



-MABIS

FAKULTAS EKONOMI UNIVERSITAS MALIKUSSALEH

**The Implementation of the Urban Infrastructure Development
Program in Indonesia in an Era of Reform**
Oleh : Ichsan

**Pengaruh Karakteristik Tujuan Anggaran Terhadap Kinerja
Manajerial dengan Komitmen Organisasi sebagai Variabel
Moderating pada Pemerintah Kota Banda Aceh**
Oleh : Said Herry Syafrizal; Cut Aknawal

**Analisis Perbedaan Pendapatan Pedagang
Di Kota Lhokseumawe**
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**Faktor-faktor yang Mempengaruhi Produktivitas Tenaga Kerja
Pada Kantor Administrator Pelabuhan (ADPEL) Lhokseumawe**
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**Identifikasi Gaya Kepemimpinan Kepala Sekolah
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Oleh : Amiruddin

**The Relationship Among Five Factor Model of Personality,
Spirituality, and Forgiveness**
Oleh : Hafnidar

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THE IMPLEMENTATION OF THE URBAN INFRASTRUCTURE DEVELOPMENT PROGRAM IN INDONESIA IN AN ERA OF REFORM

Ichsan

Abstract: After the enactment of Law No. 22/1999 (later revised by Law No. 32/2004) and Law No. 25/1999 (later revised by Law No. 33/2004), district governments have been having determinant power to prepare and execute public works urban infrastructure without control from the central government. In addition, district governments are demanded to mainly rely on their own financial capacity in the program. In other words, the devolution approach where services are to be provided fully under the autonomous authority of district governments is currently applied to replace the co-administration approach (where the central government determines the technical direction) and the deconcentration approach (where the central government provides the services through offices of the ministries located at the local level). This study aims to examine to what extent that the objectives of the urban infrastructure development program at the district levels are congruent with those at the national level under the new decentralization policies and how is the organizational structure of the urban infrastructure development program at the district levels managed to achieve the policy goals. This study finds that in general the goals of the urban infrastructure development program at the central government level are incongruent with those at the district government level. This incongruence is traceable to the fact that many district governments have not yet executed the urban infrastructure development program in line with their capacities. Moreover, most district governments have not yet improved their financial resources. Therefore, those who have poor natural resources have serious difficulties in financing the urban infrastructure development program.

Keywords: urban infrastructure development, goal congruence, principal-agent relations.

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INTRODUCTION

Decentralization has been a serious concern to the Indonesian government since early 1970s. Motivated mainly by political considerations, i.e., pressure from the local level, the Indonesian government undertook its first major decentralization step with the creation of Law No. 5/1974. This law enabled local governments to be more involved in the local development process. With respect to the provision of urban services, this law allowed local governments to provide urban services mainly under the co-administration manner where services were to be executed by the local governments under the technical direction of the central ministries. Previously, urban services were fully provided by the central government (Rukmana, et. al., 1993; Suselo, et. al., 1995).

In the late 1990s, the Indonesian government enacted several new laws to improve the roles and functions of local governments in the development process. Laws No. 22/1999 on Government Regional Autonomy (later revised by Law No. 32/2004) and 25/1999 on Fiscal Balance between the Central Government and Regions (later revised by Law No. 33/2004) were stipulated in the so-called reform era (after the collapse of Soeharto's regime). The laws contain greater autonomy and fiscal authority of local governments. Under Law No. 32/2004, the central government is now responsible only for the following functions: defense and security, foreign affairs, monetary affairs, justice, and religion. Other than those matters, including the provision and planning of urban services, are solely the responsibility of the district governments without intervention from the central and provincial levels. Moreover, the relationship between provincial and district governments is not hierarchical anymore but only coordinative. The provincial government, on behalf of the central government's guide, functions to supervise district governments and take care of inter-jurisdictional matters.

Meanwhile, Law No. 33/2004 enables local governments to have much more power in terms of fiscal authority. The sharing for natural resources, property tax, and land and building excises between central and local governments arranged in this law has greatly benefited local governments. The sharing for non-oil and gas (forestry, mining, and fisheries) is 20% for the central government and 80% for the local government, for oil, 85% for the central and 15% for the local, for natural gas, 70% for the central and 30% for the local. For property tax, 10% for the central and 90% for the local, while for transfer of land and building excises, the central gets 20% and the local gets 80%.

In order to support its decentralization policies, the Indonesian government has implemented numerous programs in all aspects of development. In the provision of urban services, the Indonesian government initiated the Integrated Urban Infrastructure Development Program (IUIDP) in the 1980s. This program was designed to give greater responsibility to local governments in executing the urban infrastructure development program. Aside from supporting decentralization policies, as a matter of fact, this program was launched due to the economic efficiency considerations (Rukmana et al., 1993). After oil prices fell in the 1980s, the central government faced a serious problem in funding urban infrastructure programs. Since

then the participation of local governments, especially in the budgeting, planning, implementing and maintenance of this program, has been an inevitable choice.

After the enactment of Laws No. 32/2004 and 33/2004, the implementation of the urban infrastructure development program has been geared to the principles of the laws. Under the new urban infrastructure development approaches, it is hoped that district governments will have determinant power to prepare and execute public works urban infrastructure without control and intervention from the central government. District governments are also demanded to mainly rely on their own financial capacity in the program. In other words, the devolution approach where services are to be provided fully under the autonomous authority of district governments is currently applied to replace the co-administration approach (where the central government determines the technical direction) and the deconcentration approach (where the central government provides the services through offices of the ministries located at the local level).

Given that, it is interesting to examine to what extent that the objectives of the urban infrastructure development program at the district levels are congruent with those at the national level under the new decentralization policies and how is the organizational structure of the urban infrastructure development program at the district levels managed to achieve the policy goals. In the policy implementation context, these issues are essential. Implementation scholars advise that congruence between the formal policy goals and the operative goals may be a precondition for the achievement of policy objectives. Meanwhile goal congruence is considered difficult to be achieved in complex implementation contexts (Meyers, et. al., 2001).

This paper will examine several aspects pertinent to the implementation of the urban infrastructure development program following the enactment of Laws No. 32/2004 and 33/2004. It will pose the following questions:

1. What is the extent of congruence between the goals of the urban infrastructure development program at the central government level and those at the district government level?
2. To what extent does the complexity of the implementation structures of the urban infrastructure development program affect the realization of the formal goals of the urban infrastructure development program?

To answer these questions, this study will be informed by theories that deal with challenges of decentralization. It will then look at the implementation of the urban infrastructure development program after the stipulation of Laws No. 32/2004 and 33/2004. After that, it will specifically analyze the extent to which the national goals of the urban infrastructure development program fit with the district goals of the urban infrastructure development program as well as examine the institutional context of the urban infrastructure development program. This paper concludes with some recommendations for the implementation of the urban infrastructure development program in the future.

LITERATURE REVIEW

Decentralization Policies

Many countries worldwide are now experimenting with decentralization. Dillinger (in Silver, 2003) states that more than 80% of developing nations with a population of greater than 5 million were involved in a process of devolving responsibility and power to local government. One of the important factors accelerating decentralization movement in developing nations is the intensive promotion of the international donor community that a decentralized governance structure is a desired model among nations fighting to provide basic service to their citizens (Silver, 2003).

Decentralization takes different forms, i.e., deconcentration, delegation, devolution, and privatization. In the context of services provision to citizens, deconcentration means services are provided directly by the central government agencies, normally through offices of the ministries located at the local levels. Delegation means services are to be executed by the local governments controlled wholly or partly by the central government. Devolution refers to a situation in which services are to be provided fully under the autonomous authority of local governments. Privatization gives power and responsibility from government agencies to private groups to provide the services (Rondinelli in Makky, 2005; Rukmana, et. al., 1993).

In some cases, the central government utilizes decentralization to improve public sector performance but without giving up control from the Central government. For example, the central government allows local governments to participate more in the whole process of development, but it does not provide fair revenue sharing enabling local governments to have determinant revenues. In this respect, fiscal decentralization giving adequate funds to local government becomes a vital component (Makky, 2005; Silver, 2003).

Decentralization policies become a natural choice for a variety of reasons. According to Guess (2005), the most common are associated with efficiency, effectiveness, and political stability concerns. It is believed that decentralization can provide more responsive and innovative service. The reason is the decision making chain will be shorter that tends to minimize the deviation in absorbing community's aspirations and needs. Decentralization also allows local governments to have discretion to expand resources on projects that they find of greatest value to their local situations that in turn can strengthen fiscal condition of the central government (by reducing grants for the central government's budget) and the greater autonomy of local governments. In addition, it is hoped that decentralization leading local governments to have more autonomy will reduce the inclusiveness of the central government and expand local governments' supports to the central government.

Given the above reasons, both the central and local governments are said to potentially gain benefits from the implementation of decentralization policies as long as the decentralization goals themselves can be aligned to achieve desired positive outcomes. The question is then under what conditions this intention can be realized? In the context of the provision of urban services, Rukmana et. al., states that decentralization needs to be supported by several conditions. First, local governments

must be provided with capable human resources in the urban service sector. The quality of local human resources can gradually be enhanced through education and training. Second, local governments should have financial capacities to absorb the additional responsibilities. Local governments have no choice but generating local revenues to support development in their areas from various sources (natural resources, tax, user charges, etc). Third, there must be the ability to establish an institutional system capable of providing urban services effectively. In this case, the system should uphold transparency and accountability principles that minimize corruption, collusion, and nepotism practices.

From a broader perspective, the effectiveness of decentralization policies can be measured from the compatibility of goals between multi tiers in an organization and the level of working relations between policy officials and implementing agencies. Here Meyers, et. al.'s (2001) concepts of achieving goal congruence and Worsham and Gatrell's (2005) signaling approach to the principal-agent relations can be adopted as conditions or criteria for achieving advantages of decentralization policies.

Meyers et. al.'s concepts (2001) analyze the policy goal context and the institutional context in policy implementation. This concept is based on the premise that the achievement of policy objectives can be determined by congruence between the formal goals of policy officials and the operative goals of implementing agencies. Goal congruence itself will be relatively easy to accomplish if the policy goals are clear and organizational structure executing the policy is less complex and less fragmented. The less centralized and the more organizations are involved in implementation the more difficult goal congruence to achieve.

Meanwhile, Worsham and Gatrell (2005) suggest that communication links between principals (policy officials) and their agents (implementing agencies) are key elements of the principal-agent relationship determining the achievement of principal goals. Agency theory, as developed in micro-economics and transaction economics, explains that agents pursue goals that may coincide with those decided by principals due to the difference of the interests and incentives between agents and principals (Worsham and Gatrell, 2005).

Both Meyers, et., al., and Worsham and Gatrell's concepts have complementary functions in light of policy implementation. Meyers et. al.'s theory stresses the importance of policy and operative goals congruence and that the institutional context is a determinant element in attaining goal congruence. Here Worsham and Gatrell's theory propose communication between policy officials (principals) and implementing agencies (agents) so that the agencies fully understand the policy goals which in turn lead them to be more responsible for the goal achievement. As such, this theory can be considered as another element to support goal congruence.

In the next part, I will describe further Meyers, et. al.'s goal congruent concepts and the Worsham and Gatrell's signaling approach to the principal-agent relations. Here my aims are to examine the extent of goal congruence and institutional complexity conditions and how communications links need to be put into place to hold the agents accountable for the policy goals.

Goal Congruence Concepts and the Signaling Approach to the Principal-Agent Relations

Goal congruence concepts

Several case studies suggest that the performance of public organizations is contingent upon their clear missions and goals (Rainey, 1991; Rainey and Steinbauer, 1999; Behn, 1991; in Meyers, et. al., 2001). Meanwhile, empirical studies show that goal clarity results in positive effects: connecting staff efforts to mission-related tasks, isolating staff from organization politics, encouraging innovation and risk taking in organizations (Rainey and Steinbauer, 1999; Witt, 1998; Golden 1990; Behn, 1999; Bozeman and Kingsley, 1999; in Meyers, et. al., 2001).

With regard to policy implementation studies, goal clarity is also a significant factor for policy achievement. With their top-down approach, Mazmanian and Sabatier (1989, in Meyers, et. al., 2001) suggest that policy officials have a strong ability to direct and monitor implementing agents if they can clearly convey their goals. Scholars advocating bottom-up and contingent models also contend that goal ambiguity inhibits desired policy achievement (Pressman and Wildavsky, 1984; Lipsky, 1980; Brodtkin, 1990 and 1997; in Meyers, et. al., 2001).

The studies mentioned above deal with policy achievement for the single organization with simple institutional structure. Here, goal achievement is relatively easy to evaluate. The goal achievement becomes more difficult in the case of complex organizational system, where there are multiple organizations within public organizations with multiple interests. In such a situation, the question is what standards could be used to compare and evaluate the goals. With respect to this situation, Meyers, et. al. (2001) propose one standard, that is, the congruence of goals.

Meyers, et. al. define goal congruence as "the extent of agreement between the official or formal policy goals of political officials and the operative goals of the organizations or networks charged with delivering that policy" (p. 170). Here formal goals are defined as the policy objectives "espoused by public officials in the relevant political jurisdiction(s)" (p.176) and operative goals are defined as "the standards against which staff members judge, and are judged, with regard to performance" (Meyers, et. al., 2001, p.177).

According to Meyers, et. al. (2001), goal congruence relies on two factors: the clarity and complexity of policy goals. From the clarity standpoint, the authors, supported by research of organizational goals, argue that ambiguous and poorly defined goals can exacerbate the uncoupling of policy and operative goals. With regard to the complexity of policy goals, the authors refer it to the number and integration of implementing organizations responsible for the policy goal achievement. The relationship between the policy goal complexity and the institutional complexity is shown in table 1.

Table1: Contextual Factors that Influence Goal Congruence

		Policy Goal Complexity	
		Low consistent and stable policy goals	High inconsistent and/or shifting policy goals
Institutional Complexity	Low single agency or tightly coupled system	Case 1 -Unambiguous goals -Simple or highly integrated institutional system	Case 4 -Ambiguous goals -Simple or highly integrated institutional system
	High Multiple agencies in loosely coupled system	Case 2 -Unambiguous goals -Complex or fragmented institutional system	Case 3 -Ambiguous goals -Complex or fragmented institutional system

Source: Meyers, et. al., 2001 (p. 175)

The above table shows 4 possible conditions of the relations between policy goal complexity and institutional complexity. First is low complexity in policy goals and low complexity in institutional arrangements (case 1). Second is low complexity in policy goals and greater institutional complexity (case 2). Third is high complexity in policy goals and high levels of institutional complexity (case 3). Fourth is high complexity in policy goals and low levels of institutional complexity (case 4).

In the case of high complexity in policy goals (cases 3 and 4) where formal policy goals and operative goals are incongruent, it is critical for policy officials to undertake intensive communication with personnel of the implementing agency that enables the personnel to clearly know the policy goals (Meyers, et. al., 2001). According to Meyers, et. al., clear agency mission and goals can make an agency's personnel more innovative, more satisfied, and more productive in their work. Meanwhile, low institutional complexity in overcoming the issues will be an advantage.

In the case of high levels of institutional complexity (cases 2 and 3) where multiple agencies are involved in policy goal achievement, Meyers, et. al., suggest that rationalizing organizational systems could reduce the uncoupling of operative goals. In addition, coordination among related agencies is also a crucial issue that needs to be strengthened.

According to Brinkerhoff and Crosby (2002), less coordination among related actors in policy implementation will create friction and conflict in achieving the policy objectives. They offer three types of coordination: information-sharing, resource sharing, and joint action. These types of coordination can be adopted in executing the urban infrastructure development program. Information-sharing means that one agency lets other agencies know what it is doing concerning the issues through distributing written reports, public hearings, holding coordinative meetings, or setting up information units. Resource sharing means that one agency shares its resources to others. The resources include such as personnel, contracts, and funds. Joint action can take place in various forms: planning, data gathering, monitoring, and supervision of related program or activities.

The signaling approach to the principal-agent relations

According to Worsham and Gatrell (2005), communications between principals (policy officials) and their agents (implementing agencies) often resemble a signaling process where potential principals indicate their interest in policy matters through various venues. The signaling model is associated with the communication links between principals and agents in which principals convey their expectation about what agents should do to meet policy goals they desire. This model derives from the assumption that agencies, bureaus, and organizations maintain their survival by considering related factors in the larger environment where they operate (Meir, 1993; Rourke, 1984; in Worsham and Gatrell, 2005). In this situation, agency personnel need to pay considerable attention to any signs in the environment that influence their routine activities.

With regard to the venues, they include media attention, congressional discussions of policy areas and issues, institutional factors, and presidential pronouncements. The more intensive the policy is conveyed through the venues, the more chance agents ascertain, support, and implement the policy. Worsham and Gatrell (2005) propose several ways to measure how intensive policy officials use the venues. First is media attention that can be measured by the number of stories reported by media pertinent to the related policy area. Second is congressional discussions including remarks of congress members measured by the number of entries embodied in the Congressional Record dealing with the policy, the introduction of legislation measured by the number of public bills dealing with the policy, and the attempt to put the relevant issue on the decision agenda measured by the number of hearings dealing with the policy. Third are institutional factors covering the extent of party control on the executive and Congress measured by whether these institutions are fully controlled by a certain party, performance committee staff measured by the number of committee staff in both the House and Senate, and rulemaking activity measured by the number of entries in the relevant

record. The last venue, presidential pronouncement, refers to the president attention to the policy measured by the number of policies mentioned by the president in the relevant record.

Aside from communication venues, Worsham and Gatrell explain the importance of organizational characteristics in a signaling process. The organizational characteristics include the type of policy implemented by the agencies, their organizational structure, the issue salience and politics pertinent to their primary mission, the type of personnel they employ, and their history. In terms of type of policy, based on their research, the authors conclude that the mixed types of policy implemented, unclear lines of authority and coordination, unclear missions, unqualified personnel, and failure to deal with serious problems from time to time tend to make it difficult for an agency to understand principals' signals.

Policy Background: the Implementation of the Urban Infrastructure Development Program in an Era of Reform

Since 1998 –after the collapse of Soeharto's regime– the reform movement in Indonesia took place dramatically and rapidly. Under the administration of the new President, B.J. Habibie, the Government of Indonesia stipulated Law No. 22 (later revised by Law No. 32/2004) and Law No. 25/1999 (later revised by Law No. 33/2004). Both of these laws contain the improvement of the decentralization degree in terms of autonomy and fiscal authority of local governments (Suselo and Sundungdolok 2000; Poppe, Syahroni, and Spyckerelle 2001).

The new decentralization policies were stipulated at a time when Indonesia was suffering from political and economic crises. The fall of Soeharto's regime and monetary crisis hitting Indonesia at that time resulted in social instability. The increased demand on a more democratic system from citizens and local governments combined with the economic incapability of the central government were some main reasons behind the stipulation of the policies (Satriyo, et. al., 2003).

The implications of the new decentralization policies on urban infrastructure development

Below are several issues influencing the implementation of the urban infrastructure development program as a consequence of the enactment of Laws No 32 and 33/2004:

1. District governments are now fully responsible for urban infrastructure development in their areas (in terms of planning, budgeting, implementation, and evaluation). In the past, most urban services were provided under co-administration and deconcentration approaches. Co-administration refers to a situation where services are to be executed by the local governments under the technical direction of the central ministries. Deconcentration is associated with a situation where services are provided directly by the central government agencies, normally through offices of the ministries located at the local level.
2. Provincial governments have authority over-cross district governments and specific functions that cannot be carried out by district governments.

3. District governments have authority to establish any agencies in connection with provision of urban services in its jurisdictional matters.
4. The relationship between province and district is not hierarchical anymore but only coordinative. However, the governor on behalf of central government guides and supervises district governments.
5. The Local Parliament (DPRD) is separated from the local government. In the past, it was part of the local government.
6. The Local Parliament elects Governor and Vice Governor, Head of District and Vice of Head of District, and Mayor and Vice Mayor (currently they are directly elected by the community members). Previously, candidates for Head of District and Mayor needed approval from the central government, while candidates for Governor needed approval from the President.
7. The Governor, Head of District, and Mayor are responsible for the Local Parliament.
8. The Governor, Head of District, Mayor, and Local Parliament decide on the local budget. Previously, the central government had this authority.
9. At least 25% of domestic revenues in the national budget have to be allocated for general allocation funds (10% is for provinces and 90% for districts). Previously, the amount was less than 18%. The distribution of general allocation funds for provinces and districts is based on a formula with variables among others, population, area, income, natural resources, and human resources.
10. The sharing for non-oil and gas (forestry, mining, and fisheries) is 20% for the central government and 80% for the local government. For oil, 85% for the central and 15% for the local. Meanwhile for natural gas, 70% for the central and 30% for the local. Regarding property tax, 10% for the central and 90% for the local, while for transfer of land and building excises, the central gets 20% and the local gets 80%.

Decentralization policy goals and urban infrastructure development goals

Specifically, the new decentralization policies had the following objectives (Satriyo, et. al., 2003):

1. Preventing disintegration
The deep discontent in Indonesia over the authoritarian and centralistic nature of the Soeharto's regime led to a separatist sentiment among local governments. The sentiment was strong in natural resource rich regions, such as Aceh, Papua, Riau, and East Kalimantan. Other regions also greatly opposed the centralized power practiced for a long time in the Soeharto's regime. This was because local aspirations and wisdom had been neglected.
2. Promoting democratization
Democracy became the main agenda in Indonesia after more than three decades this country in the authoritarian system. The new government had no choice but to change the government system to be more democratic to maintain its viability. Among the most important changes was that the Local Parliament elected the Governor and Vice Governor. Previously, candidates for Governor were approved by the President.

3. Providing for Division of Labor

The economic crisis that started hitting Indonesia in 1997 paralyzed all of the government structures. The central government suffered the worst. Fiscal decentralization was an inevitable choice to reduce the financial burden of the central government in the provision of basic service.

As a consequence of the enactment of the new decentralization policies, some objectives of the urban infrastructure development program have changed (Guess, 2005; Satriyo, et. al., 2003; Schroeder, 2003). From the perspective of the central government, it can be concluded that the main objectives of the urban infrastructure development program are now as follows:

1. To give full power to local governments in preparing, implementing, monitoring, and evaluating the public works urban infrastructure development program in line with the local government institutional and human resource capacity.
2. To reduce significantly the dependence of local governments on the central government in terms of financing the urban infrastructure development program, by giving local governments additional sharing for natural resources, property tax, and land and building excises in their jurisdictions, and by giving discretion for local governments to expand resources.
3. To increase the efficiency of fund utilization through the avoidance of overlapping activities among associated agencies involved in the urban infrastructure development program.
4. To increase the effectiveness of the provision of urban services by providing a wide opportunity for local government levels to formulate local priorities and to design programs that meet local needs.

In general, district governments understand objectives 3 and 4 as intended by the central government. However, objectives 1 and 2 seem to be interpreted in a different way as follows (Guess, 2005; Satriyo, et. al., 2003; Schroeder, 2003):

1. District governments have full authority to prepare, implement, monitor and evaluate the urban infrastructure development program in their jurisdictions (without putting stress on their institutional and human resource capacity).
This goal interpretation contributes to problems such as high corruption, collusion, and nepotism practices in the implementation of the urban infrastructure development program in the district government level. This interpretation also results in the lack of the district governments' attention to their human resource development, especially in the urban infrastructure development sector.
2. District governments mainly finance their urban infrastructure development from the source of additional sharing for natural resources, property tax, and land and building excises in their jurisdictions (without putting stress on efforts to expand their own resources).

This goal interpretation tends to lead district governments with poor natural resources and low revenue sharing from taxes and excises to have a limited budget in financing their urban infrastructure development program. They seem to rely on this revenue sharing very much and ignore the improvement of their other financial capacities.

The implementing agencies of urban infrastructure development

District governments have authority to establish any agencies they need to provide urban services. Here, in general, there are two types of institutional structures used by the district government to deal with the implementation of the urban infrastructure development program. First is the centralized institutional structure where all related agencies are coordinated under the District Public Works Office. The agencies include the Roads and Transportation Division, the Settlements Division, and the Water Resources Development Division. The District Public Works Office is responsible to the mayor in their jurisdiction. Second is the fragmented institutional structure. In this structure, each of development sectors, the Roads and Transportation Office, the Settlement Office, and the Water Resource Development Office, positions as the independent office. All of the offices are independently responsible to the mayor in their jurisdictions.

Analyses of the Implementation of the Urban Infrastructure Development Program in an Era of Reform from the Perspective Goal Congruence Concepts

To examine the implementation of the urban infrastructure development program in an era of reform (after the enactment of Laws No. 32/2004 and 33/2004), I will employ Meyers, et. al.'s goal congruence concepts. As stated earlier, these concepts assume that the achievement of policy objectives could be influenced by congruence between the formal goals of policy officials and the operative goals of the implementing agencies.

Goal congruence relies on two factors: the clarity and complexity of policy goals. From the clarity standpoint, the authors, supported by research of organizational goals, argue that ambiguous and poorly defined goals can exacerbate the uncoupling of policy and operative goals. With regard to the complexity of policy goals, the authors refer to the number and integration of implementing organizations responsible for the policy goal achievement.

Below are the analyses of the extent of congruence between the goals of the urban infrastructure development program at the central government level and the goals of the urban infrastructure development program at the district levels as well as the extent of the complexity of the implementation structures that affects the realization of the formal goals of the urban infrastructure development program.

1. The extent of congruence of the goals of the urban infrastructure development program. Of four goals of the urban infrastructure development program, only two goals (goals 3 and 4) indicate that the formal goals congruent with the operative goals. It is mentioned in these goals that urban infrastructure development aims to increase the efficiency of fund utilization through the avoidance of overlapping activities among associated agencies involved in urban infrastructure development (goal 3). In addition, urban infrastructure development also aims to increase the effectiveness of the provision of urban services by providing a wide opportunity for local government levels to formulate local priorities and to design programs that meet local needs (goal 4). The remaining two goals (goals 1 and 2) are incongruent.

For goal 1, the difference rests on the ignorance of district governments towards a suggested precondition to have full authority in preparing, implementing, monitoring and implementing urban infrastructure development; that is, the urban infrastructure development activities should be in line with the local government capacity. For goal 2, district governments tend to focus on getting funds in financing the urban infrastructure development program from additional sharing for natural resources, property tax, and land and building excises in their jurisdictions and ignore efforts to expand their resources.

2. The extent of the complexity of the implementation structures affecting the realization of the formal goals of the urban infrastructure development program.

As stated earlier, there are two types of institutional structures used by the district governments in implementing urban infrastructure development: the centralized institutional structure and the fragmented institutional structure. District governments that use the first structure (all related agencies under the District Public Works Office) tend to have a strong coordination among agencies enabling the goals of the urban infrastructure development program to be relatively easy to achieve. On the other hand, those that use the fragmented institutional structure where each of related agencies is independent tend to have a weak coordination. This will potentially make it difficult for the latter district government to achieve the goals of the urban infrastructure development program.

Borrowing Meyers, et., al.'s concepts, two conditions are being faced as a consequence of the relationship between goal complexity and institutional complexity in the context of the implementation of the urban infrastructure development program in Indonesia. First is the case of high levels of goal complexity and high levels of institutional complexity (Group A). This case is associated with district governments that have the fragmented institutional structure in implementing urban infrastructure development. Second is the case of high levels of goal complexity and low levels of institutional complexity (Group B). This case relates to district governments that have the centralized institutional structure. The relationship between the goal complexity and the institutional complexity in the context of the implementation of the urban infrastructure development program is shown in table 3.

Table 3: Contextual Factors that Influence Goal Congruence in the Implementation of the Urban Infrastructure Development Program in Indonesia

		Goal Complexity	
		Low consistent and stable policy goals	High inconsistent and/or shifting policy goals
Institutional Complexity	Low single agency or tightly coupled system		<p>Group B</p> <ul style="list-style-type: none"> - The goals of the urban infrastructure development program at the district level are incongruent with those at the central government level - All agencies involved in the implementation of the urban infrastructure development program at the district level are centralized under the District Public Works Office
	High Multiple agencies in loosely coupled system		<p>Group A</p> <ul style="list-style-type: none"> - The goals of the urban infrastructure development program at the district level are incongruent with those at the central government level - Agencies involved in the implementation of the urban infrastructure development program at the district level are fragmented (not coordinated in one office)

CONCLUSION AND RECOMMENDATIONS

It can be concluded that in general the goals of the urban infrastructure development program the central government level are incongruent with those at the district government level. This incongruence is traceable to the fact that many district governments have not yet executed urban infrastructure development in line with their capacities. Moreover, most district governments have not yet improved their

financial resources. Therefore, those who have poor natural resources have serious difficulties in financing urban infrastructure development.

Given the above facts, below are some recommendations to improve the implementation of the urban infrastructure development program at the district level in the future:

1. Since in many districts, the formal goals and operative goals of the urban infrastructure development program are incongruent, it is critical for the central government officials to undertake intensive communication with related implementing agencies at the district government level that enable the agencies to clearly know the goals of the urban infrastructure development program.
2. It seems that district governments that have the fragmented institutional structure in dealing with the implementation of the urban infrastructure development program need to consider the centralized structure where all related agencies are coordinated under the District Public Works Office. This will result in a more synergic and integrated implementation of the urban infrastructure development program.
3. It is urgent for district governments to improve their human resources immediately to be truly ready in managing urban infrastructure development in their areas. In this case, they need to train more prospective urban managers, public works managers, and professionals, for degree and non-degree programs.
4. In line with the funding of the urban infrastructure development program, local governments that have poor natural resources and don't have enough other financial-owned sources, have to be careful. Laws 32 and 33/2004 basically tend to benefit those that have rich natural resources, because the revenue sharing they get will increase. Surely, the poor local governments should work hard to improve their capacities in improving financial resources for development. The capacities can be upgraded through such efforts as the improvement of the Local Water Supply Enterprises' management, and reforms of local taxes and user charges.

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