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**E-GOVERNMENT
IMPLEMENTATION
IN REGIONAL GOVERNMENT**

CfDS

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■ BACKGROUND

The robust development of ICT recently has prompted governments worldwide to adapt and get into the game, especially in terms of applying these technologies for public service purposes. Governments then transform themselves to be electronic governments (e-government). The concept of e-government is concisely describes as the utilization of ICT to enhance the performance of government within the relationships between government to government, government to people, government to business, and government to bureaucrats (Scholl, 2015).

In capacitating themselves with essential

ICT technologies, governments try out several efforts. Coming along with that is some considerable challenges, particularly, in regards to the soft-wares, hard-wares, and the brain-wares. One example of the effort pulled out by government to keep up with the ICT development is the raising use of cloud computing solution to store and manage data. While on the other hand, the **challenges faced by government** – especially Indonesia's governments - in implementing e-government may include:

1.The lack of qualified human resources to manage e-government system.

2.The lack of vendors offering ICT solutions and applications everywhere in the country, especially in rural areas. This severely limits regional governments to innovate, as they are not exposed to existing technology and relevant resources needed.

3.Low public participation

4.Administrative, financial and budgeting constraints of regional governments in four main sectors requiring imminent ICT implementation, which are; regional planning, employee affairs, regional finance, and licensing.

From these four problems faced by regional governments in the country, the fourth one, which is the administrative



and financial problems, is the most worrying ones. It is assumed that the problem arises due to differences in interpretations by regional governments, when they translated the central regulation released by the national government. Besides that, the occurring problems of lack of vendors and human resources are all resulted from the persisting uneven development in the country. Some regions emerge as the 'champions' in ICT and e-government implementation. However, a wider gap grows even wider.



■ SCOPE

Seeing the recent development of ICT and e-government in Indonesia, especially relating to the Presidential Regulation No. 23 2003 on Policies and National Strategies on E-Government development, it is paramount to evaluate and look back at how much the country, particularly regional governments, has achieved in implementing e-governance in their own regions. Underlining our preliminary findings, this writing shall cover the **administrative, financial and budgeting constraints** faced by regional government in implementing e-governments and the much needed prescriptions to those problems.

■ PURPOSE

This writing aims to map out several administrative, financial and budgeting challenges and constraints in utilizing ICT under the vision of e-government implementation. It will also dig deep the necessary prescriptions to the problems covered in the earlier sections.

■ THE METHODOLOGY

Along with deep qualitative literature studies, the research team conducted series of **focused group discussions** with relevant stakeholders entailed to this issues, which include **bureaucrats from regional governments, bureaucrats from central governments** (financial bureaucrats), as well as **national financial supervisors**. Three sets of discussions were conducted as described below:

1.Focused Group Discussion with bureaucrats from regional governments (**young regional planners**) was conducted on April 1st 2016. This session **gathered initial issues and problems faced** by these bureaucrats on the implementation of e-government in their own regions.

2.Focused Group Discussion

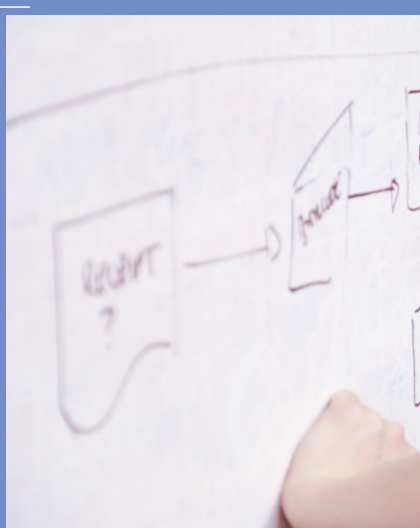
with regional supervisors from various regions was conducted on May 16th 2016. This session involved bureaucrats and regional supervisors from Yogyakarta, and **relationships between the existing financial and administrative regulations and issues raised from these.**

3.Focused Group Discussion with **IT experts, regional financial experts, legal experts, and national financial supervisors** was conducted on June 3rd 2016. This session delved more on **problem solving** and **possible solutions** derived from the issues and problems shared on previous sessions.



■ FINDINGS

Our research has come up with important findings from series of focused group discussions conducted over the period of time of two months, especially on the core aspects of e-government issues in the country. These core aspects include e-government regulations, e-government applications, government ICT procurements, budgeting and financial management administration of regional government, supervision/audit, human resources competence, and geographical condition of regional government.



1 E - Government Regulations

a. Problems

An actual legal basis regulating the development and utilization of e-government in the country is already available. However, despite this national regulations, each **regional governments interpret these regulations differently**, as some national regulations derived in Acts, Laws and Constitutions are too general which open rooms for multi-interpretations, especially in the technicalities. Each government are in confuse as which regulations they should follow, for example, and prompts them to make their own regulations and SOP (Standard Operating Procedures) on e-government.

b. Causes

Such problem arises from the fact that current e-government **regulations have not given comprehensive, precise, and concrete details on how regional governments should develop their e-governance**. Moreover, substantial emphasis on e-government has not been covered by regulations as well, pushing them even further from the actual understanding, let alone effective implementation, of e-government and e-governance.

c. Breakdown

- Current **e-government bill**, which is expected to address the preliminary flaws presented on previous acts and regulations, **is currently being processed** by several ministries, particularly the Ministry of Communication and Informatics, Ministry of Administrative and Bureaucratic Reform, and the Ministry of Home



Affairs. Substantially referred to E-Government Roadmap, the regulation will take form as an Act (Undang-Undang) which has higher legal justification for regional governments to follow.

- The e-government bill is also aimed to amalgamate all acts and regulations related to e-government and ICT-based public service policies as the paramount model of e-government across government bodies and ministries in the country. Countless number of regulations on these issues created inefficiency ecosystem without single lead which causes the aforementioned problem in regional governments. More importantly, the bill also includes technical guidance, such as human resources required, with clear standards and management scheme.

- Along with the proposed bill, the Ministry of Communication and Informatics is also **preparing** several **Ministerial Decrees** in accordance with existing acts, laws and regulations; particularly Act No. 11/2008 about Information and Electronic Transaction with a derivative, Government Regulation No. 82/2012 about Information System and Electronic Transaction); Act No. 14/2008 about Public Information Openness, with a derivative, Government Regulation no. 61/2010 about the Execution of Act No. 14/2008); and Act No. 43/2009 about Archival with a derivative, Government Regulation No. 61/2010 about the Execution of Act No. 28/2012 about the Execution of Act on Archival). Act on Archival is currently the focus of our government, seeing an urgency of digitalizing the huge amount of data and information archived. Ministerial Decrees released underline the strong intention of the government to prioritize this issue. These decrees are also expected to be a **more precise guide** on technical implementation of e-governance in the country.



2 E-Government Applications

a. Problems

- Applications supporting e-government in the regions are stand-alone regulations with **no/little coordination** between each other.
- Applications and database are very **weakly secured**. This is due to the **lack of qualified human resources** and lack of understanding about data security and e-governance in general.
- **Communication** between institutions in the regions and within the country **is uncoordinated**. Development of e-government applications in regional government is conforming **a sectoral ego** between each institutions in the same region, between regional governments, and between regional and central governments. Coupled with poor understanding on e-governance, applications and other platforms fail to perform well.

b. Causes

- Regional governments develop, manage and fund several applications and technologies in **their own implementation** of e-government; beside the use of generic applications provided by central government/ministries.
- **One** single coordinated regulation is **not yet being released**, making the development and management of e-government **in general very tacky**. This includes the uncoordinated database and security ecosystem between these e-governments.

c. Breakdown

- Based on users, e-governance applications can be classified into three types:
 - a) **Internal applications**, are the applications used for internal purposes of governance (e.g. planning and budgeting)
 - b) **Public applications**, are the applications accessible by public (e.g. website, licensing services, public administration services)
 - c) **Business applications**, are the applications used for business purposes (e.g. tax services)
- Integration issue is addressed in the proposed e-government bill with an explicit and specific direction to have an integrated information system using shared

infrastructures, and applications. Shared infrastructure and applications are then defined as integrated ICT-based infrastructure and applications used by regional and central government, as well as ministries and non-ministerial institutions.

- The e-government bill also address a **nationally integrated information systems** which involve:

- a) **Generic applications**, are the applications usable for all bodies, agencies and institutions within regional governments
- b) **Specific applications**, are the applications usable only by specific agencies/bodies for specific affairs (e.g. tax, migrations, and nuclear affairs)
- c) **Supplementary applications**, are the applications developed by regional governments that are supplementing the needs of regional government and are not yet made available by central government.

- Synchronizing regulations across levels with specific needs and solutions for all governments require a significantly high amount of time. Previous development of applications in regional governments **do not meet concrete need** of the particular regions and fail to understand the business process intertwined in the whole application development of e-government.



3 Government ICT procurements

a. Problem

The common problem occurring on procuring ICT products **is the hesitation by the procurement staff**, particularly in procuring goods and services that are in multi-years forms. This remains as a hurdle since most of ICT goods and services, servers and database, are available **in multi-years formats** (subscriptions). So it is obvious to see some government not having applications and ICT technologies for e-governance, due to the payment format used in ICT goods and services procurements that is not convincing enough for governments.

b. Causes

- There has been a **lot of revisions** to policies and regulations on goods and services procurements, especially procurements with multi-years format which has yet to have a clear standard operating procedure.
- There has yet to be **a clear standard** on pricings and necessities in ICT goods and services procurements (e.g. number of servers needed, the allowed storage and data movement in the database)

c. Breakdown

- ICT goods and services procurements with multi-years payment format is **actually allowed** by the Regulation of Ministry of Home Affairs No. 21/2011/. In reality, regional government may formulate provisions on ICT goods and services procurement using multi-years payment by translating it onto the regional regulations (peraturan daerah/perda). There can be two alternatives in realizing the regional regulations, which are; the provisions on procurement of ICT goods and services are incorporated to the existing regional regulations on regional finance, or; formulating a separate regional regulations specifically addressing provisions of ICT goods and services procurement which may entail big financial allocations.
- Standardizations on pricing and necessity are **imminently needed**, since e-government development program is risky on being potentially corruptive field.
- Several revisions and amendments on ICT procurements are **not yet** providing substantial inputs, especially in allowing/encouraging regional governments/institutions to innovate in managing their purchase and payment system (e.g. multi-years payment with repeat order). This is also an **impending issue** as the model has been infused to government procurement process in developed countries. This palpably is implying how governments in developed countries are quick in catching-up and innovating with current trend on effective and inclusive business process related to e-government development program.



4 Budgeting and Financial Management of Regional Government

a. Problem

Relatively similar to previous problem, governments are **hesitant** in allocating money for **multi-years** purchases of e-government development.

b. Cause

Governments **interpret** regulations on ICT goods and services procurements released by Ministry of Home Affairs and Ministry of Finance **differently**, particularly on the ICT goods and services procurements.

c. Breakdown

- All budgeting and financial management from regional governments **have actually been coordinated** under one roof through one cycle regulated in acts and laws.
- Multi-years purchase mechanism between ministries and non-ministerial institutions **has been regulated** by the Ministry of Finance, while the same mechanism for regional governments has also been regulated by the Ministry of Home Affairs No. 21/2011. The regulation from the Ministry of Home Affairs

implies that such purchase activity should be planned prior to the released and approval of regional and is executable for more than one financial year. Multi-years agreements and contracts must be agreed in the form of memorandum of understanding between the Regional head (Mayor/Regent) and Regional Legislative Body which is signed along with General Financial Policy (Kebijakan Umum Anggaran) and Temporary Budget Ceiling Priority (Prioritas Plafon Anggaran Sementara) during first year of the planned multi-years purchase program. The period of multi-years purchase program should also not exceed the ruling



period of the regional head (Mayor/Regent).

- The planning and budgeting process of multi-years purchase program **involves political decision** in the Regional Legislative Body. This is why there has to be a strong commitment by the legislative body, especially on the provision of program approval and allocated budget for this multi-years purchase program. Regional government should also anticipate the possibility of economic shake and inflation while preparing the multi-years purchase program.



5 Audit

a. Problem

Common audit problem includes findings of Indonesian Audit Board where ICT goods and services procurements are **not fully realized**, due to unclear regulations on ICT goods and services procurement as previously mentioned.

b. Causes

- A miscommunication occurred due to **fear of breaching regulations**, while the regulations are still unclear and often misunderstood instead. This also leads to the fear of being targeted by the audit board.
- **Difference** in auditors' **perceptions** in perceiving certain problems. For example, 'problems' about procurements on ICT goods and services, of the utilization of **technologies** from the development of e-government.

c. Breakdown

Constitutionally, the audit board has the authority to audit every budget execution in regional governments.

That is why further **understanding** on auditing **details and procedures**, particularly those related to the ICT goods and services procurements and agenda on e-governance development **is needed** for not only auditors, but also regional government staffs and bureaucrats. Common ground on audit criteria, for example, should be equally comprehended by the auditor and auditee. Every problems and issues found during auditing should be addressed and discussed as well, so that root problem may be found for the sake of future reference and betterment.



6 Human Resources Competence

a. Problem

- Limited number of **human resources** in regional government who are the **proponents of change** with huge potentials and integrity in developing e-governance in the regions.
- Limited number of **qualified IT resources** in regional governments in the whole planning and management of e-governance in regions.

b. Cause

Recruitment mechanism for staffs and bureaucrats in regions is **not able to recruit the best** human resources with desired qualification, particularly with integrity to develop and manage e-government.



c. Breakdown

- There are about 6000 IT human resources in the government currently, with 400 of them are in the central government, and the rest is scattered all over regional government. With this significantly **low number of IT staffs** working in government, e-government issue is even worsened by the fact that these human resources do not have a defined workloads related to e-government development. This is due to, once again, the unclear definition and technicality in existing e-government regulations.
- Another problem about human resources include the **work culture** in regional government. Due to the low number of IT human resources, IT staffs are overwhelmed with the significantly increasing number of works requiring IT solutions. These works are then delegated to outsourced staffs, which administratively are not allowed to handle and manage important data of organization.
- Another important issue lies on the fact that there is **not a lot** of regional leaders who have **strong commitment** in developing e-governance in their own regions. This resulted in little concern and awareness on the importance of qualified IT human resources.

7 Geographic Conditions

a. Problem

The infrastructure and facility of e-government in Indonesia is **not evenly spread** between regional governments.

b. Cause

Huge **digital divide** and **geographical constraints** in several regions in Indonesia that are still in 'blank spot area'.

c. Breakdown

Development and strategic **planning** of e-government in the country should inevitably **consider** the **geographical condition** of the country. Indonesia is an archipelagic country with uneven geographical contours which implicate the infrastructure development in each regions, including ICT infrastructure. Each regional governments need to map out their own e-government strategy coping with their own geographical compromises. For central government, development of alternative infrastructure (satellite use, for example) to help regions in blank spot area, should be accelerated, in order for them to quickly catch up with infrastructure and e-government development in other regions.

■ E - GOVERNMENT ISSUES : THE MAP

From all the problems addressed before, a diagram indicating issues arise in the three elements of policy process in e-government development is presented as follow

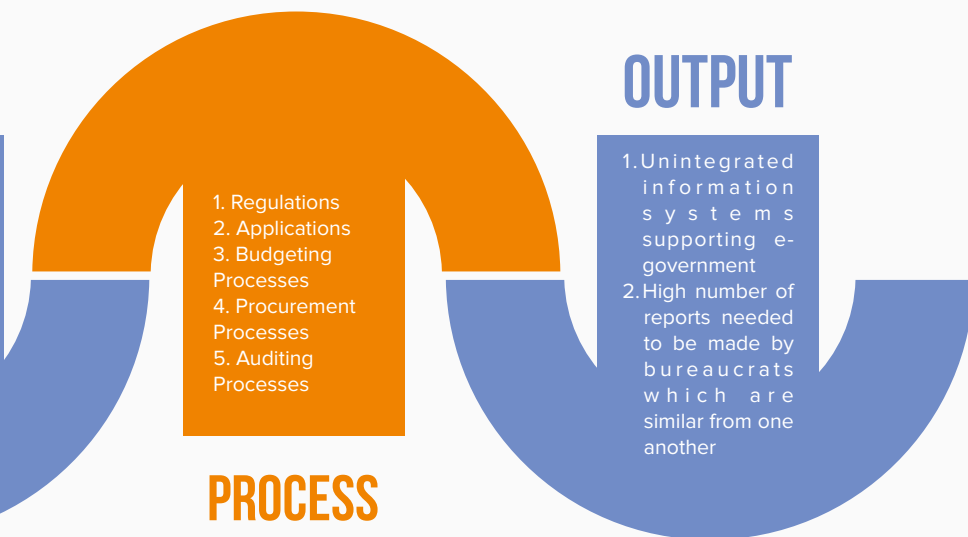
INPUT

1. Human Resources in IT
2. Leaders' Commitment
3. Geographic Conditions
4. Budgets

■ CONCLUSION

The development and implementation of e-government in Indonesia has not run very well due to several obstacles, which are:





■ 1) problem of regulations and standards of e-government;

2) problem of e-government applications; ■

■ 3) problem of ICT goods and services procurement;

4) problem of budgeting and financial management of regional government; ■

■ 5) problem of human resources competence and integrity;

6) problem of geographical conditions. ■

■ POLICY

RECOMMENDATION

1. Problem of regulations and standards of E-Government

- Encourage the Ministry of Communication and Informatics to prepare and finalize action plans and roadmap on e-government development that are currently being processed in the e-government bill, in order for regional government to quickly adapt.
- Encourage the Ministry of Home Affairs, Ministry of Finance, Ministry of Administrative and Bureaucratic Reforms, Ministry of Communications and Informatics and other relevant institutions to conduct review and analysis on all existing policies related to e-government. This is imminently needed to come up with more integrated and intertwined policies which will eventually be interpreted correctly and clearly by regional governments.

2. Problem of E-Government applications

Appoint a minister to be a chief information officer (CIO) who will prepare and manage all the integrated information system of all governments (including ministries, central governments, and regional governments) using an integrated and shared infrastructures and applications (for example, a national database center, cloud computing) for the holistic implementation and development of e-governments.





3.Problem of ICT Goods and Services Procurement

- Encourage the National Procurement Board, Ministry of Finance and related institutions to compose pricing and necessity standards for ICT goods and services procurement in regional governments, particularly the infrastructure, logistics and technological needs for e-government development.
- Encourage the National procurement Board and other relevant institutions to innovate in ICT goods and services procurement using multi-years and repeat order purchase mechanisms.

4.Problem of budgeting and financial management of regional government

Encourage the Ministry of Finance and Ministry of Home Affairs to re-evaluate and re-formulate policies and regulations on budgeting for multi-years and repeat order procurements which currently are highly politicized.

5.Problem of human resources competence and integrity

Encourage the Ministry of Administrative and Bureaucratic Reforms, Ministry of Home Affairs, the National Institute for Public Administration, the National Civil Service Agency, and other relevant institution to re-assess, re-evaluate, and re-formulate human resources management which emphasize the integrity to innovate, particularly in e-government innovation.

6.Problem on Geographic Condition

Encourage the Ministry of Communications and Informatics and other relevant institutions to work on accelerating the development and use of alternative infrastructure to support regions in blank spot areas in obtaining access to sufficient ICT infrastructures necessary in e-government development.

About CfDS

Center for Digital Society (CfDS) is the research center established by the Faculty of Social and Political Sciences, Universitas Gadjah Mada. The institution is created under the concern over the contemporary dynamics of socio-political condition of the world that is accentuated by the impeccable influence of information technology. The phenomenon triggers the new patterns and complexities in the society, and thus requires new approaches in managing such complexities.

CfDS pledged to delve more on the study of contemporary digital society, including related issues surrounding the topic; such as the issues of smart city and urban development. The emphasis is then put on the utilization of technology to shape the society in becoming digitalized, as well as to bring solvency to social issues.

Vision

Solving Social Problem and Accelerating Prosperity through
Indonesia Digital Society

Activities

1. Research and Development
2. Dissemination and Publication
3. Education and Policy Advocacy

Research Scoops

1. Digital Commerce
2. Digital Citizenship
3. Digital Lifestyle

