

Integrated Urban Management Training: What is it? Why does Indonesia needs it?

by Jay K. Rosengard and William R. Kugler

Background

The need to greatly expand training activities for urban lokal government in Indonesia has been recognized for some time. In 1988, the Government of Indonesia (GOI) initiated the Urban Institutional and Manpower Development Study (UIMDS), which found that there was a severe shortage of training for local government staff in urban management and related disciplines. The study also found a very fragmented system of training delivery to local government, with most of the support provided through individual projects attached to large infrastructure loans.

The UIMDS-documented critical shortfalls in urban management skills are growing more severe as the demands placed on urban local government managers grow continually stronger. These demands are increasing for many reasons, the most crucial being:

- A rapidly growing GOI urban investment program, which is producing infrastructure facilities that need to be managed by local government - the urban investment program has a target of over Rp 1 trillion per year, triple that level of just seven years ago. Included in this number are eleven major investment projects supported with foreign loans, all to be completed within the next five years. The total investment of the eleven projects is about \$1.7 Billion;

- rapid urban population growth, estimated to be about 5.3 percent per year. This means that the current urban population of about 55 million will grow by roughly 3 million persons per year, the equivalent adding enough urban resident to create a new city the size of Cirebon each month, or the size of Surabaya each year;
- shifting of management responsibility from central to local government in line with national decentralization policies. The GOI is turning over greater responsibility for financing and delivering urban services to local government, which in turn requires new urban management skills.

These trends have a compounding effect on the need for a better management skills at the local level - simultaneously, local government managers are having to assume broader fiscal and with rapidly growing service populations. So far, they have had to meet this challenge without sufficient training to upgrade their management and technical skills.

The current system for urban local government training is comprised of five major elements, which are presently not well integrated or coordinated:

- the local government training centers under Departemen Dalam Negeri consisting of the central coordinating unit (Badan Diklat) and provincial training centers (Diklat Propinsi);
- training units in central government sectoral ministries and their regional branches;

training activities of urban infrastructure projects, most of which are supported with foreign loans and currently rely on private consulting firms;

Jay K. Rosengard is Chief of Party for Municipal Finance Project (MFP), based at Badan Analisa Keuangan, Departemen Keuangan;
William R. Kugler is MFP consultant to Bangkoto, Departemen Dalam Negeri

- the emerging system of the provincial monitoring and development units (PMDUs), which assist local water authorities (PDAMs) with technical support from Cipta Karya and PUOD.

One of the most striking features of the present situation is the lack of a critical mass of expertise in urban management and finance in Indonesia. This makes it hard to find skilled trainers and to produce good locally-adapted training materials focused on the concerns of municipal managers.

Another disconcerting feature on current conditions is the dependence on donor-financed, project driven training activities for urban government officials rather than locally financed, demand-driven training activities.

However, the most alarming characteristic of present conditions is the severe deficiency in the volume, contents and delivery of training for urban local government managers. Not nearly enough training is being conducted, the contents are either generic skills or narrow applications of these basic skills, and the delivery is a hoc, fragmented, passive lecture mode.

What is now proposed is a framework and strategy to increase indigenous capacity to address the above-noted shortcomings of current training activities for urban local government managers.

Proposal

What is needed most urgently to train Indonesia's municipal officials more effectively is not the construction of new training facilities, but rather, the consolidation, integration and extension of current training efforts. The result would be a program for Integrated Urban Management Training (IUMT), developed along the following guidelines:

- *market segmentation* - Course would be grouped by skills level and objective, into basic skills (Tier III), applied basic skills (Tier II), and strategic urban management (Tier I), each tier more sophisticated in contents, interactive in delivery, and addressed to a higher level of local government official (see **Figure 1**). Course would also be grouped by strategic focus, into five major clusters: overall urban management, financial management, infrastructure and capital investment programming, spatial planning and land management, and service delivery management (see **Figure 2**);

- *vertical and horizontal integration* - the above-summarized tiers of training would be integrated so that higher level courses build on, and are consistent with material offered in lower level courses. The above-summarized course clusters would also be integrated, to minimize duplication and maximize complementarity;
- *output oriented* - the focus could be curriculum led, with resources devoted primarily to the development of easily accessible and substantively credible training materials, together with the training of trainers and the upgrading of the training delivery systems to create a dynamic, sustainable, indigenous network of training resources;
- *demand driven* - training participants to be asked to share at least a portion of training costs, to increase both the responsiveness and accountability of trainers to the needs and priorities of local government urban managers;
- *interagency and interjurisdictional* - the training programs would intentionally cut across traditional sectoral and administrative boundaries, to promote municipal-wide perspective and cross-fertilization among disciplines and locations;
- *private sector participation* - training needs, in terms both of volume and skills, make the participation of private sector training providers vital to the program's success.

Next Step

The government of Indonesia will be conducting a national policy on integrated urban management training in Bali from 4 to 6 February 1993, during which representatives of central government ministries, local governments, public sector and private sector training providers, and donor agencies will meet to identify:

- unmet training needs of Indonesia's urban managers within the above-summarized framework of integrated urban training management,
- current training programs upon which future urban management training course might be built,
- current training providers whose capacity might be further developed to produce and deliver new courses in urban management and related disciplines.

Figure 1 - TIER STRUCTURE

TIER 1

STRATEGIC
MANAGEMENT
COURSES

URBAN MANAGEMENT CORE COURSE

**Financial
Management
Course**

**Services
Delivery
Management
Course**

**Infrastructure
Capital
Investment
Planning
Course**

**Spatial
Planning and
Land
Management
Course**

TIER 2

HOW TO
DO IT
COURSES

Accounting

Budgeting

Tax Records

Information
System

Etc.

Demand
Analysis

Service
Del. Targets

O & M
Programming

Etc.

Structure
Planning

Investment
Packages

Capital
Budgeting

Etc.

Spatial Plans
RUTR,
RUTRK,
RDTRK,
RTRK

Permit/Licen-
ce Procedures

IUDP
Planning
Process

Etc.

TIER 3

BASIC
SKILLS
COURSES

Figure 2 - TIER 1 COURSES

TITLE	AUDIENCE	CONTENT	DURATION	REMARKS
Urban Management Core Course	Walikota/Bupati Sekwilda Bappeda Tingkat II Kadinas PU Kabag. Pembangunan Kabag Keuangan	Strategic Planning Role of Local Govt. Economic Development Financial Management Service Assessment Manpower Development Performance Monitoring Linkage of Technical Disciplines/Departments	3 weeks	Senior "management team" from local governments to be trained together
Financial Management Strategy Course	Kabag. Keuangan Ka. Dispenda	Financial Planning Revenue Yield Analysis Expenditure Control (?) Capital Budgeting Borrowing/Debt management	3 weeks	
Service Dllivery Management Course	Kadinas PU Kadinas Kebersihan Kadinas Pasar BPAM/PDAM Technical and Fin/Adm Dir.	Setting Service Targets Performance Monitoring Operating Budgets Capital Budgeting Cost Recovery Personel Management Service Contracting	4 weeks	
Infrastructure & Capital Investment Planning Course	Bappeda Tingkat II Kadinas PU Kabag. Pembangunan Kabag Keuangan	Structure Planning Infrastructure Programming Capital Invest. Planning Capital Budgeting Cost Recovery (P3KT, P5D, DIP/DUP, PAFPACK)	3 weeks	
Spatial Planning and Land Management	Bappeda Tingkat II Kadinas PU Kabag Pembangunan	Spatial Planning/Plans Permit/License Practises Linkage of Economic Dev't.	3 weeks	

Notes:

Durations are rough estimates only.
Will depend upon detailed course content