INTER-REGIONAL COOPERATION IN IMPROVING WELFARE AND RESOLVING POVERTY IN INDONESIA

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ABSTRACT

Regional cooperation within the framework of intergovernmental networks according to Agranof (2003) is also very useful in identifying common problems and exchanging information between regions, identifying and exchanging technologies or resources that exist in each region, increasing regional capacity, creating strategies or programs together between regions and even joint for policy making. In addition, this regional cooperation is also in line with the principles of governance because it connects the community, government and the private sector in policy making. This study aims to analyze and describe the problems of inter-regional cooperation in improving welfare in Indonesia. By using the literary study method through the results of the 2018 National Economic Survey (Susenas) Research conducted by BPS, and the results are expected to realize the welfare of the community, especially in fulfilling their responsibilities to improve the provision of public services. The results of the conducted research indicated that currently the Inter-Regional Cooperation (KAD) carried out by the Government of Indonesia was not optimal. This is because many Provinces have a high percentage of poverty rate and the absolute number of poor people is still quite high. Where the highest number of poor people in Indonesia is in the East Java Province (4,292.15 thousand people) with a percentage of 11.22%, and the Central Java Province (3,867.42 thousand people) with a percentage of 11.19%. So to overcome these problems, cooperation between regions is required in order to build effective communication and coordination between government agencies in the regions, compiling the Grand Design/Master Plan for Domestic Cooperation for equitable development in the regions; and It is necessary to arrange indicators for the success of the cooperation program as a reference, in carrying out monitoring and evaluation as well as holding coordination meetings in the regions.

Keywords: Inter-Regional Cooperation, Increasing Public Welfare, Reducing Regional Poverty.

INTRODUCTION

Decentralization has diverted roles, responsibilities, decision-making, financing, management and control of public service sector revenues and expenditures from the central government to local governments. As a result, the responsibilities of local governments have become more complex, so it is necessary to find the best way to provide public services (Mukidi et al, 2021). One of the way that can be taken to answer this challenge is to collaborate between regions.

The implementation of inter-regional cooperation will provide benefits such as better public services, increased cohesion between regional governments, reducing conflicts between regions, improving regional infrastructure, improving coordination in spatial planning and developing regional economic conditions. In addition, technically cooperation between regions can be an instrument to answer weaknesses that are formed through the structural development mechanism Based on Law No. 32/2004 on Regional Government; cooperation is the right of each autonomous region to create public welfare, particularly in fulfilling its responsibility to improve the provision of public services. There are several priorities that can be done for the development and strengthening of cooperation between regions in Indonesia. One of them is by increasing the capacity of the central government which is authorized in inter-regional cooperation, in this case the Sub-Directorate for Inter-Regional Cooperation (Sub-Directorate of KAD), Directorate for Deconcentration and Cooperation, Directorate General of General Government (Ditjen PUM), Ministry of Home Affairs.

The term regional cooperation or regional cooperation is known as intergovernmental management. The definition of intergovernmental management referred to here is not just an ordinary regional government relationship but something that is at the core of inter-regional relations (McGuire, 2006). There are often misunderstandings in understanding the meaning of management between regions and in managing management between these regions, especially in the way of looking at the cooperation institution itself. Most of the collaborators are still shackled in the classic paradigm of regional cooperation, which in its management is still dominated by the nuances of a formal structural hierarchy (Albrow, 2005).

This difference in views on management between regions was deeply felt in Indonesia, which had been implementing a centralized system of government for a long time, especially during the New Order era. The classic perspective on the organization of inter-regional cooperation institutions is no longer relevant to the character of cooperative institutions that collaborate autonomous regions into inter-regional cooperative relations. The bureaucracy that has a structuralist-hierarchical relationship pattern is not in accordance with the character of flexible networking in the spirit of cooperation which makes Communication, Coordination and Cooperation as its pillars. Inter-regional cooperation (KAD) like this can only be formed and run if it is based on mutual need to achieve one goal. Where this condition can be seen from the low slum development carried out by the Government in rural areas compared to that carried out in urban areas.

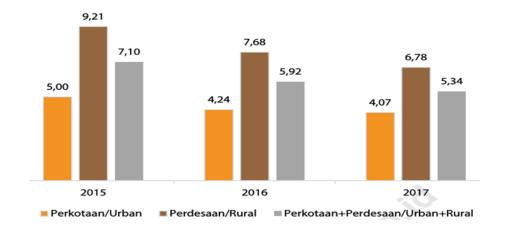


FIGURE 1
PERCENTAGE OF SLUM HOUSEHOLDS
BY RESIDENCE, 2015-2017.

Based on Figure 1.1 it can be known that the percentage of development by Government carried out in slums area of village is still very low. It is proven that during 2015-2017 the percentage of slum households in rural areas was higher than in urban/urban areas, although the trend shows a decline every year. Where in 2015 the percentage of slum friend households in rural areas was 9.21%, while in urban areas it was lower by 5%. Likewise in 2016 and 2017, the percentage of slum households in rural areas was 7.68 and 6.78. Meanwhile, the number of slum households in urban areas in 2016 (4.24%) and 2017 (4.07%). This indicates that the development carried out by the Government which already has an autonomous region has not yet carried out a communication process, as well as coordination to be able to build a slum area in rural areas because it is still only concentrated in urban areas. This is because the relationship pattern is still structuralist - hierarchical, so it does not match the character of a flexible networking in the spirit of cooperation that will be built by them at this time.

In addition, support from outside the cooperation area (e.g the central or provincial government) and requests for cooperation initiated by local communities will improve the quality and effectiveness of the cooperation itself. Commitment and strong ties among the highest decision makers in each region (in this case the head of government, officials, both at the technical, managerial and leadership levels) will greatly affect the course of this cooperation. The commitment referred to is a commitment to cooperate in handling agreed issues together and prioritizing joint/regional interests over the interests of each region, as well as a commitment to finance organizing KAD by prioritizing its own capabilities.

Maier (2000) states that in countries such as Germany, Switzerland and Austria the central (and state) governments act as providers of facilities or instruments that provide stimulus such as Regional Programs, providing information and consultation. The duties and functions of the KAD institutions are fully assigned to the best circumstances and situations for each region. Experience from Austria shows that one of the factors for the success of KAD is management based primarily on one's own strengths and abilities.

KAD institutions in Europe act as "administrators" for regional strategic concerns, technology transfer, regional marketing (outside and inside) as well as building and maintaining networking in the work area. The position of the head of the KAD institution that carries out the

daily duties must also done by a person who has competence in the social and scientific fields and can lead a working team.

The success of KAD in Europe can be seen from the increase of public services in the fields of transportation, health, education, energy management, and acceleration of regional economic development and so on. This example of success should be a lesson for the central government, provincial, regional and other stakeholders in Indonesia to be able to apply the KAD pattern, which must be adjusted to local factors and applicable laws and regulations.

REVIEW OF LITERATURES

What can become the basis for cooperation is the "common interest" on facing a cross-regional problem. The common interest in public infrastructure, such as roads, docks, transportation, clean water and wastewater, also irrigation can become the basis for the establishment of a forum for inter-regional cooperation. Forms and methods of cooperation between local governments according to (Henry, 1995), including:

- (1) Intergovernmental service contracts;
- (2) Joint service agreement, and
- (3) Intergovernmental service transfer.

The first type of cooperation is when one region pays another region to carry out certain types of services such as prisons, garbage disposal, animal or livestock control, tax assessment. The second type of the cooperation above is usually to carry out planning, budgeting and service delivery functions to involved local communities, for example in regulating regional libraries, communication between police and firefighters, fire control, garbage disposal. And the third type of the cooperation is the permanent transfer of a responsibility from one area to another, such as the fields of public works, infrastructure and facilities, health and welfare, governance and public finance.

Meanwhile, seen from the degree of cooperation between regions, two forms of cooperation can be divided. The first is handshake agreements and writen agreements (Rosen in YeremiasKeban 2007). The form of "handshake agreements" is one that creates a lot of conflict and misunderstanding, while the written form is required to make a contract program, joint ownership, or efforts to build a common service unit. Matters that must be stated in this written agreement including conditions for cooperation and withdrawal, sharing of costs, location, maintenance, schedules, operations and rules for ownership of common resources, conditions for leasing, and ways of resolving conflicts. Rosen (1993: 218 - 222) explains that the arrangement of cooperation between local governments consists of several forms; that is:

- a. Consortia: the arrangement of cooperation in sharing resources,
- b. Joint Purchasing: the arrangement of cooperation in purchasing goods in order to reduce costs because the scale of purchases is larger.
- c. Equipment Sharing: cooperation arrangements in sharing equipment that is expensive, or that is not used every day.
- d. Cooperative Construction: cooperation arrangements in constructing buildings, such as recreation centers, library buildings, parking locations, performance buildings, etc.
- e. Joint Services: cooperation arrangements in providing public services,
- f. Contract Services: a cooperation arrangement in which one party contracts the other to provide certain services.

g. Other arrangements: other cooperation arrangements can be made as long as it can reduce costs, for example creating an education and training center (DIKLAT), warehousing facilities, etc.

The capacity for cooperation between regions is often determined by the sharing degree, which becomes a pillar for the cooperation formation. The higher the sharing between regions in the cooperation, it will have the capacity to solve problems that already been agreed. Therefore, it can be said that sharing is actually the essence of cooperation, not a benefit that has been widely understood so far. Yudhoyono (2002) explains that sharing in cooperation includes sharing of experience, sharing of benefits and sharing of burden.

Another factor that determines the capacity for collaboration is their ability to convert sharing into collective antion. Only through this cooperation mechanism can be built and be used as an instrument to overcome problems, including the problem of cross-regional infrastructure development. In the format of cooperation between regions, the collective action developed can be different from one another. This is determined by two main factors, the level of coordination and the degree of similarity of interests between regions/actors involved in cooperation. Lars Carrison (1995) explains this phenomenon by calling it "The Logic of collective action" as follows:

Table 2.1 THE LOGIC OF COLLECTIVE ACTION			
	Inter		
Co- ordination		Divergent	Commont
	High	Policy Network	Organization
	Low	Election	Riot

From the elaboration above, it can be learned that the collective action can be developed within the framework of cooperation and take the form of policy network, organization, election or riot. The formation of an "organization" in inter-regional cooperation is the ideal format when the cooperation is characterized high coordination, and there is a common interest among actors. Policy Network is the most ideal format for group action in conditions of coordination between high-level actors, as well as different interests from the actors. Meanwhile, "riot" is a collective action when actors are bound in loose coordination, but have similar interests among them.

RESEARCH METHODS

The analysis of the study was carried out through a literature review related to cooperation between regions problem in Indonesia, learned from various literatures and the results of previous studies compiled from various surveys. Literature reviews are conducted from various points of view; theories and journals to study the determinants and factors of public services provided by the Indonesian government. The results of Susenas 2018, data analysis conducted by BPS, is one of the community-based information used by researchers in analyzing determinants related to the incidence of inter-regional cooperation in the field of development in each province in Indonesia regarding increasing welfare and overcoming poverty in the regions. Information related to policies and programs is obtained from connected sectors, including Bappenas and the Ministry of Home Affairs (Kemendagri). Global policies related to Inter-

Regional Cooperation are obtained by downloading from world sites (Decentralization Support Facility) *via* internet technology.

RESULTS AND DISCUSSION

Cooperation Between Regions in Indonesia

In recent years, local governments have been carrying out activities aimed to initiating new collaborations and developing existing collaborations. Various factors underlie this cooperation, such as facilitation are carried out by third parties (central/provincial government and donor agencies) as well as awareness from the district/city government of the conditions that require cooperation with other local government parties. As has been explained in the previous section, the classical perspective on the organization of institutions cooperation between regions is no longer relevant to the character of cooperation institutions that collaborate autonomous regions into cooperative relations between structuralist - hierarchical relationships that are not suitable with the character and spirit of cooperation. Inter-regional cooperation (KAD) can only be formed and run if it is based on the awareness on achieving one goal. This is the basic principle of KAD, the existence of a common goal to be achieved together.

Commitment and strong ties among the high position decision makers in each region (in this case the head of government) will underlie this cooperation. The commitment referred is a commitment to cooperate in handling agreed issues together, prioritizing common interests over the interests of each region. In order to successfully carry out the cooperation, general principles as written in the principles of good governance can be used as guidelines to cooperate between regions, that is:

- Transparency, meaning that regions that are cooperating or have agreed to cooperate must be transparent in providing various data and information needed in the framework of such cooperation.
- Accountability, which means that the cooperating region must be willing to account for, present, report, and disclose all activities and activities related to collaborative activities.
- Participatory, meaning that the principle of participation must be used in the form of consultation, dialogue and negotiation in determining the objectives to be achieved, how to achieve them and measuring their performance, including how to share compensation and risks.
- Efficiency, which means in implementing efficiency measures, how to reduce costs to obtain a certain result, or how to use the same costs but can achieve higher results.
- Effectiveness, which means always measuring the goals that have been set in collaboration with tangible results obtained.
- Consensus, meaning that in carrying out the cooperation, a common ground must be sought so that each party involved in the collaboration can agree on a decision.
- Mutual benefit and advancement. In cooperation between regions, the principles of mutual benefit
 and mutual respect must be adhered to. This principle must be used in every decision and
 cooperation mechanism.

In general, the purpose of establishing and implementing inter-regional cooperation is to create regional independence in managing, developing and enhancing all regional potentials in order to support the welfare of the community. The cooperation formed by regional actors is aimed at responding to the challenges of regional development dynamics covering the economic, social, political, technological and environmental fields. The main goal is to create mutually

beneficial inter-regional cooperation to improve the welfare of the community by strengthening and increasing the resilience, attractiveness and competitiveness of the regions. In detail, the objectives of establishing and implementing the KAD are as follows:

- a. Bringing economic growth (economic growth). In addition to providing employment opportunities for the new workforce, Regional Management is expected to improve welfare or increase the (economic) income of local communities.
- b. Improve the quality of public services to the wider community in cooperating areas so that good quality public services can be achieved.
- c. Increase labor absorption, create new job opportunities or reduce the level of unemployment in the regions.
- d. Creating price stability to create a sense of security and serenity in the local community. The unstable price will create a sense of giddiness and anxiety in the community and will likely have an impact on the low level of public trust in the government.
- e. Improve the environmental management system, increase conservation efforts and conservation efforts.
- f. Improve the regional management system to create equitable development within the region.
- g. Improving the management of potential sectors which are superior potential in the regions.
- h. Making linkages between sectors that are more harmonious in the region, so as to create synergy and sustainability.
- i. Increase the productivity of the food crop sector to meet regional food needs.
- j. Building cultural strength as a moral and communication base and as the life force of society to ensure the strength of social integration and political integration.

However, in reality the objectives of the Inter-Regional Cooperation mentioned above have not yet been realized. Because the level of community welfare is still very low and poverty in each province is still high. This can be seen from the Inter-Regional Cooperation to reduce Poverty in the Regions which is currently still high both at the Asian level or in several provinces in Indonesia at this time. As is the case with Indonesia today, when compared to several countries in the Asia Pacific region, the percentage of poverty in Indonesia is still quite high when compared to Malaysia, Vietnam and Thailand, which can be seen in Figure 2 below.

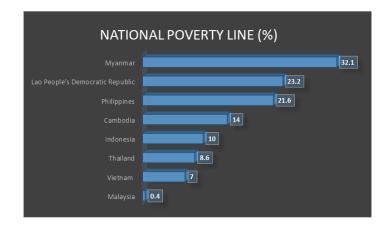


FIGURE2
POVERTY RATE PERCENTAGE

IN THE ASIA PACIFIC REGION

Based on data released by ADB in Figure 2 above, it can be seen that currently the lowest poverty rate is shown by Malaysia with a percentage of 0.4%. Then Vietnam with a poverty percentage of 7%, Thailand 8.6% and Indonesia with a percentage of 10% in 2017. From these data it can also be seen that the percentage of Indonesia's poverty rate is better than Cambodia, the Philippines, Laos and Myanmar. The high percentage of the poverty rate in Indonesia compared to the three other Asia Pacific countries shows that the number of poor people in each province is still quite high. This can be seen in Figure 3 below.

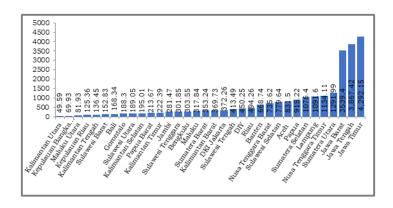


FIGURE3
NUMBER OF POOR INDONESIAN POPULATION
ACCORDING TO PROVINCE IN 2018 (THOUSANDS OF PERSON)

Nationally, in 2018, the number of poor people in Central Java Province was 3,867.42 thousand people, which is the province with the second largest number of poor people after East Java Province (Figure3). This condition shows that the problem of poverty is an important problem to be resolved immediately. The percentage of poor people in Central Java Province in the September 2018 period was 11.19%. This position shows that the percentage of poor people is still above the National average of 9.66% (see Figure4) and above the 2018 RPJMD target (10.40% -9.93%).

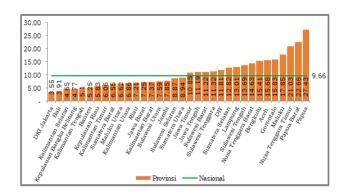


FIGURE4
PERCENTAGE OF POOR POPULATION IN INDONESIA
BASED ON PROVINCE (2018)

KAD Financing

The main need in the process of creating and implementing KAD institution is the need of budget availability. To meet financing needs and uphold the principle of self-sufficiency, each KAD member is required to allocate a budget in the form of a fixed fee for KAD institutional financing. The allocation of these budgets comes from the respective regional budgets. Apart from the budget originating from membership fees as the main source of financing, the source of the budget can also come from the provincial government.

An effective, accountable and transparent institutional system can generate interest of the central or provincial governments to integrate their sectorial programs into the KAD work program scheme with a clear mapping of potential and a sensible regional strategy, so the central government will has a strong desire to allocate funds for KAD's flagship activities. In addition, the government institutions with management that is collective, accountable and transparent, the business group or non-governmental organization will have confidence to safety investing or doing business with regions that are included in the KAD institution.

Role of Government and Community Institutions

Central Level

The role of the central government in the framework of inter-regional cooperation as a facilitator and a place for regions to consult on matters relating to the implementation of inter-regional cooperation. Through its instruments, the central government can carry out advocacy functions to the regions that collaborate. The central government can also provide stimulus or encouragement to border regions to collaborate in the regional development process. The facilitation of the central government also plays a very important role in supporting regions that work together to get support from companies, international donors and for the provision of infrastructure.

Provincial Level

The government at the provincial level as representatives of the central government in the regions can play a role in accommodating the activities of institutions in the inter-regional cooperation structure to communicate, cooperate and coordinate. In detail, the province can play a role in:

- Carry out a broad communication function to institutions within and outside the structure of inter-regional cooperation institutions in numbers supporting all activities related to the development of inter-regional cooperation;
- Facilitating meetings that support strengthening and developing cooperation between regions;
- Providing a mediation forum that accommodates discussion, formulation of proposals/agendas/programs, as well as resolution of internal conflicts that occur during the ongoing meetings.

With these characteristics, the province should have formal legitimacy that can be recognized by all parties. The existence of special institutions at the provincial level can be established, but it really depends on the needs. As a facilitator, the province must maintain its neutrality, but also have sufficient authority to be respected by all local stakeholders. This is a major consideration because the scope of its duties includes cross-border areas as well as the diversity of characteristics that each region has.

District Level

At the district/city level, the role of the regional government is to ensure the compliance of cooperation commitment about the agreed consensus in the inter-regional cooperation mechanism can be carried out optimally. The head of government in this area is very important, as position function are the decision makers in the area. The head of district/city government must also know the mechanisms, principles and characteristics of inter-regional cooperation.

General Public

Public involvement in the context of inter-regional cooperation is very important. Public are both the subject and the object of the cooperation itself. It is the public who knows best all the problems experienced in the area they occupy. In a broad sense, it is hoped that public can provide input and ideas for the benefit of regional development in the framework of interregional cooperation.

CONCLUSIONS AND RECOMMENDATIONS

The key to a successful implementation of Domestic Cooperation is a common understanding and steps, which give rise to stakeholder commitment to regulations and operational guidelines. In order to optimize the role of the Ministry of Home Affairs, the implementation of Domestic Cooperation both at the central and regional levels have to be facilitated, especially support for comprehensive evaluation data from each Work Unit within the scope of the Ministry of Home Affairs, as well as evaluation data from each Provincial, Regency/City Government. To improve performance in achieving Domestic Cooperation (KDN) that are planned, integrated and sustainable. The goal to be achieved is to achieve proper and accurate database preparation in the implementation of Domestic Cooperation as a form of administrative order and as a reference for monitoring and evaluation instruments for domestic cooperation.

Domestic Cooperation is a relationship between institutions and non-governmental cooperation perform by the Ministry of Home Affairs and Regional Governments aimed at improving public services and accelerating development mapping in the regions for the realization of community welfare. The implementation of domestic cooperation certainly requires mutual attention, so the implementation of cooperated programs can be coordinated, monitored and in line with the development programs that are being perform by the central government and regional governments.

Based on the results of the evaluation that has been performed by Domestic Implementation Cooperation within the Ministry of Home Affairs and Regional Government, several recommendations can be given. To optimize the utilization of the future implementation of cooperation programs, there are a number of things that still need to be considered together, both by components within the Ministry of Home Affairs and Local Governments, including:

- 1. The Central Government provides information either through outreach, Coordination Meetings (Rakor), Seminars or vice versa to local governments on policies related to cooperation programs, including procedures and mechanisms for implementing cooperation;
- 2. Ensure the compilation of cooperation documents such as Memorandum of Understanding and Cooperation Agreement as mandated in Government Regulation Number 28 of 2018 concerning Regional Cooperation, which becomes a reference in implementing programs/activities in each cooperation area

- 3. The form of success stories, as lessons learned, good practice, for the Regional and Central Governments. He continued to publish Good Practice as a material for replicating similar programs to the regions or materials for awards in the field of cooperation.
- 4. Reports on the results of cooperation shall be submitted annually at the latest 7 (seven) working days after the end of the current year's budget.
- 5. The Provincial Government as the representative of the Central Government shall; Coordinating districts/cities in the framework of facilitation, supervision and administration of the implementation of domestic cooperation; Build effective communication and coordination between government agencies in the regions.
- 6. Preparing the Grand Design/Master Plan for Domestic Cooperation in the context of equitable development in the regions;
- 7. It is necessary to develop indicators of the success of the cooperation program as a reference in carrying out monitoring and evaluation as well as to hold coordination meetings in the regions as a means of sharing information about the plans, objectives and program outputs through (seven) criteria for the Cooperation Evaluation instrument, including: a. Compliance with Standard Procedures and Ethical Principles; b.Transparent Process and Accountability; c. Participation and Inclusiveness of Stakeholders; d. Initiative Relevance to Needs; e. Governance Planning and Purpose Clarity; f. Quality of Output and Wide-Scope of Outcome; g. Durability and Sustainability Prospects.

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