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Abstract—This study aims to describe, analyze, and assess in depth the implementation of administrative region proliferation and a conflict of interests in the regulation of the public bureaucracy in Indonesia. The intended public bureaucracy is institutional arrangement and placement of regional apparatus in Pangandaran Regency, West Java, Indonesia. This study uses a case study approach as a qualitative method by interviewing 12 participants involved in administrative region proliferation of various types of work. The research examines the existence of a conflict of interest in institutional arrangements and placement resources of the apparatus in the new administrative regions. This study found that there has been a conflict of interests that led to a lack of development in the new administrative regions, especially the arrangement of bureaucracy. The findings are as follows: (A) insufficient understanding on the preparation of institutions, members, duties and functions, visions, and missions in running the government; (B) limitations of regional human resources both in terms of education and rank; (C) information technology, one of which is to establish networking; (D) the system of delay has not been implemented, making abuse of power happen in almost all bureaucracies. Theoretically, this study is expected to strengthen the theory on the conflict of interest related to administrative region proliferation. On the other hand, the expected role of the government is to regulate and manage the bureaucracy in the new administrative regions by creating special laws and policies.

Keywords—administrative region proliferation; conflict of interest; public bureaucracy

I. INTRODUCTION

The new era or the decentralization era symbolizes the shift of some of the authorities from the central government to the local government. Decentralization is manifested in the form of regional autonomy as the basis of self-esteem returns of the government and local communities; the central government no longer influences or controls the local governments. The role of the central government in decentralization covers activities of supervising, monitoring, and evaluating the implementation of regional autonomy. This is not easy, yet, the local governments are not working alone. Therefore, regional autonomy requires an effective mix of clear vision and strong leadership of the central government, with the policy supporting the creativity and initiative from local governments as the regional autonomy vision. Regional autonomy also means the opportunity to build a government structure appropriate to the needs of the region, to develop a competitive political and administrative career system and pattern, and to develop an effective government management system [1].

Throughout the 20 years of regional autonomy, regional demands are getting higher, especially the demand for new administrative regions in Indonesia. Basically, the policy on administrative region proliferation is a new design in regional autonomy policy in Indonesia, deemed capable of providing the best service for the society. On that basis, the demand of administrative region proliferation in Java and other places is triggered by some reasons. First, it is the effectiveness or efficiency of government administration related to the vast area of the region, growing population, and lagging in developmental aspects. Second, there is the tendency for homogeneity (ethnics, languages, religions, urban-rural, income levels, and so forth.) Third, it is related to the existence of fiscal satisfaction guaranteed by law (funds allocation known as the General Allocation Fund) on the natural resources, and the provision of Regional Original Income resources. Fourth, it deals with the bureaucratic and political rent-seeking motifs of the elites [2].

On that basis, the number of regencies or cities is growing, as presented in the following table:

| TABLE I. THE DEVELOPMENT OF NEW ADMINISTRATIVE REGIONS IN INDONESIA IN 1999-2018 |
|---------------------------------|-----------------|-----------------|-----------------|
| Number of Autonomous Regions    | 1999 | 2014 | Proposed 2018  |
| Number of provinces            | 26   | 34   | 38             |
| Number of regencies            | 234  | 420  | 620            |
| Number of cities               | 59   | 94   | 124            |
| Total number of autonomous regions | 319 | 548  | 772            |

Source: Ministry of Home Affairs of the Republic of Indonesia, 2018
Table 1 shows that more than 20 new autonomous regions are formed in the last 20 years—from 26 provinces to 34 provinces (2.9%) and from 319 regencies/cities to 548 regencies/cities (65.2%), and there are new 4 regions proposed in 2018 and 314 regencies/cities in Indonesia.

After the establishment of the policy on administrative region proliferation, various studies have concluded that the policy has failed. This is because the implementation of administrative region proliferation has not yet addressed the wealth of the society nor increased service to the community. Administrative region proliferation seems to lack of good planning; it seems to put subjectivity, primordialism, political parties, and interests of the local and national elite as the main basis [3,4].

Several issues of administrative region proliferation found by the Ministry of Home Affairs in 2018 are listed as follows:

- Quality of local human resources is far from expectation related to education, experience, performance standards, regulatory understanding, and the placement of offices and officials are not in line with their competence.
- The limitation of the new administrative regions in formulating the missions, main tasks and functions, as well as the low ability to manage governance.
- The new administrative regions show poor performance and there have been practices of corruption in the regions.
- The many new administrative regions affect the development funds allocated from the budget. In 2002, it was IDR 1.33 trillion, then in 2003 increased to IDR 2.6 trillion, and in 2010 it reached IDR 47.9 trillion, and IDR 76.9 trillion in 2014.
- Geographically and based on the total population, there has been no clear requirement for the establishment of new administrative regions, such as population of 12,000 people.
- Only 20 percent of the new administrative regions were successful. Meanwhile, 80 percent was less successful and showed many problems.
- The quantity and quality of offices and civil servants were far beyond expectations, whether in terms of education, experience, work ethics or the provision of regional regulation.
- The conflict of elite interests and communities in the implementation of new autonomous regions.

As a new autonomous area, Pangandaran Regency gradually develops regional bureaucracy and placement of human resources. The process results in a conflict of interest among individuals, groups, local elites, and conflicts in determining and placing strategic positions in the region. The problems are listed in Table 2.

Table 2 shows the impact of administrative region proliferation in Indonesia, especially related to the conflict of interests in the management of public bureaucracy in the new region, i.e. Pangandaran in West Java. The problems include the determination of official positions, the election of the regent, differences in views between the Regent and the Board of Administrative Region, the placement of local civil servants, the determination of regional secretaries, the determination of the Heads of the Local Government Work Units, and the recruitment of civil servants.

Based on the above description, it can be assumed that the newly formed regions poses new problems and has not functioned as expected in line with the objectives, i.e. prosperous, increased levels of service, and good governance.

II. LITERATURE REVIEW

Decentralization is a management system that is contrary to centralization. If centralization is a centralized management, decentralization is the transfer of authority from central to local government. Rondinelli and Cheema state decentralization is the delegation of responsibility of certain functions to organizations outside the bureaucracy structure of the government and is impeded by the central government directly [5].

Decentralization according to Smith is a political phenomenon involving administration and government [6]. Decentralization is the delegation of power to lower levels. It is one of the hierarchies of government in the state government or the level of officials in large organizations, whereas in general, decentralization is divided into two, namely territorial or regional decentralization and functional decentralization. Functional decentralization means delegating power to functional (technical) organizations that are directly related to society.

The idea of administrative region proliferation in almost all territories in Indonesia cannot be stopped. Some districts in a region turn into a regency/city that separates itself from its parent regency/city and there are several regions/cities that merge into a new administrative region. The idea of administrative region proliferation is successfully realized.

**TABLE II. THE CONFLICTS OF INTERESTS IN PANGANDARAN AS NEW ADMINISTRATIVE REGENCY**

<table>
<thead>
<tr>
<th>Conflicts</th>
<th>Conflicts of Interests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Election of the Regent</td>
<td>Between the Governor and the Board of Administrative Region</td>
</tr>
<tr>
<td>Determination of Official Position</td>
<td>Between the Regent and the Main Regency</td>
</tr>
<tr>
<td>Determination of Official Institutions</td>
<td>Between the Regent and the House of Representative of Ciamis</td>
</tr>
<tr>
<td>Determination of Civil Servants</td>
<td>Differences in efficiency and effectiveness</td>
</tr>
<tr>
<td>Mutation Process</td>
<td>Differences with the main institutions</td>
</tr>
<tr>
<td>Employee Recruitment</td>
<td>Tendency to recruit family members of the staff</td>
</tr>
<tr>
<td>Determination of Programs</td>
<td>Differences with the Pressdum</td>
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</tbody>
</table>

Source: Staff of Pangandaran Regency 2018
However, there are obstacles to fully achieve the ultimate goals.

Administrative region proliferation according to Gabrielle Ferrazzi can be seen as part of the process of regional arrangement, i.e. the size and hierarchy of the local government to achieve both political and administrative goals [7]. Regional constituencies generally include division, merger, and elimination of administrative areas. According to Ferrazzi, the grand strategy of optimal regional autonomy does not stop at determining the number of ideal autonomous regions in a country; it should be able to answer the essence of autonomous regions [7]. Thus, we will finally find the purpose the administrative region proliferation (in the context of the territorial reform).

According to Kosworo, administrative region proliferation is the implementation of the decentralization principle, especially territorial decentralization [8]. Territorial decentralization is the power given by the government to a common body such as a self-governing federation to build a whole interconnected interest from the population groups within a particular region.

One of the important aspects hindering the success of the new administrative region to become an autonomous region is the arrangement and management of the institutions carrying out the duty and regional development. The concept to analyse this is the institutional capacity. The concept of institutional capacity refers to the strategic approaches in development plans in establishing good governance based on: (1) capacity in carrying out policies and functions of government; (2) responsibility and transparency in decision making; (3) participation in the democratic process; (4) cares about poverty and equality; and (5) commitment to a market-oriented economic basis. In order to respond to regional readiness in administrative region proliferation, we can refer to Keban’s view on efforts to strengthen the capabilities of regions and cities, either as an institution or as an individual [9]. As an institution, the development capability includes: (1) basic formulation, (2) organizational design, (3) management approach (4) moral and ethical work, and (5) accountability. As an individual, the development capability includes: (1) ability to work in accordance with job demands; (2) ability to face the future; (3) construction of motives in accordance with job demands; (4) personal development.

The administrative region proliferation can create institutional conflicts related to the number of institutions and ideal conditions in the institutions. The local government as an institution is a political decision that reflects the interests of the institution, while in the process of making a foundation for the institution is also full of interests of different parties. To find out how political institutions operate and how important decisions are made, the most relevant informants are political elites [10]. Elite is defined as those who relate to, or have, important circumstances. Political elites are related to how one’s power influences the making of the government foundation [11].

Relationships of elite and the conflict of interests can be analysed from Interest Conflict Theory that in conducting activities, each party has an interest [12]. Without any interests, the parties will not be able to establish cooperation. The emergence of this conflict is competition in feelings or actions, material interests from the parties, procedural interests, or psychological interests. The interest of the elite can be analysed from the perspective of the elite actors. The perspective of Gaetano Mosca sees that circulating power in society has two prominent classes [13]. First, the ruling class, which consists of a few people falsely acting on political functions, monopolizes power, and enjoys the benefits of power. Second, the class that is governed, which has more people, is directed and controlled by the authorities in ways that are more or less based on the law, everything and coercion.

The next perspective is by Vilfredo Pareto. Pareto defines elites in two ways [14]. The first is defined in a general way. To explain the meaning of the elite, Pareto invites to observe the life of the community with all kinds of activities in it.

The elite interests and structures explained above can be interpreted as a basic determinant, none other than the Regent or Mayor who has power in the institutional structure. Institutional conflicts can be caused by the factor of interests starting from the difference of ideas on the role, structure, duties, and number of regional institutions.

III. RESEARCH METHODS

A. Research Type

This study applied a qualitative approach with a descriptive analysis method. This qualitative approach allowed the emergence of subject to subject communication and a shared understanding of social phenomena by researchers and participants [15]. A qualitative methodology has been a basic methodology in government science research [16]. According to Gordon [17] and Strauss and Corbin [18], qualitative research has been widely used in social research whereby it reflects the study of community life, history, behaviour, as well as on organizational functions. The qualitative approach aims to collect and to analyse the descriptive data in the form of both writing and oral expression of people as well as observed behaviour. Moreover, the research problem will be answered through the explanation of research questions based on the data in the field that have been interpreted with the theory approach formulated in the debateable theory. There are at least two fundamental factors that must be done by a researcher for various research experiences. Firstly, the researcher has to construct arguments for obtaining and selecting data, and secondly, interpret and summarize the findings. This study is purposely designed to be able to "get the data once it has been interpreted", based on the research problems without ignoring the consideration to minimize the subject's refracton sensitively.

B. Data Sources

Primarily, the data consisted of the results of direct observation at the research location including the reports on regional performance, reports from the Central Bureau of Statistics (BPS) on each Regional Government Agency (SKPD), Ministry of Home Affairs’ and Governors’ decisions regarding the decisions of the regent, regent’s decree (SK) on
the determination and arrangement of SKPD, decree on
echelon regulation, decree on SKPD determination, placement
decree of employees, and decree concerning the regional
structure.

Meanwhile, the secondary data consisted of the results of
direct interviews with some sources of information
(participants), which consisted of the Regent, Secretary,
Expedition Presidents, and Heads of SKPD, several
representatives of relevant officials, Community Leaders,
Academiencies, NGOs, and citizens. Lastly, the other source of
data came from district archives, district conditions before and
after the regional division, the district original documents, and
other data related to the research problem.

C. Research Scope

The scope of this study was Pangandaran Regency, West
Java Province. Pangandaran was chosen as the study site due to
the wide region of Ciamis [19].

D. Data Collection Method

Data collection was done by applying semi-structured
interviews such as observing community participation
(participant observation), reviewing documents based on
sources and data types, and conducting field reviews with
direct observation regarding the research issues and social
interactions. The words were arranged by action while
comparing written sources (the documents), field notes, maps
and statistical data. Furthermore, the data collected would then
be processed through the following activities: (1) preparation
of units, (2) categorization by determining the categories of the
obtained data, and (3) putting the data in their respective
categories.

E. Data Analysis Techniques

The data analysis in this study revealed the data to be
discovered, the hypotheses to be tested, the questions to be
answered, the methods to be used to find new information, and
the errors that should be corrected [20]. Data testing was done
by using the triangulation technique, by doing check, recheck,
and cross-check to the obtained data [21]. The triangulation
technique is a data matching procedure through several
different sources to obtain the valid data. It could be done on
several important aspects of data such as data sources, methods, investigations, and theories. Triangulation that used
the sources was done by (1) comparing the research data with
the result of the interviews; (2) comparing what people have
said in public with what they have said personally; (3)
comparing what people say about the research situation with
what people say all the time; (4) comparing one's statement and
perspective with the opinions and views of others; and (5)
comparing the results of interviews with the contents of a
related document. The triangulation method was done by
synchronizing the first data with the second data, with the third
data and so on, and going back to the first data, respectively.
Technically, each of these data would be cross-checked with
the other data to ensure the accuracy and veracity of the data.

IV. RESULTS, DISCUSSION, AND CONCLUSION

A. Implementation of Administrative Region Proliferation

The constitutional base for the implementation of
administrative region proliferation in Indonesia and the
demands of the community are services available and welfare
evenly distributed in each region. In the administrative region
proliferation, an important aspect in institutional arrangement
is the management of new autonomous regions and the
importance of the role of these aspects in order to work well in
accordance with the vision, mission, and duties for good
governance, so that the new administrative regions can run and
progress well.

The implementation and formation of new administrative
regions and the organization of regional government run by
regional officials cannot be separated from work procedures in
accordance with the laws and regulations. Work procedures in
this context are associated with the proliferation process of
Pangandaran Regency. In the proliferation process, it was only
formal in nature, referring to the Law Number 23 of 2004 [22]
and the Government Regulation Number 78 of 2007 [23], in
which the indicator score of 350 from the score of population
indicators of 95, the score of economic capacity indicators of
85, the score of economic potential indicators of 90, and the
score of the financial ability indicators of 80 as the
recommendation of Pangandaran Regency for proliferation.
The regulation has not yet become a strong basis for the new
administrative region to become an advanced region because it
denies the institutional and regional aspects of the region. In
the implementation of the proliferation of Pangandaran
Regency, it prioritizes the interests of the elite and society. This
happened because the rules in proliferation process are very
weak and put forward formality.

The weak and formal proliferation rules affects to the
implementation of governance in Pangandaran Regency—it is
far from the principles of regional autonomy. First, at
the beginning of the administration, Pangandaran Regency
government focused on transferring personnel and filling in
regional apparatus from the parent regency to Pangandaran.
Second, the organizational structure of the Pangandaran
Regency government has not fully optimized service to the
community; it is necessary to have a maximum SOPD
arrangement. Third, the licensing service and other public
services have not yet been synergized. Fourth, there have been
delays in the preparation of KUA PPAS in 2014 due to the late
establishment of SOPD and placement of staff in July 2013 and
the unknown amount of budget to be received in 2014. Fifth,
there have been limitations of office equipment and supplies at
the Regional Secretariat, Regional Offices, and Regional
Technical Institutions. Sixth, there have been difficulties and
obstacles in the preparation of programs, activities, and budget.
Seventh, there has been weak information system because it has
not maximally utilized information technology, one of which is
in networking organization. Eighth, the system of
accountability has not been implemented, making the abuse of
authority in the region increasingly widespread, which results
in inefficiency, leakage or corruption, collusion, and nepotism,
which is detrimental to the region. Ninth, the officials seem to
not communicate well with the community, especially the Pangandaran Presidium, which triggered conflicts of interest.

B. The Conflict of Interests in Bureaucratic Arrangement

In an effort to strengthen the administrative region proliferation of Pangandaran Regency to become an autonomous region, the placement of regional apparatus must be done to improve regional performance. The effort is carried out by considering several aspects, such as the level of education of the regional apparatus, the recruitment, the promotion, the remuneration, and the work discipline.

The education level of the regional apparatus in Pangandaran Regency is dominated by S1 (Sarjana) and Diploma as well as D1 and senior high school graduates; it has not fulfilled the requirement to become an autonomous region. This is very influential on the performance and work ethic in the regional government of Pangandaran Regency. The data shows that the development of Pangandaran apparatus does not progress well due to limited budget and activities such as training.

Officials in Pangandaran Regency come from the parent regency (Ciamis Regency) or the native people of Pangandaran. The selection process is very simple, by proposing the candidates and by choosing those willing to move to Pangandaran. The recruitment process causes dissatisfaction and problems among employees, superiors, and the parent regency. The problems can be overcome by having discussion with officials, explaining the visions and missions of Pangandaran as a new regency that will progress and prosper.

Since the beginning, promotion of echelon was carried out simultaneously into structural positions. In addition, placement of employees appropriately and correctly is basically an effort to motivate employees to obtain satisfaction in their work. Employee promotion means a higher level at the institution and greater responsibility and authority; demolition works the other way around, a lower level and less responsibility. Problems in promotion appear because the parent regency (Ciamis Regency) sends less professional officials, not in accordance with existing rules.

The remuneration policy in Pangandaran Regency has not been realized due to the limited budget and imperfect bureaucratic structuring. In order to realize good governance in Pangandaran Regency, proper rules for disciplinary violations for officials and employees must be upheld. Work discipline for the regional apparatus in Pangandaran Regency means the accuracy in carrying out tasks and services to the community. Discipline will lead to good cultural work in Pangandaran Regency.

The determining factors for the placement of regional apparatus in Pangandaran Regency are education and adequate budget. These greatly affect the performance and quality of the regional apparatus and the bureaucracy to work optimally and professionally. As a new autonomous region, Pangandaran Regency needs quality human resources and adequate budget as to increase the role of the bureaucracy to finally become an advanced region. Education and budget also have an impact on the promotion process, recruitment of regional apparatus, remuneration, and work discipline. In general, the placement of regional apparatus in the new administrative region has not been maximized due to limited human resources and problems of the interests of local elites and bureaucratic officials in determining and placing staff in each SKPD and the recruitment process and transfer from the parent regency (Ciamis) to Pangandaran.

The arrangement of regional institutions in administrative region proliferation can create institutional conflicts. Conflict arises with regard to the interests of determining regional institutions after becoming new autonomous regions such as conflicts of interest in the preparation and determination of the number of institutions, formulation of Tupoksi, bureaucratic structuring, and SOPD structuring. The problems may occur due to the new administrative region not ready to become an autonomous region politically and technically. Politic here is defined as being compliant and obedient to regulations and is committed to regional progress, and not to struggle for self, class, and momentary interests.

The conflict of interests is a situation where personal interests are contradictory or different from the interests of the organization, but their existence is often inherent, attached to, or shared with the interests of the organization; the conflict may also occur in time when individuals want to take advantage of policies and management. Weak public service systems in Indonesia are often accompanied with the conflict of interests, and this happens in almost all functions of human resource management. The process of recruitment, placement, promotion, transfer, development, and evaluation often experiences bias because of the conflict of interests.

The process of structuring the regional institutions Pangandaran Regency cannot be separated from conflicts of interest. The conflict of interests occurs in strategic positions as well as institution, regional potential, and human resource management. There are institutional rules that are made by the Government of Pangandaran Regency similar to the Regent Regulation Number 2 of 2013 and Number 3 of 2014 concerning Tupoksi, Work Procedure and Organization of Regional Apparatus; there are also problems related to the Regent’s performance, determination of SKPD, number of districts from 14 to 10 districts, and determination of the capital city.

The conflict of interests appears due to dissatisfaction of the Presidium Council, NGOs, community leaders, and bureaucratic elites. There are differences in perceptions, in addition to miscommunication. There is also dissatisfaction related to the role of the Acting Regent in the management and implementation of government. There are also different opinions and interests of the bureaucratic elite, political parties, and regional elites on who will take which positions.

Although there have been conflicts of interests in the institutional arrangement process, governance and regional policies in Pangandaran District generally go well and these conflicts could be resolved by involving all elements of Pangandaran Regency. To realize the goals of administrative region proliferation, the principles of good and aspirational
governance and collaboration with local institutions must be upheld.

In the implementation of administrative region proliferation to create an autonomous region, the conflict of interests occurs in determining the regional apparatus. The conflicts are related to the determination and placement of strategic positions in Pangandaran. The conflicts are as follows:

- The conflict of interests as well as interventions from various organizations, groups and elites appear in the election of the Regent. Among those who have interests are political parties, the Presidium Board, and the bureaucracy. The community asked the Presidium as a forum for Pangandaran community to participate in the election of the Regent. The community considers that the Presidium is a legitimate institution to participate in determining officials and conditions in Pangandaran after becoming new regency.

- The process of determining the Regional Secretary of Pangandaran is also inseparable from the conflict of interests. This is proven from the vacant position for almost 9 (nine) months. The vacancy occurs as there are different interests of the Acting Regent and the Presidium for the position.

- There are also conflicts of interests between the Acting Regent and the Presidium to determine the heads of the institutions. The Presidium proposes 9 dinas while the Acting Regent proposes 7 dinas and 4 badan working based on Tupoksi and own roles.

- In carrying out the placement of employees, Pangandaran Regency gets some help from the parent regency. There are also conflicts of interests in the process. Some civil servants do not want to be transferred to Pangandaran from the parent regency and there are also different views on how to address the native people of Pangandaran as officials and staff, as to avoid collusion or favouritism.

In resolving the conflict of placement of regional apparatuses, Pangandaran must be able to run an effective government and reduce conflicts by immediately referring to the rules and commitment professionally. Effective governance depends on a consensus agreed upon as a common (rule) norm. These norms are then recognized altogether and supported by the government and the people in power to become institutionally recognized norms and values.

C. Implication

- Decentralization, regional autonomy, and administrative region proliferation in Indonesia must be based on institutional aspects to realize the objectives of increasing resources, improving public services, welfare, and equitable development. In this case, the institutional arrangement policy and the placement of regional apparatus must be adjusted to the regional conditions by considering competence, work discipline, remuneration, promotion, and proper recruitment, testing, and education. Institutional arrangement and placement of regional apparatus is expected to provide answers and explanation in the framework of improving the performance of administrative region proliferation. The new administrative regions must be strong and advanced as mandated by the objectives of proliferation.

There are conflicts of interests in the institutional arrangement and placement of apparatus in the new administrative region. In this case, conflicts are closely related to efforts to develop institutions and empower regional apparatuses for the new region. Government bureaucracy is an institution that can provide a political role in solving conflicts between people and groups of people. The relationship between political institutions, elites, community leaders, and bureaucracy can turn into conflicts of interest, as the bureaucracy controls the information; as the result, the information flow becomes asymmetrical. This is the source of bureaucratic bargaining power when interacting with political institutions. Conflicts of interests in institutional arrangement and placement of regional apparatus will strengthen the institutions if it can be handled properly and comprehensively in accordance with the rules. Strategic and sustainable policies are needed in the institutional arrangement and placement of regional apparatus in the new administrative region to avoid conflicts.

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