

## Good Governance Brief

# Citizen Engagement and Participatory Governance

## Challenges and Opportunities to Improve Public Services at the Local Level

### Introduction

A functional democracy needs an informed citizenry and empowered media, popular participation in policy making, a responsive state, and governing processes that are open, transparent and inclusive to all legitimate interests. Improving relationships between citizens and their government means working simultaneously on state responsiveness and effectiveness, citizen empowerment, and the accountability of elected officials and council members. The state alone cannot solve society's many problems or provide the remedies for democracy's deficits—this also requires citizen action. A meaningful democracy must strengthen civic voices, demonstrate responsive governance systems, and promote the interest of all its citizens.

The new governance paradigm is about process, politics and partnerships. While in the past, many countries (including Indonesia) were run by government officials that took decisions primarily based on technical knowledge and vested interests, today new governance structures and demands are compelling government agencies to expand public consultations, implement participatory governance practices at the local level, encourage popular participation and develop new partnerships with civil society organizations. This requires a de-professionalization of politics and the public administration. Governance is not only for specialists and government officials. Government actors need to open up for more transparent and responsive decision-making. Without transparency, citizen participation is poorly informed and less effective. Without accountability, those in positions of power can safely ignore the will of the people. By demanding responsiveness to social and economic needs, organized civic activity can have a real and tangible impact on local government performance and the quality and responsiveness of public services.

*There is much excitement here about the new opportunities arising from regional autonomy and democratization, and the people are eagerly seizing them. Local governments have moved to the front line of social and political change, and they need to work closely with citizens in delivering a complex agenda of public services, economic growth and social welfare.*

This good governance brief focuses on the active role of citizens in local governance. Specifically, it highlights efforts being made by civil society to improve the delivery of public services through the multiple roles citizens play in service delivery: as clients, as citizens advocating improvements, and as residents sharing in the provision of public services. It is divided into the following sections:

- The emergence of civil society and citizen participation in Indonesia.
- The regulatory framework for citizen engagement.
- Practices of civil society organization engagement in participatory governance.
- Challenges to citizen participation in local governance and public services.
- Recommendations based on a national conference held in May 2008.

## Emergence of Civil Society and Citizen Participation in Indonesia

Indonesia has a long history of civic associations and a rich tapestry of social groups and movements, including religious societies, private schools, credit associations, mutual assistance self-help groups, neighborhood organizations, water-use associations, and many others. Initially, they were mainly ascriptive (based on race, religion, gender or kinship) and were not voluntary. It was only with the rise of modernity during the decade of political awakening (1910–1920) that such community organizations developed into an emergent and self-sustaining public sphere. Hundreds, if not thousands, of popular mass organizations were established, based on religion, political affiliation and other shared concerns. In 2008, Indonesia is holding its centennial celebration of the establishment of the first of these organizations, Budi Utomo.

Non-governmental organizations (NGOs) began to be recognized in Indonesia in the late 1970s. Although the authoritarian government was able to maintain high economic growth, poverty and lack of community participation in development activities created room for NGOs to play a role in community-based social and economic activities. A Ministry of Home Affairs decree in 1990 formalized this cooperation and allowed selected NGOs involved in development to become partners (*mitra*) of the government in development projects. These development NGOs were involved in a wide variety of fields, either as complementary service providers or as agents of government programs that could not otherwise reach the lowest strata of society. There were, however, restrictions on the freedom of assembly and expression. Civil society organizations were regulated by Law 8/1985 on Mass Organizations, which allowed the state to restrict the growth of NGOs in the 1980s, and to limit the opportunities for non-state mass organizations to operate.

With the emergence of the community development paradigm in the late 1970s and early 1980s, the government introduced community development organizations such as the Village Community Resilience Board (*Lembaga Ketahanan Masyarakat Desa* or LKMD) and Family Welfare Guidance (*Pembinaan Kesejahteraan Keluarga* or PKK). In the 1990s, Participatory Rural Appraisals and other forms of project-based development became commonplace among donors and NGOs. However, in practice, much of the participation was co-opted by local elites and the results of the consultative meetings were closed to the public. In this way, ‘participation’ became forced mobilization through ‘mutual assistance’ for community development projects; again, often misused by local elites for personal use.

With the demise of the authoritarian Soeharto government in 1998, restrictions on civil society and citizen participation were largely removed. Democratic elections in 1999 and 2004 have allowed more accountable members of local legislative councils (DPRD) to come to power (see LGSP’s Good Governance Brief on *The Role of DPRDs in Promoting Regional Autonomy and Good Governance*, April 2008). Direct elections of local heads of government starting in 2005 have led to the emergence of more responsive leaders. The implementation of decentralization since 2001 has permitted local innovation and shifted decision-making processes closer to citizens. Freedoms of association and speech have encouraged organized civil society to play a more prominent role in public life.

In the last ten years, the number of civil society organizations in Indonesia has increased substantially along with the rise of civil society. The spread of democracy has opened up new opportunities for civil society groups to participate in establishing institutions and mechanisms of accountability in a country where citizen involvement was discouraged until recently. With the basic freedoms of expression and association upheld, there has been a flowering of new ideas and social actors as people who were previously denied participation can now become involved. Indonesia has the potential for enormous social change and rising entrepreneurship. To match this, local government officials have begun to open their doors for citizen and CSO input.

## Regulatory Framework for Citizen Engagement

A recent overview of the legal framework for citizen participation<sup>1</sup> describes how these new opportunities have arisen through various sectoral laws. Examples include Law 20/2003 on National Education, which established multi-stakeholder school committees and district-based boards of education; Law 7/2004 on Water Management, which requires local government agencies to hold public hearings on key water management policies; Law 41/1999 on Forestry, which introduced the concept of social forestry as a way for communities to jointly manage their forest resources; and Law 27/2007 on Spatial Planning, which recognizes the right of citizens to be involved in spatial planning design and to access important planning documents.

Citizens also participate in the development planning cycle through *Musrenbang*, a government-organized multi-stakeholder consultation forum on local development plans (see LGSP's Good Governance Brief on *Musrenbang as a Key Driver in Effective Participatory Budgeting*, July 2007). Established under Law 25/2004 on the National Planning System, the *Musrenbang* is the first step in a participatory planning and budget cycle that allows citizens to prioritize their needs, through village, sub-district and district-wide *Musrenbang* meetings<sup>2</sup>. Citizens have the right to participate in all levels of the *Musrenbang*.

At the local level, many local governments have passed by-laws or local regulations (*peraturan daerah* or *perda*) that provide transparency and opportunities for citizens to be consulted in the policymaking process. Although citizen participation cannot be fully regulated by laws, the transparency and participation *perdas* do provide legal protection and encouragement for citizens to engage, enshrining this right in a law. The *perdas* grant citizens access to certain information at the local level, which is important in Indonesia since the freedom of information bill was only passed into law in April 2008 and is yet to be fully implemented.

The Ministry of Home Affairs, which at the time of writing was revising Law 32/2004 on Regional Governance, is considering inserting a section on citizen participation that would enshrine the rights of citizens to access local documents and be active participants in both the budgeting process and the formulation of local regulations and other public policies.

## Civil Society Engagement in Participatory Governance

Unlike governments and local legislative councils, there are no pre-determined roles for CSOs in public policy affairs. Globally, CSOs and NGOs were not recognized by governments or international organizations as having any formal role in governance until about 20 years ago. The classical forms of democracy did not provide any role for citizens aside from being voters and consumers of government services. However, with the paradigm shift from “government” to “governance” and the rise of civil society during the third wave of democratization, the terms “civil society,” “citizen participation” and “governance” are commonly heard today. The Institute of Development Studies (IDS) in the UK has completed a useful matrix classifying the ways in which civil society and government interact.<sup>3</sup> On a continuum from civil society voicing to government frameworks, these forms include:

- awareness-raising and building capacity to mobilize;
- research and information generation for advocacy;
- lobbying to influence planning and policy formulation;
- citizen-based monitoring and evaluation;

<sup>1</sup> Suhirman, *Legal and Policy Framework for Citizen Participation in Indonesia*, Bandung 2007.

<sup>2</sup> Detailed in Ministry of Home Affairs and National Development Planning Agency Joint Circular Decree No. 0008/M.PPN/01/2007 on Technical Instructions for Organizing *Musrenbang*.

<sup>3</sup> Goetz, Anne Marie and Gaventa, John, *Bringing CitizenVoice and Client Focus into Service Delivery*, IDS Working Paper 138, July 2001, page 15.

- partnership and implementation;
- auditing;
- joint management of sectoral programs (including co-production schemes); and
- government frameworks for participatory planning.

The role of civil society in governance in Indonesia ranges from overseer to advocate to formal facilitator of Musrenbang meetings. Community engagement in governance affairs can take a variety of forms, and is a prerequisite for sustainable social change. During the last few years, a large number of practices and experiments have emerged, some supported by donors but most initiated by reform-minded government officials in partnership with civil society organizations. A number of specific cases were presented at an LGSP national conference in Jakarta in May 2008 on “Citizen Participation and Participatory Governance.” Five of these cases are summarized below.<sup>4</sup>

Civil society groups have been successful in lobbying government for **higher allocations for education and health care** for the poor and for more gender-sensitive budgets. Moving away from the old pattern of protest politics, civil society groups have engaged with government agencies in public consultations, budget hearings and multi-stakeholder task forces. With new skills in organizing and advocacy, citizen coalitions are increasingly gaining the trust of responsive government officials. In Parepare (South Sulawesi), a local citizens’ alliance in partnership with government agencies and local councilors has successfully distributed “Cash for the Poor” funds (a national government program that has met resistance in many jurisdictions) and achieved a commitment from the local government to provide additional assistance to poor families in three sub-districts in a pilot project.

**Citizen report cards and citizen charters** have allowed for government-citizen interaction on particular public services, encouraging government agencies to improve their services by public demand. Integrity pacts allow for a clearly defined role for citizens in public service oversight. During 2007, LGSP and local partners successfully introduced citizen report cards (CRCs) in three districts: Padang Panjang (West Sumatra), Semarang (Central Java) and Gowa (South Sulawesi). Local NGOs with a capacity to conduct satisfaction surveys and analyze the data were matched with advocacy groups that used the results for dialog on public service improvements with local government agencies. In Gowa in early 2008, a live talk show on a local television channel brought together the local regent and two civil society representatives in a dialogue on the results of the CRC, which had revealed a low level of satisfaction with secondary education services. During the talk show, the regent promised to collaborate with the local education agency to try to improve basic education and expressed his support for the CRC process by saying: “This survey is in accordance with the local regulation on transparency, and has proved that the local government of Gowa is truly engaging with citizens in monitoring public service performance.”

**Budget advocacy and oversight groups** have exposed unresponsive government budget practices, such as inconsistency in planning and budgeting policy, low allocation for public services, and excessive operational costs *vis-à-vis* actual service delivery. Complex budgets can be made more transparent by publishing budget posters and calendars and holding budget hearings. As noted by the International Budget Project ([www.internationalbudget.org](http://www.internationalbudget.org)), civil society engagement in applied budget work (including budget analysis, advocacy and transparency) can be a powerful means to hold government accountable while advancing policy goals such as assisting the disadvantaged. To take one example, several CSOs came together with reform-minded members of the DPRD in the city of Madiun, found discrepancies in the 2008 budget draft and together conveyed their concerns to the Madiun finance agency for clarification. This alerted the executive branch that they were being monitored, and they later revised the budget. Engaged and organized citizens can clearly force governments to be more accountable about their spending practices.

Within the related field of **budget transparency**, CSOs have successfully lobbied local government to publish local budgets. In 2006 in Padang Panjang (West Sumatra), LGSP teamed up with municipal officials to design

<sup>4</sup> Full conference materials can be found on the LGSP website, [www.lgsp.or.id](http://www.lgsp.or.id).

## LGSP Support for Civil Society Engagement in Local Governance

The core objectives of LGSP include strengthening the capacity of civil society organizations and citizens to demand transparent and accountable local government, advocating on behalf of citizens demanding improved public services, and positioning civil society organizations as legitimate and respected government partners. The program helps to increase opportunities for citizen engagement and strengthens citizens' capacity to contribute to public policy constructively and effectively, especially in the planning and budget cycle and in improving public services. LGSP supports civil society organizations in:

- advocating for government service improvements and performance monitoring;
- participating in local planning, budgeting and public policy formulation;
- monitoring local governments and legislative councils; and
- ensuring participation in and monitoring local boards and advisory committees.

In three years of implementation, LGSP has supported the establishment of public-interest and citizen-action groups that have effectively engaged with local government agencies and legislative councils, developed training packages, and delivered core training in the areas of budget analysis, advocacy skills and basic public services. In 2007 alone, LGSP helped to organize 150 governance events, including budget hearings, public consultations and town-hall meetings, enabling citizens and CSOs to provide policy input. Over 160 CSOs analyzed local budgets and submitted their findings to the local government, more than double the number in 2006. LGSP has also supported CSO engagement in improved implementation of public services and in public service monitoring. Building on the general budget analysis and budget advocacy skills discussed elsewhere in this brief, citizens have more effectively engaged in planning and budgeting public services such as education and health and in several cases have successfully argued for increased budget allocations.

and implement a city-wide campaign to increase citizen understanding of the public budgeting process and the government's annual programs and expenditures. CSOs and community leaders welcomed the initiative, which included the government's acknowledgement of the basic right to information about the budget and the consideration of community views in budget decisions. LGSP assisted government counterparts in developing an information campaign consisting of media spots and posters that depict the annual development budget allocations. The posters were visible in local government buildings, schools, coffee shops, and traditional markets. The planning office reported that they had difficulty in keeping up with the demand for these posters. At the official launching ceremony, the mayor of Padang Panjang stressed that the transparency initiative "will help to improve the implementation of the budget through public participation," adding that "this is a breakthrough for Padang Panjang that will continue into the future." Padang Panjang local government published and distributed the 2007 and 2008 budgets on its own initiative.

**Town-hall meetings** and a revival of traditional consensus-building community meetings are providing forums for constructive engagement between citizen and government. In Jepara (Central Java) and Mojokerto (East Java), large town-hall meetings were held in early 2008 as ways for citizen groups to provide input into the planning process. These meetings were opened and fully attended by senior government officials and DPRD members, together with citizen forums, community-based organizations and key non-governmental organizations. The aim was not to organize a parallel planning process, but to complement and feed into the official Musrenbang planning events by better preparing citizens for the SKPD forum and Musrenbang, and making the government cognizant of citizens' major concerns. Importantly, working groups that were established in both cities will continue to interact with the government to ensure the proper and timely arrangement of budgeting events.

## Challenges to Citizen Participation in Local Governance and Public Services

A number of challenges and factors inhibit the deepening of citizen engagement. Indonesia is a young democracy, with much of the public administration and civil service still intact from the authoritarian past. Politicians are often seen as self-serving and there is lingering distrust between NGO activists and government officials. There are therefore limits on what civil society alone can achieve. Some factors that have been seen as obstacles to furthering citizen participation and local democracy in Indonesia are discussed below.

- **Corruption.** Indonesia is still in the bottom quarter of Transparency International's *Corruption Perception Index*. This discourages confidence in state institutions, and makes many citizen-based organizations wary of formal collaboration with government officials.
- **A sense of entitlement** among politicians, government officials and local elites can make it difficult to demand citizen participation. DPRD members sometimes object to public hearings, saying: "We already represent citizens." This sentiment evokes deep-rooted patron-client relations and the perceived obligation to defer to those with higher status. Although such objections are less common in today's democratic discourse, the old practices remain. Government officials have a task to perform, which they often feel should be carried out without outside interference or oversight. In the case of public services, government officials may feel that delivering these services is their right. Citizens are thus treated as end-users, not as stakeholders or customers who should be consulted and served. Local government staff may also lack incentives or opportunities for innovation.
- **Mutual distrust.** Linked to the themes of corruption and entitlement is a lack of trust, being one of the more resilient legacies of the old regime. Government officials argue that villagers are not competent to decide on their own future; conversely, citizens do not trust government officials to defend their interests. During participatory public hearings and town-hall meetings, this mutual distrust sometimes erupts in heated exchanges.
- **Slow bureaucratic reform.** The state apparatus is still top-heavy and patrimonial. Civil servants tend to see themselves as government officials with privileges rather than public servants with responsibilities. Accountability resides higher up in the administrative hierarchy.
- **Failure to implement laws and regulations.** Even though there are good laws and regulations that allow citizens to engage in policy design and decision making, in practice the role of citizens is often limited to merely being observers at government-organized events. There is sometimes frustration with the Musrenbang and public hearings on *perdas*, since they are often used only to disseminate information on decisions that have already been taken.
- **Varying capacity among local civil society organizations.** Many people, including NGO activists, have limited knowledge of governance issues, and are thus unaware of political programs, government policy formulation cycles, or how to use legal means to fight corruption and abuse of power. They often resort to less nuanced and somewhat destructive approaches. Protest politics survive at some NGOs, further jeopardizing trust. There is also a tendency to focus more on extracting short-term benefits from government officials, in the form of increased budget allocations or public services for a particular social group (such as education for the blind), rather than the broader issue of holding public officials accountable for their actions (or inaction) to encourage them to perform their responsibilities consistently and effectively.<sup>5</sup>

<sup>5</sup> For more on this important distinction, see Chapter 6 of Merilee S. Grindle, *Going Local. Decentralization, Democratization and the Promise of Good Governance*. Princeton (NJ): Princeton University Press, 2007.

- **Reliance on leadership.** Studies have shown that the quality of popular participation in local governance in Indonesia is highly dependent on the goodwill and entrepreneurial activities of local leaders. If leaders, whether from the executive branch or legislative councils, are reform-minded, there will be a high degree of citizen involvement in local governance. In contrast, in regions with less openness, citizens have to resort to demonstrations and protests in order to air their views on public policy. Effective community engagement depends on “champions of participation”<sup>6</sup> both inside and outside of government.
- **Changing national regulations on freedoms of association and information.** Although civil rights are codified in the amended constitution, citizens may find it difficult to exercise their democratic rights, for example, to access public documents. Some local governments have sought to limit the liberties of progressive social organizations. Law 8/1985 on Mass Organizations is now being reviewed, which some people fear may lead to tighter state control over freedom of assembly.

## Recommendations for Action

In May 2008 LGSP organized a three-day national conference on “*Citizen Engagement and Participatory Governance: Challenges and Opportunities to Improve Public Services at the Local Level*” using the framework contained in this brief. Participants included nearly 200 local governance partners from the executive and legislative branches and representatives from civil society organizations in 35 districts and cities, as well as donor agencies and national government partners. The keynote speaker was Minister for National Development Planning, Paskah Suzetta, who was represented by Raden Siliwanti, Bappenas Director of Politics and Communication. International speakers included Jesse Robredo, Mayor of Naga City in the Philippines; Derick Brinkerhoff, Senior Fellow of RTI International; Judith Edstrom, LGSP Chief of Party; and Robert Cunnane, Acting Mission Director of USAID. The conference highlighted efforts made by civil society to improve the delivery of public services through the multiple roles citizens play in service delivery: as clients, as citizens advocating improvements, and as residents sharing in the provision of public services. Recommendations emanating from the conference as well as from LGSP’s work in this area include the following:

**Ensure legal framework clearly obligates government officials and DPRD members to involve citizens and CSOs in policy making.** As mentioned above, there are many sectoral laws and local regulations that allow citizens to engage in government decision making. However, since legal frameworks must be both clear and applicable, implementing regulations are needed at the national level to provide clear technical guidelines on how citizens can become involved in policy making.

**Maintain civic freedoms.** Many civil society activists and intellectuals are concerned that the ongoing revision to Law 8/1985 on Mass Organizations may circumscribe the freedoms of assembly and speech. Conference participants agreed that the government should consult with national civil society networks when drafting the law, and should ensure that these basic human rights are protected.

**Continue to develop and support citizen tools such as complaint desks, integrity pacts, citizens’ report cards and multi-stakeholder forums.** Several regions have implemented practical tools and practices for concrete citizen engagement, and these should be evaluated and then disseminated to other regions. Donor agencies often support such innovations, but so should national CSO networks and government agencies, such as the Ministry of State Administrative Reforms. Likewise, town-hall meetings, citizen forums and other multi-stakeholder forums are becoming increasingly common and have proved successful in holding government accountable and promoting positive social change. These forums should be encouraged and institutionalized at both local and national levels.

<sup>6</sup> See *Champions of Participation: Engaging Citizens in Local Governance*, IDS international learning event report, May 2007.

**Improve NGO/CSO accountability.** Accountability is a prerequisite for successful advocacy, so it can only benefit civil society if NGOs hold themselves to the same high standards to which advocacy NGOs seek to hold government officials. CSO networks therefore need to ensure that partner CSOs do not misuse the trust of government officials for personal gain. Moreover, given historical distrust and the prevalence of “protest politics” in Indonesia, NGO networks should encourage their members to redirect their energies towards more effective forms of engagement, such as citizen forums, popular participation and policy advocacy based on informed analysis. Such mechanisms can channel demands into more constructive requests to improve the overall quality of government performance.

**Make the planning and budgeting process more transparent.** There is a disconnect between the Musrenbang planning process and the preparation of the government budget. Although citizens are engaged in the planning process, this does not necessarily mean the final budget will reflect citizens’ priorities. One way of ensuring consistency would be to allow citizens to participate in certain budget preparation meetings, including when the initial budget framework is being developed by the DPRD and the local government budget team. While preparing the budget is the prerogative of government, public oversight at crucial points makes it more difficult for vested interests to influence budget allocations.

**Support co-provision of selected public services.** In many countries, public services have improved after being handed over to communities. Examples include solid waste management, child care, and maternity health clinics. These schemes have not yet been implemented effectively in Indonesia. A new government regulation on third party cooperation (GR 50/2007), which provides a legal framework for private-public partnerships, presents an opportunity for increased government partnerships, not only with private sector institutions but also with community organizations.

## Conclusion

Indonesia has come a long way from the distrust, centralization and bad governance practices of the authoritarian governments of the past. There is much excitement about the new opportunities arising from regional autonomy and democratization, and people are seizing them eagerly. Government and civil society are moving towards a participatory and meaningful democracy that can provide equality and welfare for all citizens. Donors such as LGSP have supported stakeholders in building up their governance capacity. Local governments are now in the front line of social and political change, no longer being simply a subsidiary of central government. They need to work closely with citizens in delivering a complex agenda of public services, economic growth and social welfare. For their part, civil society organizations can mobilize citizens to develop strategies and address vital local needs. But in order to do this, they need the space, capacity and legitimacy to engage in successful partnerships.

## About LGSP

The Local Governance Support Program (LGSP) provides local governments in Indonesia with technical assistance that supports a framework for governing justly and democratically. LGSP supports local governments to become more competent at the core tasks of integrated planning governance and finance, and more capable of supporting improved service delivery and managing resources. LGSP also strengthens the capacity of local legislatures and civil society organizations to perform their roles of representation, oversight, and citizen participation in the decision-making process. LGSP works

with over 60 selected Indonesian local governments in nine provinces: Aceh, North Sumatra, West Sumatra, Banten, West Java, Central Java, East Java, South Sulawesi and West Papua.

LGSP is implemented in partnership with the National Development Planning Agency (Bappenas), the Ministry of Home Affairs, the Ministry of Finance, and local governments and civil society organizations in the target provinces. LGSP is funded by the United States Agency for International Development (USAID) and implemented by RTI International in collaboration with the International City/

County Management Association (ICMA), Democracy International (DI), Computer Assisted Development Incorporated (CADI). Implementation of the program began on March 1, 2005 and is projected to run through September 30, 2009.

### LGSP National Program Office

Indonesia Stock Exchange Building,  
Tower 1, Floor 29, Jl. Jend. Sudirman  
Kav. 52-53, Jakarta 12190, Indonesia  
Tel: +62 21 515 1755  
Fax: +62 21 515 1752  
Email: info@lgsp.or.id  
Website: www.lgsp.or.id