



REGIONAL PLANNING QUALITY IMPROVEMENT MODEL IN MEDAN CITY

Zulkarnaen Lubis, Sirojuzilam, Erlina and Suwardi Lubis

Universitas Sumatera Utara, Medan, Indonesia

ABSTRACT

The purpose of this study is to analyze the factors that are thought to improve the quality of regional planning in the city of Medan. The population in this study were officials involved in the planning and budgeting process in each regional organization. Variables that are thought to influence the quality of development planning are planning capacity, assessment capacity and budget reform. Data analysis method uses PLS tools. The results showed that planning capacity and assessment capacity had a positive and significant impact on the quality of development planning. While budget reform does not have a significant effect on the quality of planning.

Key words: planning capacity, assessment capacity, assessment capacity, quality of development planning.

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1. INTRODUCTION

Regional autonomy is basically aimed at bringing public services closer to the regions according to their needs including regional competitiveness. The hope is that the regional government has sufficient authority and flexibility to carry out public service functions. This service is expected to improve the welfare of the community in stages and continuously. Therefore, in essence the spirit of regional autonomy must also be reflected in the management of regional finance, starting from the process of planning, implementation, administration, reporting, accountability and evaluation of all government functions that have been decentralized. As a consequence, to improve the quality of public services and public welfare, local governments must also improve the quality of regional financial management, especially in terms of the quality of regional development planning. Thus, regional development planning is the first step in carrying out regional financial management efficiently, effectively, economically, transparently, participatively and accountably.

Furthermore, it is known that many factors are thought to affect the quality of regional development planning. Several studies have concluded that in carrying out planning, implementation of planning theory will affect the quality of planning (Lawrence, 2000;

Richardson, 2005). But it is known, relatively few studies have comprehensively developed planning theories in implementing regional development planning. In addition, there are still gaps in the results of research from several previous studies related to the factors that influence the quality of regional development planning, including gaps/gaps between the theory and the results of research on the quality of planning, including the impact of potential conflicts of interest in the quality of regional development planning.

There are several empirical studies that have discussed the factors that influence the quality of planning, such as regional commitment (Norton, 2005), delegation planning (Berke and French, 1994), community participation (Brody, 2003; Brody et al, 2003), collaboration between local governments (Burby and May, 1998), and implementation of planning (Berke et al, 2006; Brody and Highfield, 2005; Laurian et al, 2004). These studies have been less successful in linking planning theory comprehensively and also less successfully in providing a more systematic and comprehensive conceptual framework. This is needed in order to fully identify the main factors that affect the quality of regional development planning. Furthermore, agency problems that are reflected by the existence of conflicts of interest are one of the factors that are thought to influence the quality of regional development planning. Based on agency theory, it arises because of information asymmetry: agents have more information about actual performance, motivation, and purpose, which potentially creates moral hazard and adverse selection. Principals themselves must spend relatively much costs (costs) to monitor agents' performance and determine incentive structures and efficient monitoring (Petrie, 2002).

2. LITERATURE REVIEW

2.1. Planning Capacity

Planning capacity is rooted in the theory of rationalism, which emphasizes building idealistic models that prioritize simplicity, explicit, adaptable, logical, consistent, and systematic planning processes (Lawrence, 2000; Richardson, 2005). Rational planning theory supports the use of indicators (1) the number of adequate and quality planners, (2) routine renewal of plans, and improving technical skills to build strong planning capacity in local environmental planning. In addition, pragmatism theory shows that an efficient pragmatic planning process can finally prove the effectiveness of the plan (Lawrence, 2000). Regional planning is a complex process including geographic, social, and economic settings, which can be influenced by the jurisdiction's framework and planner's values and experience (Brody, 2003). In this study, planning capacity is measured by the number of planners, updated plans, professional technical skills, and regional collaborative efforts.

2.2. Assessment Capacity

Assessment capacity is supported primarily by the main theories of pragmatism and sociological idealism. There are opinions, from the theory of pragmatism, which shows knowledge-based experience helps to achieve an effective planning outcome; so that high-quality development planning can be encouraged through directing more efforts to streamline, harmonize, procedural integration, scoping assessments and information management. In addition, the theory of sociological idealism emphasizes the size of the integration of social and environmental substances into a comprehensive land use planner (Lawrence, 2000; Richardson, 2005). Thus, the capacity of regional planning assessment can help to integrate critical planning elements in the final planning to achieve the goals of socioecological idealism. The capacity of planning assessment can be measured by three factors: scope of assessment, simplification capabilities, and information management and information dissemination.

The first factor is the scope of the assessment, which measures the different types of proposals that have been considered in the regional planning assessment process, to identify specific development issues and to assess the potential impact of the planning needs to be done to regulate the context in which the assessment is critical regional planning and development, is there a problem that must be dealt with immediately, the type of assessment of regional development to be carried out, and the intended purpose of the assessment for planning for the use of regional finance that is comprehensive, effective and efficient. Scoping assessment limits highlight the requirements of regional planning and development that do not neglect the environmental impact and social impact on the community. Useful assessments provide opportunities to identify relevant stakeholders and the availability and quality of data, and to determine a set of tools and techniques to address later. There are three main types of assessment/assessment capacity, namely main based (master base), program-based and project-based assessment.

The second factor in assessment capacity is the ability to simplify. Simplification refers to the process of achieving compliance with regulations regarding regional financial management in the preparation of regional planning. The procedure for simplifying the planning process will be useful for reducing costs, maintaining internal consistency, and integrating functions that have related objectives. The simplification procedure also helps to establish a cooperative regional planning process, concurrent reviews, and dispute resolution processes and development consensus.

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The second factor in assessment capacity is the ability to simplify. Simplification refers to the process of achieving compliance with regulations regarding regional financial management in the preparation of regional planning. The procedure for simplifying the planning process will be useful for reducing costs, maintaining internal consistency, and integrating functions that have related objectives. The simplification procedure also helps to establish a cooperative regional planning process, concurrent reviews, and dispute resolution processes and development consensus. Third factor, management and dissemination of information sharing in regional planning, is the most important part of the assessment capacity. An important element in regional planning is the management of information and information dissemination within the local government, academics, legal practitioners, and the wider community. Web-based information systems are effective systems to achieve the purpose of disseminating information. This indicator is measured whether or not there are regular rules that provide regional planning assessment documents including notification of preparations, assessment results, and other information.

2.2.3. Budget Reform

The implementation of budget reforms that prioritize public accountability, community participation, public transparency, and performance-based APBD preparation are expected to improve the quality of the Regional Budget. The existence of budgeting reforms will lead to increased quality of planning. If this can be proven then democratic local government in accordance with the principles of good governance that is clean and free from corruption is very likely to be achieved if each region prioritizes the principles of public accountability, public participation, and public transparency when preparing regional government budgets. Budget must rely on the interests of the community, a quality budget is a gender sensitive budget, meaning that the budget prepared by the local government does not discriminate and benefit certain genders. So far, women's gender is often disadvantaged in budget allocations. Whereas according to Fozzard (2001) states that a quality budget is a budget that prioritizes the needs of the poor (pro poor budget) and the budget must be fair (pro justice budget)

2.3. RESEARCH FRAMEWORK AND HYPOTHESIS

In order to strengthen its conceptual foundations, this research begins by expanding the main planning theory by developing a conceptual model to explain the factors that can affect the quality of regional development planning. This model was developed from research conducted by Tang and Brody (2008). Furthermore, this research will adapt from research conducted by Tang. Tang's research focuses only on the quality of environmental planning, while this research is research that will look at the factors that influence the quality of regional development planning. Based on the previous description the hypotheses in this study are: Planning capacity, assessment capacity, and budget reform affect the quality of regional development planning.

3. METHOD

The population of this research is planning compilation officials in each work unit in the city of Medan. Testing hypotheses using PLS applications. planning capacity, assessment capacity and budget reform as independent variables and the quality of regional development planning as the dependent variable.

4. RESULTS AND DISCUSSION

The structural model in PLS is evaluated by using the R-square for the dependent variable and the path coefficient value for the independent variable which then evaluates its significance based on the t-statistical value of each path. Based on the results of PLS Algorithm output in Figure1, it can be seen that the R-square value is 0.625, which means that variations in the quality of regional planning can be explained by construct variables (Planning Capacity, assessment capacity and Budget reform), at 62.5%.

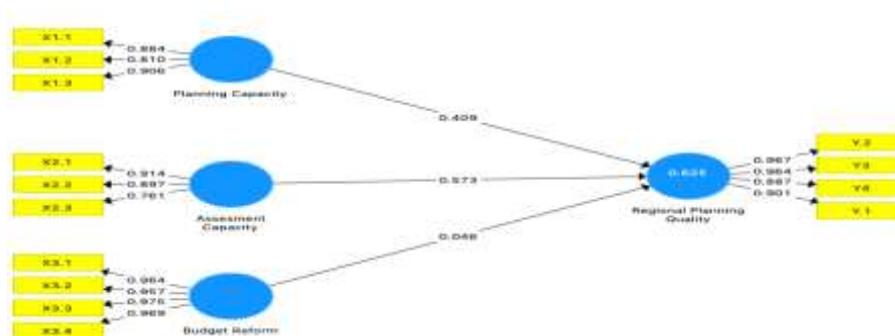


Figure 1. Result of PLS Algorithm

Furthermore, to see the effect of each variable on the quality of regional planning, it can be seen there is table 1 below.

Table 1 *t*-Statistics Value

	Path Analysis	<i>t</i> Statistics	<i>p</i> Values	Conclusion
Planning Capacity -> Regional Planning Quality	0.409	5.104	0.000	Accepted
Assesment Capacity -> Regional Planning Quality	0.573	6.001	0.000	Accepted
Budget Reform -> Regional Planning Quality	0.046	0.754	0.451	Rejected

Source : Smart PLS (2019).

Based on the results of testing in table 1, it is known that budget reform does not affect the quality of regional planning.

4.1. Effect of Planning Capacity on Quality Planning

The results of the study concluded that planning capacity had a positive and significant effect on the quality of regional planning. In general, it is known that approaches and analysis of planning capacity are basically influenced by the theory of rationalism, which in general emphasizes how to build ideal models through a simple, explicit, adaptable, logical, consistent and systematic development planning process (Lawrence, 2000; Richardson, 2005). Furthermore, the theory also requires that rational planning must be adequately supported by qualified planners, who always work systematically and continue to update plans, and continue to improve technical skills to build strong and solid planning capacity in regional development planning.

In addition, in pragmatism theory it is also emphasized that pragmatic and efficient planning processes can ultimately improve planning effectiveness (Lawrence, 2000). On the other hand, regional development planning in general is a complex process, including attention to geographical, social, and economic aspects, which can be influenced by the framework of jurisdiction and the values and experience of planners (Forester 1984). Based on some of these views, then in this study planning capacity in principle by researchers is measured by the number of planners, collaboration between regions, update / revision plans and GIS levels.

In accordance with the current dynamics of regional development, empirically it is known that the stages and procedures for regional development planning are relatively increasingly complex. Various needs, demands and interests of the community are also increasingly varied. On the other hand, the availability of regional development resources is relatively increasingly limited. Therefore, it is quite necessary for procedures to determine the more efficient, effective and economical allocation of resources so that the determination of regional development priorities and allocation of resources can be decided more rationally, logically, participatively and democratically. To make this planning process based on participatory and democratic principles, the position and function of GIS is quite important and has a high influence to produce an increasingly quality regional development plan. Therefore, it is highly recommended that each region in the future be able to develop increasingly integrated GIS-based planning applications such as E-planning, E-budgeting, and others, in order to support the improvement of the quality of regional development planning.

The results of the study of these variables in general are basically in line with the various empirical conditions of regional development planning in most regions in Indonesia in general, and in the city of Medan in particular. This condition is quite prominent because as the center of government and at the same time the capital of North Sumatra Province, the

availability of planners of human resources is known to be relatively more adequate both in quantity and quality because it is supported by the existence of various universities, academics and researchers who can be used as planning staff needed in regional development planning. In addition, planners from internal planning institutions are also available more adequately, because the opportunity to increase capacity and competence as planners is more widely open both in the regions and abroad with the support of regional government funding or other financial institutions that are easy access. In addition, regions with large financial capabilities can also utilize a more adequate number of planning staff. Thus, the number of planners, especially in big cities, tends to be increased in various fields of regional development, both internally and externally with the support of regional government budget allocations. Through the increasingly adequate number of planners, various regional development plans can certainly be initiated, initiated, formulated, designed and determined by the regions through a comprehensive feasibility assessment, so that the quality of regional development planning can be accounted for both financially and economically. Empirically, planning institutions in the regions face challenges not only in the limitation of staff planners, but also in the limited quality of planners available in various fields of regional development. This condition will also contribute to the quality of regional development planning.

Empirically the challenges of this planning are basically experienced by local governments. This arises due to the division of large and small regions as mandated by the constitution, which is then elaborated administratively in the current division of regions at the provincial and district / city levels, presumably lacking attention to the needs of more integrated and feasible regional development concepts, while also not paying attention factors of availability and scarcity of development resources owned by each region in its formation. Furthermore, the formation of new districts/cities is also expected to consider more political factors, pluralism sentiments and existing welfare gaps, so that the need for a regional development approach is not considered in the process.

However, the lack of harmony in the administrative arrangement of the region, especially between districts/cities and provinces in terms of planning, can basically be overcome through regional cooperation that can be developed, but sometimes also hampered by demographic and social economic interests of each. each district/city. For example, an area is planned to function by an area as a catchment area, but by the regional government which has administrative authority over the area it is actually developed into an area of economic development, so it tends to cause complex environmental problems that are difficult to overcome. This has encouraged the limited regional cooperation (collaboration) between regions that can be carried out in regional development planning.

4.2. Effect of Capacity Assessment on the Quality of Regional Development Planning

The influence of the assessment capacity in the regional development planning process in conception is supported mainly by the main theory of pragmatism and socioecological idealism. Based on the theory of pragmatism, there is a strong view that knowledge-based experience helps to achieve a more effective planning outcome, so that higher quality development plans can be encouraged through streamlining, harmonizing, integrating procedures, scope of assessment, and dissemination information management. In addition, socioecological idealism theory emphasizes the need to integrate social and environmental substances into more comprehensive regional planning (Lawrence, 2000; Richardson, 2005). Thus, the environmental capacity of a strong assessment/assessment is believed to help to integrate the basic environmental elements in the final environmental plan in order to achieve the objectives of socioecological idealism. The capacity of assessment/assessment can be

measured by three factors, namely the assessment of scope, ability to minimize/simplify and management of information and dissemination.

Based on the results of the analysis it is known that the assessment capacity has a positive and significant influence on the quality of planning. That is, the better the assessment capacity, the higher the quality of planning. This research supports the research carried out by Burby (1998) before, but partially on each indicator of the capacity of the study it is known that there are some differences. The results of this study indicate that the scope of assessment and the ability to simplify have a positive and significant influence on the quality of planning. While information management and dissemination do not have a significant effect on the quality of planning. The results of this study certainly also illustrate that the phenomenon of current regional development planning in general has not been so supported by adequate information management, therefore it has not been seen and considered to have a relevant influence to produce better quality planning.

However, to further encourage participatory and democratic planning, based on the results of interviews conducted, currently many local governments through their planning institutions have begun to develop Management Information Systems (MIS) to support the regional development planning process, because the actual quality of the plan has not been realized. One of the regional development that has been compiled is due to the lack of available database/information that is owned and can be used by planners. Furthermore, given the demands, needs and interests of the stakeholders (community) for regional development, both in the physical spatial, socio-economic and cultural fields, it must be admitted that it has varied greatly, so that in the planning procedure many processes have been applied to determine the scope of planning and formulation of priority scale based on regional development vision and mission agreed upon.

Thus, to improve the quality of regional development planning, it is the duty of regional development planners to continue to manage the availability of increasingly adequate data/information in the form of planning information management to support planning procedures, as well as monitoring and evaluating increasingly quality and sustainable regional development plans.

Empirically, one of the public complaints in regional development planning is still on relatively limited access as well as the information presented is limited. Therefore, it becomes the need for planning institutions in the region to continue to strengthen information management on a broad scale, in order to encourage more massive participation from all stakeholders.

4.3. Effect of Budget Reform on the Quality of Regional Development Planning

There is much hope, that the implementation of budget reforms that prioritize public accountability, public participation, and public transparency in the preparation of the Regional Budget are expected to improve the quality of the Regional Budget. Through this policy, the APBD management is believed to be able to be held even better, through increasingly quality regional development planning. The results of this study indicate that public accountability, community participation, and public transparency and performance-based budgeting approaches do not affect the quality of planning (Burby,1998). But it is also known that, partially, only public accountability has a significant positive effect on the quality of regional development planning. This is empirically quite reasonable, because through openness applied in planning procedures, social control will be effective, meaning that the planning process is not appropriate, and is not based on applicable provisions that can be avoided. Likewise, performance-based budgeting, the process of measuring inputs, outputs, outcomes,

benefits and infections can be done more measurably so that it becomes the basis for determining the scale of regional development priorities.

5. CONCLUSIONS AND SUGGESTIONS

Based on the results of data analysis as described previously, Planning capacity, assessment capacity and budget reform significantly influence the quality of simultaneous good regional development planning, but partially budget reform does not have a significant influence on the quality of planning. Planning capacity indicators are the number of planners, collaboration between regions, budget revisions and GIS levels. Only the number of planners and GIS levels has a significant influence on the quality of regional planning. Indicators of capacity assessment are the scope of assessment, the ability to simplify and information management and dissemination. All indicators have a significant influence on the quality of regional planning. Indicators of budget reform are public accountability, community participation, public transparency and a performance-based budget approach. The results showed that community participation, public transparency and performance-based budgeting approaches did not significantly influence the quality of development planning.

The research was only conducted in the Medan City Government. It is better to do research in all districts/cities in North Sumatra Province. Because there are several development plans that involve collaboration between regions. This study still has adjusted R2 value of 63.4%, so there are still many variables that have not been estimated to affect the quality of regional planning, besides that the area of research should be for regencies/cities in North Sumatra.

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