



(MUDIMA)



Scenario Planning of Sub-District Proliferation Using Cost and Benefit Analysis (CBA) in Tambraw Regency

Sulthon Rohmadin¹, Yusi Eva Batubara^{2*}

Institut Pemerintahan Dalam Negeri

Corresponding Author: Yusi Eva Batubara yusieva@ipdn.ac.id

ARTICLE INFO

Keywords: Scenario Planning, Cost and Benefit Analysis, Sub-District Proliferation

Received : 1 November

Revised : 20 November

Accepted : 21 December

©2023 Rohmadin, Batubara: This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



ABSTRACT

Limited government budgets are a common problem faced in various countries. The Government is faced with multiple community demands that must be met. This causes the Government to be careful in determining priority programs. In deciding the feasibility of a project related to the public sector, the Government faces many considerations and problems, including sub-districts proliferation. One analysis that can be used as a tool to select programs that are worthy of priority is to use cost and benefit analysis. This research aims to disseminate an understanding of cost and benefit analysis to local government officials, especially in Tambraw Regency. This research uses an exploratory research method with a qualitative approach. The analysis method in this research is the scenario planning method; the stages consist of strategic analysis, scenario creation, strategy finding, and strategy formulation

INTRODUCTION

Law Number 23 of 2014 concerning Regional Government mandates that regional government administration be carried out effectively and efficiently. This is reflected in one of the articles, namely Article 222, concerning the formation of sub-districts, followed by Article 223, which regulates the classification of sub-districts and determines the workload of sub-districts. This proves that the Government wants a change in the government management paradigm in a better direction.

This is in line with the statement from Ingraham and Romzek (1994), which states that "the government sector must learn from the successful private sector." Ingraham and Romzek (1994) offer

new government management, which they call the "Hollow State" paradigm, with the characteristics of government work that is not strategic (non-strategic function) being contracted out to third parties/contracting out. (Sadu Wasistiono in Pamong Readers Magazine, 2013).

Public sector organizations aim to provide services to the community that do not prioritize profit. There are many types according to the basis of their establishment, but what is interesting to observe is the regional Government because this organization directly contacts/interacts with the community. Kotler and Lee (2007) describe the differences between government and business institutions from various sides, which can be seen in Table 1 as follows:

Table 1. Difference between Government and Private Institutions

No	Aspect	Government	Private
1	Organizational conditions	Monopoly	Competition
2	Objective	Meeting community needs,	maximum profit
3	Leader	Forming its constituents	Responsible to the board of directors
4	Activity	Known by the public and highly appreciated by the media	Closed to the press, keeping distance from the public and Government
5	Influence	Various interest groups	Direct political leadership
6	Trust	Distrust, hurt, and weak participation in the Government	Investors and business leaders have strong trust and interest in the company
7	Organizational Unit/Position	Duplicate and tend to overlap	Specific and organized
8	Supervision,	Society and media	Board of Directors
9	Activity	Slow moving and limited	Move quickly, and the Decision goes to the CEO
10	Fund	Underfunded	Lots of funds
11	Scope	Engages in all facets of life and organizes resources	Producing and distributing resources

Source: Philip Kotler and Lee (2007)

This cost and benefit analysis is a private organizational concept developed countries have adopted to be applied in government organizations. One example is that we can see it in the policy adopted by the President of the United States, which emphasizes using CBA analysis in the government administration process. In the book *Simpler (The Future of Government)*, President Obama conveys several important policies as follows:

1. Creative efforts to make people's choices easier so that it is much easier for them to attend college, save for retirement, get nutritious food at school, and get health insurance.
2. Disclosure requirements are designed to protect students, consumers, and investors by ensuring that they "know before they owe."
3. General emphasis on promoting freedom of choice promoting regulatory approaches that maximize that form of space.
4. Private-public partnerships are designed to reduce deaths and diseases from smoking, distracted driving, and obesity.
5. Strict emphasis on measuring costs and benefits, insisting that benefits must justify expenses.
6. Emphasis on the importance of human dignity, which is relevant to regulations designed to reduce prison rape and prohibit discrimination based on disability and sexual orientation.
7. Look back at the rules on the books, which are designed to eliminate or streamline hundreds of requirements that no longer make sense (if they ever did)
8. Efforts to promote international regulatory cooperation by eliminating pointless divergences in regulatory requirements across national boundaries. (Sunstein, 2013:10)

Regional Government was replaced by Law No. 32 of 2004 and replaced with Law 23 of 2014 concerning Regional Government.

Based on data obtained from BPS, from 2004 to 2023, there was quite a large increase in sub-districts. The number of sub-districts in Indonesia in 2004 reached 5277 to 7281 in 2023. This shows a significant increase from year to year. "Data from the Ministry of Home Affairs in 2008 revealed that on average every month, 18 sub-districts, 30 sub-districts, and 60 villages were formed." (Secretary of National Fitra, 2014).

This regional proliferation impacts public services, increasing peace and order and accelerating the development of regional potential to achieve community welfare. However, if it is incorrectly calculated, the sub-district proliferation will burden the APBD and APBN and hamper the government administration process.

Cost and benefit analysis is an instrument to determine whether a sub-district proliferation is feasible. The Government can make the right choices and allocate the budget effectively. This selection of

The Author has been thinking deeply about how cost and benefit analysis is applied in administering the Government in Indonesia, especially in expanding sub-districts.

Regional proliferation or the formation of new autonomous regions and the construction of new sub-districts have become increasingly common since the passing of Law No. 22 of 1999.

alternatives and determination of priorities contributes to the achievement of performance-based budgeting, one of the pillars of budget reform. The primary basis for determining a project regarding regional development capacity is not strictly based on benefit and cost variables. The model for this project can be used as a mechanism to reduce errors in sub-districts proliferation.

In initial observations, the Author found various problems in Tambraw Regency, including the following:

1. The people of Tambraw are less active in the government administration process.
2. The number and quality of the delegation of some of the Regent's authority matters to the Subdistrict Head, which cannot yet be handled entirely because it is not balanced with funding sources and personnel, especially because implementing instructions and technical instructions do not yet exist;
3. The low quality and quantity of human resources in the sub-district apparatus has

implications for the sub-optimal performance of the sub-district government.

4. Public services are still not optimal due to the lack of facilities and infrastructure;

The location of the district office is too far from the villages.

METHODS

This research uses an exploratory method with a qualitative approach. According to Arikunto (2006:7), "exploratory research is research that aims to explore broadly the causes or things that influence the occurrence of something."

Creswell (2010:4) states, "Qualitative research is a method for exploring and understanding the meaning that several individuals or groups of people ascribe to social or humanitarian problems." The qualitative research process is a systematic and organized method and procedure for investigating a particular problem to obtain information to solve the problem.

In the first stage, the Author examines the perceptions of local government officials regarding the application of the concept of cost and benefit analysis in the formation of new sub-districts in Sausapor sub-district, Tambraw Regency.

In the next stage, to analyze the problems in this research, the Author uses the scenario planning method. According to Schwartz (1991), the steps include: 1. Identify the Focal Issue (Focal Concern) or Decision; 2. Identify Key Forces; 3. Identify Driving Forces (change drivers); 4. Identify Uncertainty; 5. Selecting the Scenario Logic; 6. Fleshing Out the Scenario.

The final stage is creating a strategy for implementing cost and benefit analysis in the formation of the sub-district by linking facts, theory, and steps of the scenario planning method.

The data collection techniques used are interviews, documentation, and observation. Meanwhile, the informants comprised the Tambraw Regent, the Head of the Tapem Section, the sub-district Head, the sub-district Staff, the Village Head, and the community.

RESULTS AND DISCUSSION

1. Perceptions of Sub-District Officials Regarding the Implementation of Cost and Benefit Analysis

This sub-chapter reveals a portrait of the perceptions of civil servants/ASN in the Tambraw Regency/District Government regarding implementing cost and benefit analysis. The aspects studied are based on theories from Bimo Walgito (1990), Kadariah (1999), and Gines de Rus (2010), namely: Procurement Costs (preparation costs), Star Up Costs, Project Related Costs (operational costs), Ongoing and Maintenance Costs (renewal costs), Tangible Benefit (direct benefit), Intangible benefit (indirect benefit).

The purpose of the description of civil servants/ASN perceptions regarding cost and benefit analysis in this sub-chapter is to establish a clear basis as a starting point for forming a strategy for implementing cost and benefit analysis in the formation of new sub-districts and As a strong foundation based on real (factual) conditions in the field, not hypothetical.

The data used is secondary data, which is quantitative from various research results, and primary data, which is qualitative, and results from interviews with informants in various regional government agencies in Tambraw Regency.

From the interview process regarding the perceptions of sub-district officials, research results showed that most employees agreed with the application of cost and benefit analysis in the formation of the sub-district; only a few disagreed because they did not understand the concept of cost and benefit analysis.

2. Scenario for the Application of Cost and Benefit Analysis in the Proliferation of Sub-district

1. Strategic Questions (Focal Concern)

The strategic question or focal concern in the scenario developed for this research is: "What is the possibility of implementing cost and benefit analysis in the formation of new sub-districts in Tambraw Regency?"

The formation of new sub-districts is expected to increase the regional Government's effectiveness and efficiency and bring the quality of public services closer to the community. However, at the practical level, several deviations occurred, as explained in the previous chapter. The scenario developed in this research aims to show stakeholders the possibilities if cost and benefit analysis is applied to proliferation of a new sub-district in Tambraw Regency, West Papua Province.

2. Driving Force for Change (Driving Force)

The scenario for applying cost and benefit analysis in a new sub-district proliferation is discussed in terms of three driving force factors: social, political, and economic factors. However, combining three elements will produce many scenario combinations, so according to Solomon (2006:226), "social factors and political factors are combined into socio-political factors."

For each factor, there are several conditions whose data are analyzed. Solomon (2006:227) states: "Social and political factors include several conditions, namely social cohesion, the existence of civil society, and democratic conditions. "In economic factors, the conditions evaluated are demographics, labor force, unemployment, poverty, economic growth, and the role of markets at the local level." This aspect of driving force analysis is essential in measuring policy implementation performance if seen from the Van Meter Van Horn theory.

The economic, social, and human resources sectors are the weakest in the driving force variable. Based on direct research in the field, data was obtained that most people in Tambraw Regency are in the poor category, the average population does not have a fixed income, and every year, all receive Raskin.

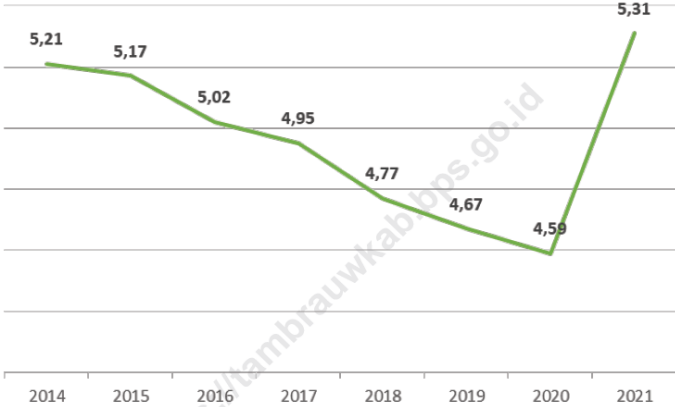


Figure 1. Poverty Line in Tambraw Regency 2014-2021

In terms of human development, Tambraw Regency is still relatively low. This can be seen in the table below

Table 2. Regency-City Human Development Index in West Papua 2023

Kabupaten/Kota Regency/Municipality	2018	2019	2020	2021	2022
(1)	(2)	(3)	(4)	(5)	(6)
Kabupaten/Regency					
Fakfak	66,99	67,87	68,36	68,52	69,12
Kaimana	63,67	64,59	65,00	65,31	66,11
Teluk Wondama	58,86	59,82	60,21	60,33	60,87
Teluk Bintuni	63,13	64,00	64,55	64,65	65,27
Manokwari	71,17	71,67	72,01	72,02	72,60
Sorong Selatan	61,01	61,93	62,42	62,46	63,08
Sorong	64,32	65,29	65,74	65,77	66,69
Raja Ampat	62,84	63,66	63,89	63,92	64,65
Tambora	51,95	52,90	53,45	53,71	54,63
Maybrat	58,16	59,15	59,52	59,70	60,49
Manokwari Selatan	58,84	59,72	59,84	59,85	60,68
Pegunungan Arfak	55,31	56,15	56,33	56,13	57,01
Kota/Municipality					
Kota Sorong	77,35	77,98	78,45	78,49	78,98
Papua Barat	63,74	64,70	65,89	65,26	65,89

Sumber: BPS, 2023

Of all the regencies/cities in West Papua Province, Tambora Regency has the lowest HDI.

Then, the number of employees in Tambora Regency is only 808, with an average high school education. Meanwhile, the average number of employees in the sub-district is 10-12 people. The lack of facilities and infrastructure reinforces this to support government administration, education, and health. It can be concluded that the economic, social, and human resources sectors do not support government innovations.

3. Scenario for Implementing Cost and Benefit Analysis in the Proliferation of a New Sub-district in Tambora Regency

This research prepares several alternative scenarios that might be generated for applying cost and benefit analysis to a new sub-district proliferation in the Tambora Regency. Alternative possibilities for the results of this research come from the economic, social, and political conditions at the research location. It can be seen in Table 3 below.

Tabel 3. Alternative Scenario

Social politics	Pessimistic	Pessimistic
Economic		
Optimistic	Scenario I	Scenario II
Pessimistic	Scenario III	Scenario VI

Source: Processed by the Author

The first possibility is if both socio-political and economic aspects are optimistic. The second possibility is if the social and political elements are pessimistic while economic conditions still show an optimistic need. The third possibility is if the social and political aspects are optimistic, but the economic parts are pessimistic. The final possibility is if the socio-political and economic factors are pessimistic.

In the first scenario, economic growth and equality are in good condition in the real sector, and democracy and civil society are developing well so that cost and benefit analysis can be applied optimally. This scenario is best if the driving forces and prevailing tendencies are supportive. Practitioners cannot accept this scenario; they think that even though the social and economic sectors are in an unfavorable trend, they are still optimistic that in the next few years, it can be improved, especially as it is supported by the community with the HDI quality increasing every year, even though it is still the lowest among other regions, in West Papua. By a new sub-district proliferation, the economic sector increases by dividing the sub-district's leading sectors.

The second scenario is good economic growth and equality of high HDI quality. The formation of new sub-districts improves the community's economic sector by increasing the sub-district's focus on managing regional potential. However, the development of democracy and civil society is slow. A scenario with this combination of circumstances is unlikely to occur in Tambraw Regency, and implementing cost and benefit analysis requires a relatively long time, provided that a regional head must have a strong desire to improve bureaucracy. This scenario can be expected even though we are worried that the inaction of democracy and civil society will perpetuate corruption and political unrest due to low levels of public trust.

In the third scenario, the economic sector is not supportive, but democracy and civil society are developing well. A new sub-district proliferation is expected to improve the community's economy in this scenario. Cost and benefit analysis can be applied but requires hard work from local

governments. Stakeholders will try to improve economic conditions and increase the quality of society's HDI. However, if various economic problems cannot be overcome relatively quickly, this will lead to political instability.

The fourth scenario, slow economic growth, low HDI quality, and sub-district proliferation, has no impact on improving the economic quality of the community and socio-political conditions. This is the worst scenario built based on various facts; in this condition, cost and benefit analysis cannot be applied, and there is no support from the local Government or the community.

The conclusion that can be made based on factual conditions and from interviews with Tambraw regency government practitioners is that the scenario that has the possibility of occurring is the third scenario.

4. Strategy for Implementing Cost and Benefit Analysis in the Proliferation of New Sub-Districts in Tambraw Regency

Based on the factual conditions in Tambraw Regency in general and from the results of scenario creation, the strategy for implementing cost and benefit analysis in the formation of a new sub-district in Tambraw Regency is as follows:

1. Encourage community participation in the process of policymaking, policy implementation, and supervision;
2. Government control over NGOs so that they do not commit deviations in overseeing development in Tambraw Regency;
3. Encourage political parties to carry out their duties and obligations well to increase public trust.
4. Carry out institutional arrangements for regional government organizations, especially sub-districts, by adhering to efficiency and effectiveness in public services so that the number of bureaucratic officers required is not too large but has adequate qualifications and competence.
5. Developing the quality of regional/sub-district government officials through education and

training, seminars, and training to support the application of cost and benefit analysis in government administration.

Regional governments prioritize development and community empowerment programs.

CONCLUSION

From a study regarding the portrait of local government officials' perceptions, the social, political, and economic environmental scenarios of Tambraw Regency in general in the context of implementing cost and benefit analysis in the formation of a new sub-district in Tambraw Regency, the following conclusions can be made:

First, from the research results on the perceptions of local government officials in Tambraw Regency, most informants agreed to implement cost and benefit analysis in new Sub-districts proliferation in Tambraw Regency.

Second, the scenario for implementing cost and benefit analysis in new sub-districts proliferation tends to be pessimistic. This scenario depicts a poor economic situation and low HDI quality, but society is still open to changes toward better governance. Practitioners are confident that this condition will soon improve in the next few years. Thus, cost and benefit analysis can be applied despite taking a long time.

Third, looking at the existing scenario, the strategies implemented are Encouraging community participation in government control of NGOs, Encouraging the role of political parties, and carrying out institutional arrangements for regional government organizations, especially Sub-districts, by adhering to the principles of efficiency and effectiveness; development of the quality of government apparatus; as well as priorities for implementing development and community empowerment programs.

Suggestions

First, looking at the existing problems, the Tambraw Regency government should be able to strengthen government management to improve the quality of services to the community by

implementing a cost-and-benefit analysis in a new Sub-district proliferation.

Second, looking at the advantages of cost and benefit analysis, it is hoped that this method will be taken into consideration by the Central Government so that it is included in policies at the primary level as one of the instruments for the formation of new sub-districts so that all regional governments can implement this instrument.

Third, research on the possibility of implementing cost and benefit analysis in new sub-districts proliferation, especially strategies for implementing cost and benefit analysis, must be carried out intensively to develop regional government management science. The Author believes that this research still has many shortcomings.

Fourth, the strategy for implementing cost and benefit analysis in new sub-districts proliferation proposed in this research still requires trials and further research related to its implementation in each region. Some regions can adopt this strategy, but regional governments can only implement part of this strategy, for example, due to some technical issues.

REFERENCES

- Arikunto, Suharsimi. 2006. *Manajemen Penelitian*. Jakarta: PT. Rineka Cipta.
- Creswell, W. John. 2010. *Research Design Pendekatan Kualitatif, Kuantitatif dan Mixed*. Yogyakarta: Pustaka Pelajar.
- Gines de Rus. 2010. *Introduction to Cost-Benefit Analysis*. Northampton: Edward Elgar Publishing Limited.
- Kadariah, dkk., 1999. *Pengantar Evaluasi Proyek, LP FE UI*, Jakarta
- Kotler, P., and Lee. N. 2007. *Marketing in the Public Sector. A Roadmap For Improved Performance*. Wharton School Publishing.
- Majalah Pamong Readers edisi Mei 2013.
- Roy Salomo. *Scenario planning reformasi administrasi pemerintah subnasional diIndonesia: sebuah grand strategy menuju tahun 2025*. Universitas Indonesia: Jakarta

Schwartz, Petter. 1991. *The Art of The Long View*.
New York.
Seknasfitra.org/2014

Sunstein, Cass R. 2013. *Simple The Future of
Government*. Simon and Schuster: New York.

Walgito, Bimo. 2003. *Psikologi Sosial*. Yogyakarta:
C.V Andi Offset.