

PERSISTENCE OF INDONESIAN LOCAL GOVERNMENT PERFORMANCES: EVALUATION OF EKPPD

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ABSTRACT

This study focuses on the consistency of current performance of local governments (EKPPD) in Indonesia. It analyzes whether current performance has been consistent throughout the years. The consistency is assessed on the EKPPD scores, EKPPD rankings, and EKPPD component scores. This study also examines whether current year's performance affects local government performance in the following year. This research uses data for five years (2009-2013) and applies both of qualitative and quantitative analysis. The results show that there are inconsistencies of current EKPPD scores, EKPPD rank, as well as its components. It also finds that there is no correlation between EKPPD main components showing that the components might be appropriate to measure performance. However, further studies need to further elaborate and analyze all EKPPD components to assess whether it has reflected the actual performance of Indonesian local governments. The results also suggest current year's performance positively affect the performance in the following year and indicates that Indonesian local governments tend to improve their performance according to the evaluation provided by the central government.

Keywords: EKPPD, persistence, consistency, performance measurement, local government

INTRODUCTION

Indonesian government implements regional autonomy which local governments set up and manage their own affairs in accordance with the principle of autonomy and duty of assistance. The autonomy obliges local governments to be accountable and to account for what the central government has provided to them. Accountability of local government is a consequence of implementing regional autonomy which was stipulated in Law Number 22 of 1999, which was last amended by Law Number 32 of 2004. Autonomy is the way of central government to give authority for local governments to manage their own regions.

Accountability is not only executed in terms of financial accountability but also accountability of information about government performance as a whole. This is in accordance with Government Regulation Number 3 of 2007 which requires local governments to prepare Local Government Performance Report (LPPD) annually. Accountability of local government performance is not only manifested in financial accountability and through reporting, but also the accountability through providing outputs and outcomes which are perceived by the society. State Budgets (APBN) and Regional Budgets (APBD) are arranged based on the performance therefore government expenditure should also result

in performance.

Performance measurement is not an easy task to do in the public sector organization because a good performance of the government is to provide better services, better infrastructures, as well as to improve people's welfare. Performance is not unique, but rather multidimensional. Some performances are not easy to measure because of its abstract forms.

In Indonesia, the performance of local governments in implementing good governance is evaluated annually. Local governments are evaluated based on their LPPDs and other information. Government Regulation Number 6 of 2008 explains that the evaluation of local government performance is carried out in the form of Local Government Performance Evaluation Report (EKPPD). This evaluation provides EKPPD scores and ranking of local government performance which is grouped by type of local government, i.e. the provincial government, the city government, and the regency government. In regard to this ranking, the central government gives awards to 3 provincial governments, 10 city governments, and 10 regency governments with the highest scores of local government performance (EKPPD scores).

Since the local government performance (EKPPD scores) will be ranked annually, the central government needs to have a performance measurement instrument which consistently provides a comparable evaluation result over the years. Therefore, this study aims to evaluate the consistency of recent EKPPD scores and ranking. It is expected to see whether the recent EKPPD scores and ranking are consistent in which it reflects that the instrument for measuring local government performance is appropriate. The current instrument to calculate EKPPD scores still consists of many components of performance measurement. Therefore, it is

required to evaluate whether current instrument has been effective and efficient in assessing EKPPD or they can be simplified.

In addition to evaluating the consistency of EKPPD scores and ranking, this study also examines the consistency of scores of EKPPD components as well the correlation between individual components. Evaluation of components is conducted to deeply examine the consistency of EKPPD scores. The correlation between components will also be evaluated to see whether EKPPD components are related to each other and whether they can be simplified. This could be an initial step to preparing the more concise, effective, and efficient of EKPPD instrument.

Further, this research will examine whether the current year's performance provide significant impact to local government performance in the following year. Therefore, this study provides analysis of these three research questions: (1) how is the consistency of EKPPD scores and ranking during the years of 2009-2013; (2) how are the consistency and correlation of EKPPD individual components during the years of 2009-2013; and (3) does the current year's performance affect local government performance in the following year.

Previous studies related to the local government performance in Indonesia are more focused on the determinant factors that affect the performance of local governments as measured by EKPPD, such as Mustikasari (2012), Sudarsana (2013), and Pranataningrum (2012). In contrast to these three studies, Puspasari (2012) examined the effectiveness of EKPPD implementation using a case study on two municipalities which the effectiveness was viewed by three indicators, namely indicators of human resources, finance, and facilities. However, there is no research related to the consistency of EKPPD scores.

Hence, this study will be one of the early studies focusing on EKPPD scores, which includes consistency of EKPPD scores and ranking as well as the consistency and correlation of each component in EKPPD.

This study is expected to be the initial step in evaluating and improving EKPPD assessment in Indonesia. Thus, this research could provide significant contribution not only for other researchers to conduct research in this area, but also to provide inputs to the local government and the central government regarding the currently used performance measurement instrument.

LITERATURE REVIEW

Performance measurement is generally used to measure the achievement of public institutions which is determined by the use of resources, innovation, quality of services, and flexibility (Ghobadian and Ashworth, 1993). The purposes of performance measurement for the provision of public services are: (1) to identify the mechanisms that have been running optimally; (2) to determine the functional competence; and (3) to support public accountability (Breitbarth et al., 2010).

Ghobadian and Ashworth (1993) also describes the purpose of performance measurement that includes: (1) improving the quality of resource allocation and other decisions; (2) supporting the implementation of evidence-based management by providing a concrete basis for planning, monitoring, and controlling; (3) improving accountability by clarifying responsibilities and providing evidence of success or failure; and (4) providing a systematic basis for assessment and motivation of staffs.

Accountability of local government in Indonesia is a consequence of regional autonomy implemented by the central government, which is regulated in Law Number 22 of 2009, which was last amended by Law Number 32 of 2004. The granting of

autonomy is to give authority for local governments to set up their own regions. Accountability is not only executed in terms of financial accountability, but also accountability of information about government performance as a whole. This is in accordance with Government Regulation Number 3 of 2007 which requires local governments to prepare Local Government Performance Report (LPPD) annually.

Government Regulation Number 6 of 2008 on Guidelines for Evaluation of Local Government Performance mentions that one of the evaluations is the Local Government Performance Evaluation Report (EKPPD). To supplement this regulation, the Ministry of Home Affairs (Kemendagri) issued Regulation (Permendagri) Number 73 of 2009 on the Guidelines of Implementation of Local Government Performance Evaluation. This regulation states that one of the performance evaluations conducted by the central government is EKPPD which uses LPPD as the primary source of information. EKPPD is the process of collecting and analyzing data systematically on the performance of local government by using the performance measurement system. Performance measurement system is a system used to systematically and continuously measure, assess and compare the performance of the local government.

The result of this evaluation is EKPPD evaluation reports of local government performance ranking which is issued by the Ministry of Home Affairs. Ranking of local government performance of provinces, cities, and regencies is nationally compiled based on ratings, scores, and status. Therefore, performance scores will be obtained for each local government, including provincial governments, city governments and regency governments, throughout Indonesia.

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RESEARCH METHODS

This study provides three analysis: (1) the consistency of EKPPD scores and ranking; (2) the consistency and correlation of each component of EKPPD; and (3) the correlation between current year’s performance and the performance in the following year. This research mostly uses descriptive analysis based on the descriptive statistics and EKPPD assessment results. However, quantitative analysis will also be conducted to support the analysis by modelling whether current year’s EKPPD score is related to previous year’s EKPPD scores.

Analysis of the consistency of EKPPD scores is conducted for EKPPD evaluation reports of 2009-2013. This is conducted by analyzing the descriptive statistics as well

as examining 10 regency or city governments with the highest EKPPD scores and 10 regency or city governments with the lowest EKPPD scores. In addition to the descriptive analysis, the assessment of consistency is supported by statistical tests using a statistical software STATA, i.e. Kruskal Wallis test, Mann-Whitney test, and linear regression. Kruskal Wallis test is used to see whether there is a significant difference between the annual EKPPD scores, both on the overall EKPPD scores and the scores of each component. This test is used to determine whether EKPPD scores resulted from the current performance measurement instrument are consistent over the years. Mann-Whitney test is conducted prove identification if there is inconsistency of the EKPPD scores and EKPPD components score. Meanwhile, the assessment of correlation between EKPPD components is tested by Pairwise Pearson Correlation test. This is to consider whether there is a significant correlation between each component which might be simplified to create a more concise instrument.

Linear regression is conducted to support the analysis by examining whether the current year’s EKPPD score is related to the score in previous year. This regression is performed not only for overall EKPPD scores but also for EKPPD components. Model (1) is used for performing analysis for overall EKPPD scores while Model (2) is for the EKPPD components. These models use type of local government as the control variable to control whether there is difference of performance between regency governments and city governments.

$$EKPPD_{t+1} = EKPPD_t + TYPE + \epsilon \dots\dots\dots (1)$$

$$EKPPDC_{t+1} = EKPPDC_t + TYPE + \epsilon \dots\dots\dots (2)$$

Notes:
 EKPPD_{t+1} = overall EKPPD score for current year
 EKPPD_t = overall EKPPD score for previous year

$EKPPDC_{t+1}$ = EKPPD components score for current year

$EKPPDC_t$ = EKPPD components score for previous year

TYPE = type of local government, 1 for city government and 0 for regency

Analysis is performed on the EKPPD for regency and city governments during the years of 2009-2013 and do not include the EKPPD for the provincial governments. Data used in this research consists of EKPPD scores, EKPPD ranking, and the scores of each EKPPD component. The data is obtained from the Ministry of Home Affairs Regulation on the National Ratings and Status of Local Government Performance which is published annually. EKPPD components that will be evaluated in this study includes only the major components of EKPPD so that the more detail components or sub-components are not assessed. EKPPD major components include:

1. Compliance of content
2. Achievement of performance
 - a. Level of policy makers
 - Regional public peace and order
 - Alignment and effectiveness of the relationship between central government and local government, as well as relationship with other local governments for regional autonomy development purposes
 - Alignment between local government policy and central government policy
 - Effectiveness of the relationship between local government and regional parliament
 - Effectiveness of the decision making process by regional parliament
 - Effectiveness of the decision making process by KDH and their follow-up on the implementation of decision

- Compliance with laws and regulations of local government
- Intensity and effectiveness of public consultation process between local government and the society on the establishment of strategic and relevant regional public policy
- Transparency in the disbursement and absorption of DAU, DAK and DBH
- Intensity, effectiveness and transparency regarding sources of collecting PAD and loan/municipal bonds
- Effectiveness of planning, preparation, implementation of administration, accountability and oversight of the budget
- Management of regional potential
- Breakthrough innovation
- b. Level of policy manager
 - Generic aspects
 1. Technical policy of the implementation of government affairs
 2. Compliance to regulations and laws
 3. Institutional arrangements
 4. Personnel management
 5. Planning of development
 6. Financial management
 7. Property management
 8. Provision of facilitating the community participation
 - Aspects of SPM
 1. Mandatory affairs
 2. Optional affairs

RESULTS AND ANALYSIS

Descriptive Statistics of EKPPD Scores

Descriptive statistics in Table 1 and Table 2, as well as data of EKPPD scores

during 2009-2013, show that city governments generally have higher average EKPPD score than regency governments. This indicates that the city governments are likely to have better performance than regency governments. Characteristics of city governments which are generally more developed than regency governments can be the reason of this difference. The characteristics encourage city governments to produce better performance.

This condition is also supported by difference of standard deviation between

city governments' and regency governments' EKPPD scores. Standard deviations of city governments' EKPPD scores are lower than the standard deviation of the regency government's EKPPD scores. These results indicate that the regency governments have a more diverse data. These results can also be an indication that there is still higher diversity in the government performance of regency governments than the city governments that tend to be more similar between each city government.

Table 1. Descriptive Statistics of EKPPD Scores for Regency Governments

Year	Maximum	Regency	Minimum	Regency	Mean	Dev. Std.
2009	2,8711	Kab. Jombang	0,3764	Kab. Seram Bagian Timur	2,2327	0,4008
2010	3,1969	Kab. Sleman	0,2811	Kab. Konawe Selatan	2,4228	0,4645
2011	3,4787	Kab. Tuban	1,0356	Kab. Kepulauan Mentawai	2,4392	0,3722
2012	3,3465	Kab. Kulon Progo	0,1656	Kab. Konawe Utara	2,1889	0,6884
2013	3,3879	Kab. Tuban	0,5502	Kab. Deiyai	2,2977	0,6634

Table 2. Descriptive Statistics of EKPPD Scores for City Governments

Year	Maximum	City	Minimum	City	Mean	Dev. Std.
2009	2,9346	Kota Surakarta	1,3947	Kota Kupang	2,5396	0,2622
2010	3,2397	Kota Yogyakarta	1,0537	Kota Kendari	2,4630	0,3595
2011	3,2320	Kota Tangerang	1,7767	Kota Kotamobagu	2,6479	0,3022
2012	3,2950	Kota Semarang	0,9733	Kota Metro	2,5688	0,5703
2013	3,3702	Kota Madiun	0,8310	Kota Baubau	2,4696	0,5668

Inequality of local government performance in Indonesia is also more visible in the regency governments. EKPPD scores of 2009, for example, shows the range of scores and performance status of the regency governments is from 2.8711 (high) up to 0.3764 (low), while the range of scores and performance status for the city governments is from 2.9346 (high) up to 1.3947 (moderate). For EKPPD scores of 2009, there is no city government who obtained a score of performance with low status. This reflects that city governments generally provide better performance due to their capability and their characteristics which is more developed than the regency governments. The higher inequality in the regency governments than the city govern-

ments can also be seen in the data of EKPPD scores for the years of 2010 to 2013.

Consistency of EKPPD Rankings

Data of 10 highest and 10 lowest EKPPD scores over the years, from 2009 to 2013, were used to analyze whether there is a consistency of EKPPD scores during the period of this study. Regency governments and city governments with the 10 highest EKPPD scores and the 10 lowest EKPPD scores being the samples of this assessment. During the years of 2009-2013, there were changes in the composition of the regency governments and the city governments which occupy the top 10 highest ranking and the 10 lowest ranking. Table 3 shows the regency governments

and the city governments that successfully managed to occupy top 10 highest ranking for at least 3 times during the period of study (2009-2013). Meanwhile, Table 4 shows the

regency governments and the city governments that are in the 10 lowest ranking for at least 3 times during the study period.

Table 3. Local Governments with 10 Highest EKPPD Score

No.	Regency/City	Frequency	Years
1	Kabupaten Jombang	4	2009, 2010, 2011, 2012
2	Kabupaten Sleman	4	2010, 2011, 2012, 2013
3	Kabupaten Kulon Progo	4	2009, 2010, 2012, 2013
4	Kabupaten Tuban	3	2011, 2012, 2013
5	Kabupaten Pacitan	4	2009, 2010, 2011, 2012
6	Kabupaten Purbalingga	3	2011, 2012, 2013
7	Kota Surakarta	3	2009, 2011, 2012
8	Kota Semarang	4	2009, 2010, 2012, 2013
9	Kota Yogyakarta	4	2009, 2010, 2011, 2013
10	Kota Cimahi	4	2009, 2010, 2011, 2013
11	Kota Probolinggo	3	2009, 2012, 2013
12	Kota Mojokerto	4	2009, 2011, 2012, 2013
13	Kota Tangerang	3	2010, 2011, 2012
14	Kota Depok	4	2010, 2011, 2012, 2013
15	Kota Madiun	3	2011, 2012, 2013

Table 4. Local Governments with 10 Lowest EKPPD Score

No.	Regency/City	Frequency	Years
1	Kabupaten Kepulauan Mentawai	3	2009, 2010, 2011
2	Kabupaten Konawe Utara	3	2011, 2012, 2013
3	Kota Pematang Siantar	3	2010, 2011, 2012
4	Kota Tomohon	3	2009, 2010, 2012
5	Kota Kotamobagu	3	2011, 2012, 2013

Data of EKPPD scores, which is summarized in Table 3 and Table 4, shows that the 10 highest EKPPD scores is still filled mostly by the regency and city governments located in the island of Java and Sumatra (western part of Indonesia). Conversely, the lowest 10 EKPPD scores is still filled mostly by the regency and city governments located in the island of Sulawesi, Maluku, Nusa Tenggara and Papua (eastern part of Indonesia). This indicates that the local governments in the western part of Indonesia are able to produce a better performance compared with the local governments in the eastern part of Indonesia. Characteristics of

the western part of Indonesia which tends to be more developed and closer to the central government than the eastern part of Indonesia can be a factor that affects this difference. Further, this condition is more visible in the regency governments. This can be due to the government performance of the regency governments that is more diverse than the city governments.

The data in Table 3 and Table 4 also shows that some of the regency governments and city governments are capable to have consistent performance in generating good local governance. Conversely, some regency governments and city

governments also looks 'consistent' to remain in the lowest ranking of EKPPD scores. However, most of the regency and city governments' EKPPD score rankings change over the years so that they are only at the 10 highest ranking or 10 lowest ranking for one or two times in a five-year period.

Some examples of regency governments that are consistently at the highest position are Kabupaten Jombang, Kabupaten Sleman, Kabupaten Kulon Progo, and Kabupaten Pacitan, where each of them is in the top 10 highest ranking for 4 times. All of these local governments are located in the island of Java. It can support the earlier statement that the regency governments in Java tend to have better performance. It is also supported by the consistency data of city government which are consistently at the 10 highest ranking during the period of study. Kota Semarang, Kota Yogyakarta, Kota Cimahi, Kota Mojokerto, and Kota Depok, which are all located on the island of Java, managed to consistently be in the top 10 rankings for 4 times during the period of study.

On the other hand, regency governments and city governments that are consistently at the lowest position is less than the regency governments and city governments that are able to consistently be in the highest position. For regency governments, only Kabupaten Kepulauan Mentawai and Kabupaten Konawe Utara who are in the lowest position for 3 times during the period, while the rests are only for one or two times. This result is also shown by the data of the city governments, which only Kota Pematang Siantar, Kota Tomohon, and Kota Kotamobagu who are in the lowest position for 3 times.

Another indication that can be seen from the data of EKPPD scores for 5 years is that some of the regency governments or city governments which are recently

constituted (e.g. due to expansion) tend to have a low score. This shows that the new regency or city governments have not been able to demonstrate good performance which could be due to the need to adapt to meet the requirements of local government performance which have been established by the central government.

Changes in the composition of the 10 highest and lowest ranking may indicate the need to do an evaluation of the assessment criteria of EKPPD. The possibility of subjectivity in conducting assessment, the less precise performance measurement instruments, as well as the inappropriate components of the performance measurement can be identified to generate better performance measurement instrument, which then provide better consistency of EKPPD scores. However, changes in composition can also be an indication that regency or city governments are motivated to improve their performance. If a regency or city government obtained the highest score, they will seek to at least maintain their rankings. On the other hand, significant improvement of performance will happen if the regency or city government is at its lowest position. They will try to improve their performance so that they will be ranked higher and not be at the lowest position. It is visible from the less number of regency or city governments that are consistent in the lowest position.

Consistency of EKPPD Scores

According to the observation on EKPPD scores, there are inconsistencies of EKPPD scores in 2009. In 2009, the highest status achieved is only "high" status, both for the regency government (2.8711) as well as the city government (2.9346). This is different to the data in 2010-2013 which shows that the highest status achieved by the local governments is "very high", even there are some local governments which

obtained the status of “very high”. This condition needs to be further identified with the Kruskal Wallis test and continued with Mann-Whitney test to see whether there is a significant difference in EKPPD scores of

2009 compared to 2010-2013. In addition, the EKPPD components scores also need to be tested, which will be performed at a later stage.

Table 5. Results of Kruskal Wallis and Mann-Whitney Tests for EKPPD Scores and EKPPD Components

Components	Kruskal Wallis (Prob)	Mann-Whitney (Prob)									
		2009 & 2010	2009 & 2011	2009 & 2012	2009 & 2013	2010 & 2011	2010 & 2012	2010 & 2013	2011 & 2012	2011 & 2013	2012 & 2013
Score1	0.0001*	0.0000*	0.2858	0.0000*	0.0455*	0.0000*	0.0000*	0.0000*	0.0000*	0.0069*	0.0061*
Score2	0.0001*	0.0145*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.7968	0.0259*	0.0158*
Score3	0.0001*	0.0021*	0.0000*	0.0051*	0.0046*	0.0000*	0.9347	0.7814	0.0000*	0.0000*	0.8875
Score4	0.0001*	0.0013*	0.0000*	0.0194*	0.0020*	0.0000*	0.4423	0.8440	0.0000*	0.0000*	0.3003
Score5	0.0001*	0.0000*	0.0000*	0.0000*	0.0000*	0.0026*	0.0000*	0.0000*	0.0000*	0.0000*	0.0004*
Score6	0.0001*	0.0002*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.0469*
Score7	0.0001*	0.0000*	0.0026*	0.0000*	0.0000*	0.0003*	0.0519	0.6334	0.0000*	0.0001*	0.1588
Score8	0.0001*	0.0000*	0.0000*	0.0000*	0.0000*	0.2144	0.0034*	0.2044	0.0000*	0.0090*	0.0707
Score9	0.0001*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.0250*	0.0000*	0.0000*
Score10	0.0048*	0.0080*	0.0431*	0.0001*	0.0093*	0.5055	0.5081	0.8411	0.1729	0.6548	0.3867
Score11	0.0001*	0.0020*	0.0000*	0.0000*	0.0478*	0.1085	0.1903	0.2381	0.9476	0.0138*	0.0225*
Score12	0.0001*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.5185	0.0000*	0.0000*	0.0000*	0.0000*
Score13	0.0001*	0.0000*	0.0000*	0.6789	0.0000*	0.6626	0.0045*	0.0817	0.0013*	0.1101	0.0000*
Score14	0.0170*	0.0313*	0.6692	0.3516	0.7553	0.0056*	0.0021*	0.0092*	0.5685	0.9541	0.5323
Score15	0.0001*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*
Score16	0.0001*	0.0001*	0.0000*	0.0000*	0.0001*	0.0006*	0.7219	0.8820	0.0011*	0.0001*	0.5999
Score17	0.0001*	0.0000*	0.0000*	0.0000*	0.0000*	0.0011*	0.0000*	0.0000*	0.0015*	0.0000*	0.4753
Score18	0.0001*	0.3454	0.9960	0.0794	0.0000*	0.3601	0.7389	0.0027*	0.0887	0.0000*	0.0443*
Score19	0.0001*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.0000*	0.6008	0.0000*	0.0000*
Score20	0.0001*	0.0062*	0.0000*	0.6031	0.0001	0.0000*	0.0086*	0.0988	0.0000*	0.0000*	0.0001*
Score21	0.0001*	0.0012*	0.0000*	0.3308	0.5798	0.0003*	0.0000*	0.0000*	0.0000*	0.0000*	0.5717
Score22	0.0001*	0.0000*	0.0000*	0.0010*	0.9929	0.2653	0.0000*	0.0000*	0.0000*	0.0000*	0.0244*
Score23	0.0001*	0.0000*	0.0000*	0.0000*	0.0000*	0.0011*	0.0000*	0.0000*	0.0000*	0.0000*	0.4334
Overall EKPPD Score	0.0001*	0.0000*	0.0000*	0.7660	0.0001*	0.7766	0.0001*	0.2517	0.0000*	0.1847	0.0220*

Notes:

- Score1 = Regional public peace and order
 Score2 = Alignment and effectiveness of the relationship between central government and local government, as well as relationship with other local governments for regional autonomy development purposes
 Score3 = Alignment between local government policy and central government policy
 Score4 = Effectiveness of the relationship between local government and regional parliament
 Score5 = Effectiveness of the decision making process by regional parliament
 Score6 = Effectiveness of the decision making process by KDH and their follow-up on the implementation of decision

- Score7 = Compliance with laws and regulations of local government
- Score8 = Intensity and effectiveness of public consultation process between local government and the society on the establishment of strategic and relevant regional public policy
- Score9 = Transparency in the disbursement and absorption of DAU, DAK and DBH
- Score10 = Intensity, effectiveness and transparency regarding sources of collecting PAD and loan/municipal bonds
- Score11 = Effectiveness of planning, preparation, implementation of administration, accountability and oversight of the budget
- Score12 = Management of regional potential
- Score13 = Breakthrough innovation
- Score14 = Technical policy of the implementation of government affairs
- Score15 = Compliance to regulations and laws
- Score16 = Institutional arrangements
- Score17 = Personnel management
- Score18 = Planning of development
- Score19 = Financial management
- Score20 = Property management
- Score21 = Provision of facilitating the community participation
- Score22 = Mandatory affairs
- Score23 = Optional affairs

Kruskal Wallis test performed on the EKPPD scores during the years of 2009-2013 show that there are differences between EKPPD scores over the years. This result is shown on Table 5. The results supports previous statements related inconsistencies score results, but it happens not only for EKPPD scores in 2009 but also to other years (2010, 2011, 2012, and 2013). These results can occur because EKPPD assessment process still need to be evaluated. Assessment of EKPPD was first performed in 2009. The EKPPD was firstly conducted in 2009 in accordance with Government Regulation Number 6 of 2008. It is possible that the central government (the Ministry of Home Affairs) still make adjustments to the assessment criteria whether the assessment process has been appropriate, which lead to significant difference throughout the years. Therefore, it should be further identified by evaluating the consistency of EKPPD component scores.

In addition, the difference in these results may also occur because the local governments are still making adjustments in the process of drafting LPPD, which became the basis evaluation of EKPPD. The obligation for local governments to draft new LPPD started in 2007, by the issuance of Government Regulation Number 3 of 2007. In this short time difference, it is possible that local governments still need to carry out adaptation in developing LPPD in accordance with the prescribed rules. It may also happen because there are many components to achieve for gaining high EKPPD scores.

Correlation of EKPPD Component Scores

To be able to identify whether the current EKPPD is appropriate in assessing the performance of local governments, it is necessary to identify relevant components of EKPPD. Pearson Pairwise Correlation test is conducted to identify whether there are EKPPD components that are highly

correlated to each other so that it will provide inputs to the central government to evaluate EKPPD components in the future. This study only evaluates EKPPD major components, while sub-components or detailed components have not yet been examined.

Pearson Pairwise Correlation test indicates that there is no high correlation (more than 0.8) between EKPPD components. However, there are some correlations between EKPPD components that have values approaching to 0.8. This shows that, in terms of the main components, these components are good enough to be used in the assessment of EKPPD. However, since this study only looks at the main components, sub-components need to be further identified in future studies. The study of sub-components of EKPPD might result the possibility that there are sub-components that are related to each other.

Consistency of EKPPD Component Scores

Consistency of EKPPD components is also assessed by performing the Kruskal Wallis test and continued by the Mann-Whitney test. These two tests are conducted to assess whether there is a significant difference between EKPPD components over the years. This study only evaluates EKPPD major components, while sub-components or detailed components have not yet been examined.

Kruskal Wallis test performed on EKPPD component scores provide results that there are significant differences of all EKPPD components score over the years. This result is shown in Table 5. To be able to identify the more detailed differences, Mann-Whitney test is performed. The results of Mann-Whitney test, provided in Table 5, show that the significant differences happen in most of the years. However, some

components have no significant differences, which means it is consistent, in the latest two years (2012 and 2013).

The absence of significant differences between EKPPD components in the latest two years happen in the following components: (1) Alignment between local government policy and central government policy; (2) Effectiveness of the relationship between local government and regional parliament; (3) Compliance with laws and regulations of local government; (4) Intensity and effectiveness of public consultation process between local government and the society on the establishment of strategic and relevant regional public policy; (5) Intensity, effectiveness and transparency regarding sources of collecting PAD and loan/municipal bonds; (6) Technical policy of the implementation of government affairs; (7) Institutional arrangements; (8) Personnel management; (9) Provision of facilitating the community participation; and (10) Optional affairs.

Nevertheless, the consistency in these components for the latest two years still cannot be used to generate opinion that EKPPD components scores have been consistent throughout the years. There are too many components in EKPPD and it can one of the reasons why the results are not consistent over the years. Both of local government and central government will face difficulty because of this. Local governments will find it difficult to meet all the performance criteria, while central government as the assessor will find it difficult in assessing all components. It will increase the subjectivity of assessing local government performance that can cause the inconsistency of results.

Correlation between Current Year's and Following Year's Performances

Table 6 provides results of regression for Model 1 and Model 2. These two models

are used to analyze whether current year's performance (EKPPD scores) affects EKPPD scores in the following year. Model 1 is performed for overall EKPPD scores, while Model 2 is performed for EKPPD components. In these two models, type of

government (regency government or city government) is used as control variable to control whether there is difference between EKPPD scores or EKPPD components scores in regency government and in city government.

Table 6. Regression Results of Model (1) and Model (2)

Components (Year t+1)	Scores (Year t)		Type of Government	
	Coefficient	Significance	Coefficient	Significance
Score1	0.5187471	**	0.1990215	**
Score2	0.5183268	**	0.1310697	*
Score3	0.2904199	**	0.1709892	**
Score4	0.1556459	**	0.2174705	**
Score5	0.2444620	**	0.0959919	
Score6	0.1184441	**	0.4282780	**
Score7	0.1880552	**	0.2196865	*
Score8	0.2935543	**	0.1247273	**
Score9	0.2362326	**	0.4097967	**
Score10	0.6584753	**	0.0256232	
Score11	0.5698894	**	0.1277813	**
Score12	0.0194714		0.4819136	**
Score13	0.4239997	**	0.0298812	
Score14	0.4716134	**	0.0438688	
Score15	0.3507052	**	0.0096117	
Score16	0.4370409	**	0.0368234	
Score17	0.4006911	**	0.0645303	
Score18	0.3844496	**	0.1395554	**
Score19	0.0946331	**	0.1324053	**
Score20	0.3329141	**	0.1973491	**
Score21	0.5416196	**	0.1140683	**
Score22	0.5356174	**	0.0748737	
Score23	0.3844719	**	0.2249461	**
Overall EKPPD Score	0.6372180	**	0.0699816	**
* Significant in the confidence level of 95%				
** Significant in the confidence level of 99%				

Notes:

Score1 = Regional public peace and order

Score2 = Alignment and effectiveness of the relationship between central government and local government, as well as relationship with other local governments for regional autonomy development purposes

- Score3 = Alignment between local government policy and central government policy
- Score4 = Effectiveness of the relationship between local government and regional parliament
- Score5 = Effectiveness of the decision making process by regional parliament
- Score6 = Effectiveness of the decision making process by KDH and their follow-up on the implementation of decision
- Score7 = Compliance with laws and regulations of local government
- Score8 = Intensity and effectiveness of public consultation process between local government and the society on the establishment of strategic and relevant regional public policy
- Score9 = Transparency in the disbursement and absorption of DAU, DAK and DBH
- Score10 = Intensity, effectiveness and transparency regarding sources of collecting PAD and loan/municipal bonds
- Score11 = Effectiveness of planning, preparation, implementation of administration, accountability and oversight of the budget
- Score12 = Management of regional potential
- Score13 = Breakthrough innovation
- Score14 = Technical policy of the implementation of government affairs
- Score15 = Compliance to regulations and laws
- Score16 = Institutional arrangements
- Score17 = Personnel management
- Score18 = Planning of development
- Score19 = Financial management
- Score20 = Property management
- Score21 = Provision of facilitating the community participation
- Score22 = Mandatory affairs
- Score23 = Optional affairs

According to Table 6, overall EKPPD scores in current year give positive impact to EKPD scores in the following year. This indicates that local governments want to improve their EKPPD scores in the following year according to what has been assessed in the current year. Further, type of local government also positively affects overall EKPPD scores. It means that the city governments tend to have higher EKPPD scores and to have better performance than regency governments. It supports the result on the previous explanation.

However, the results for EKPPD components are quite different. Some of the components have different result to the result of overall EKPPD scores. The positive

correlation between current year's performance and the following year's performance also happen to most of all EKPPD components, except for the management of regional potential. There is no significant correlation between current year's performance and the following year's performance in this component. This means that it may not be different between regency and city governments in terms of managing their potential.

Meanwhile, for type of government, there are more insignificant impact of government type on the EKPPD components score. These components have insignificant correlation with type of government: (1) Effectiveness of the

decision making process by regional parliament; (2) Intensity, effectiveness and transparency regarding sources of collecting PAD and loan/municipal bonds; (3) Breakthrough innovation; (4) Technical policy of the implementation of government affairs; (5) Compliance to regulations and laws; (6) Institutional arrangements; (7) Personnel management; and (8) Mandatory affairs. This indicates that there is no differences between regency and city government in achieving these performance criteria.

CONCLUSION

This research analyzes three research questions, namely: (1) the consistency of the EKPPD scores and EKPPD rankings; (2) the consistency and correlation of EKPPD components scores; and (3) the correlation between current year's performance and the following year's performance. According to the analysis, there are still inconsistencies of EKPPD scores, EKPPD rankings, as well as the inconsistencies of EKPPD components during the period of 2009 to 2013. This result reveals that the current performance measurement instruments are generally less able to demonstrate the performance of local governments in Indonesia. However, the result also finds that there is no significant correlations between EKPPD components which may indicate that the components used are generally appropriate. However, it needs to be further examined especially to the sub-components, therefore the results can clearly see whether all detailed EKPPD components are indeed appropriate.

In addition, the results also suggest that overall EKPPD scores in current year have positive impact to EKPD scores in the following year. This indicates that local governments tend to improve their EKPPD scores in the following year according to what they have achieved in the current year.

It also occurs for EKPPD components. Further, type of local government also positively affects overall EKPPD scores. It means that the city governments tend to have higher EKPPD scores and to perform better than regency governments. However, this is not proven for some of EKPPD components that have no significant correlation with type of local government.

In this study, we also analyzed that the inconsistency in overall EKPPD scores and EKPPD components may happen because there are too many components in EKPPD. This will create difficulties for both of local government and central government. Local governments will find it difficult to meet all the performance criteria, while central government as the assessor will find it difficult in assessing all components. It will increase the subjectivity of assessing local government performance that can cause the inconsistency of results. Therefore, it is suggested that current EKPPD components can be rearranged into a more concise and efficient performance measurement instrument.

Future studies are expected to be able to analyze all EKPPD components including detailed components or sub-components. It will take much effort since there are many components of EKPPD. However, it is expected that the study could produce a comprehensive appraisal of current performance measurement instrument (EKPPD). In addition, further research can also perform a descriptive analysis on the consistency of the EKPPD scores not only for 10 regency governments and 10 city governments with the highest and lowest EKPPD scores. Future studies are expected to conduct analysis for more local governments so that the analysis can be done more thoroughly.

Nevertheless, despite of having some limitations, this study is expected to be a reference for further research focusing on the consistency of EKPPD scores, EKPD

rankings, as well as EKPPD components scores. The results also can be an input for local government and the central government (Ministry of Home Affairs) to evaluate current EKPPD that measures local government performance. Therefore, the central government can arrange better performance measurement instrument in the future.

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