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Inter-local Government Cooperation in Transport Authority

Case study Jabodetabek Region

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Master Thesis

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Groningen, 2014

Preface

The transport governance in metropolitan area remains complicated. Facing the great transport problems, the metropolitan area needs a collective action to overcome the issue. Therefore, the institutional arrangement in dealing with inter-local government cooperation of regional transport governance is an interesting topic of transport-land use related research. By aiming in understanding of building the new authority in the phenomenon of inter-local government cooperation and its particular impact on metropolitan transport planning and management, this study uses Jabodetabek region as a case study (see chapter 1, 3 and 4). In chapter 3 and 4, this thesis expands the understanding of transport problems, current transport systems, future plan, and transport institution in Jabodetabek area. The analysis shows that there are specific conflicts of inter-jurisdictional cooperation in Jabodetabek (chapter 5). Political situation and regulatory framework are the main barriers in creating regional authority in Indonesia, particularly in Jabodetabek metropolitan area. The basis of the analysis is the institutional design theory. It is discussed in chapter 2. To give more understanding of institutional design of metropolitan transport authority, chapter 2 also elaborate the inter-local government cooperation theory, inter-jurisdictional conflicts of transport planning, transaction costs theory, and the international experience of transport authority types. Concluded in the chapter 6, this research confirms that building new transport authority is a highly cost action. It needs law certainty, the in line political drive among stakeholders and good financial supports. To cope with the issue, it needs a further understanding on relation of these factors with institutional design in metropolitan area. This study is expected to add some insight into the characteristics of inter-local government cooperation in metropolitan region.

Doing this research, the author receives valuable support from many parties. Therefore, the author would like to express a deep gratitude to Prof. Johan Woltjer as the author's first supervisor; Dr. Eng. Puspita Dirgahayani as second supervisor; Indri Kurnia and all partner in doing research; Delphine for providing some research data; all double degree SAPPK ITB and EIP RUG students; and Transport Apparatus Development Agency of Ministry of transportation of Republic of Indonesia for the financial support. Finally, it is hoped that this study gives a great value to the transport related academic and practice, specifically on institutional perspectives.

Groningen, August 2014.

Table of Contents

Preface

Chapter 1 Introduction

1. Background.....	1
2. Research objectives.....	3
3. Research questions.....	3
4. Research methodology.....	4
5. Thesis structure.....	8

Chapter 2 Building Transport Authority: A Literature Review

1. Introduction.....	10
2. Institutional design.....	11
3. Inter-local government cooperation.....	12
Institutional mechanism of regional governance.....	14
4. Interjurisdictional conflicts of transport planning.....	15
Interjurisdictional cooperation dimension.....	17
5. Transaction cost.....	14
Sources and elements of transaction costs.....	18
Metropolitan governance and transaction costs.....	19
6. Building transport authority: International experiences.....	20
7. Conclusion.....	22

Chapter 3 Jabodetabek Transport Problems and Plans

1. Introduction.....	23
2. The Jabodetabek profile and its transport problem.....	23
3. Jabodetabek transport plan.....	27
From the central government for Jabodetabek.....	27
Macro transportation pattern of Jakarta.....	29
Park-and-ride: An attempt from cities surrounding.....	32
4. Conclusion.....	33

Chapter 4 Jabodetabek Transport Authority: Present and Future

1. Introduction.....	34
2. Local transport agency.....	34
3. Badan Kerjasama Pembangunan (BKSP).....	35
4. Dewan Transportasi Kota Jakarta.....	36
5. The future of Jabodetabek transport agency.....	37
6. Conclusion.....	40

Chapter 5 Analysis of Jabodetabek Transport Authority: Institutional Perspectives

1. Introduction.....	42
2. The need of regional transport authority.....	42
3. Inter-local government cooperation in Jabodetabek	45
Regulatory framework and problems of cooperation in Jabodetabek	45
Institutional mechanism	47
Interjurisdictional actions.....	49
4. Jabodetabek transport authority form: Stakeholders' perspectives	50
5. The cost of cooperation.....	54
6. Impacts on Jabodetabek transport planning	55
7. Conclusion	55

Chapter 6 Conclusion and Recommendation

1. Research findings.....	57
2. Reflection on inter-local government cooperation in designing transport authority	58
3. Reflection on policy recommendation of Jabodetabek region.....	59
4. Further research	60
References.....	61
Appendix.....	65

List of Figures

Figure 1	Research framework.....	9
Figure 2	Tools of regional governance	14
Figure 3	Dimensions of interjurisdictional cooperation	17
Figure 4	Inter-provincial trips in Jabodetabek region.....	26
Figure 5	Integrated road-based public transport in Jabodetabek by 2020	27
Figure 6	Jabodetabek railways master plan 2020	28
Figure 7	Jakarta's mass rapid transit map.....	31
Figure 8	Relations of Consolidation/Fragmentation and Independence/Hosted	43

List of Tables

Table 1	Research methodology	7
Table 2	Conceptual frameworks of transport planning and institutional arrangement In inter local government cooperation.....	22
Table 3	Population of Jabodetabek region	24
Table 4	Total per-day trips in Jabodetabek area, 2010.....	25
Table 5	Selected meetings held on alleviation of traffic congestion in Jabodetabek.....	37
Table 6	Progress in steps of improvement Jabodetabek transport action.....	39
Table 7	Review of content analysis of documents on establishing OTJ	53



Chapter 1

Introduction

1. Background

Some people pursue their social economic opportunities and competitiveness by living in large cities, while others live in the suburbs and reach the cities as commuters. Commuters are increasingly growing over the years in many big cities in the world. In New York, one of the busiest cities in US, the day population is change for at least 94.7 % caused by commuters¹. This condition also happens in other big cities such as in Copenhagen (Nielson & Hovgesen, 2005), some cities in Germany (Dayle & Grupp, 2005), London (Nielson & Hovgesen, 2008) and Barcelona (Asensio, 2002). The increasing of commuter activities and the rapid growth of population in those large cities generate a number of problematic issues especially related to transportation matters.

One of the big issues is the tremendous strain on its transport system that relates to energy consumption, emission of pollutants, travel time and cost. In regard to this, there are needs to make efficient transport networks and particularly infrastructure, services and facilities. The efficient movement of people, goods, and services is critical to the quality of life and economic success in urban areas. Promoting an integrated transport system and, indeed, the authorities that are responsible to manage the system is needed to overcome the situation (Naniopoulus et al., 2012).

Groenwald (2003) mentions that there are at least four types of different transport authorities that established in many different countries. The first type is Metropolitan Planning Organisations (MPOs) that is developed in US. MPOs are the multi-functional organisations that work on transport planning and decision-making for their regions. The second one is formed by Singapore government, called Land Transport Authority (LTA). This form of authority is the illustration of a comprehensive and integrated transport authority is accommodated in a single body. The next is Public Transport Authority (PTA) that shows in many European countries such as UK, Germany, France and more. This type focuses more

¹ Commuter-Adjusted Population Estimates: ACS 2006-10 (Journey to Work and Migration Statistics Branch, U.S. Census Bureau)

on public transport arrangement. The last type is metropolitan transport authorities (MTA). As the regional transport authority, this agency is the most common in EU countries.

Facing the same situation of transport conflict in the metropolitan area, the Government of Indonesia starts to adopt the establishing of transport authority in Jakarta. Starting in 2010, there is an initiative from the central government to bring the Jakarta's transport problem as the national special topic. UKP4 (*Unit Kerja Presiden Bidang Pengawasan dan Pengendalian Pembangunan/Presidential Work Unit for Development Monitoring and Controlling*) has been mandated to coordinate all the government institution from different levels and scales that have same interest to the Jakarta's transportation problems². To improve the transportation in Jabodetabek (Jakarta, Bogor, Depok, Tangerang and Bekasi) area, this group of institutional governments makes 20 handling steps, elaborated into 83 action plans, which are grouped into 4 different types of improvements: (1) transportation infrastructure and facilities, (2) spatial plan, (3) regulation and governance, and (4) public transport. One of interesting things here is that instead of only thinking about hard plan action, the government also concerns about improving the governance problem by suggesting establishing a transport agency to handle the transportation affairs in Jabodetabek called Otoritas Transportasi Jakarta/Jakarta's Transport Authority (OTJ). To form this agency, the Jakarta's governor will lead as the coordinator for all the institutions and local governments involved.

After more than 2 years proposed, the regulation of this authority still not comes to the end. This is because of power share problems between the local governments involved. In this case there are three regional governments: (1) Jakarta province, (2) West Java province with three local governments: Bogor, Depok and Bekasi, and (3) Banten province with one local government, city of Tangerang. Since the decentralization policy was enacted in Indonesia, transport planning in metropolitan areas seems to depend on local governments' voluntary-based cooperation (Miharja, 2009). This process will rely on how the local governments meet their own interest in the agreement. Many transport experts and government officials said that this agency is needed to be formed immediately (see Appendix). Therefore this agency could start working on coordinating implementation of all the transportation policies in Jabodetabek area in more continues and integrated way. In this regards, this research will examine how current practice of transport governance in

² Transportasi Jabodetabek (<http://www.ukp.go.id/pengawasan-topik-khusus/30-transportasi-jabodetabek>)

Jabodetabek can be improved, how collaboration among local governments can be shaped, and through which mechanisms these efforts can be encouraged.

2. Research objectives

The study provides set of arguments for understanding of building the new authority in the phenomenon of inter-local government cooperation and its particular impact on metropolitan transport planning and management. To strengthen the argument, this study seeks to clarify the inter-local government cooperation in metropolitan transport planning in Indonesia using the institutional perspective. Therefore, the further aim of study is formulate some recommendation for policy makers to amend and improve the process of transport planning cooperation in Indonesia.

3. Research questions

To fulfil the research objective, several research questions are employed as follows:

1. *How transport planning in inter-local government field is set? What institutional form to deal with that inter-local government situation?*

It is important to know how transport planning would be formed in the set of many stakeholders and local governments involved. Therefore, with this question, the study aims to explore the approaches or strategies in institutional way to manage transport planning in Metropolitan area, where inter-local government is settled.

2. *How are the institution and policy arrangements of transport planning in inter-local government cooperation structure in Jabodetabek region?*

This question will show what the institutional arrangement to frame the transportation planning for all Jabodetabek region whether what happened or newly planned.

3. *What is the feasible alternative of inter-local government cooperation structure of transport planning in Jabodetabek area? Does the building of new institution such as "Otoritas Transportasi Jakarta" (Jakarta Transport Authority) is the answer?*

These questions bridge the theory and practice and bring into conclusion what are the possible approaches and strategies to conduct transportation planning in Jabodetabek region. Institutional arrangement is expected to be a result of this question also will answer whether the OTJ fits with Jabodetabek situation.

4. Research methodology

This research uses case study method as a strategy to achieve its objectives. “The case study, like other research strategies, is a way of investigating an empirical topic by following a set of prespecified procedures” (Yin, 2003). Moreover Yin (2003) points out that, in the situation where the researcher is hardly to do the experimental research or, in other words, has little control over study object and also is hardly to do some survey, case study method is a preferred research strategy. He added that this kind of strategy might give the investigator clear image of social phenomenon of individual, group, organizational and others. Therefore, to get more understanding about the phenomenon of inter-local government cooperation in doing transport planning in metropolitan area, the case study research strategy is likely to be more suitable.

The study uses a single case study, Jabodetabek region, as an object to confirm the significance of institutional arrangement of transport planning in inter-local government cooperation in metropolitan area. Jabodetabek area could represent the situation needed because Jabodetabek has an issue of related topic. Jabodetabek region is one of metropolitan area in Indonesia consists of nine local governments in three different provincial areas competing each other over variety of economic and land use issues. Basically, they differ in terms of cultural, socio-economic and political characteristics. Therefore, it is considered as a dynamic metropolitan area with overlap jurisdictions condition between municipalities, provincial and state governments. Each of jurisdictions has different political mandates, priorities and objectives which makes coordination and agreement on land use policies difficult to achieve. In recent years, besides of housing, water supply and flood management issues, the transport problems have become a major concern in the area. Jakarta as the core city and Jabodetabek as a whole severe many transport problems that, in current state, has been considered as a national issue. The statement from many stakeholders that Jabodetabek needs new transport authority to manage their transport planning and system is also much related to the objectives of this study (see appemdx).

Regarding to data collection method, there are six recommended sources of information that are useful in case study research approach such as interviews, direct observations, participant observations, documentations, archival records, and physical artefact (Yin, 2003). Due to its limitation, this study will only focus to use information from documentations and

archival records sources. Data collection and analysis for this study remains mixed qualitative methods. The first group of questions is answered through literature review of institutional perspective of transport planning in inter-local government cooperation. The empirical study using the content analysis in the case of Jabodetabek region is conducted to answer the second research question. Meanwhile, the last group of questions is answered by interfering the gap between theory and practice relates to the case study.

Literature review

According to Torracco (2005), literature review is “a form of research that reviews, critiques, and synthesizes representative literature on topic in integrated way such that new frameworks and perspectives on the topic generated” (Rocco and Plakhotnik, 2009). Next to this, Rocco and Plakhtonik (2009) notes that reviewing literature is much related to build new theoretical frameworks and conceptual frameworks as a basis in developing new insight of social issues. Conceptual frameworks will help researcher in analysing the situation of study object. It is mentions by Allmendinger (2002) that based on statement of Judge, Stoker and Wolmen (1995), Conceptual frameworks or perspectives are “ways of look at or conceiving an object of study”. Therefore, in this study, develop the conceptual frameworks based on literature review is conducted to help understanding the gaps between theory and practice.

In this research, reviewing the past studies on the transport planning and transport authority in inter-local government cooperation is the main step in this part of method. The basic insight of Institutional building, inter-local government cooperation, transaction cost and theory related to building new transport authority are essential to answer the first set of research questions. The sources of data are mainly from literature of books, articles, journals and internet sources (see Table 1).

Qualitative Content Analysis

Basically, based on Cole (1988), content analysis is a method to analyse the data in the written, verbal or even visual form of information (Elo and Kyngas, 2007). The data is embedded in a particular context in perspective of someone, group or a culture that suitable to them (Krippendorff, 1989). The result of this analysis is to build a conceptual model describing the phenomenon (Elo and Kyngas, 2007). It selects the important element in the contextual material (Hudallah, 2010).

According to Elo and Kyngas (2007), there are three main phases of analysis start from preparation, organizing to reporting. Flick (2006) mentions that there are also three techniques of content analysis such as “summarizing”, “explicating” and “structuring” (Hudalah, 2010). “Summarizing” is to abstract and reduce of overlapping information, while “explicating” is to clarify the diffuse, ambiguous, and contradictory paths by involving context material in the analysis. Finally, “Structuring” is the way to search for types or formal structures and connections in materials.

There are many useful appropriate data for content analysis that basically are verbal discourse, written documents, and visual representations (Krippendorf, 1989). For example, the information taken from the literature or media such as interviews, discussions, newspaper headlines and articles, historical documents, speeches, conversation, advertisements, theatre, informal conversations, performances drawings, or images can be used in the analysis (Krippendorf, 1989; Mathison, 2005). This study mainly uses the information from written documents that relates to the arrangement of *Otoritas Transportasi Jakarta* (Jakarta Transport Authority). Policy documents and archives from many sources are used to give the image of institutional perspective of transport planning in Jabodetabek (see Table 1 and Appendix A).

Table 1 Research methodology

Objectives	Data Requirements	Sources of Data	Method of Data Collection	Method of Analysis	Output of Analysis
To identify the institutional transport planning in the inter-local government field	- past studies (Institution building, inter-municipal cooperation, transaction cost and transport authority)	- Book, journal, articles and Internet Sources	Literature review	Descriptive analysis	To find out the institutional transport planning in inter-local government framework
To identify the institution and policy arrangement of transport planning in inter-local government structure in Jabodetabek region	- policy documents - archive (minute of meeting, meeting presentation, working group report, paper/online news archive)	- Ministry of Transportation - Local Governments - Consultant - Online news source - News paper	Document review	Qualitative Content analysis	To find out what the main issue of institution and policy arrangement in inter-local government network of transport planning in Jabodetabek and to draw the feasible structure

5. Thesis Structure

To manage the study, there are several steps that are connected as a research framework (Fig. 1). Each of steps is importantly needed in order to reach a conclusion and recommendation related to institutional framework of transport planning in inter-local government cooperation in metropolitan area. The results of study are presented in thesis structure that separated into six chapters. Each chapter has different specific content of study described as follows:

Chapter 1 Introduction

This section shows the background of the study, research problems, raising research objectives and questions followed by research methodology.

Chapter 2 Literature Review

Chapter 2 tries to explore the approaches or strategies in institutional way to manage transport planning in Metropolitan area, where inter-local government is set by reviewing the past studies. The chapter will start with explanation about the integrated transport planning and the need of Institutional building. Since the research will focus in metropolitan area that consist more than one local government, it is understandable that in this chapter the inter-local government cooperation theory appears along with transaction cost theory. One of the important sections in this chapter is the explanation about how the international experiences of building the new transport authority in metropolitan area. Finally, this chapter will be ended with a conceptual model that concludes all theories explained before.

Chapter 3 Jabodetabek Transport Problems and Plan

This part explains about the Jabodetabek region as a case study. Starting with the explanation of the area profile and its transport problem, the chapter will continued with Jabodetabek transport plan. It starts with the explanatory of Jabodetabek transport plan from central government and follow by local governments. The insight about current networks and infrastructure as well as future network would be presented in this chapter.

Chapter 4 Jakarta Transport Authority: Present and Future

This chapter highlights the image of current practice of the institutional arrangement of transport planning in Jabodetabek area. Start from the local transport agency to the new expected form of tJabodetabek transport authority. This chapter also talks about the discussion of the development process of Jakarta Transport Authority as the institutional option to deal with Jabodetabek transport problem.

Chapter 5 Analysis of Jabodetabek Transport Planning: Institutional perspectives

This chapter shows the analysis of the current practice of transport planning in Jabodetabek connected with the theoretical frameworks and conceptual model that build in chapter two.

Chapter 6 Conclusion and Recommendation

This is the final chapter that refers to the research findings to conclude the answers to the three research questions. The conclusion reflects the research contributions to the development of Institutional arrangement in transport planning, particularly in metropolitan area. This chapter also highlights some policy recommendation to improve transport planning in Jabodetabek area in the sense of institutional arrangement.

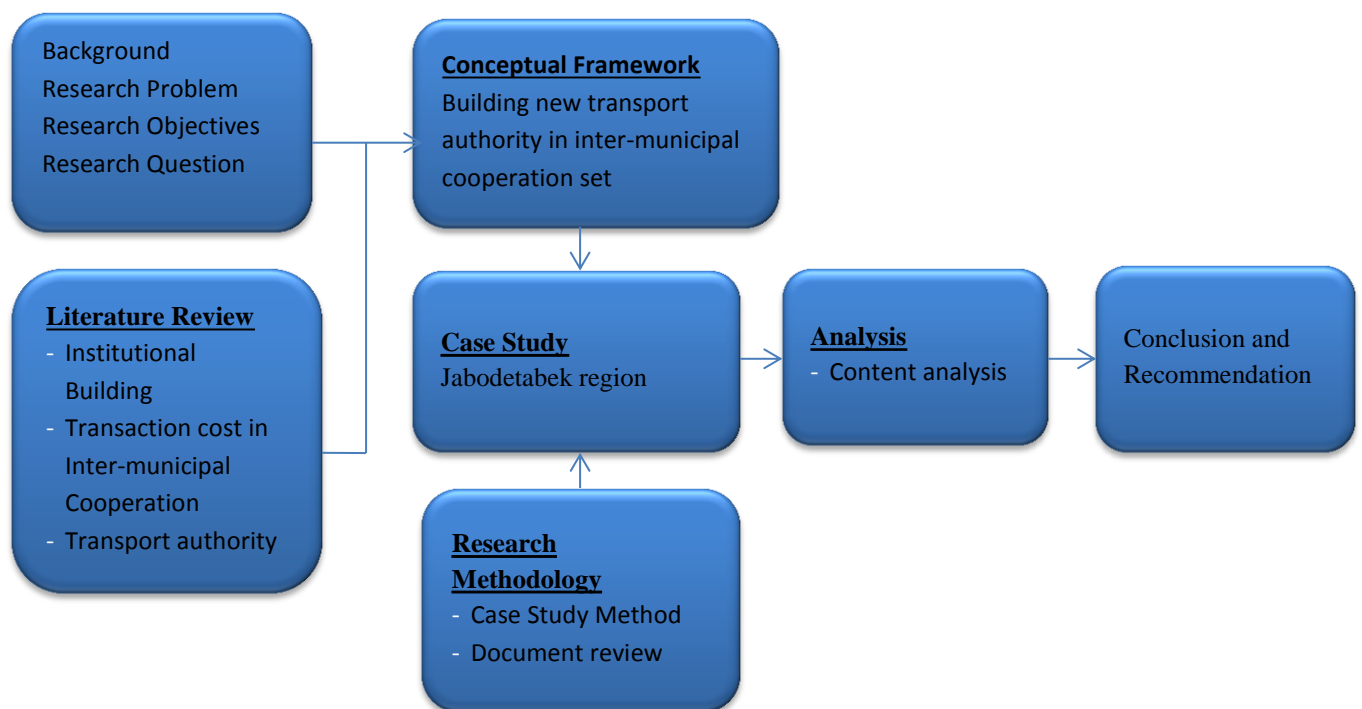


Figure 1 Research framework



Chapter 2

Building Transport Authority: A Literature Review

1. Introduction

Since introduced, sustainable development become main concern of policy maker in decision making process. It is well known that sustainable development should integrate three pillars of sustainability in policy making which them are economic development, social justice and environment (Cook and Swyngedeou (2012). Sustainable development is also affect the transportation planning. The term of integrated transport planning is used to fit with sustainable development goal. For example in UK, the “integration” has been the theme to set transport policy objectives (Bonsal, 2000). One of the potential integration that has been identified by May (1993) and Hine (2002) is the integration between authorities (Hull, 2005).

Transportation is the vital aspect to run the city. However, in city transport planning, the need for integration between supply and demand sides is essential. There are several key elements in city transport planning. First is the link between transport and land use. Many of scholars conduct researches to see the model approach to link the transport and land use. The second factor is the scale of network to see how transport can serve not only to the local network but also in the bigger scale, it could be regional or maybe in national or international network. In this situation, planning will include many parties, government institutions from local, regional and national levels, private parties, people and society based organization and many others. Therefore, such coordination is necessary to achieve an integrated planning, not only thinking about transport supply and demand, but also about the network scales. Reciprocally with the thought of Litman (2014) that to support sustainability goals, planning should be more integrated which means “decision-making is coordinated among different sectors, jurisdictions and agencies”.

In the sense of planning, there are two planning paradigms that are fit to that situation, planning as communicative practice and as coordinative action (Alexander, 2007). It sees planning as institutional approach where many actors and organization involve. Therefore, this chapter tries to explore the approaches or strategies in institutional way to manage transport planning in Metropolitan area, where inter-local government are set by reviewing

the past studies. The chapter will start with explanation about the need of Institutional building. Since the research will focus in metropolitan area that consist more than one local government, it is understandable that, in this chapter, the inter-local government cooperation theories appears along with transaction cost theories. One of the important sections in this chapter is the explanation about how the international experiences of building the new transport authority in metropolitan area. Finally, this chapter will be ended with a conceptual model that concludes all theories explained before.

2. Institutional design

To understand about institutional design, it is worth to learn from one of scholar who studies more about it, Ernest R. Alexander. In 2007, he proposed three basic questions within the planning context: (a) why do we plan?; where does planning occur?; and (c) how do we plan?. He mentions that in the institutionalism view the answer or the last question, how dowe plan, is an institutional design (Alexander, 2007). Therefore, it is interesting to know what institutional design is, why should we do that, and how does it can be done.

Institution itself, according to North (1993), is “the rules of the game in society...the humanly devised constraints that shape human interaction...complexes of norms and technologies that persist over time by serving collectively valued purposes...some have an organizational form, other exist as pervasive influences on behaviour” (Alexander, 2012). While, institutional design means “designing institution: the devising and realization of rules, procedures, and organizational structures that will enable to constrain behaviour and action so as to accord with held values, achieve desired objectives, accomplish set purposes or execute given tasks” (Alexander, 2007, 2012). Institutional building is set from coordinative action planning that involves interaction among organization. Therefore, by this definition, institutional design is likely to occur in any aspects of social interaction including legislation, decision making process, planning and program creation, and implementation (Alexander, 2007). But, basically, Institutional design is needed when the policy or plan requires new organizations or restructuring the existing one and when demand structuring the new regulation or amending the current one (Alexander 2007, 2012).

There are three levels of institutional buildings, macro level, meso level and micro level. This study will only focus on the meso level which is more suitable to the case study where Alexander (2012) mention that the meso level of institutional building is more associated to the planning practice fields such as transportation and infrastructure planning. The meso level

means that, in this level, institution building includes “establishing and operating inter-organizational networks, creating new organization and transforming existing ones, and devising and applying incentives and constraints in the form of laws, regulations and resource deployment to develop and implement policies, programmes, projects and plans” (Alexander, 2012).

Alexander points out that though institutional design has been practiced for long time, it is still a new concept. To understand more about institutional building it is more likely to reflect to the concept of transaction cost and inter-organizational cooperation (Alexander, 2007, 2012). Naturally, institutional design is a multi-party environment. Therefore, such a coordination issue is essential. Next to this, the concept of inter-organizational coordination offers institutional design solutions (Alexander, 2012). Following the issue, Alexander’s (2012) the transaction cost theory gives insight of governance that reflect transaction-related issues.

3. Inter-local government cooperation

To fit with the case study situation, where stakeholders are mainly the local governments, the concept of inter-organizational cooperation here is more likely to be an inter-local government cooperation or many scholar also called inter-municipal cooperation. The needs of inter-local government cooperation occur since such local priorities that deal with sustainable development, economic development, utilities, or the delivery of services can easily be resolved through regional action. Inter-local cooperation arrangements is about an agreement about partnership between two or more independent local authorities or municipalities to work together to achieve common goals or to resolve a mutual problem on developing and managing public services, amenities and infrastructure or on service delivery. Moreover, this cooperation aims to better respond to the needs of their users and local development issues that could not be solved alone, or could be fixed only at prohibitive cost (Feiock, 2004; UNDP, 2010). Inter-local government cooperation also talks about the issues that face the problem of cross jurisdictional boundaries (MCDP, 2010). This collective approach is exemplified by cost sharing agreements, regional recreational committees, joint by law enforcement officers and even regional planning. It is important to remember that inter-municipal cooperation is not the process of integrating municipalities but is an agreement to work together to create area wide opportunities.

The benefit of the inter-local government cooperation is it provides the participants an opportunity to assess by themselves the costs and benefits of participation in the solution of mutual problems without being interfered by central government. The role of central government in institutional collective action is considered to be minimal and limited to creating facilitating institutional rules such as granting home rule authority to local governments for efficient inter-local cooperation (Shrestha, 2005). Dinapoli (2009) argues that shared services can help municipalities increase effectiveness and efficiency in their operation. As local governments' responsibilities become increasingly complex and demanding, they should explore shared services and other cooperative opportunities as a way to reduce or avoid costs, improve service delivery, or maintain services. One tool to assist in addressing this challenge is inter-local government cooperation.

According to USEPA (1994), international experiences show that there are five common types of inter-local government cooperation arrangements as follows:

1. Joint Service Production (Joint Agreements) – formation of joint enterprises or agencies for certain services.
2. Joint (Shared) Administration – formed for performance of certain competencies, mainly of an administrative nature, such as tax collection and administration, physical planning, licensing of various types.
3. Selling and buying of services (Service Agreements) – this may include provision of services to weaker municipalities for which a fee is paid.
4. Joint planning and development – in cases where small municipality has lack of capacity to perform the competency alone, such as local economic development.
5. Joint funding – in cases municipalities (or municipalities together with an upper level of government) are jointly funding a mutually useful investment.

Another scholar, Firman (2010) divided intergovernmental cooperation into three general patterns of; first, the association of interest groups among the local governments with the objective of increasing bargaining power against the central government; second, an extension of central government's effort to control development policies at the local level; and third, the collective effort of local governments to tackle common problems at the local level, especially those that need cross-boundary cooperation.

Institutional mechanism of regional governance

There are three general approaches in managing the risks emerging from service cooperation that develop by scholars in the U.S. (Carr and Hawkins, 2013). One of the strategies is using institutional design. Carr and Hawkins (2013) mention about institutional mechanism discussed by Feiock (2009) that may be used to support collaborative agreement among local governments. Feiock (2009) stated at least there are six regional governance tool categories that have emerged to mitigate regional institutional collective action problems (Fig. 2). They vary regard to degree of autonomy of actors to enter and exit collaboration and between collective or individual choice of decision making. This section focus on the three multilateral institution discussed by Feiock (2009) because they are the most relevant to service collaboration in metropolitan area. These institutions include regional authorities, regional organization, and collaborative groups and councils.

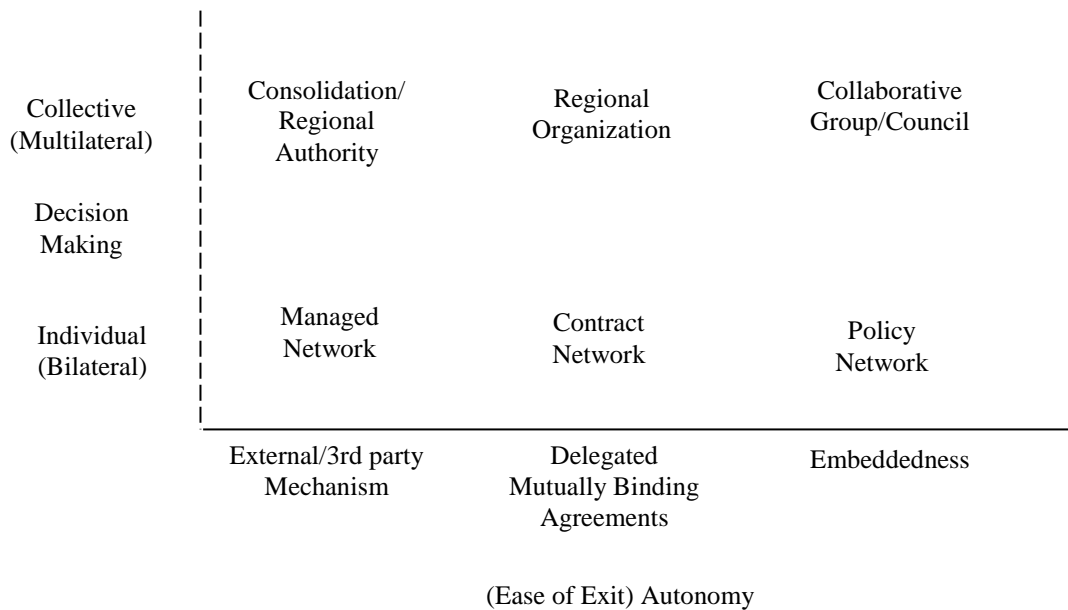


Figure 2 Tools of regional governance
Source: Feiock (2009)

Regional authorities. The idea is to centralize the authority by creating new regional authority by higher level government institution. The focus is to create consolidate government to encounter collective problem due to fragmentation. Many arguments say that it promotes rational and efficient urban policy, but, in facts, it remains fail in some cases in the U.S. The political and administration barriers make the consolidation even harder than expected (Feiock, 2009).

Regional organizations. Regional organization is a formal organization created by state law that could be formed as government agencies or non-profit organization. Though these organizations manage regional problems across jurisdiction, they have self-organizing characteristics. The examples of regional organization in the U.S. are regional councils of governments, metropolitan planning organizations, and regional partnership organizations. These kinds of organization still face the challenge that they have limited authority to force local unit to do something that they do not want to even when the organizations formed as government agency (Feiock, 2009).

Collaborative groups and councils. “Collaborative groups are informal associations or multilateral agreement among local actors that provide mechanisms for information exchange, program coordination, and joint action” (Feiock, 2009).

4. Interjurisdictional conflicts of transport planning

As stated in the previous section and also mentioned by Nunn and Rosentraub (2007) that to solve an urban region problems, it needs for more cooperation among cities and development of regional entity to promote an effective problem-solving mechanism among municipalities. In this sense, “the core city and suburbs are urged to work together closely to solve problems that (while ostensibly concentrated in the central city) affect the entire region” (Nunn and Rosentraub, 2007). It forces different jurisdiction within metropolitan areas involved in cooperation. In another words, according to Nunn and Rosentraub (2007), “inter-jurisdictional cooperation emerges when localities, to further share objectives, cooperate with regional planning council, non-profit corporation composed business and governmental leaders, business councils, informal alliances, cross-sector and multijurisdictional approaches to regional development, inter-local agreement, or regional plans”.

Many of public transport supplies service across jurisdictional boundaries. According to Taylor and Schweitzer (2005), basically, transport systems are dynamic and inter-jurisdictional where systems such as road, rail and bus systems link neighbourhoods, towns, cities, regions and nations to one another. While they add that collaborative planning within different jurisdictions is hard to be done.

Metropolitan area is an example of where many jurisdictions involved both horizontal relation among local governments and vertical relation between regional and central government. Davis (1996) reviews the transport planning in the Pheonix Metropolitan area to

examine the inter-jurisdictional conflict among the local states. He finds that there are dual roles of the local state in that area which in one side is that each jurisdictions work together to improve their transport systems. It expected to make an effective and efficient of people and goods movement in the area. The other one is that these jurisdictions tend to protect and enhance their respective domains. Local state have a role to provide their specific needs and service while they stand within the larger communities, they compete for resources and they attempt to protect their jurisdiction from outside control because, naturally, they are politically independent (Davis, 1996). Illustrated in Pheonix transport study, beside the financial conflicts that emerge from inter-jurisdictional cooperation such as budget, cost overruns and revenue agreements, “Turf politics’ is one of naturally conflicts among local states (Davis, 1996). All of jurisdictions focus more on their basic needs and protect it without compromising that it could affect others. The overlapping authorities within jurisdictions also hard to avoid when each of jurisdictions has their own characteristics of their land use goals, mandates and objectives. This situation makes coordination and agreement on transport planning difficult to achieve and it is doubled that each jurisdiction vary in terms of power and influence degrees (Davis, 1996).

To cope with inter-jurisdictional problems, many studies conducted come with different focus. Taylor and Schweister (2005), who study the changes of inter-jurisdictional collaboration of transport planning in the U.S. after the enforcement of ISTEA (Intermodal Surface Transportation Efficiency) act in 1991, say that although this kind of state-wide comprehensive plan has only limited influence on metropolitan transport planning and activities, it promotes a better inter-agency coordination. The mandated collaborative planning helps to deal with the political issue on collaboration among local governments (Taylor and Schweitzer, 2005). Edelman (1963) studying the inter-jurisdictional problems of air pollution says that there is a legal problem in dealing with inter-jurisdictional cooperation. However, his findings not only lay on legal resolution but also financial and political acceptance and consistency with the needs of the area. Other studies, such on multi-jurisdictional cooperation of river basin management in Mekong River Basin mention that political drive and institutional capacity are the priority to improve the collaboration (Chenoweth et al., 2001). While Gaden et al. (2008) on their study of Great Lakes management in multi-jurisdictional cooperation setting talk about Joint strategic plan model that deal greatly with a politically fragmented region.

5. Transaction cost theory (TCT)

Planning with many actors involves transaction of values. It needs to understand of transaction cost theory to cope with these issues. Along with Alexander (2012) statement that to understand more about institution design, we should get insight of governance that relates to transaction between parties. Originally from economics, transaction cost theory is evolving in the public sectors since there is strong connection between public and market. Transaction costs are “incentives for developing non-market linkages that generate hierarchical organizations and inter-organizational systems” (Alexander, 2007). As mentioned by Williamson (1981) that “transactions costs are not likely to be low due to problems of asset specificity, monitoring, risk, uncertainty, and imperfect information”, it is worth to understand the relation of transaction cost in relation to planning collaboration.

Alexander (1992) identifies that transaction theory has an explanation of why planning is still needed though it has the limitations of plan rationality. It explains of public intervention to response of market failures. This theory is also critical for the aspect of planning which is the coordinative function of planning that provides the link between planning strategy and action. In addition, he mentions that the transaction cost theory shows the link between planning process and organizational structures. In other words, Alexander (1992) points out that “the transaction cost theory of planning accounts for planning in the public sectors alike, and offers a link between planning, coordination, and implementation”. Furthermore, he also adds that this theory could explain the connection between organizational and inter-organizational structures and planning process.

Sources and elements of transaction costs

There are two aspects of transaction costs that explained in this section which are the sources and the elements of it. From economics perspective, based on Dixit (1996) the transaction cost typically has at least three main sources (Miharja, 2009). The first source is ‘asymmetric information’ which is the lack of sufficient and the limited resources of information. The next source of transaction cost is ‘opportunism’ where the situation is when the strategic effort is introduced and complicates the mutual objective achievement (Miharja, 2009). The last source is ‘asset specificity’ means “the investment in the asset will only pay off in relationship with one specific transacting party” (Miharja, 2009).

According to Feiock (2005) there are four main elements of transaction cost. *Information/Coordination Cost*, information on the preferences of all participants over

possible outcomes and on their resources should be common knowledge; *Negotiation/Division Costs*, the resource costs associated with the process of negotiating an agreement must be small and the parties must be able to agree to a division of the bargaining surplus; *Agency Costs*, bargaining agents must accurately represent the interests of their constituents; *Enforcement Costs*, there can be at most low costs associated with monitoring and enforcing the agreement.

Metropolitan governance and transaction costs

The challenge for network and collective governance in a region is to overcome the transaction cost barriers faced by individual actors (Feiock, 2009). According to Gerber and Gibson (2006), each actor has different political and economic interest, therefore there are problems of conflict and negotiations even when an institution has been applied (Feiock, 2009). This section will focus on the specific source of those barriers in regional governance proposed by Feiock (2009). Basically, there are four sources of barriers considered as transaction costs in regional governance which are *state level rules, the transaction cost characteristics of goods, the spatial and demographic characteristics of institutional units, and their internal political structure* (Feiock, 2009).

State-level rule: The important of state law is to provide not only the specific authority but also the strategies to avoid negative externalities and capture positive externalities (Feiock, 2009). It also sometimes encourages the actors to collaborate through incentives and entitlements (Feiock, 2009). Feiock and Carr (2001) also give attention to boundary laws that makes possible to cities to work together with neighbouring societies with higher bargaining leverage (Feiock, 2009).

Transaction characteristic of goods: Based on Williamson (1981), there are two characteristic of service which are asset specificity and measurement difficulty (Feiock, 2009). Both could be a risk in addressing collaborative governance.

Characteristic of communities and regions: Homogeneity within communities and region is critical to reduce the agency cost for authorities in negotiating agreement on behalf of societies. Therefore, the homogeneity within intra-organizational and intra-jurisdictional will increase the attainment of self-organizing institutions (Feiock, 2009).

Political structure: It affects the collaborative structure since the actors may different in political interest. Many researchers (Krueger and Mcguire, 2005; Feiock, 2004; Miller, 2000)

mention that political and administrative institutions have to be separated to minimize the risk in collaborative action (Feiock, 2009). Transaction costs that emerge from all of sources need to “be kept low for benefits to exceed the costs of collective action” (Feiock, 2007).

Miming Miharja (2009, 2010) shows that in the young democratic country’s metropolitan area like in Indonesia, transaction costs are more likely caused by cultural and practical constraints of governance. By examining one of metropolitan areas in West Java province, Bandung Metropolitan Area, he mentions that to understand transaction costs application in metropolitan transport planning in Indonesia should be focused more on the governance culture, social-economic and political elements instead of practical financial elements discussed by Feiock (2005) such as information, negotiation, enforcement and agency costs. In his work, based on BMA’s actors perception, Miming Miharja (2009, 2010) found that there are, at least, four aspects that influence transaction cost in that area. Those are legalistic and local government cultural aspect, strengthening local government authority in land-use planning, pro supra-regional institution and socio-economic and political aspects. Finally, Miharja (2009) emphasises that the important thing in metropolitan governance is support from all involved actors such as urban planners, politicians, administrators and legislators.

6. Building transport authority: International experiences

Cities in some part of North and South America, East Asia, Australia and European countries have a best experience in establishing the transport authority. For instance, the United States has established the Metropolitan Planning Organisations (MPOs) since 1960s as a transport decision-making agencies between cities, counties, the state and federal authorities as well as private interest groups (Goldman, et al., 2000; Groenewald, 2003). The MPOs has a high flexibility to develop transport plans to meet their region’s needs since The Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 increases their decision-making responsibilities (Goldman et al., 2000; Vogel, 2002). Therefore, the MPOs has multifunctional operation as planning and decision-making agencies for roads, public transport, safety, traffic congestion and inter-modal transport to deal with social, economic, energy, environmental, land use and their impact on transportation (Groenewald, 2003).

In Asia, Singapore also has good performance of integrated transport system for their land transport. In September 1995, to make transport planning and decision-making more efficient, the Singapore’s government formed a comprehensive and integrated transport

agency called Land Transport Authority (LTA) (Seik, 1997; Groenewald, 2003). The agency has been proved in success of managing the motorization and increase the efficiency in transport systems (Seik, 1997; Willoughby, 2001; Ibrahim, 2003; Santos et al, 2004; Han, 2010). It takes care of all public transport functions relating to taxis, buses and rail, and at the same time it is also responsible for all transport infrastructure as well as the funding and pricing of roads. Traffic safety, traffic management, road protection and other regulatory functions are also undertaken, particularly the control over vehicles entering the city areas.

European metropolitan cities also have evidence of establishing the transport authority that the basic implementation of this Metropolitan Transport Authority is under EU regulation. Driving by the privatisation, deregulation and the devolution, transport authority in European cities more focus in dealing with public transport system (Docherty, 2000; Groenewald, 2003; Naniopoulos et al., 2012). For example, in Germany, there are two different forms of transit agreements that has been established, transit cooperative (Verkehrsgemeinschaft) that suitable for smaller to medium-sized cities and transit federation (Verkehrsverbund) which is suitable for larger urban areas (Topp, 1989; Groenewald, 2003). Principal among the objectives of those cooperation in public transit are the improvements for passengers and better economics for the transit companies.

Naniopoulos et al. (2012) give brief perspective on metropolitan transport authorities (MTA) should be developed and cooperated with public transport operators to make public transport system more attractive in comparison with the private transport. In a global perspective, MTA would give holistic approach in public transport provision that will lead to positive result on improvement of public transport passenger share against private motorised and further decreasing traffic congestion, improvement of public space and pollution and noise reduction. It all will increase social inclusion and could achieve the integrated public transport system. While in territorial perspective, international, national and local level, MTA would simplify the coordination between different localities, it would bring the transport system planning into the sustainable development approach. It also propose by the idea of, for instance, Metropolitan Planning Organisations (MPOs) in USA and Land Transport Authority (LTA) in Singapore that this kind of agencies deal with sustainable development framework which are social, economic, environment (Groenewald, 2003).

Other insight of transport authority categories come from Van de Velde (2003). He proposed several transport institutional forms which is common in European countries as follows (Naniopoulos et al., 2012): (1) *from public management under authority initiative*


towards an involvement of the private sector, (2) from public companies operating under market initiative towards a further involvement of the private sector, (3) from public companies operating under market initiative towards authority initiative with private involvement and at last (4) any reform of existing regimes These transport authorities focus more into relationship between public authority and private parties to operate public transport system. Planning is more likely to be separated.

7. Conclusion

Designing new institution is not an easy task since naturally it involves many parties. Understanding inter-organizational networks and its conflicts, and figuring transaction cost that might be occurring are essential to institution design. In this study, to be fit with the case study, the inter-local government cooperation concept is used to give clear image of inter-organizational networks. It is internationally known that, in practice, there are several types of inter-local government cooperation. Each of types defines the relation of local governments involved. Furthermore, inter-local government cooperation in metropolitan area can also be understood by reviewing studies on inter-jurisdictional cooperation concept. There are several dimensions of inter-jurisdictional cooperation that can be used to help examine of cooperation. Transaction cost, indeed, helps us to understand the barrier in doing an institutional arrangement. Transaction cost sources in regional governance that Feiock (2009) discussed can be used to identify in which stage transaction cost of institution design is highly occur and should be avoided. Miharja (2009, 2010) also give more insight about transaction costs that might occur in transport planning in one of Indonesia's metropolitan area. It is more into culture, politics and socio-demographic characteristics. Along to this, related to the building of new transport authority, this study proposed the conceptual framework to understand how the transport planning in inter-local government field and institutional framework is set. Basically, this study adopt the types of transport authority from what Groenewald (2003) summarized (Table 2). Four types of transport authorities that are known as typically existing transport authorities from many different cities of different countries. Though transaction costs theory do not added in my framework, since it might be different from each case, it is still important to discuss in the analysis.

Table 2 Conceptual frameworks of transport planning and institutional arrangement in inter-local government cooperation.

TA Categories	Inter-local government categories	TA Structure	Responsibilities	Jurisdictional
Separated and dedicated passenger transport authorities (PTA-option)	Service agreement	Separated form government structure	Limited to public transport only	Go beyond the boundaries of local government structure
Metropolitan transport authorities (MTA-option)	Joint service production	TA is on one or more departments of metropolitan municipalities	Public transport entire transport function including	Limited to municipal boundaries
Integrated transport planning organisations (MPOs-option)	Joint planning and development	Separated from government structure, but show the representative of them	Decision making agency supported by integrated planning process	Multi-jurisdictional
Integrated Land Transport authorities (LTA-option)	Joint planning and development	Similar to MPOs-model	Similar to MPOs but with the incorporates of executing or implementing responsibilities	Multi-jurisdictional



Chapter 3

Jabodetabek Transport Problems and Plans

1. Introduction

Jakarta as a city experiences the structural changes over decades. The city not only serves its own activities but also others around. This dependency of surrounding cities has dramatically changed the Jakarta's functions. Starting in 1966, Jakarta developed a master plan of city spatial development plan and prepared as a metropolitan region incorporated with Tangerang, Serpong, Depok and Bekasi (Steinberg, 2007). The plan was gradually change following the cities dynamic. In 1987, by establishing the new master plan (RUTR DKI 1985-2005), the city plan has been considered as the strategic approach to the city's problems and aimed to integrate within region (Steinberg, 2007). This problem anticipating plan was not run well since the development of the city is market driven (Steinberg, 2007). Uncontrolled development occurs until the economic crisis in 1997-1998. After the crisis, the government start over to manage problems with new city plan that, indeed, it affected transport plan. Currently, Jakarta's transport plan not only tells about building new networks and infrastructure that much relates to private vehicles but also improving the public transport. Revising the commuter rail ways, establishing the bus rapid transit (BRT) system and planning the new mass rapid transit system are the attempt to make public transport more favourable.

Therefore, basically, this chapter explores Jabodetabek transport issues and plans. Starting with the explanation of the area profile and its transport problems, the chapter continued by the explanatory of transport present and future plans. By the end of chapter, this study explores the need of new transport plan not only for Jakarta but also for the Jabodetabek region.

2. The Jabodetabek profile and its transport problem

Jabodetabek is a special metropolitan area in Indonesia. This area becomes the best example in Indonesia of the so called *peri-urbanisation*, refers to the process of urban transformation in peri-urban areas, which can be defined as the areas located around or

outside a city that are also ecologically and socio-economically integrated into their core city (Hudalah, 2010). Bogor, Depok, Tangerang and Bekasi have a high dependency to Jakarta that offers many social and economic opportunities for the people. This situation affects many aspects, including in the transportation field.

Table 3 Population of Jabodetabek region

No	Administrative division (with province)	Area (km ²)	Population (2010 Census Final)	Population density (/km ²)
1	DKI Jakarta	664	9,588,198	14,464
2	Bogor Municipality (West Java)	109	952,406	8,737
3	Bekasi Municipality (West Java)	210	2,378,211	9,905
4	Tangerang Municipality (Banten)	164	1,797,715	9,342
5	South Tangerang Municipality (Banten)	151	1,303,569	8,646
6	Bogor Regency (West Java)	2,664	4,779,578	1,791
7	Tangerang Regency (Banten)	960	2,838,621	2,958
8	Bekasi Regency (West Java)	1,270	2,629,551	2,071
9	Depok Municipality (West Java)	200	1,751,696	7,053
	Jabodetabek Region	6,392	28,019,545	4,383.53

Source: Badan Pusat Statistik (Centre for Statistic Agency), 2010.³

According to Indonesia Centre for Statistic Agency/BPS of Indonesia (2010), there are more than 5.4 million commuters who come from surrounding area to Jakarta in every day. This situation exacerbates the condition of transportation in Jakarta which has its own problems related to high density situation and many vehicles around. Jakarta provincial police agency noted, in 2013, the number of vehicles circulating in Jakarta reach around 16 million units, where dominated by motor cycle with 11 million units, car with 3 million units, while other vehicle like buses and freight cars share the rest⁴. The police also added that, in the busy hours, there are about 700 thousand vehicles enter the city from surrounding areas which are Bogor, Tangerang, Depok and Bekasi. Other data, JAPTraPIS 2012, said that there

³Jabodetabek (<http://en.wikipedia.org/wiki/Jabodetabek>)

⁴<http://us.metro.news.viva.co.id/news/read/470507-polda--2013-jumlah-kendaraan-di-jakarta-capai-16-juta-unit>

were about 53 million movements that occur in Jabodetabek region in 2010 (DGLT and JICA, 2012).

The statistic data shows that, in 2010, there are more than 50 million trips per-day in all Jabodetabek area (see table 4 and figure 4) and this number remains greater in every year. The very large number of movement is inversely proportional to the road availability conditions in Jakarta. Jakarta Provincial Department of Public Works stated that the Jakarta's new road ratio is only 6.28% and a growth path length is only 0.01 % per year⁵. It is certainly not balanced when compared to the growth of the vehicles. In 2010 the Institute of Transportation Studies of Indonesia (Instran) noted that the growth of private vehicles ownership is approximately 13.5 % of cars and 48.7 % motorcycles per year. So, it is predicted if growth of vehicles remains the same each year then the total number of trips will increasingly high.

Table 4 Total per-day trips in Jabodetabek area, 2010

Modes	Total trip	Inter-zone	Internal Zone
Motor cycle	28,123,863	9,411,513	18,712,350
Private car	10,501,094	3,063,945	7,437,150
Public transport	14,426,818	5,177,538	9,249,280
Total trip	53,051,776	17,652,996	35,398,780

Source: JAPTraPIS (DGLT and JICA, 2012).

Along to this condition, road congestion in peak hours cannot be avoided for the most part of road in Jakarta. It increase people travel time that causes many bad impacts such as economic opportunities losses, energy losses, bad environmental impacts and also increasing health problems relate to transport pollution. Everyday users experience congestion in Jakarta with an average speed at peak times only around 10-20 km/h (MoT, 2010, in Susantono, 2013). The road users would have no other choice, because of their need for transportation would result in the need for the fulfilment of their basic needs of life. Congestion happens in the long term will likely impact large losses. If it relates to the Jakarta as the capital city, then this loss will indirectly have an impact on national matters.

⁵ <http://bstp.hubdat.web.id/index.php?mod=detilSorotan&idMenuKiri=345&idSorotan=54>

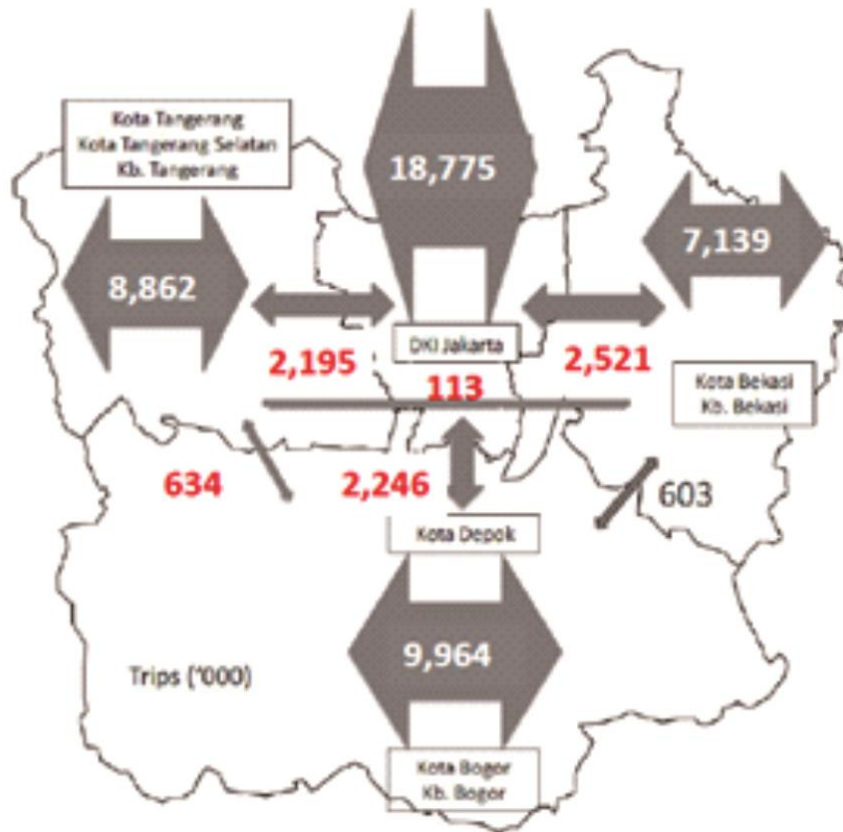


Figure 4 Inter-provincial trips in Jabodetabek region
 Source: JAPTraPIS (2012)

Referring to the data of the study on Integrated Transportation Master Plan for Jabodetabek (SITRAMP) Bappenas, Traffic congestion causes the economic waste up to Rp. 8.3 trillion per year. The amount represents an enormous loss of value, when compared with the amount of government investment towards the development and maintenance of. In addition, Susantono (2008) notes that, in general, problems of transportation in Jakarta can be grouped in the following ways: the low efficiency of transport system is hindering economic activities; low equality of transport system; bad environmental impacts of transport systems; the transport system has not met the level of safety and security.

3. Jabodetabek transport plan

To cope with the transport problems in Jabodetabek, the central government and local governments establish the transport planning plans. While the local governments still focus only to their city, the central government start to think integrated within all cities in the region. For example, Jakarta makes a transport plan which is called The Macro Transport Pattern/Pola Transportasi Makro (PTM). Basically their transport plan focuses not only to support network capacity but also to improve their public transport development. For example, the other city, Depok, made priority to develop the park-and-ride facilities to stimulate the commuters to use public transport towards Jakarta. To explore more about transport plan in Jabodetabek region, the next section will discuss the transport plans either from the central government or local governments that have a direct effect to Jakarta transport situation.

From the central government for Jabodetabek

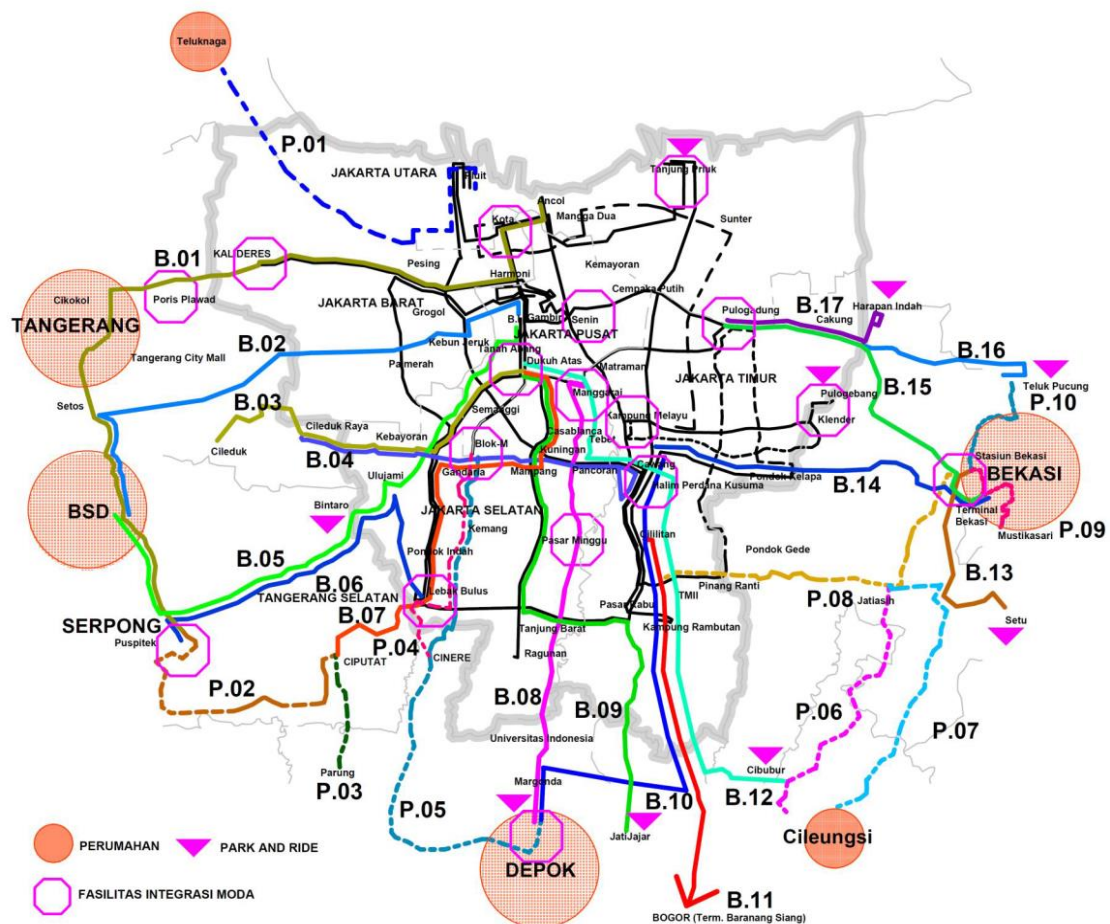


Figure 5 Integrated road-based public transport in Jabodetabek by 2020
Source: DGLT (2013)

Since Jabodetabek transport problem has become the national issue, the central government, through Ministry of Transportation (MOT), have been actively involved in arranging Jabodetabek transport master plan. It started from Vice President Directives, in 2010, which have 20 action plans. Main focuses of these actions are to improve public transport facilities and infrastructure. Improving road networks, parking facilities, spatial arrangement, regulation and governance are also support the action plan. Two proposals of master plan is proposed by Ministry of Transportation of Indonesia. The first one is master plan for integrated public transport by Directorate General of Land Transport (DGLT), the other one is master plan of railways transport by Directorate General of Railways (DGR). These master plans focus in bridging the policy within all local-governments in region.

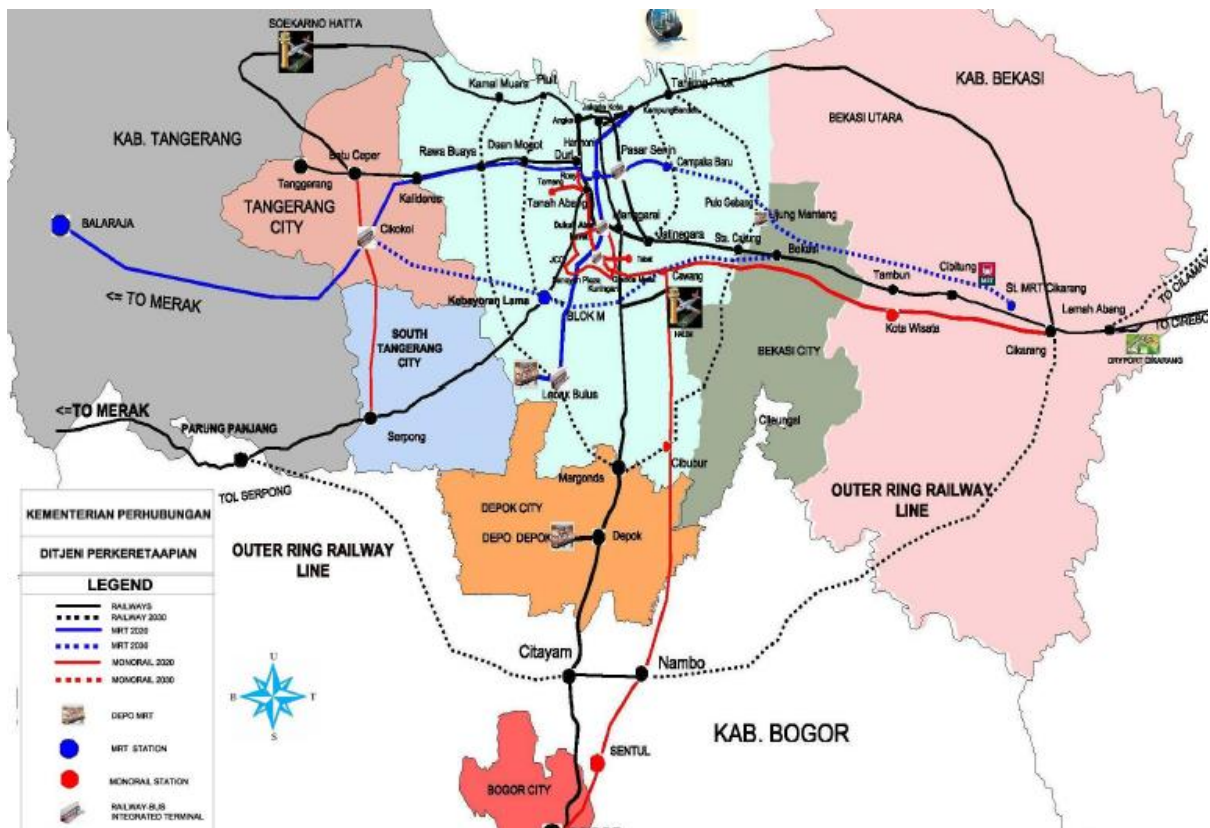


Figure 6 Jabodetabek railways master plan 2020
Source: DGR (2013)

The master plan of the integrated public transport by DGLT is the road-based transit concept. It is expected to realize in 2020. The plan is mainly about improving main bus networks and feeder bus systems facilitating with park-and-ride facilities, integration facilities such as bus stops/terminals, and facilities for cyclist and pedestrians (see Figure 3).

While the DGR with railways master plan focus not only improving the existing ones, commuter line railways networks, but also developing new railway network such as airport railways, mass rapid transit and monorail line (Figure 4). Besides those ambitions, DGR also try to introduce the Transit Oriented Development (TOD) in several zones. It is obvious that the government eager to accelerate the integration of public transport systems by 2020 (Figure 5). Basically, both plans from DGLT and DGL is suitable with Jakarta transport master plan, but in a regional scale.

Jabodetabek Commuter Line

A Jabodetabek commuter line railway is the regional railways system that connects Jabodetabek region. The railways serves commuter passenger from Bogor, Bekasi, Depok, and Tangerang to Jakarta and vice versa. The line is very important since many of workers from out of Jakarta depend on this transportation. Approximately, there are five hundred thousand passengers traveling with this railway every day⁶. With eight corridor lines, the commuter line railway is run by PT. KAI Commuter Jabodetabek which, basically, is subsidiary company of PT. Kereta Api (Persero)⁷. The interesting here is there are cooperation between private and public. PT. KAI Commuter Jabodetabek has the responsibility for planning and operation this railway while the central government give subsidies to ensure that the tariff will be affordable for the passenger. The local governments should facilitate the spatial arrangement for the transport needs. Coordination between all parties is held by the central government through DGR.

Macro transportation pattern of Jakarta

Basically the scenario of macro transportation pattern is developed based on spatial plan. It is only the extended version of spatial plan that focus to transportation sector. There are four main public transports development that includes in the master plan as a first strategy. These are MRT/subway, LRT/monorail, BRT/busway, and waterways. The government actively make innovation of these four modes of transport while arranging second strategies which are traffic restrain zone system (3 in 1), establishing Electronic road pricing (ERP), parking control and pricing, and park & ride development. The last priority strategy is building road transportation infrastructure. Some part of this strategy has been running but

⁶ <http://www.beritasatu.com/megapolitan/125764-jumlah-penumpang-krl-commuter-line-melonjak-126000.html>

⁷ <http://www.krl.co.id/sekilas-krl.html>

some still in slow progress with less of attention from government. For example, the waterways show the low result with many of the facilities are dormant in one area⁸, while government still insist to develop new facilities in other area⁹. Another example is ERP system that has already been a discourse through all stakeholders from 2008, but up until now the regulation does not come to the end¹⁰.

TransJakarta Busway

TransJakarta is the managing institution Bus Rapid Transit (BRT) or better known as busway¹¹. TransJakarta current institutional form is Public Service Agency (BLU) which is under the supervision of the Department of Transportation Government of DKI Jakarta. BLU TransJakarta busway is responsible for managing that includes planning, operation and maintenance of Jakarta bus rapid transit. TransJakarta busway began its operation on 15 January 2004 and is the flagship program of the Government of Jakarta for the development of bus -based public transport. TransJakarta Busway is a pioneer of public transport reformation that prioritizes comfort, security, safety and affordability for the community. TransJakarta facilities and infrastructure designed specifically to function as a transport system that is capable of carrying passengers in large quantities. Infrastructure, management, control and planning of TransJakarta busway system is provided by the local government of Jakarta, while the bus operations and the receipt of payment of the ticket system in cooperation with the private sector.

Sutiyoso (2007), the former DKI Jakarta's Governor in his books called Jakarta's busway is an embryo of transportation in Jabodetabek. It has been considered as the starting point of the new mass transit public era where transport public become safer, convenience, and fast (Sutiyoso, 2007). This BRT system gives good contribution to the regional transport since the feeder system is introduced. This feeder system integrates TransJakarta busway that basically available only in Jakarta with other cities such as, Bogor, Depok, Tangerang and Bekasi¹². Since it was implemented, in 2010, the busway reached 307 million trips with 14% of its passenger, based on JICA study (2004), was private vehicles users (JLG, 2010).

⁸ <http://news.detik.com/read/2013/07/19/185821/2308426/10/sisa-sisa-waterway-terabaikan-dan-terlupakan>

⁹ <http://www.merdeka.com/foto/jakarta/jokowi-uji-coba-waterway-marunda.html>

¹⁰ <http://www.merdeka.com/foto/jakarta/jokowi-uji-coba-waterway-marunda.html>

¹¹ <http://www.transjakarta.co.id/about.php?q=54XNwtzR3A==>

¹² Redactional team of "Buletin Tata Ruang". April 2011. Hitam Putih Trans Jakarta

Another study conducted by ITDP (Institute for Transportation and Development Policy) also shows positive result that the Jakarta's busway success in reducing air pollution (JLG, n.y).

MRT Jakarta

Many studies conducted show the result that Jakarta needs new mass rapid transit (MRT) in attempt to fulfill the need of public transit such as MRT rail system. Actually, the idea of developing MRT system in Jakarta has already been established since 20 years ago¹³. In fact, it was already regulated in 2008 through presidential decree 54/2008 of spatial plan of Jabodetabekjur. Danang Parikesit (2010), one of transportation expert in Indonesia, said that MRT is one of the best solutions in dealing with Jakarta's transport problem, but it should be well planned¹⁴. It means that MRT should have integration with spatial condition in Jabodetabek region.

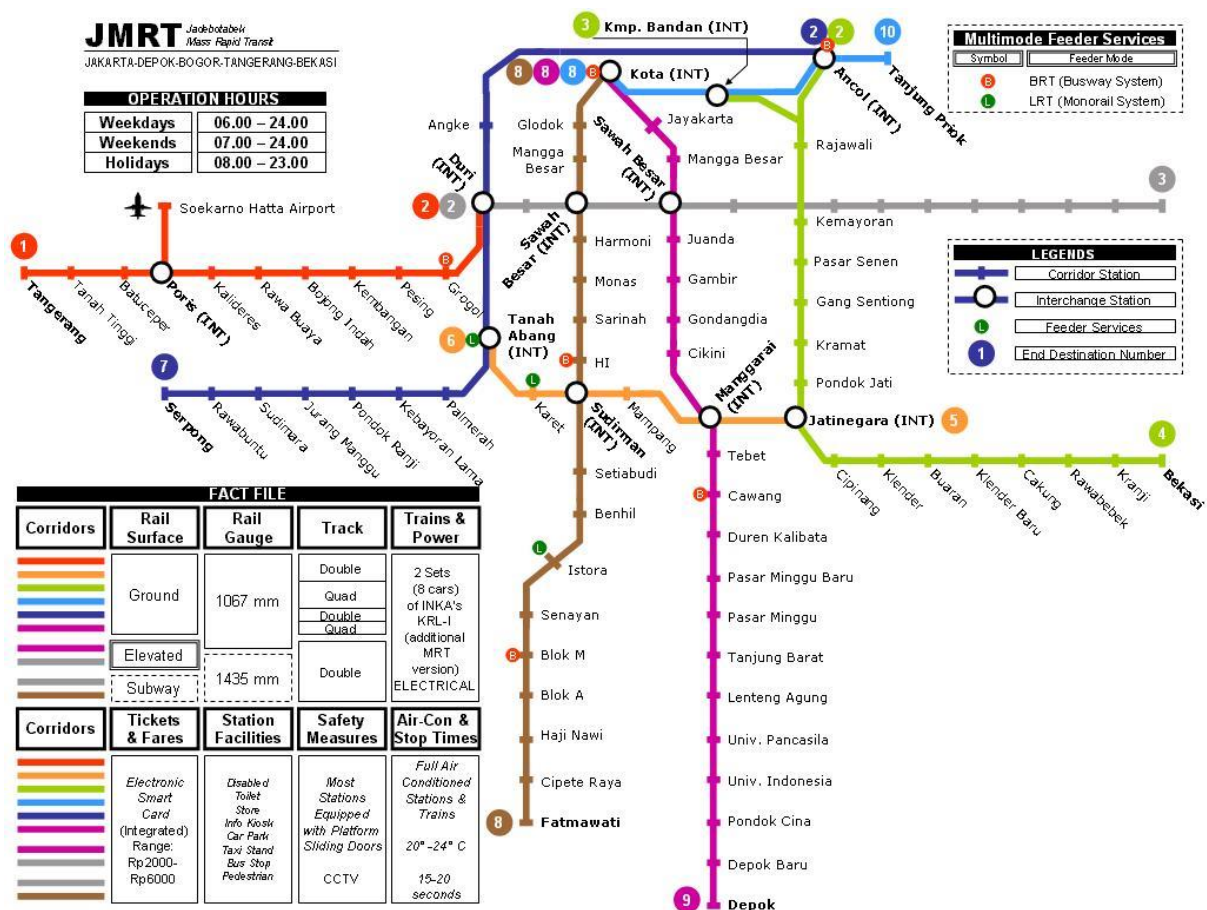


Figure 7 Jakarta's mass rapid transit map
Source: jakartabaruindonesiabarublogspot.com

¹³ <http://www.tribunnews.com/metropolitan/2012/04/26/ide-mrt-sejak-20-tahun-lalu>

¹⁴ Editorial team of "Buletin Tata Ruang". October 2010. Ketika MRT urai kemacetan Jakarta.

PT Mass Rapid Transit Jakarta (PT. MRT Jakarta) was incorporated in June 17, 2008, after the approval of DKI Jakarta Local Legislative Parliament through Local Act No 3/2008 about Local Government Shares in the Establishment of PT MRT Jakarta. PT MRT Jakarta will be responsible to all activities starting from the Engineering Service, Construction through Operations and Maintenance of Jakarta's MRT. The routes of MRT would be through within three other cities in Jabodetabek region, which are, Depok, Tangerang, and Bekasi (Figure 5).

Jakarta Monorail

Another focus of Jakarta transport master plan is to develop Light rail transit or monorail. Monorail is expected to operate in 2017. The development of monorail in Jakarta has a long story with three different Jakarta's leader era. It was started when Sutiyoso run Jakarta as governor in 2004. Facing the financial problem, in 2011 when Jakarta's governor is Fauzi Bowo, this project was terminated. Finally, Joko Widodo as the recent governor reconsiders to run the project. PT. Jakarta Monorail was established as a company to implement the Jakarta Monorail construction projects. Since its inception, the Jakarta Monorail project is funded by purely private funds, which come from the shareholders. In April 2013, The Ortus Group became a new investor Jakarta Monorail Project is doing a deal with the shareholders of PT. Jakarta Monorail, namely PT. Indonesia Transit Central, PT. Adhi Karya (Persero) Tbk, and PT. Citrayasa Niagatama.

Park-and-ride: An attempt from cities surrounding

To deal with the public transport improvement of Jabodetabek, cities build the park-and-ride facilities in ensuring that commuter use public transport instead of their own vehicle in reaching Jakarta (DGLT and JICA, 2012). This system mostly integrated with Jakarta busway feeder stops and commuter line railway station. In fact, many of informal park-and-ride facilities that established in Bogor, Depok, Tangerang and Bekasi that should be more coordinated. For example, in 2010, Depok made a plan of the pilot project for park and ride facilities in one of shopping centre near railway station (DTD, 2010). The plan is triggered by many of park and ride facilities established informally by the community indicating that there is high demand of parking space for mode shifting. It is expected that this project will help to reduce traffic flow to Jakarta. Department of Transport of Depok mentions that it needs coordination among administration and agencies to realize the plan.

4. Conclusion

In conclusion, Jabodetabek with enormous transportation problems needs comprehensive actions to deal with it. Plans should be more integrated within the regions. The attempt from Jakarta's government would not be succeeding without any support from other surrounding cities since the cities contribute to the Jakarta transport problems. The current transport planning seems fragmented in jurisdictional boundaries. Therefore, the central government tries to bridge it by triggering the establishment of integrated transport master plan in Jabodetabek region. It is obvious that constructing the integrated master plan of all actions from local governments is needed. Using the institutional perspectives, this study connects it with institutional design. Designing new rules, new plans and projects for transport issues within Jabodetabek region will bring the transport master plan into the next level. Therefore, the keys, indeed, are integration and coordination among all stakeholders. To cope with this issue, question arises regarding the needed of new authority to ensure that the transport planning in Jabodetabek well-coordinated and integrated. The answer might vary depend on context and perspectives.



Chapter 4

Jabodetabek Transport Authority: Present and Future

1. Introduction

In modern city planning there are interaction between public institutions, private and society. Government as a public institution has its own agencies that represent them in planning and implementing policy. Transport authority become important in regulating, planning and operating the city transport system. Since many of transport systems are provided in a cross boundaries network, the coordination between different jurisdictional areas is obviously needed. The transport authority, naturally, has to responsible of it.

This chapter discusses the basis of Jakarta transport authority. It starts with showing the basis transport agency of each municipal then it cis continued by exploring the development coordination agency in Jabodetabek. Jakarta, as the core city of Jabodetabek area has own transport council that focuses only in Jakarta. It is important to know to what extent its contribution to the Jakarta transport strategy and the effect to the Jabodetabek as a whole. In the final section, the chapter discuss the proposed transport agency that has a large scale of authority.

2. Local transport agency

Basically, in Indonesia, each of province and municipal has their own transport agency that focuses to manage their own transport system. It is not the extended body of state transport agency, Ministry of Transportation. They have a specific task relates to their own transport localities. Therefore, in Jabodetabek, there are at least eleven transport agencies which three of them are the provincial transport agency and eight other are city transport agencies. Provincial and local transport agency has different roles. Provincial transport agency more into coordination of its city transport agencies that have bigger responsibility of their own city. Different with other provincial transport agency, DKI Jakarta provincial transport agency has a full authority while its cities transport agencies is only play a role as technical implementing agency¹⁵. Basically the transport agency has a function to do the

¹⁵ <http://dishub.jakarta.go.id/tupoksi#>

planning and regulating, building and operating transport system in its area¹⁶. One of the most important tasks is giving a permit to private or individual private to operate the public transport. Evaluating and monitoring the implementation all aspect of private and public transport in their cities also become their responsibility. In the regional networks, the agencies are responsible to coordinate and collaborate with other stakeholders. The coordination is on voluntary basis as it is need by the policies, plans or projects.

3. Badan Kerjasama Pembangunan (BKSP)

In 1976, when the first time of the idea of developing Jakarta Metropolitan Area was proposed, such a coordination agency was established called BKSP, Badan Kerjasama Pembangunan (Development Cooperation Agency) of Jabodetabek under the mutual agreement decree of West Java Governor and DKI Jakarta Governor (IndII, 2011; Abdurahman, 2012). Later, the decree was reinforced by the Ministry of home affairs decree 29/1980 and State Ministry of National Development Planning 125/1984 ((IndII, 2011; Abdurahman, 2012).

The member of this agency is gradually changing following the structural changes of West Java Province. Since the province of Banten was established and joined the BKSP, the chief of BKSP are the three governors of West Java, DKI Jakarta and Banten which in turn leads over period of five years. Instead of only Jabodetabek, Jakarta, Bogor, Depok, Tangerang and Bekasi, Cianjur is also a member of this coordinative agency due to its close location to Jabodetabek. Currently, BKSP led by Ahmad Heryawan, the governor of West Java Province after before led by Fauzi Bowo, the former of DKI Jakarta's Governor. Ahmad Heryawan focuses the BKSP agenda, stated in grand design 2014-2034, to flood management, traffic and water supply in Jabodetabek area as said by its secretary, Asep Sukarno.¹⁷

BKSP's have responsibility to prepare and to determine a cooperation policy and an implementation plan, and to support the realization of integrated regional development within Jabodetabekjur area. The other responsibilities are establishing development planning policies for all sectors within the Jabodetabekjur area; improving economic, social and spatial

¹⁶ Insight from several transport agencies duties and functions: <http://dishub.jakarta.go.id/tupoksi#>;
<http://dishub.tangerangkota.go.id/#!/contentleft/artikel/detailheadline/4282/Misi-Dinas-Perhubungan>;
http://dishub.depok.go.id/index.php?option=com_content&view=article&id=94&Itemid=92;
<http://www.kotabogor.go.id/dinllaj-profil>.

¹⁷ <http://www.lensaindonesia.com/2013/08/28/bksp-jabodetabek-buat-grand-design-terpadu.html>

development problems raised by any of the local governments; and acting as facilitator to arbitrate disputes among local governments (IndII, 2011). Basically, BKSP does not have any authority in the decision-making process (Kawaguchi et al, 2013). It means, while the body initiates and facilitates the meetings for specific urban problems among relevant agencies, decisions are made by mutual agreement among all participants. Therefore, BKSP could not be function as a transportation planning agency which only provides the place for discussion rather than clarifying responsibility (Kawaguchi et al, 2013). Firstly, it is the financial factor. The financial resource of BKSP is fully depends on participating provinces. The voluntary based of finance is hard to manage, because it depends on to what extent the participants consider the project will give them the benefit. While, in the present time, the central government gives subsidy through state budget to help BKSP projects funding¹⁸, other problem still remains. The second issue is lack of human resources in BKPS (Kawaguchi et al, 2013; IndII, 2011). Ahmad Heryawan, as a recent leader of BKSP, indicated it by saying to the media that BKSP needs help from the central government relates to human resources. Abdurahman (2012) mentioned it as a “professionalism” issue. BKSP is non-structural agency obtained by civil servants from each local government involve. Basically, they already have a lot of duties in their original agencies or, in other words, they responsibilities are doubled. Abdurahman (2012) suggested to overcome its function BKSP should have their own professional worker. Both budget and human resources have been indicated as the hinder factors of BKSP in achieving its target (Asri, 2005; IndII, 2011; Kawaguchi et al, 2013). Moreover, many parties consider that BKSP does not work as it expected.

4. Dewan Transportasi Kota Jakarta¹⁹

By the DKI Jakarta provincial decree No. 12/2003, Dewan Transportasi Kota Jakarta (DTKJ)/Jakarta Transportation Council is established as a multi-stakeholder organization to manage problems of transport development in Jakarta. Currently, DTKJ consist of 15 members who are representative of the various constituents of the society such as scholars, transport expert, transport entrepreneurs, transportation users, NGOs, transport crew, Department of Transportation and DKI Jakarta Police department. DTKJ main function is to advise the Governor on policy-making process relating transportation issues in Jakarta. Their

¹⁸ Kompas: BKSP Jabodetabekjur butuh komandan dari pusat (taken from http://www.indii.co.id/upload_file/201110251040430.BKSP%20Jabodetabekjur%20Butuh%20Komandan%20dari%20Pusat.pdf)

¹⁹ <http://dtk-jakarta.or.id/>

activities are including consultation meeting with DKI Jakarta policy maker, public hearing, and also field trips and monitoring. Therefore DTKJ has been expected to become a means of connecting people's aspirations with the government. Furthermore, the result will take in consideration in the transport policies, plans and projects decision making process. Instead of working on Jabodetabek region, DTKJ is only focus to Jakarta city which means it is not suitable in Jakarta metropolitan area concept.

5. The future of Jabodetabek transport agency

As mentioned earlier that in 2010, UKP4 under the Vice President direction took the Jakarta transport problem as a national issue. Several meetings and focus group discussion was held among the stakeholders to talk about this issue (Table 5). Four main concerns with twenty steps of implementation were prepared to overcome the problems in particular time limits. One of the main concerns is to improve the transport governance in the Jabodetabek area. It consist three steps with several action plans which two of it suggests of building new transport authority and improving Jabodetabek's transport master plan (IndII, 2011). The deadline to finish of each action plans is given but, in fact, the plans has not implemented yet although the step is done and deadline was over (Table 6).

Table 5 Selected meetings held on alleviation of traffic congestion in Jabodetabek

No.	Meeting Name, Date	Initiative Agency	Attendees	Result
1	Multi-stakeholder meeting, 2 September 2010	Vice President (VP)	MoT, MPW, MoHA Governor of DKI Jakarta, Head of Jakarta Police Dept,	17 Instructions from Vice President to address traffic congestion in Jakarta
2	Progress report meeting to the VP, 27 October 2011	UKP4	VP	20 Steps, 83 Action Plans (AP), 119 Sub-Action Plans (SAP)
3	Progress report meeting to the VP, 5 January 2010	UKP4	VP	Revision of Steps and Action Plans to become 20 Steps, 73 AP, and 94 SAP
4	Coordination Meeting, 24 February 2011	UKP4	CMEA, DKI Jakarta (Deputy Governor & Bappeda), Jakarta Traffic Police Dept., JUTPI Consultant team	Progress Report, a high-level FGD will be held again to develop the mechanism of the Jakarta Transportation Authority (OTJ)
5	Bilateral meeting with CMEA, 4 March 2011	CMEA	CMEA, MTI, JUTPI team	MTI Policy Flash for Draft Presidential Regulation (<i>Perpres</i>) to establish OTJ
6	High-level FGD, 4 March 2011	CMEA	CMEA, Bappenas, MoT, MPW, DKI Jakarta, MoF, MoLHR, MoSS, MTI	Draft <i>Perpres</i> needs to be elaborated in more detail through focus team
7	Tripartite meeting	UKP4	MTI, IndII	Initial assessment for M&E development process

8	Limited Coordination Meeting on Infrastructure	CMEA	MPW, MoT, Gov. of DKI Jakarta	Agreement on preliminary Draft Perpres that needs to be finalized for President's approval
9	High-level FGD, 21 April 2011	CMEA	CMEA, Bappenas, MoT, MPW, DKI Jakarta, MoF, MoLHR, MoSS, MTI	Discussion on Detailed Draft of Perpres (non-Structural Version)

Source: IndII (2011)

Central government realizes that it needs the higher level government in managing transport problem in Jakarta. Many studies and scholars mention that it should be considered as regional action rather than local with central government supervise. Seventeen instructions from vice president have been announced when stakeholder meeting to address traffic congestion in Jakarta was held. It indicates that central government has an interest to intervene in solving the transportation problems in Greater Jakarta. Several meetings, focus group discussions and studies following these instructions are coordinated by UKP4 and Coordinating Ministry of Economic Affairs. The result is that there are 20 Steps, 83 Action Plans (AP), 119 Sub-Action Plans (SAP) including establishing new regional transport authority called Otoritas Transportasi Jakarta and designing new Jabodetabek transport masterplan. It involves all stakeholders at many levels: local governments, central government agencies, transport study working groups and transport platform organizations. Each stakeholder seems agree in establishing regional transport authority and designing new master plan actions in Jabodetabek area. By the year of 2011 all the supported documents has been done and ready to take to the next level action, the president agreement through legitimising Presidential Regulation (Perpres) on both. The commitment of central government is questioned when the actions were slowing down in the top level. Until now, 2014, both Perpres has never been issued. While in the end of 2013, Joko Widodo, the Governor of DKI Jakarta, asking for Vice President's commitments when central government approving the Low Cost Green Car programs²⁰. This program is contradictory to the spirit of seventeen instructions on addressing traffic congestions in Jakarta. The cheaper the car price results to higher ability of people to afford it. Joko Widodo thinks it will add more traffic problems in Jakarta. Inconsistency of commitments of highest level institutions makes the process of resolving the problems even harder, whereas many stakeholders insist that these actions are the best way to cope with Jabodetabek transport issues.

²⁰ <http://m.merdeka.com/peristiwa/keberatan-program-mobil-murah-jokowi-surati-boediono.html>;
<http://www.tempo.co/read/news/2013/09/21/092515434/Jokowi-Kebijakan-Mobil-Murah-ltu-Salah>

Table 6 Progress in steps of improvement Jabodetabek transport action.

Step	Action Plan	Sub Action Plan
Step 18	Developing Institutional study in the establishment of Otoritas Transportasi Jabodetabek	2010
		Institutional study draft for Otoritas Transportasi Jabodetabek
		Institutional study towards Otoritas Transportasi Jabodetabek
	Composing presidential regulation on Otoritas Transportasi Jabodetabek	2010
		Raperpres on Otoritas Transportasi Jabodetabek
		2011
		Report of inter-ministry discussion to ensure Raperpres
		Submitting final Raperpres to Cabinet Secretary
	Perpres (president regulation) is issued	
	Establishing Otoritas Transportasi Jakarta	2011
		TOR draft for organizational system and personnel for Otoritas Transportasi Jakarta
		SOP draft of organizational system and personnel for Otoritas Transportasi Jakarta
		(1) TOR and SOP organizational system and personnel for Otoritas Transportasi Jakarta; and (2) submitting proposal of candidates of OTJ chairman to the President
		(1) issuing presidential decree on appointment of OTJ chairman; and (2) issuing presidential decree on appointment of deputy for OTJ chairman
		(1) Report of OTJ roadshow to related sector and administrative area; and (2) report of recruitment and mobilization of personnel
Step 19	Evaluating study of master plan for existing integrated Greater Jakarta transportation system	2010
		Discussing final report draft with related ministries, institutions, regional gov. and
		Final report draft on evaluation of integrated transportation master plan
		2011
	Final report of evaluation of integrated transportation master plan	
	Composing revision version of master plan for Greater Jakarta transportation system	2010
		Discussing final report draft with related ministries, institutions, regional gov. and stakeholders
		Cotinuing discussion of final report draft with ministries and other stakeholders
		2011
		Final report draft from SITRAMP 2 is done along with inputs gained from discussion with related ministries and institution in transportation
		Final report from SITRAMP 2
	Issuing government regulation on development of Greater Jakarta transportation system	2011
Academic manuscript of Perpres		
Raperpres		
Final Raperpres submitted to nation secretariat		
Perpres on developing greater Jakarta transportation system issued		
Technical guidance from related ministries and institutions and prov. Gov. of DKI Jak issued		

Source: IndII (2011)

	Done
	Pending

From the discussion of stakeholders, the preferred function of OTJ, *Otoritas Transportasi Jabodetabek*/Jabodetabek transport authority, are coordination, policy and plans formulation, infrastructure development, operations and maintenance, transit operation and transit-oriented development (IndII, 2011). It all set forth in the draft of President Regulation on OTJ as follows²¹:


1. Formulating general guidance and action plan program to develop and perform integrated transportation system in Greater Jakarta;
2. Increasing service level of urban public transport in Greater Jakarta;
3. Developing and increasing facilities and infrastructure support in provision of urban public transport service in Greater Jakarta;
4. Performing TDM in Greater Jakarta; Spatial management based on public transport orientation (Transit-oriented Development);
5. Monitoring and evaluating plan implementation and integrated transport service and development program in Greater Jakarta;
6. Performing budgeting action in relation to implementation of plan and integrated transport service and development program in Greater Jakarta; Managing state assets that are the responsibility of OTJ;
7. Internal monitoring of program implementation by OTJ.

6. Conclusion

The current transport agencies of Jabodetabek region have not meet the needs of integration within the region. The local transport agencies are only focus to their own transport systems and problems. DTKJ, an organization that established to deal with transport problem in Jakarta, works only within Jakarta area and focuses only on finding the problem and suggesting it to the policy maker. Both are not well enough to face the complicated transport problems in Jakarta Metropolitan area. Similarly with other form of authority, it is clear that the scope of BKSP Jabdetabek is limited to coordination among the local governments in the region. The organization is not able to deal with development of transportation system and so on. The BKSP itself acknowledges its weakness and would like to expand its function and to include implementation of the projects. But, there is a question regarding to what extent that BKSP has a function to solve the Jabodetabek transport problems.

²¹ Draft of Presidential Pegulation on Otorita Transportasi Jakarta, Bogor, Depok Tangerang, dan Bekasi, 2011.

Therefore, some of stakeholders consider that the new transport authority should be established immediately. The long discussions have been conducted and bring to the result that establishing Jabodetabek Transportation Authority is the answer. The Jabodetabek Transportation Authority is expected to have not merely coordination but also planning, implementing and evaluating functions. It raises the question such as: is it the only way to solve the problems? Building new authority? Do all stakeholders agreed? And does it fit with the current political situation?



Chapter 5

Analysis of Jabodetabek Transport Authority: Institutional Perspectives

1. Introduction

Realizing the great Jabodetabek transport problems and future plans, it is clear that Jakarta need a new institution design to coordinate all the stakeholders to achieve an integrated transport plan. As said by Alexander (2007, 2012), institutional design may require new organization or reorganization, legislation, regulation, or new procedures. This chapter focuses to see the need of transport authority in Jabodetabek region, the basis of inter-local government cooperation, the types of transport authority form and the possible cost in building it. By doing the content analysis of which reviewing documents such as policy documents, minute of meeting, meeting presentation, working group report, paper/online news archive on establishing Otoritas Transportasi Jabodetabek (see appendix), the options of transport authority form in Jabodetabek is confirmed from the stakeholders perfectives .To find the possibility form of transport authority, it uses the conceptual framework developed in chapter two. The aim of this chapter is obviously to give insight of transport authority arrangement in metropolitan area from the case study, Jabodetabek region.

2. The need of regional transport authority

From the discussion in the chapter three, we know that to overcome the transport problems in Jakarta, a regional action is needed instead of the city itself. The surrounding cities of Jakarta, which are Bogor, Depok, Tangerang, and Bekasi, have greatly contributed to the problems. Jakarta could not work alone without any consolidation with other local governments. The central government with their directive and initiative prepare the integrated transport planning approach to be implemented within Jabodetabek region. Existing institution does not meet the needs in the sense of integration in the metropolitan area with inter-local government cooperation field. It is seen in the transport master plan that for Jabodetabek area is still fragmented. Therefore the new Jabodetabek integrated transport master plan is urgently required to deal with Jakarta transport problems and future plans.

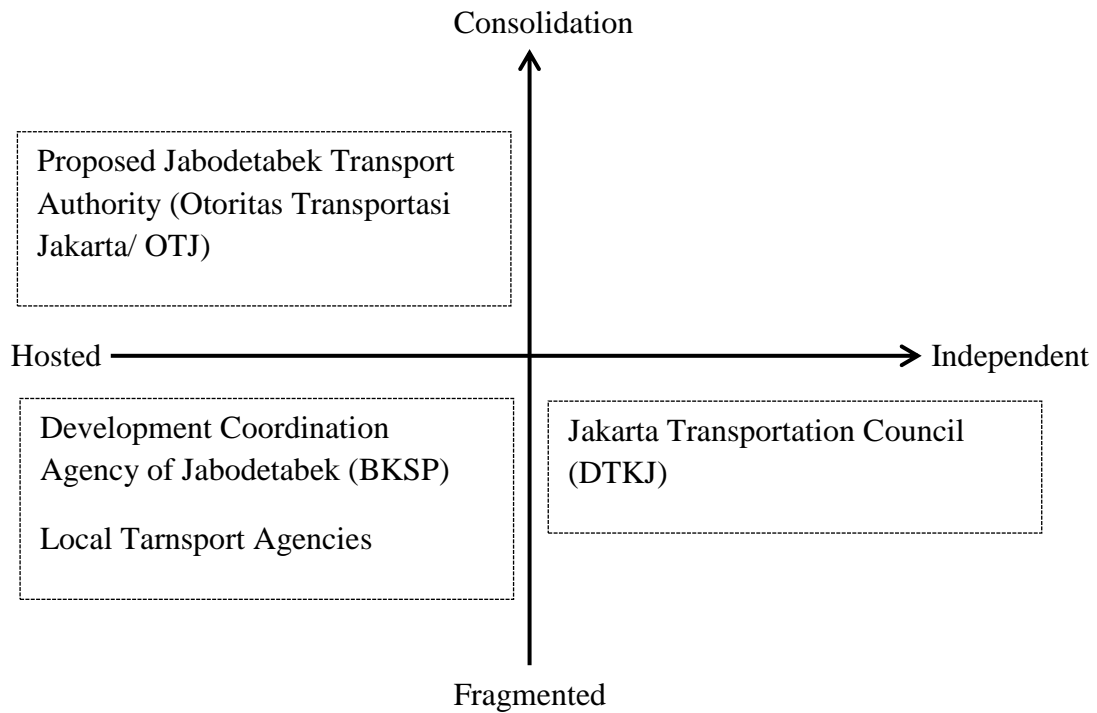


Figure 6 Relations of Consolidation/Fragmentation and Independence/Hosted

The existing transport authorities in Jakarta have different functions and roles. Local transport agencies with their specialty to understand and to deal with their locality play an important role in ensuring the working of transport networks and system. In the region scale, BKSP could be the answer to the coordination problem. The problem is that the agency could only set the communication way within all stakeholders instead of having power to make decision of planning. The other problems are the lack of human resources and budget, while each of municipalities has a little attempt to solve these problems since some of the agency functions are overlapping with local development planning agencies. The BKSP's daily operation is managed by an executive secretary that makes coordination with the policy maker is likely to be small. It makes BKSP powerless and ineffective in coordinating and monitoring the development program in region. The other authority, Jakarta transport council (DTKJ), has a little role in scoping the transport problem in Jakarta. Their responsibilities and activities could be done by other institution such as local transport agency. It only wastes the local budget by doing something that should be done by local transport agencies. Based on its duties and function, local transport agency should arrange such a monitoring, public hearing or dialogue, and recognise the core problems of Jakarta transport instead of handed it to other organization.

The future planned transport authority that as predicted should deal with transport system and networks in regional scale, Otoritas Transport Jakarta (OTJ), was indicated as favourable institution. Compare to other authorities, OTJ has a higher degree of consolidation (Figure 6) which fits with the Jabodetabek situation as a metropolitan area with many local governments involved. OTJ is expected to have such authority to make plans and decisions. In this sense, development of OTJ as new transport authority is, clearly, an answer to realize an integrated transport planning.

The idea of establishing the independent transport authority for managing transport issues in Jabodetabek region becomes a topic in current transport policy discussion among stakeholders. Proposed in the seventeen instructions of Vice President regarding traffic congestion in Jakarta, many of groups claim that this is the best way to solve the Jakarta's transport problem. For example, Joko Widodo, when he was running for DKI Jakarta's governor election in 2012, stated in his working programs that Jakarta needs to work together with surrounding cities to form transport service authority of Jabodetabek²². It is obvious that Joko Widodo makes OTJ as one of his political agendas. After elected, in 2013, he said to the media that, indeed, the OTJ should immediately be established to overcome the transport problems, while he mentioned that the authority to realize it is central government²³. He added that the responsibility of OTJ would not overlap with local transport authority since coordination is its main territory. In other occasion, Danang Parikesit (2013), chief of Masyarakat Transportasi Indonesia (Indonesian Transport Society) as one of transport platform organizations, said that OTJ is needed to increase coordination within central government, local government and private²⁴. Danang stressed that the involvement of private parties is important since many of transport infrastructure project in Jabodetabek funded by them. Transport researcher from Instran (Institut Studi Transportasi/Institute of Transport Studies), Izzul Waro (2011), also emphasized that it is hard to solve DKI Jakarta's transport problem before OTJ is formed.²⁵ Like others, he believes that regional government coordination in Jabodetabek is needed to overcome the governance issues of transport planning.

²² Visi misi Jokowi-Ahok Pemilukada DKI Jakarta 2012 (<http://gubernurdki.wordpress.com/visi-misi-jb/>)

²³ <http://www.tempo.co/read/news/2013/11/05/083527349/Jokowi-Ingan-Ada-Otoritas-Transportasi-Jabodetabek>; <http://www.tribunnews.com/metropolitan/2013/11/05/pusat-agar-segera-bentuk-otoritas-transportasi-jakarta>

²⁴ <http://industri.bisnis.com/read/20130829/98/159568/otoritas-transportasi-jabodetabek-dinilai-mendesak>

²⁵ <http://bandung.bisnis.com/read/20110420/3/42728/dki-sulit-atasi-macet-sebelum-terbentuk-otoritas-transportasi-jabodetabek>; Pusat didesak bentuk otoritas atasi macet, *Bisnis Indonesia* (2011), news paper archive collected by IndII (Indonesia Infrastructure Initiatives).

Central government as the main actor in establishing OTJ gives the support of the process. As often mentioned in the previous sections, starting from Vice President Instructions, OTJ is the main concern of regional transport governance in Jabodetabek. UKP4 works with many other stakeholders to reinforce the process of establishing OTJ (see Table 5 and 6). Hatta Rajasa (2013), Coordinating Minister of Economic Affairs, talked to the media that coordination among three governors in Jabodetabek is essential to cope with transport planning issues²⁶. Therefore establishing OTJ is important to support the coordination. He added that the OTJ's responsibilities are to cover grand designing and coordinating. So that, it will not be overlap the local government authority. Furthermore, in other occasion, Hatta Rajasa mentioned that, by the establishing OTJ, the transport infrastructure development crossing Jabodetabek area will be taken over by this institution²⁷.

3. Inter-local government cooperation in Jabodetabek

In forming new institution in metropolitan area, it needs collaboration among stakeholders. Alexander (2007, 2012) pointed out that institution design is related to inter-organizational cooperation, while Feiock (2009) views it, in metropolitan governance, as institutional collective action. OTJ case in Jabodetabek is one of it. Designing a new institution in metropolitan area with many of stakeholders in different jurisdictions is a challenge. In chapter two, we have already discussed that many other problematic issues such as legal system, institutional arrangement, political commitment, financial problems, human resources, local needs and others rise in cooperation among jurisdiction. This section discusses inter-local government cooperation in Jabodetabek and connects with the idea of OTJ. Legal framework and problems of cooperation in Jabodetabek are confronted with the basic understanding of institutional mechanism and inter-jurisdictional action. By understanding the basis cooperation in Jabodetabek area, it is expected to get insight of forming the OTJ.

Regulatory framework and problems of cooperation in Jabodetabek

The decentralisation in Indonesia, since Act 22/1999 of Local Government is issued, has a great impact to the governance structure that creates more fragmented planning in local

²⁶ <http://www.ciputranews.com/ekonomi-bisnis/otoritas-transportasi-jabodetabek-perlu-koordinasi-tiga-gubernur>

²⁷ <http://www.tempo.co/read/news/2011/04/13/090327200/Pembangunan-Infrastruktur-Jakarta-Diserahkan-ke-Otoritas-Transportasi>

level (Miharja, 2010). There is a shift from a strongly hierarchical structure, defined as the new order (*orde baru*) governmental system that has top-down/centralistic characteristic, to a much less hierarchical. It stimulates the competition among local government implying to less central and provincial powers in managing cross-jurisdictional planning coordination while it is definitely needed for collaborative action in metropolitan area (Miharja, 2010).

Basically, the legal protection of local government cooperation in Indonesia is stated in the Act 22/1999 of Local Government revised by Act 32/2004. The detailed regulation regard to this is stated on Government regulation such as PP 38/2007 of division of local authority and the guidance of local government cooperation in PP 50/2007. Later Ministry of Home Affairs produced its technical guidance in Ministry of Home Affairs Law 22 and 23 year 2009. Abdurahman (2012) mentioned that though the regulations have been issued, it is not mean that inter-local government cooperation automatically increases. There are only few of governmental institutions take it as the strategic facilities to increase local capacity, one of them is Jaboetabek area.

Historically, inter-local government cooperation in Jabodetabek is a product of top-down planning concept. It is firstly recognize in joint agreement of BKSP as response to the Jabodetabek metropolitan area concept in 1976. Therefore, at that time, the cooperation in Jabodetabek is strongly formal-structural approach. This situation remains even after decentralization is implemented. Act 32/2004 defines decentralization only based on territory (central, provincial and local government) not based on function. The consequence of this situation for Jakarta as the core city of Jabodetabek is that they push central government to make new regulation of the Jabodetabek concept as a region. Act 29/2007 of DKI Jakarta as the capital city of Republic of Indonesia is finally enacted to fulfil the needs of Jakarta to work with other cities surrounding. This act states that the three provincial areas, DKI Jakarta, West Java and Banten together with cities around can work together on the basis of an agreement between them (Article 27). This law also explicitly states that the cooperation should be focused on planning, utilization, and control of spatial coordinated central government through the relevant ministries: the Ministry of Public Works, National Planning Agency and the Ministry of Interior (Article 29)²⁸. But, this regulatory product does not meet Jakarta's desire to applicate the megapolitan concept of Jabodetabekjur that firstly proposed by Sutiyoso, the former Governor of Jakarta (Abdurahman, 2012). Recently, this megapolitan concept again discussed through the regulatory development of Integrated Management of

²⁸ <http://properti.kompas.com/read/2011/02/04/03083131/Kelembagaan.Metropolitan.untuk.Jabodetabek>

Megapolitan Area: Jakarta, Bogor, Depok, Tangerang, Bekasi, and Cianjur by Indonesian Local Councils. This law allows Jabodetabekjur area to build new authority such as Jabodetabekjur megapolitan authority. This authority has the responsibility to plan, implement and control the integrated transport systems, housing systems, water supply systems, hazardous materials and toxic waste management systems, flood management and drainage systems and solid waste management systems in Jabodetabekjur area. Implementing this act will obviously overlap of BKSP scope and responsibility, and also close the possibility to build transport authority in Jabodetabek.

Finally, it is obvious that with recent regulatory of decentralization in Indonesia which more formal-structural, creating a new decentralized authority based on function is hard to implement. The only possible option is to work under inter-local government cooperation framework, by optimizing BKSP. But, the emerging of discussion on presidential regulation of Integrated Management of Jabodetabekjur Megapolitan Area and Jabodetabek Transport Authority creates the overlap of legal framework. It makes building new authority in metropolitan area in Indonesia, based on inter-local government cooperation, is more complicated. Here, legal certainty, indeed, is substantial.

Institutional mechanism

It needs institutional mechanism to deal with inter-local government cooperation. As discussed in chapter two, USEPA (1994) mentions there are, at least, five inter-local government cooperation arrangements based on international experience. Feiock (2009) links this collective action with the metropolitan governance. The result is there are six regional governance mechanisms to deal with inter-local government collaboration problems. This section discusses those views regard to cooperation among stakeholders in Jabodetabek metropolitan area.

USEPA (1994) discussed the agreement within local governments. It does not clear whether the cooperation is in regional perspective. In dealing with OTJ's functions, such as doing grand designing and coordinating of transport plan, implementation and control in Jabodetabek area, there is no single type of cooperation agreement suits better. Instead, the mix of types is needed. Joint (shared) administration with joint planning and development function and shared funded is the solution of OTJ mechanism. This kind of agreements allows all stakeholders involve in arranging the administrative works with ability to let stakeholders get benefits from planning and developments. The risk of cooperation to all

stakeholders since the fund is shared among them. This arrangement of inter-local government cooperation also opens to all level of governments, start from local government and provincial government to the central government, to get involve. It fits with Jabodetabek region characteristics where many jurisdictions meet to cooperate. BKSP is the example of existing agreement with this kind of mechanism in Jabodetabek. BKSP will work properly with the functional approach than the formal-structural approach (Abdurahman, 2012). The functional approach of BKSP covers these three types of agreements.

The next view is from what Feiock (2009) discussed about the institutional mechanism of regional governance. According to Feiock (2009), there are two types of decision making arrangements in regional cooperation, one is more collective or multilateral action and the other one is more individual or bilateral action. OTJ is an institution based on multilateral cooperation among stakeholders across jurisdictional. Therefore, it might relevant to discuss multilateral institution such as regional authorities, regional organization, and collaborative groups and councils.

Feiock (2009) mentioned by arranging regional authority means that the higher level of government creates new regional authority. This idea has parallel meaning with the recent action of establishing the integrated management of Jabodetabekjur megapolitan area. This authority focuses to consolidate of planning, implementing and controlling actions to encounter the fragmented governance within regions. The U.S. experience in arranging regional authorities remains different in every case. Some of authority does not work properly due to some barriers such a political and administration issues. It also could happen in Jabodetabekjur area since each leader of jurisdictional area has different political agenda. They are elected from different political parties and, indeed, have their own interests. Each of local area also has their specific local characteristics, thatwill define the cities legal and administration systems. Those are the hinder factors in building regional authorities in Jabodetabek area. Furthermore, according to Tommy Firman (2011), the creation of the metropolitan authority that had broad authority seems not suitable for Jabodetabek due to potentially trigger disputes among the relevant provincial government²⁹. It will even be counterproductive to the aim of encouraging the integration of development Jabodetabek area.

²⁹<http://properti.kompas.com/read/2011/02/04/03083131/Kelembagaan.Metropolitan.untuk.Jabodetabek>

Regional councils of governments, metropolitan planning organizations and regional partnership organizations are mentioned by Feiock (2009) to give example of regional organization in the U.S. OTJ is expected to be like these organizations. It is formal organization formed by central government with self-organizing characteristics working across jurisdiction. Feiock (2009) identifies that these kinds of organizations still have to deal with problems when facing the local governments who do not want to do what should they do for cooperation. The organization will likely to have a limited authority to force other agencies in doing so. OTJ is predicted have the same behaviour when other local government out of Jakarta have a little interest to this kind of cooperation. It is seen when Joko Widodo as the governor of DKI Jakarta urge the central government to implement the OTJ regulation immediately while other local and regional governments seems to take it easy.

The last regional governance mechanism discussed by Feiock in multilateral action is collaborative groups and councils. Jakarta has already had this kind of councils called DTKJ. DTKJ is a forum of multi-stakeholders of transport in Jakarta to gather and share information from public through public hearings, monitoring the transport programs, and also advising the policy maker in transport decision making. To be more regional, the scope of DTKJ's working area has to be expanded within region, Jabodetabek. It could help policy maker to consolidate and coordinate the transport program from each local area one another. Feiock (2009) says that this council will provide mechanism for information exchange, program coordination, and joint action across jurisdiction. The coordination is embedded in all actions taken by each local stakeholder. The problem is that the planning still remains fragmented. The characteristic of this cooperation is more into building communication among stakeholders. It is still far from the spirit of building OTJ.

Inter-jurisdictional actions

Jabodetabek formed by different jurisdiction in different levels; ten local governments, provincial governments and central government. Each of jurisdictions has its own characteristic of location, population, socioeconomic, administration, and political mandates. This situation leads to inter-jurisdictional conflict. According to Davis (1996), there are three general conflicts in inter-jurisdictional cooperation such as financial conflicts, political interest and local concern. By analysing one of Jabodetabek regional cooperation, BKSP, three inter-jurisdictional conflicts occur. BKSP experience the difficulty of project funding. Basically, the budget to run BKSP projects are based on participants voluntary, but it needs

state subsidy to stimulate the cooperation since each of local governments give less concern into it (Kawaguci et al, 2013). Different political mandate of each jurisdiction is also triggering the conflict. Since the direct election enacted, the leaders in Jabodetabek area come from different political parties. They tend to concern more on their political agendas instead of shared it with other areas. It affects the cities daily administration systems. Direct election also an obvious evidence that the leader will concern more to their local needs. For example, Joko Widodo said to the media that he only concern to BKSP discussion when it talks about flood management and transportation problems.³⁰

There are many approaches to cope these problems, such as; comprehensive plans within region (Taylor and Schweister, 2005); legal certainty, financial and political acceptance, and consistency action (Edelmen, 1993); improving political drive and institutional capacity (Chenoweth et al, 2001); and joint strategic plan (While, 2008). Respect to those approach, in Jabodetabek case, it needs legal certainty in managing cooperation within region. It also needs political drive to assure the support of cooperation. The other thing is the need of comprehensive strategic plan such as the new transport masterplan covering the whole Jabodetabek area.

4. Jabodetabek transport authority form: Stakeholders' perspectives

To know the stakeholders perspectives on building new transport authority (OTJ), this section shows the content analysis by reviewing many documents as discussed in first section of this chapter. The review would be based on the conceptual framework built in chapter two. There are four types of transport authorities: separated and dedicated passenger transport authorities (PTA-option); metropolitan transport authorities (MTA-option); integrated transport planning organisations (MPOs-option); integrated Land Transport authorities (LTA-option), with their specifications. Each differs in terms of inter-local government categories, transport authority structure, responsibilities, and jurisdictional boundaries. The following analysis is structured by each category.

PTA-option. There are only limited documents note this type of transport authority is one of alternatives³¹. One thing that should be underlined here is no single document comes to the conclusion that this type is an answer.

³⁰ <http://metro.sindonews.com/read/682683/31/ini-alasan-jokowi-tidak-hadiri-rapat-bksp>

³¹ JUTPI Team, 2010, How to establish Jabodetabek Transportation authority, FGD presentation.

MTA-option. Same with PTA option, this type of transport authority is only being one of options. All stakeholders don't come with this alternative as an answer since this type will only repeat some of earlier forms such as, BKSP and DTKJ.

MPOs-option. The draft of presidential decree of OTJ stated that the new transport authority will be separated from the government body and have direct responsibility to president. It also stated that not only play a role as planning agency but also as developer of transport system. It is should be underlined that the agency would not be an operator of transport system. This agency would be still a representative and under coordination of government institutions involved. This draft is a product from coordination among stakeholders. Therefore, in many documents such as minute of meetings or meeting report and meeting presentation by coordinating ministry of economic affair this option is always be noted. Moreover, many news articles wrote many statements of transport expert said that government should, immediately, form this type of transport authority. For example, statement that always be noted by many news articles is come from chief of MTI (Masyarakat Transportasi Indonesia/Indonesia transport society), Danang Parikesit, that to form OTJ (with MPOs-option characteristic) is the only way option to solve transport problem in Jakarta, since the problem is multi-sectors.

LTA-option. JUTPI team in their product, Jakarta Transport Master Plan, stated that OTJ should also be as an operator of transport system. As precise they note that OTJ form as "coordinating/integrated body for operation of public transport".

The interesting things after reviewing the documents, there are stakeholders that consider to not building new single authority. The options are to build interim body or leave the responsibility to the central government to taking care the transport problem in Jabodetabek area. The result of reviews as follows.

*Interim body*³². Some institution such Ministry empowerment state apparatus and bureaucracy reform (Kemen PAN RB) stated that building new authority will cost much on state budget. The ministry underlined that the interim body to coordinate action on resolving Jabodetabek transportation problem would be more efficient. The statement also comes from Ministry of transportation by its deputy that said the interim body is a feasible solution since at the moment (October 2013), working period of the running cabinet (Kabinet Indonesia

³² <http://industri.kontan.co.id/news/ada-wacana-badan-otoritas-transportasi-jabodetabek>,
<http://koran.tempo.co/konten/2013/10/31/326251/Badan-Interim-Transportasi-Akan-Dibentuk>,
http://www.polmarkindonesia.com/index.php?option=com_content&task=view&id=5160&Itemid=1

Bersatu Jilid 2) is only one and half years left. Therefore, it is more likely if the new authority is structured in the next presidency period. Moreover, he said to the media that “the plan and technical approach is easy, but it is hard to implement it in political decision “. The chief of Public Relation of Ministry of transportation also added that, this interim body is the fastest way to solve it, since building new transport authority will have more attempt to adjust some regulation in road transport law.

Central government function. It is noted on the news article that in other occasion, Deputy Minister of transportation makes a statement that solving the Jabodetabek transport problem should be centralized. The deputy said that, basically, MOT avoids forming the new transport authority such an OTJ and letting MOT to coordinate the action. He stated that the priority in Jabodetabek is to develop railway system connected to road transport. In Indonesia, railways system is highly centralize planned. It is also found in one of meeting presentation by JUTPI (Jabodetabek Urban Transportation Policy Integration Project) team that there is an option to form authority as a central government centred organization.

The result shows that, in stakeholders view, there are several favourable options toward designing new organization of transport authority in Jabodetabek region. Firstly, the option is to build single authority with MPOs-option category. It is obvious that this option is the most suitable with the proposed aims and functions of OTJ that emerge in the preliminary study, stakeholders meetings and focus group discussions, and draft of president regulation on OTJ. This option is very possible to be implemented since it suitable for the situation in Jabodetabek. It represents the needs of cooperation with “joint planning and development” as the inter-local government categories. With this kind of transport authority categories, the OTJ is expected to be more independent, separated to government structure, while still representing them. Therefore, it makes the authority is powerful enough in decision of integrated transport planning process. Meanwhile, some of stakeholders come with the thought that, in the current situation, it is better to not building categories. Political situation, the lack of state budget, and time spending on adjusting law and regulation, are the reasons behind. It emerges two other options which are to build an interim body and the central government to take full responsibility of OTJ function. This further confirms the reason that until now the regulation has not been issued yet although the draft of president regulation has been done in 2011.. It shows that political situation influences the institutional design process and sometimes makes the attempt fruitless. The overall results are shown in table 7.

Table 7 Review of content analysis of documents on establishing OTJ

Option	Type	Remarks	Comment
Transport Authority	Separated and dedicated passenger transport authorities (PTA-option)	• only an option	Jakarta has already had this kind of transport authority, PT. Trans Jakarta that operates BRT system. Since the problem is more complicated than public transport operation system, this option is likely to avoid.
		• no single document comes with this option	
	Metropolitan transport authorities (MTA-option)	• only an option	Stakeholders expect that OTJ has a comprehensive function with ability to independently doing planning, implementing and controlling action within regions. So, this option would likely to avoid by stake holders because it is only repeat previous version cooperation, BKSP.
		• no single document comes with this option	
	Integrated transport planning organisations (MPOs-option)	• Many documents show it is a solution	Opposite from the previous types that this option allows OTJ to do planning,, implementing and controlling function. It makes OTJ has no limited power to only doing collaborating action, but also to make an independent policy decision with control from the participant governments. Therefore, many stakeholders suggest this option to be OTJ characteristics.
• (OTJ law draft, meeting presentations, meeting report, study report, etc.)			
• Indicates that stakeholders agree			
Integrated Land Transport authorities (LTA-option)	• Many positive supports from scholars, expert and government officials shown in many news article	This option is avoided by stakeholders because OTJ is not expected to do the operating function. Governments let this function to existing transport operating organization.	
	• One study report said that transport authority should be "coordinating/integrated body for operation of public transport".		
No Authority	Interim body	• Many news article shows that state governments are likely to build interim body relates to budget and time.	Both options emerge as the response from central government to the other stakeholders' expectation. Building new transport authority is not easy as in the plan when it comes to the political restraint, administration and legal framework uncertainty. It still needs a law adjustment both in transportation and inter-local cooperation regulation. Other reason is that building new authority will cost much to the state budget regards to provision of organization tools.
	Central government function	• In some of news article, there are government official from MOT said to public that this responsibility should be centralized.	

5. The cost of cooperation

Process of designing new institution relates to transaction cost (Alexander, 2007, 2012). To understand of the cost of building new transport authority, the process of establishing OTJ is confirmed with transaction cost theory. This section uses the sources of transaction costs discussed by Feiock (2009) as the foundation of analysis which related more to the metropolitan governance instead of using economic base of source and element of transaction costs. Moreover, it is also enriched in research by Miharja on one of metropolitan governance in Indonesia. By focusing more on the culture, socio-economic, and political elements, Miming Miharja (2009, 2010) notes that there are four general aspects influencing the transaction costs in Indonesia from actor' perception.

According to Feiock (2009) the first possible barriers of regional governance is the lack of state rules. Building new decentralized authority based on function in Indonesia is complicated since the constitution and decentralization law only recognize decentralization of territory instead of decentralization of function. Lack of support by the state rules makes the establishing of OTJ costly since it needs the law amendment process. Moreover, Miharja (2009, 2010) identifies as legalistic aspect that lack of legal enforcement results in lack of actors' commitment on collaboration. This situation remains the same when talking the tools of asset specificity and measurement of success. Those are possible barriers since there are no specific regulation tools on both asset specificity arrangement and measurement of cooperation success. On Miharja's work, actors assume that the benefit of transport planning collaboration in metropolitan area is mostly enjoyed by the core city. In Jabodetabek transport authority case, it is obvious that Jakarta will have strong benefit of establishing OTJ. Therefore, measuring of success from different actors' perception is difficult since they have their own preferences.

Next, Jabodetabek will have less trouble from the characteristic of communities and region. Historically, Jabodetabek has long experience of sharing communities and region, therefore it will not difficult to make an agreement on behalf of society since there is homogeneity among them, meanwhile, political structure will. Different political interest of each jurisdiction is predicted will make the negotiation process of building OTJ remain long. Miharja (2009, 2010) notes that the local leaders do not understand clearly the politically benefit of transport collaboration for them. It is different from OTJ case. Different from other provincial leaders in Jabodetabek region, Joko Widodo takes the establishment of OTJ as his

key point of transportation working program as governor of Jakarta. For West Java and Banten leaders, while they clearly understand the benefit of OTJ to improve transport planning systems in their area, they do not focus as much as Joko Widodo does. It is not different with central government. At first they insist that establishing OTJ will overcome transport problem in Jabodetabek but when encounter with political, legal and financial issues they tend to slow down even after the long process of study, discussion and arrangement.

6. Impacts on Jabodetabek transport planning


Caused by the complexity of the transport situation in Jabodetabek, regional transport governance of Jabodetabek should focus on the arrangement of cross-jurisdictional. In this context, the involvement of the central government is very important. The reasons are , first, Jakarta as the core of this region, is the capital city of the country. Secondly, the development of physical transport infrastructure in Jabodetabek will need very large financial resources beyond the capacity of the provincial government and the local governments. It raises the need of regulation on metropolitan authority from state level law to overcome the fragmented planning approach within region. The only possible option with current regulatory framework and political situation is to work under inter-local government cooperation framework. It means by optimizing BKSP that as we know, this kind cooperation arrangement has received political acceptance from all jurisdictions. The law adjustment of this option will be easier than building new regional authority.

The optimized BKSP must have the authority to plan and develop transport infrastructure across jurisdiction. While the provincial government and the city/county still run their authority in local governance. This implies the existence of BKSP as the metropolitan authority. Here, the central government, indeed, have to be involved in the planning, implementing, and monitoring transport plan by providing integrated comprehensive strategic transport plan across jurisdiction in the Jabodetabek. This kind of mandated plan is important to ensure all the local governments have strong willingness to cooperate.

7. Conclusion

From the institutional perspectives, institutional design is crucial for managing transport problems in Jabodetabek. The alternatives are open widely from establishing new regional authority, regional transport organization, and re-organizing the existing organizations, to making a better regulation. The new regulation means to develop the new integrated transport

master plan within the region. The lack of regulatory framework to support creating metropolitan authority, political uncertainty and financial problems are factors that make building new transport authority is not favourable option. Some of stakeholders insist to build the OTJ with the MPOs-option form of authority; some says it is better to make an interim body due to political, budget and big effort on establishing new law reasons. Therefore, optimizing the BKSP as the existing cooperation arrangement in Jabodetabek is feasible way to cope with institutional governance of transport planning in Jabodetabek. BKSP has been politically accepted by all members of Jabodetabek region. The functional approach of BKSP covers these three types of agreements that crucial in the transport governance in Jabodetabek. Joint (shared) administration with joint planning and development function and shared funded mechanism are characteristic of BKSP that could be implies as the metropolitan authority. Overall, it is argued that the political situation has a very crucial influence to institutional design. All the preparation attempts are ended with political decision. Therefore, this process of establishing new transport authority seems to be considered as high cost process.



Chapter 6

Conclusion and Recommendation

1. Introduction: the findings

This study has provided several institutional perspectives on transport authority in metropolitan area and its planning process. Using a single the case study of establishing transport authority for Jabodetabek region, this study confirms the process of institutional design of metropolitan transport planning in the set of inter-local government cooperation. This study shows how greatly the transport problems in Jabodetabek are. Next to this, the government have many plans to overcome the problems. The interesting issue from institutional view is the future plan to improve transport governance in the region by establishing new transport authority and designing new integrated transport master plan. The analysis chapter shows that there are other institutional design alternatives instead of only building new single authority and it is confirmed with the stakeholders' views.

Results shows that there are some factors hindering the process of establishing OTJ and those factors caused the process considered as high cost. The major barriers are lack of law support of creating metropolitan authority and less political support from higher level of governments. The amendment of constitution and act regards to the concept of decentralization are needed to support the establishment of regional decentralized authority. The possible way in building cooperation of transport governance in Jabodetabek with the current law and political situation is through inter-local government cooperation. Optimising the existing inter-local government cooperation in Jabodetabek, BKSP, could be favourable in current situation. BKSP has characteristics that support regional agreement wich are joint (shared) administration with joint planning and development function and shared funded mechanism. Moreover, this study finds that, in Jabodetabek case, to work with different jurisdiction, the role of central government to involve in cooperation is important. The central government is expected to ensure the law of enforcement, to control and to monitor the cooperation mechanism. Besides that, the central government is expected to make an integrated comprehensive and strategic transport plan within region. It helps cooperation easier to manage.

In this final chapter, it draws conclusion from the result of case study and answers the research questions that develop in the first chapter. The first section in is the reflection thought of the result study on inter-local cooperation in designing transport authority. Next, it is reflected to make a policy recommendation to further develop in Jabodetabek region. In the last section, it will be underlined the issues that need for further study.

2. Reflection on inter-local government cooperation in designing transport authority

Using institutional design theory, further developed based on inter-local government cooperation and transaction cost concept, the study provides the conceptual frameworks of transport authority that was adapted from four types of transport authority categories. These four transport authority categories are based on international practice on metropolitan transport governance that developed by Groenwald (2003). The categories are Separated and dedicated passenger transport authorities (PTA-option); Metropolitan transport authorities (MTA-option); Integrated transport planning organisations (MPOs-option); Integrated Land Transport authorities (LTA-option). These four categories are sufficient to explore the transport authority form based on several distinctions which are inter-local government categories, transport authority structure, the responsibilities and jurisdictional boundaries. The most important in designing new institution is the solution is based on situational context and preference of actors involved. In the case study of Jabodetabek region there are options either to build new single authority, to re-organize the existing one, or to make a new regulation on integrated transport planning within the region. After confirmed with the stakeholders' perspectives, building new transport authority is not the only options. There are factors such as political situation, budget problems, and the attempt to adjust regulation that considered to not to build the transport authority. It is clear that political issue become the essential factor in building agreement of inter-local government cooperation. The highest level government, the central government, plays important role since the regulation is issued in this level. The long journey of process caused this attempt high cost on process of getting information and coordination, negotiation and division, and enforcement processes.

To simply overcome the issues on inter-local government cooperation in designing transport authority, it would like to conclude that institution design plays important role. Building new organization, re-organizing the existing organization, setting the inter-organizational networks, new regulation, legislation, or procedures are only the options. The important is the chosen option should fit with the contextual situation and stakeholders

interests. Factors such as political situation, financial issues, and law boundaries, make the institutional design more challenging. In building new institution where the inter-local government situation is set which is many stakeholders involved will not be able to avoid the emerging of transaction costs. The level of transaction costs will differ depends on the actors effort.

3. Reflection on policy recommendation of Jabodetabek region

This section explores all the options of institutional building for the Jabodetabek region in arranging transport system and networks to further considered as the policy recommendations as follows:

Building new single authority

The dualism of stakeholder's views on building new transport authority should make this option is hard to be implemented. If the decision came to build the authority then the MPOs option would be the best option for Jabodetabek region transport problems and plans. This type of transport authority allows the new agency to independently making decision in planning integrated transport network within region and powerful enough to do their own plan. The first step to realize the establishment of new regional transport authority is to make law adjustment by amending the decentralization act. It has to ensure that building decentralized regional authority based on function is possible. The central government should also assure that all the leaders among jurisdictions have the same political drive. Both regulatory framework and political factors are essential to build OTJ.

If the decision was the opposite option which is to not build the transport authority, the interim body with the control of central government should be the best option. It will save the state budget and there is only little attempt to adjust the law. It could be combined with next option, re-organizing the existing transport authority within the Jabodetabek region.

Re-organizing the existing transport authority

In the current law and political condition, optimizing the function of BKSP is the favourable alternative. Concern to improve its financial condition, human resources, and its range of responsibility, will help the BKSP works more effective. The new BKSP should be able to deal with planning, developing and controlling of transport projects within regions. The ability to work in inter-jurisdictional condition makes BKSP could replace the expected function of metropolitan authority. The other important consideration in doing re-organizing

existing transport governance is to make the DTKJ job and functions emerge in the duties of Jakarta's local transport authority. The budget for establishing DTKJ could be used for other important action in dealing with transport problems.

Developing new integrated transport master plan

With the condition of transport problem and the current transport planning that is still fragmented in Jabodetabek, this last alternative is the most important above all. Either building new transport agency or re-organizing the existing agencies, developing new transport master plan should be done. It means that establishing new integrated comprehensive and strategic transport master plan within Jabodetabek region is not a complementary option, but the main key of resolving the transport problem in Jabodetabek. This action needs the central government involvement to create the plan, to control and monitor the implementation.

4. Further research

While this additional empirical studies are needed to gain a fuller understanding of inter-local government cooperation conflicts, it is hoped this study has added some insight into the characteristics of inter-local government cooperation in metropolitan region. In the future this research could be extended to include the actors' perception analysis by doing interview to the Jabodetabek transport governance stakeholders instead of only using documents review. Other types of inter-local government cooperation associated with other sectors such as water supply management, flood and drainage management, solid waste management and housing might be help to give more insight about the nature of inter-local government cooperation in the region. Perhaps, to further bring another metropolitan area with different characteristics of politic, socio-economic and culture as a case also gives more clear undertsanding of metropolitan governance in Indonesia.

Another interesting avenue of research would be the relation between the political factor and the effectiveness of institution building. In the OTJ case, political issue has made the decision not to reach an agreement. It has been four years of discussion and there is no single decision come to the surface about how the transport governance in Jabodetabek will be. While it is important to understand why conflicts are arise, it is just as important to understand how they are resolved. Knowing how to cope this problem will help the decision maker to do the institution building more planned. Resolution sets the stage for future interaction among local-governments and helps direct policy directions.

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Appendix List of Documents

No	Name	Type	Year	Source
1	DKI Jakarta Spatial Plan 2030	Provincial Law	2012	Jakarta Province
2	Development of Jakarta's Integrated and qualified Transport System for energy efficiency	Meeting presentation	2010	Jakarta Transport Agency
3	The proposal of Jabodetabek public transport Materplan	Meeting presentation	2013	Ministry of Transportation
4	Jabodetabek railways master plan 2020	Meeting presentation	2013	Ministry of Transportation
5	Jabodetabek Urban transportation policy integration project in the Republic of Indonesia (JUTPI)	Final report	2012	The coordinating ministry of economic affairs and Japan International cooperation agency
6	Jakarta Urban Transport problems and their environmental impacts	Presentation on International Climate Change workshop on research priorities and policy development		Jakarta Transport Agency
7	Pola transportasi makro/macro transport pattern	Governor Law	2007	Jakarta Province
8	Jakarta Transport Authority	Presidential Law (Draft)	2011	The coordinating ministry of economic affairs
9	Development of Jakarta Transport Authority	Meeting presentation	2011	The coordinating ministry of economic affairs
10	JUTPI Master plan (Draft)	Meeting presentation	2011	JUTPI Team
11	Jakarta Transport Authority	Meeting presentation	2011	The coordinating ministry of economic affairs
12	Development of Presidential Law of Jakarta Transport Authority	Minute of meeting	2011	Tangerang Public works agency
13	Minute of meeting the coordination of development of Jakarta Transport Authority	Minute of meeting	2011	Tangerang Public works agency

14	Action for handling Jakarta transportation problems	FGD presentation	2010	UKP4 (Unit Kerja Presiden Bidang Pengawasan dan Pengendalian Pembangunan/Presidential Work Unit for Development Monitoring and Controlling)
15	Lesson learned from BRR NAD-Nias	FGD presentation	2010	UKP4 (Unit Kerja Presiden Bidang Pengawasan dan Pengendalian Pembangunan/Presidential Work Unit for Development Monitoring and Controlling)
16	JUTPI (progress)	FGD presentation	2010	JUTPI Team
17	Pilot Project: Park and Ride shopping on center Depok Town Square	FGD presentation	2010	Department of transportation of Depok
18	How to Establish Jabodetabek Transportation Authority	FGD presentation	2010	JUTPI Team
19	Revising the transportation master plan for Jabodetabek	FGD presentation	2010	JUTPI Team
20	Joint coordinating committee JUTPI	FGD presentation	2010	JUTPI Team
21	Transport Authority developed soon	Newspaper archive	2011	Kompas (collecting by IndII)
22	Central government urged to develop transport authority	Newspaper archive	2010	Bisnis Indonesia (collecting by IndII)
23	MTI Usulkan pembentukan Otoritas transportasi Jakarta	Newspaper archive	2013	collecting by IndII
24	MTI desak realisasi otoritas transportasi Jakarta	Newspaper archive	2013	collecting by IndII
25	DKI sulit atasi macet sebelum terbentuk otoritas transportasi Jakarta	Online news	2011	bisnis-jabar.com accessed 2014
26	Jokowi ingin ada otoritas transportasi Jabodetabek	Online news	2013	Tempo.co accessed 2014
27	Otoritas Transportasi Jakarta segera dibentuk	Online news	2011	kompas.com accessed 2014
28	Pembangunan infrastruktur Jakarta diserahkan ke otoritas Transportasi	Online news	2011	Tempo.co accessed 2014

29	Pusat agar segera bentuk otoritas transportasi Jakarta	Online news	2013	Tribunnews.com accessed 2014
30	Wapres minta transportasi Jakarta segera dibenahi	Online news	2011	Antara news accessed 2014
31	Ada wacana badan otoritas transportasi Jabodetabek	Online news	2013	Kontan online accessed 2014
32	Badan interim transportasi akan dibentuk	Online news	2013	Polmark Indonesia accessed 2014
33	Badan interim transportasi akan dibentuk	Online news	2013	Tempo.co accessed 2014
34	Visi misi-program kerja Jokowi-Ahok Pemilukada Provinsi DKI Jakarta 2012	Presentation	2012	http://gubernurdki.wordpress.com/visi-misi-jb/
35	Integrated Management of Megapolitan Area: Jakarta, Bogor, Depok, Tangerang, Bekasi, and Cianjur	Draft of law	2014	Indonesian local councils



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