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Collaborative Governance at the Ministry of Finance
Case study: Joint Analysis for State Revenue Optimization

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Article info	Abtract
	In pursuit of sustainable development goals, governments often set ambitious state revenue targets. However, persistent tax avoidance practices pose challenges to achieving these targets. To address this, Collaborative Governance among key entities within the Ministry of Finance becomes imperative. This paper investigates the application of Collaborative Governance theory in Joint Analysis programs aimed at optimizing state revenue. Employing a qualitative approach, data was gathered through document analysis and interviews. The study reveals that Joint Analysis activities align with the Integrative Framework for Collaborative Governance introduced by Emerson & Nabatchi (2015), showcasing various System Contexts, Drivers, and Collaborative Dynamics. Resource Conditions and the Policy and Legal Framework serve as contextual factors influencing collaboration. Moreover, Perceived Uncertainty, Interdependence, Consequential Incentives, and Initiating Leadership emerge as drivers of the Collaborative Governance Regime, particularly at the Head Office level, albeit with a lack of incentives observed in regional offices. While Collaboration Dynamics demonstrate effectiveness at the Head Office, challenges hinder the implementation of Joint Analysis in regional units. These findings shed light on the complexities of collaborative governance in revenue optimization efforts and underscore the need for tailored strategies to address regional obstacles

1. Introduction

Indonesia needs state revenue to finance routine state expenditures, perform government activities, and continue developments (Afriyanto & Widayuni, 2022; Cahyadini et al., 2023; Kusuma, 2021; Rusdi, 20..). State revenue consists of three components: tax revenue (tax, customs duty and excise) collected by the Directorate General of Taxes (DGT) and the Directorate General of Customs and Excise (DGCE); Non-Tax State Revenue (PNBP) managed by the Directorate General Budget (DGB); and Grants (Afriyanto & Widayuni, 2022; DJPB, 2022).

Based on the State Revenue Realization data from the Central Statistics Agency (BPS) (BPS, 2024a, 2024b) as presented in Attachment 1, it can be seen that most of the state revenue comes from tax revenue (76.96%-80.32%) and non-tax revenue (19.56%-22.80%). Thus, the role of the Ministry of Finance, especially DGT, DGCE, and DGB, is vital in boosting state revenue from tax and non-tax revenues. The implementation of this role is increasingly challenging given that the state revenue target continues to be increased from year to year, such as the target in the 2024 State Budget and Expenditure Plans which increased by 5.45% from the 2023 outlook to Rp2,781.3 Trillion (Katadata, 2023; Kemenkeu, 2023b).

Meanwhile, DGCE and DGT face challenges in collecting revenue along with trade globalization and industrial development. The DGCE must ensure the smooth flow of goods under supervision so that various import and export facilities are provided. This results in an increased risk of customs violations and tax evasion (WCO, 2016; Yubiwini & Patunru, 2018). The DGT also faces similar challenges with tax avoidance practices, especially those conducted by multinational companies that conduct international trade (Kukalova et al., 2021; WCO, 2016). This tax avoidance will reduce state revenues (Rashid et al., 2022; Slamet & Ramadhani, 2020). Moreover, Indonesia is stated to have an Annual Tax Loss for Corporate Tax Abuse of 2,736.5 Million USD (Tax Justice Network, 2023).

The International Monetary Fund publication (2022) mentions that the Tax Administration is the closest partner of the Customs Administration in fighting fraud in the scope of international trade. The lack of cooperation between these two authorities can be exploited by non-compliant taxpayers (Nagy & LeDrew, 2022). Although Customs and Tax Authorities have different competencies, there are many similarities, and there is a clear necessity for close cooperation between the two agencies. Tax Authorities oversee revenues (profits), while Customs Authorities collect duties and taxes in international trade. To improve the effectiveness of both parties' tasks and better achieve their respective goals, customs and tax authorities need to collaborate and exchange information (Nagy & Duchesneau, 2022).

Knowing the importance of cooperation between tax and customs authorities, the DGT and DGCE have collaborated since 1997. It continued until 2016 when the Ministry of Finance established a formal arrangement in the form of the Bureaucratic Reform and Institutional Transformation (RBTK) Program through the Decree of the Minister of Finance Number 974/KMK.01/2016, which continues to be extended until now (DJBC, 2020).

Since 2018, the RBTK Program, through the Joint Program, has been divided into programs to optimize state revenue, such as Joint Analysis, Joint Audit, Joint Investigation, and Joint Collection, as well as programs to improve supervisory effectiveness and service efficiency, such as Joint Business Process & Single Profile, and Secondment (DJBC, 2020). This research will focus on the Joint Analysis Program because the additional potential revenue from Joint Analysis is quite significant, reaching 3.9 Trillion in 2020 (Setyawan, 2021). In addition, Joint Analysis is upstream of all synergy programs, where its output becomes an input for other Joint Programs (DJBC, 2020; Slamet & Ramadhani, 2020).

In 2019, the Joint Analysis Program continued to be expanded to involve the Directorate General of Budget (DGB), specifically related to the Mineral and Coal Natural Resources and Coal (Minerba) sectors because both sectors have been proven to increase the realization of state revenues, both in terms of taxation and PNBP (Setyawan, 2021). The background is that in the PNBP business process, there is no optimal supervision mechanism, so the Joint Analysis is expected to optimize the national exploration potential (DJBC, 2020).

Attributed to the theory, cooperation in the form of Joint Analysis between DGCE, DGT, and DGB is a form of Collaborative Governance between government agencies. Based on some literature, many government agencies around the world adopt the Collaborative Governance (Arsandi, 2022). Knowledge sharing, effective coordination, efficient public services, and better results are some of the things expected from collaborative governance (Van Gestel & Grotenbreg, 2021).

Research on Collaborative Governance has been conducted quite a lot and has become one of the main theoretical constructs in public administration and management (Voets et al., 2021). However, literature studies still struggle to find strong generalizations that link between theory and practice (Douglas et al., 2020). Apart from that, not much previous research has discussed Joint Analysis at the Ministry of Finance. Several studies examine the Tax and Customs Authority synergy program as a whole *(Afriyanto & Widayuni, 2022; Mayuka & Wardana, 2021; Yasui, 2009)* or other Joint Program's activities such as Joint Audit *(Nugrahanto & Muchtar, 2019; Wibowo, 2018)*.

Most study related to Joint Analysis is carried out in vertical units, at the DGT Regional Office and DGCE Regional Office, so that it only involves these two authorities *(Arsandi, 2022; Nurcahyo, 2020; Nurfadilah & Rosdiana, 2020; Wahyudi et al., 2021)*. The study regarding Joint Analysis involving the Directorate General of Budget (DGB) is almost non-existent. Therefore, this study will try to contribute to the implementation of theory with the processes and results of Collaborative Governance, especially in the Joint Analysis Program at the Ministry of Finance.

2. Literature Review

Joint Analysis

Joint Analysis is a sub-program within the Joint Program of the Ministry of Finance. Based on Minister of Finance Decree Number 210 Year 2021 Regarding Reform Synergy Program in the Context of Optimizing State Revenues and Minister of Finance Decree Number 667 Year 2022 Regarding amendments to the Minister of Finance's Decree Number 210 of 2021 Regarding Reform Synergy Program in the Context of Optimizing State Revenues, Joint Analysis is a synergy analysis activity between the DGT, DGCE, and DGB. It can involve other Echelon I Units in the Ministry of Finance and can synergize with other ministries/institutions. The purpose of this synergy analysis activity is to test the level of compliance with taxation, customs, and excise, as well as PNBP, and also to support other activities of the Synergy Reform Program Working Group, which is carried out in the form of tax, customs, excise, and PNBP supervision activities.

Several previous studies concluded that Joint Analysis plays a role in optimizing state Revenues (Afriyanto & Widayuni, 2022; Nurcahyo, 2020; Slamet & Ramadhani, 2020). This can be done through data exchange and joint monitoring activities (Nurcahyo, 2020). However, in practice, there are still several obstacles, such as differences in business processes and differences in supervisory areas between units; analysis data that is sometimes inaccurate; analysis of Taxpayers in the Joint Analysis which is not on target; the absence of a standard operating procedure for doing analysis; the lack of equal ability and enthusiasm of team members and the lack of equal treatment for the implementation of Joint Analysis at the regional office level (Arsandi, 2022; Kemenkeu, 2022, 2023; Nurcahyo, 2020; Nurfadilah & Rosdiana, 2020; Wahyudi Et Al., 2021).

Collaborative Governance in Efforts to Revenue Optimization

Collaborative Governance is defined as a decision-making process and structure in the form of public policy and management that constructively involves parties across borders in public bodies, government bodies, the private sector, and civil society to find solutions to wicked problems that cannot be resolved in other ways (Emerson et al., 2012; Emerson & Nabatchi, 2015). This definition is expanded from the definition of Collaborative Governance by (Ansell & Gash, 2008). It does not limit the collaboration initiated by the government, but emphasizes institutional efforts in the public, private, and community sectors.

(Entwistle, 2014) states that cooperation in a collaborative arrangement has one or more goals. First, the collaboration will support the discovery and circulation of knowledge. Second, collaboration between organizations that operate in the same area but provide different services will complement each other - enabling economies of scope. Third, collaboration between similar public entities in their fields, which are divided by geographic area, can increase efficiency through economies of scale. Moreover, Collaborative Governance can encourage innovation (Van Gestel & Grotenbreg, 2021).

There are several studies examining the implementation of Collaborative Governance theory in order to optimize state revenues. Research conducted by Sari & Rosdianae (2021), examines the implementation of Collaborative Governance in optimizing regional tax revenues in DKI Jakarta. Akhdlori & Delawillia Kharisma (2023) examined how Collaborative Governance in the sports sector can optimize non-state revenue. In the vertical office of the Ministry of Finance, there is a research by Arsandi (2022) that links Collaborative Governance theory with optimizing tax and excise revenues in Yogyakarta.

The Integrative Framework For Collaborative Governance
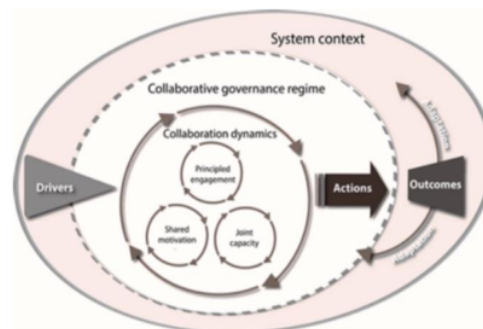
Figure 1. The Integrative Framework For Collaborative Governance
Source: Emerson & Nabatchi (2015)

Based on Figure 1, the Integrative Framework for Collaborative Governance is a multilevel dimension in which several components interact. These dimensions are depicted in a multilevel oval form of System Context, Collaborative Governance Regime (CGR), and Internal Collaboration Dynamics and Actions. System Contexts can consist of resource conditions, policy and legal frameworks, socioeconomics, history of conflict, and other contexts that influence and are influenced by CGR. From this system context, four important drivers are depicted by the triangle on the left: *Perceived Uncertainty, Interdependence, Consequential Incentives and Initiating Leadership*. These drivers help to initiate CGR (the second oval) and set the initial direction.

During and after the formation of the CGR, the parties will be involved in *Collaboration Dynamics*, which consists of several interacting elements: *Principled Engagement, Shared Motivation,* and *Capacity for Joint Action*. Through a progressive cycle of collaboration dynamics, the parties involved will develop common goals, set targets, and make several changes to achieve the goals. This will be a guide for implementing *Collaboration Actions* in CGR. These Collaboration Actions generate *Outcomes* that, in turn, can encourage *Adaptation to* System Context and CGR.

3. Data and Methods

This research uses a qualitative research method with a case study approach. The case study was carried out in Collaborative Governance in the form of the Ministry of Finance's Joint Analysis Program, which involved 3 (three) Authorities: DGT, DGCE and DGB. To understand and analyze the implementation of Collaborative Governance, data collection was carried out in the form of primary and secondary data. Primary data was obtained through interviews with 5 (five) key personnel directly related to Joint Analysis as presented in Attachment 2.

Secondary data was obtained by reviewing documents related to Joint Analysis activities in the form of Regulations, Meeting Reports, Activity Reports, Performance Reports, and other related documents. Triangulation is carried out to validate the secondary data with primary data. Furthermore, all data and information obtained will be analyzed based on Emerson & Nabatchi's (2015) Collaborative Governance Framework. This framework was chosen because Emerson & Nabatchi (2015) have combined various theoretical, normative and empirical perspectives to develop the concept of Collaborative Governance Regimes (CGRs) as the core of their framework (Voets et al., 2021). In addition, this version of the Emerson & Nabatchi (2015) framework includes more actors, structures, and processes, so it is hoped that it will be able to describe the conditions and constraints of Collaborative Governance at the Ministry of Finance.

4. Result
Joint Analysis as Collaborative Governance in Efforts to Optimize State Revenue

Collaborative Governance is a process involving parties who collaborate to find solutions to wicked problems. One of the backgrounds of the Joint Analysis is the difference in taxpayer reporting in the three authorities. This can be said to be a wicked problem that occurs. The DGCE analyst (Interviewee Code BC1) gave an example, *"It could be that PT A is compliant in Tax, but his fraud is in DGCE, or he is compliant in DGCE, but his fraud is in PNBP (DGB). So by combining three data sources from DGT, DGCE, and DGB, it is expected that in the analysis, the company will be equal in reporting"*-BC1. Meanwhile, the Section Head of Potential & Supervision of Non-Oil & Gas Revenue (Interviewee Code A1) explained about DGB's background joined the Joint Analysis in 2019 based on an interview, *"The background is that revenue optimization is the main key to fulfilling budget sources to support national development policies"*-A1. Thus, it can be concluded that Joint Analysis is a Collaborative Governance at the Ministry of Finance that aims to improve compliance by providing equal reporting to DGCE-DGT-DGB and to optimize state revenue.

Based on Attachment 3, the Joint Analysis consists of three stages: Planning, Implementation and Monitoring and Evaluation. The planning stage begins with the collaboration of data collaboration between DGT, DGCE and DGB. Furthermore, each of the three agencies harmonizes the parameters, including determining the theme, determining the Variables, Indicators and Triggers (VIT) and paying attention to the leadership's direction to determine the population of companies to be analyzed (targeting). There are two mechanisms: First, the Central DSAB, targeted by the Head Office of DGT, DGCE, and DGB, to be distributed in regional offices (top-down). Second, Vertical DSAB, where the DGT and DGCE Regional Offices in the vertical can also propose company targets to the DGT and DGCE Head Office (bottom-up).

At the Joint Analysis' Implementation Stage, DGT, DGCE and DGB conduct a Joint Analysis by considering the needs and potential underpayment of revenue from each authority. In deciding the agreed company on the Daftar Sasaran Analisis Bersama (DSAB), there is a policy that require there to be intersections and similarities in at least two echelon I unit. This was mentioned in an interview with Interviewee P1, The Section Head of Data Analysis (DGT), "... *At least from the population to be appointed, there is a slice of at least two Echelon One units. It is preferable that there are intersections in three Echelon One units*"-P1.

Based on the agreement of the three authorities, the DSAB is determined by the Team Secretariat. Three authorities conducted a Joint Analysis of the companies listed in the DSAB. If associated with the theory, this is a form of Collaboration Action. By the provisions of KMK-667/KMK.01/2022, the Joint Analysis results are then outlined in the Laporan Hasil Analisis Bersama. However, in reality, each Echelon I unit has its analysis result reporting: DGT with Laporan Hasil Analisis (LHA), DGCE with Laporan Analisis Tujuan Tertentu (LATT), and DGB with Laporan Hasil Analisis (LHA) but different from the DGT version of LHA. This is because each authority has differences in analysis techniques and business processes, making it difficult to unify reporting. Furthermore, the completed LHA will be distributed to the Follow-up Implementation Unit of each authority at the regional office for follow-up.

The follow-up of LHA is the Outcomes of Collaboration Actions, which then has the potential to generate state revenue. DGCE Functional Analyst explained, "*Joint Analysis is included in the Joint Program, which is included in the Ministry of Finance's Strategic Initiative on State Revenue Theme. So, its function is as a revenue collector. It also includes extra effort; the output is Notul, Penul and Audit (in DGCE). Those are all tax bills. Then in DGT, SP2DK is also a tax bill.*" – BC1. In practice, the follow-up of Joint Analysis is different in these three authorities, where at DGCE, the analysis results could be followed up with billing in the form of Nota Pembetulan (Notul/SPTNP), Penelitian Ulang (Penul) and Audit. Meanwhile, in DGT, it could be followed up with a Surat Permintaan Penjelasan atas Data dan/atau Keterangan (SP2DK) and Laporan Hasil Permintaan Penjelasan atas Data dan/atau Keterangan (LHP2DK). Meanwhile, the DGB is followed up with recommendations for the relevant ministries/institutions to collect PNBP.

As shown in Table 1, the realization of revenue from Joint Analysis was very large in 2019 and 2020, reaching trillions. After triangulation with interviews with Officer in Coordinator Unit I of Joint Analysis Working Group (Interviewee Code BC2), this large revenue realization is because in both years, it was the beginning of the synergy of the three authorities, and there were many differences in data equalization caused by taxpayers reporting different data to DGT, DGCE and DGB. This resulted in a large revenue underpayment.

Table 1
Realized Revenue from Joint Analysis

Year	Realized Revenue from Joint Analysis	Number of Taxpayers
2019	28,9 Trillion	3.000
2020	3,58 Trillion	1.875
2021	187 Billion	1.168
2022	163 Billion	300
2023	375 Billion	164

Source: DGCE (2024)

Otherwise, based on Table 1, the amount of revenue from 2019 to 2022 appears to decrease, mainly because the number of taxpayers that can be conducted Joint Analysis also decreases. Based on the interview results, the implementation of Joint Analysis in the early years did not require the intersection of the objects

analyzed so each Echelon I unit (each authority) could analyze different company populations. Therefore, the number of taxpayers analyzed was very large because it did not have to be the same as other Echelon I units. Later, the policy adopted requires a company to be analyzed at least jointly by two Echelon I units, preferably three Echelon I units (DGT, DGCE, DGT). This may causes the number of jointly analyzed taxpayers smaller because they have to find companies with the same potential underpayment in at least two Echelon I units. This can be seen in the following interview passage with the Section Head in Directorate of Compliance and Revenue Potential (Interviewee Code P2), *"So, in the past, there was no need for intersections. Then the policy changes, and we try to find the intersection. At least from DGT, DGCE and DGB, there are two that intersect"*-P2.

It is not easy to find intersections in determining the companies analyzed due to differences in provisions, regulations and business processes between DGT, DGCE, and DGB. This is consistent with research conducted by Arsandi (2022 and Nurcahyo (2020). Section Head of Data Analysis, Directorate of Tax Data and Information (Interviewee P1) explained, *"The challenges faced in this Joint Analysis are first, differences in business processes. Second, what is this determination of taxpayers that intersects will be a challenge in itself because the variables of each unit are different. Each unit's indicator is different. That's what we have to solve so far. Even though we have different indicators, the variables may be different, the triggers are also different. In our case, it's more about (supervision) for the whole year, while in DGCE, it could be per transaction, or it could be a different theme of concern. The focus of DGCE is different from the sectors that are prioritized in DGT"*-P1.

Based on an interview with the Section Head of Supervision Quality Control, Compliance and Revenue (DGT) argued, *"If there is a related party transaction in the context of importation, surely the tax or duty in the context of importation is also affected. The customs value is. Now that must be careful... Because what happens in the Tax in the context of Import or Customs Value becomes a cost. On the one hand, for Customs Officer, it is revenue; in DGT, it becomes a cost that will reduce the tax payable, which automatically reduces the tax paid"*-P2. Another example of the difference in business processes between DGCE and DGT was answered through the interview with Interviewee P1, *"The concern of DGCE friends is the importer, while we are the owner of the goods. That means it's very different right there"*-P1.

DGT and DGB also experience a lack of alignment of provisions and business processes, the Section Head of Potential & Supervision of Non-Oil & Gas Revenue, Directorate of Directorate of Non-Tax Revenue from Natural Resources and Separated State Assets (Interviewee Code A1), regarding optimizing PNBP revenue explained, *"For us, the challenge is mainly Joint Analysis with DGT. If with DGCE, it's not too much ... Usually underpayment in PNBP, overpayment in Tax. Underpayment in Tax, Overpayment in PNBP... Sometimes, to determine a certain (PNBP) payer, I look for a large potential, for example, PT A. It does not match with DGT because if tax data is opened, it becomes Overpayment. So that is the clash"*-A1.

Another challenge regarding the difficulty of determining the analysis object is the difference in the examination time limit. This was explained in interviews with interviewees A1, P1, P2 and BC2. Here is one of the interview quotations *"Customs and Excise can only have two years of authority. If it's more than two years, they can't. That is our challenge. If it is PNBP, it can be all"*- A1. The difference in the examination year causes the DGB and DGT sides to have potential underpayment still so that Joint Analysis can be carried out; on the DGCE side, it is no longer potential because the collection authority has expired.

Based on the interview results, the good news is that another cause that may cause this state revenue to appear to be declining from 2019-2022 is increased compliance due to Joint Analysis and other government programs. Because the synergy of supervision is tightened, the system is improved, so taxpayers become more compliant in paying taxes, customs and PNBP through correct tax returns, customs declaration and PNBP reporting. DGCE Analyst explained, *"In the future, the goal of Joint Analysis is for compliance, and the state revenue is for the side effect. To strengthen it, we make Joint business process & IT so that compliance gaps are covered. So, the state revenue moves. Move from extra effort (supervision) to a regular basis. Yes, from the Joint Analysis, it is indeed decreasing, but the revenue from the side when it is on clearance is increasing. On clearance from DGCE, PNBP and tax returns"*-BC1.

In addition, based on an interview with the Head Section at the unit that carries out the selection of the object of analysis at the DGT (Interviewee Code P1) when asked about the decrease in the realization of Joint analysis, explained that this decrease in additional state revenue could be caused by many factors. This is described in the following interview quotation, *"There are many factors ... it could be that the selection of taxpayers that we choose with the Triggers could be inaccurate ... so there should be taxpayers with greater risks, or for example, we are engaged in a sector where taxpayer compliance is already quite high, then or it could also be the time of the analysis formation, the time of execution, the condition of the taxpayer"*-P1. This factor of inaccurate analysis is

consistent with the information in the Ministry of Finance's Performance Report (Kemenkeu, 2022, 2023a).

Meanwhile, based on Table 1, in 2023, with only 164 taxpayers, the realization of state revenue obtained increased from 153 Billion in 2022 to 375 Billion in 2023. In line with the previous explanation, this can also be influenced by many factors, such as the accuracy of the analysis results, the timeliness of execution and the condition of cooperative taxpayers to pay the shortfall of state revenue.

5. Discusssion

Implementation of the Framework For Collaborative Governance

Based on The Integrative Framework For Collaborative Governance (Emerson & Nabatchi, 2015), the elements of Collaborative Governance between DGT, DGCE and DGB in the Joint Analysis Program can be explained as follows.

System Context

System Context is a dimension in the Collaborative Governance Framework embodied in the conditions that create opportunities and barriers to starting and maintaining a Collaborative Governance Regime.

a. Resource Condition

Based on the interview results with Interviewee BC1, BC2, P1, P2 and A1 , the resource conditions were built step by step when the Joint Analysis was first carried out. At 2019-2020, the conditions have been the same for DGT, DGCE, and DGB at the central level; the budget is attached to each work unit and does not have its special budget line. Here is one of the interview quotations, *"We have not budgeted specifically for Joint Analysis activities for the past two years. But for the last two years, we have budgeted"*(Interviewee Code P1). However, since 2021, at the DGT Head Office, DGCE and DGB, a special budget line for Joint Analysis has been created.

Technology and IT resource are the same with budget. Systems, data and dashboards are built gradually. This is evidenced in an interview excerpt with Interviewee Code A1, " *In the past, we did not have a system; we only had SIMPONI (Online PNBP Information System). So during the learning stage, SIMBARA (Mineral and Coal Information System) and ABS (Automatic Blocking System) were created"* -A1.

Based on the results of confirmation with Interviewee BC2, the Human Resources appointed to conduct the Joint Analysis are officials and staffs at the Directorate of Customs and Excise Audit (DGCE); Directorate of Taxation Data and Information (DGT), Directorate of Compliance and Revenue Potential (DGT), Directorate of Tax Intelligence (DGT) ; and Directorate of Non-Tax Revenue on Natural Resources and Separated State Assets (DGB).

b. Policy and Legal Framework

Joint Analysis is part of the Joint Program where this Joint Program is based on the Decree of the Minister of Finance Number 88/KMK.01/2022 concerning the Implementation of Strategic Initiatives of the Ministry of Finance, which is Strategic Initiative point 4, the theme of State Revenue. In addition, the implementation of Joint Analysis in the field is based on KMK-667/KMK.01/2022 concerning Amendments to KMK Number 210/KMK.01/2021 concerning the Reform Synergy Program in the Context of Optimizing State Revenue. This legal framework was later updated Minister of Finance Decree Number 570 Year 2023 Regarding Second Amendments to the Minister of Finance's Decree Number 210 of 2021 Regarding Reform Synergy Program in the Context of Optimizing State Revenues (Menteri Keuangan, 2023).

Drivers

Drivers are things that encourage the initiation of CGR. There are four drivers, according to Emerson & Nabatchi (2015).

a. Interdependence

The driver encouraging Joint Analysis is the interdependence between DGT, DGCE, and DGB, which is related to taxpayer transaction reporting. The interdependence between taxpayer reporting data is explained by Interviewee A1 as follows, " *...there are data needs we do not have that are owned by our friends in DGCE and DGT. Especially the Tax Payer profile data elements related to KSWP (Confirmation of Taxpayer Status), Tax Return, and so on, as well as the Financial Statements, Tax Invoice data elements and export income tax Article 22*

Data"... There are intersections of business processes and information between Echelon One Unit in the Ministry of Finance that can be synergized in optimizing services and supervision related to state revenue."-A1.

Moreover, person in charge staff at DGCE (Interviewee Code BC2) stated, *"All PNBP and tax revenue data intersect with each other, for example, VAT data in DGCE documents and tax invoices, as well as PNBP and export documents."*-BC2. As presented in Attachment 4 illustrates the interdependence and intersection of business processes between the data in the DGT and DGCE documents, which are then determined as Variables. For example, variables based on Attachment 4, DGCE documents of type BC 2.0, BC 2.8, and BC 2.5 have interdependence with DGT documents of type Periodic VAT Return Appendix B1 and B3.

b.   Uncertainty

Collaborative Governance between DGT, DGCE and DGB is prompted by the indication of findings of differences in data submitted by taxpayers. The difference in data reporting in these three Echelon I Units can be said to be a *wicked problem*. This wicked problem is then explored in the form of Variables, Indicators and Triggers (VIT). Attachment 4 is a document comparison (Variable) that can show the presence or absence of differences in data reported by taxpayers in DGT and DGCE. Based on these variables, an Indicator is determined in the form of the significance of customs activities, and then data comparison is carried out. The Triggers in Attachment 5 are the discrepancy values set for the difference in data matching. Furthermore, the Trigger that occurs can show indications such as overvaluation/undervaluation, indication that the importer is not the owner of the goods attention to tax invoices not based on actual transactions and any other indications.

On the other hand, The Head of the Data Analysis Section, DGT (Interviewee Code P1) mentioned the uncertainty regarding the tax avoidance mode practiced by taxpayers that is developing and diversifying day by day. This encourages collaboration in the form of Joint Analysis. The following is an excerpt of the interview result, *"Yes, because we cannot always identify the mode (of tax avoidance) in the practice because it keeps developing, and we need to synergize to manage what is happening in the field. So we will transfer the information to each other. So the uncertainty beyond that, we will be able to manage"*-P1.

c.   Consequential Incentives

Suppose Arsandi's (2022) research on Joint Analysis at the Yogyakarta vertical office concluded that the absence of incentives could threaten the sustainability of the Joint Analysis Program in vertical units. In line with that research, consequential incentives in vertical offices still need to be created.

Based on the results of interviews with DGCE analysts (Code BC1) and linked to theory, this incentive can take the form of a program implementation mandate so that it can be realized in performance contracts and KPIs in regional offices that related to the success of the Joint Analysis. The absence of incentives in the form of mandated performance contracts can be an obstacle to Joint Analysis in vertical units. This is described in the following interview with Interviewee BC1, *" Well, the obstacle is actually in the vertical ... First, Joint Analysis has not been included in the Key Performance Indicator (KPI); second, in terms of tasks, those who appoint it is Echelon 2 (Head of the Regional Office), it could be, in Regional Office A, Joint Analysis is in the Examination Section, but in other Regional Offices, it is not necessarily the Examination Section. So we can say the ideal is in the Head Office since it is still ad hoc in the regions"*-BC1.

On the other hand, in that case, different conditions are shown in the implementation of Joint Analysis at the Head Office. The implementation of Joint Analysis at the head office has been integrated into the Work Contract of Top Level Leaders down to the Section Head (DGT) and even down to the staff (DGCE and DGB). The implication is that the success of the Joint Analysis program is one of the employee performance assessment points.

In addition, the calculation formula for achieving the Joint Analysis of Key Performance Indicators (KPI) has been uniform for these three authorities. This can be seen in the results of an interview with Interviewee A1 from DGB, *"In my opinion, this Joint Analysis (at headquarters) is one of the best synergies... We (DGCE, DGT and DGB) have the same KPI formulation. We make the same calculation. We make the same charter"*-A1.

The performance achievement formula is based on the Percentage of Joint Analysis Completion (70% weight) and Success Rate (30% weight), which is influenced by the level of completion of Joint Analysis follow-up, for example, LHA Completion, Billing, and revenue realization. This is certainly a motivation to collaborate. People need enticement to collaborate; when this is associated with outcomes, the motivation to collaborate will increase (Emerson & Nabatchi, 2015).

d. Initiating Leadership

DGCE Functional Analyst (BC1) argues, "*What factors are most influential in supporting the development of Joint Analysis? In my opinion, the leadership commitment is the most important. Because if the leadership factor does not agree with the Joint Analysis, they will keep the data secret or in silos*" -BC1. In line with that, Section Head of Data Analysis, Directorate of Tax Data and Information DGT (P1) emphasizes, "*Leadership here is indeed essential because of how the role of the leadership can make this activity a success... So far, the leadership has encouraged it. The proof is that, until now, it can still be better and better. Although there must be obstacles.*" -P1.

The DGB also agreed with the previous statement, "*In 2021, we were fully supported by the leadership... The point is that we analyze, we want to take this seriously; we have made recommendations that are not followed up; that's what it means. Pay up. If you (PNBP Payer) don't pay, we report it to the Director. So every month, we report the monitoring and evaluation results with our friends at the Ministry of Energy and Mineral Resources to the Director as an official memorandum on the LHA.*" -A1.

Based on the results of the interviews above, Driver leadership is very influential in initiating Joint Analysis and supporting the sustainability of this program. In addition, based on the results of the interview above, the leadership at the Head Office is currently good and can encourage the sustainability of the Joint Analysis.

Collaborative Governance Regime and Collaborative Dynamics

The Collaborative Governance Regime is formed by Collaborative Dynamics and Specific Actions taken as a consequence of Collaborative Dynamics. According to Emerson & Nabatchi (2015), the collaboration process in the Joint Analysis of the Ministry of Finance will be explained based on the three interacting components of Collaborative Dynamics.

a. Principled Engagement

Principled Engagement allows parties with different backgrounds to collaborate to solve problems, tackle conflicts, and generate value together. There are four elements. First, **Discovery**, which is shown by the disclosure of interests and values of the parties accompanied by relevant information and its implications. This is illustrated in the data exchange/collaboration activities between DGT, DGCE, and DGB, according to their respective needs. In addition, Discovery is also reflected in the Coordination Meeting with the Secretariat of the Ministry of Finance Reform Program Team that discusses the request for input of Joint Analysis Theme and Entity to the Vertical Unit, which is usually held in December of the previous year.

The second element is **Definition**, which is when the parties build understanding and shape information into more tractable terms. This is reflected in the alignment of Variables and Indicators to determine Triggers based on the significance and value of discrepancies determined by considering the leadership's direction. The next element is **Deliberation**, which is the process of deepening the issue and listening to the parties' perspectives, as illustrated by the Working Meeting between DGT, DGCE, and DGB to determine the Taxpayers to be analyzed in the DSAB. The fourth element, **Determination**, involves joint decision-making on collective and target goals. This is reflected in the agreement between DGT, DGCE, and DGB on the taxpayer population to be analyzed and determined in the DSAB. It also reflected in preparing the timeline and work plan of Joint Analysis for the current year.

b. Shared Motivation

Shared Motivation has three components: Trust, Mutual Understanding, Internal Legitimacy, and commitment between the parties involved. This Motivation plays a very important role in the collaboration process (Sari & Rosdianae, 2021). Based on the interviews' results, shared Motivation has been exceptionally well built, starting from the direction of the program leader, namely the Vice Finance Minister, and the Director-General of the three authorities. In addition, the parties support each other. A DGB Section Head (Interviewee A1) stated, "*We have practiced much from our elder brothers in DGT and DGCE. They guide us well. This is related to how to conduct analysis, select objects, see potential, develop systems, and others. And in terms of systems, we also learn a lot*" – A1.

Good communication is needed to improve shared motivation. Communication is built formally through Coordination Meetings and Work Meeting activities, both offline and online. Informal communication is built through WA and telephone coordination. However, in some instances, there needs to be better communication between parties. This can be seen in the results of the following interview with

Interviewee P1 from DGT,"...*It needs more intense and warm communication because, in the case of IT, it could be what is developed in DGT, what is developed in DGCE, and what is developed in DGB (are different). That is related to data exchange. Well, when this is not synchronized, what happens later is that the data exchange seems to have a problem. Still, it turns out that after being identified, the problem is in IT because the environment is different, so it can't run smoothly. So, that causes it to appear as if one party is unwilling to flow the data, but after being identified, the data has been prepared, but the problem is in IT*" -P1.

c.   **Capacity for Joint Action**

This element is a functional dimension that enables the parties to have the ability to accomplish a common goal. It consists of four dimensions. First, **Procedural and Institutional Arrangements** which are manifested in KMK-667/KMK.01/2022 concerning Amendments to KMK Number 210/ KMK.01/2021 concerning the Reform Synergy Program in the Context of Optimizing State Revenue which was later updated again with KMK 570/KM.1/ 2023.

Based on research by Wahyudi et al. (2021), one of the obstacles to the implementation of Joint Analysis is the absence of a standardized Standard Operating Procedure (SOP) in the implementation of Joint Analysis, which is confirmed based on the interview results with nterviewee P1. *"If the SOP does not exist in detail, then yes, but because we routinely carry it out yearly, it is not too troublesome. If this wants to be in the SOP, for example, there will be a change of person in charge, so there are already guidelines. Yes, that also needs to be made"*- P1. Based on konfirmation with officer at DGCE (BC2), The rotation of employees who carry out Joint Analysis is quite frequent, so that the absence of SOPs could be one of the obstacles to the implementation of Joint Analysis for new employees in charge.

Furthermore, based on the results of an interview with a DGCE Functional Analyst (Interviewee BC1), *"Then the next obstacle is that DGB does not have a vertical; if there is a company whose theme is related to PNBP. DGT and DGCE can collaborate in the vertical, yes, in the regions. However, when they need PNBP data, there is an obstacle because DGB is positioned at the Head Office. That has not been regulated in KMK"* -BC1. The absence of DGB's regional office causes the non-tax revenue potential in vertical units not to be followed optimally because Joint Analysis is only carried out by the DGT and DGCE vertical units.

Second, **Leadership**. As explained earlier, leadership is vital in determining the program's success. This conclusion supports previous research conducted by Nurfadilah & Rosdiana (2020), which states that leadership commitment is the most influential factor in the success of Joint Analysis at the North Jakarta DGT Regional Office and the Prime Customs and Excise Office Type A Tanjung Priok. Although the other Capacity for Joint Action has been established, without supportive leadership, it will not be able to support the development of the program. Regarding this leadership, at the Head Office level DGT, DGCE and DGB have been quite good and provide support to the lower levels to perform Joint Analysis optimally.

The third element is **Knowledge**. The uncertainty felt due to the emergence of new tax avoidance modes needs to be balanced with adequate Knowledge. On several occasions, there has been a sharing of Knowledge between DGT, DGCE, and DGB to better understand the business process of each authority, either in the Joint Analysis activity itself or through Joint Secondment.

On the other hand, in terms of knowledge, there is still a competency gap between the center and the regions. The Section Head at the Directorate of Tax Data and Information (P1) said, *"Analysts at the DGT Regional Office still need to be updated on their knowledge. Well, this year, it is planned to hold an In-House Training for regional office analysts by central analysts on how to make LHA and compile LHA."*-P1. This is in line with the statement of the Section Head of the Directorate of Potential Compliance and Revenue (PKP) (Interviewee P2), *"The availability of human resources, there is a slight problem, especially at the vertical level. That is, although we finally mitigate it by involving many parties. Analysts in the central DGT and analysts in the vertical have different levels. That might be an obstacle. But yes, we try to overcome it with assistance, the involvement of auditors and investigators"*-P2.

The next element is **Resources**. As explained earlier, resources are built gradually. Currently, particular units are facilitated with special budget line items at the DGT, DGCE, and DGB headquarters to conduct Joint Analysis. The competence and quantity of human resources in the central unit can also be considered sufficient, except for the DGB Head Office, which needs improvement in the number of human resources. Section Head in DGB (Interviewee A1) said, *"For our resources (Human Resources), for the number, we are lacking ma'am. That's why the number of objects we analyze is never large, ma'am."* -A1.

This contrasts with the verticals in the regional offices, which have many constraints. This is mainly

due to the absence of incentives, which can be seen from the absence of Key Performance Indicators related to Joint Analysis linked to employee performance and the ad hoc nature of the program. This affects motivation in running the program, as well as the limited competence and number of human resources as they are oddly appointed. Moreover, the issue of the absence of budget line items to finance Joint Analysis activities is also experienced by executors in the DGT and DGCE vertical offices. A DGCE Functional Analyst (BC 1) mentioned, "*At the center, the budget is sufficient to accommodate the activities. If in the vertical, the Joint Analysis Budget may not have a special budget*"-BC1.

6.   Conclusion and Suggestion
Conclusion

Synergy and Collaboration between DGT, DGCE, and DGB in the form of the Joint Analysis Program have been running quite well and have been proven to generate additional state revenue. There is a system context, which is a condition that creates opportunities and obstacles to start and maintain the Joint Analysis Program, at least consisting of Resources and Policy and Legal Framework. From this system context, four strong drivers emerged that initiated the Collaborative Governance Regime and set the direction of the Joint Analysis program at the beginning. The four drivers are Perceived Uncertainty, Interdependence, Consequential Incentives, and Initiating Leadership. These drivers became a strong trigger in implementing Joint Analysis at the Head Office. However, the Incentive Driver was not found in the Joint Analysis at the regional vertical office.

Furthermore, the three collaborating parties will be involved in Collaboration Dynamics, which consist of three interacting elements: Principled Engagement, Shared Motivation, and Capacity for Joint Action. Based on our research, the System Context, Driver and all elements of Collaborative Dynamics are realized in the Joint Analysis between DGT, DGCE and DGB. Hence, the framework found by Emerson & Nabatchi (2015a) is very suitable to explain collaboration in the Ministry of Finance.

However, there are several challenges and constraints to this collaboration process in the Ministry of Finance, with the most constraints found in the Joint Analysis of the regional vertical offices. First, there are difficulties in determining the population of companies agreed to be jointly analyzed because of differences in the three authorities' business processes, provisions and authorities. This is related to differences in the authority of the supervisory area; Variables, Indicators and Triggers; and supervisory time limit. Second, there are several factors that cause the realization of state revenue from Joint Analysis is not optimal, as follows: The selection of taxpayers for Joint Analysis is inaccurate, the timing of the analysis or execution (billing) is not appropriate, and the condition of the taxpayer. Third, PNBP revenue from Joint Analysis was not optimal due to the absence of DGB's regional vertical office and the limited number of human resources at DGB headquarters. Fourth, no detailed SOP can hamper the implementation of Joint Analysis if there is a change of person in charge. Fifth, in the regional vertical office, there are no Performance Contracts and KPIs associated with the success of Joint Analysis, which has implications for several obstacles: no special budget, HR appointed randomly so that the ability and knowledge are not standardized, and the number is limited.

On the other hand, we propose several recommendations to minimize the impact of these constraints. First, implementing Single Profile and One Data to determine the companies' population that will be subject to Joint Analysis, which is done with an automated system. Second, PNBP potentials found in regional vertical offices must be reported to the DGT and DGCE Head Office to be coordinated with DGB headquarter. Third, the need to develop Performance Contracts and KPIs for the Head of Office at the regional office and the level below related to the success of Joint Analysis so that the availability of budget and human resources, both in terms of competence and number, can be fulfilled. Fourth, establishing more detailed SOPs to implement Joint Analysis at the Head Office and Regional Offices. Finally, there is a need to build more intense and assertive communication between the collaborating parties so that misunderstandings can be minimized. We consider that combining some of these recommendations will optimize the collaboration process and output at the Ministry of Finance's Joint Analysis.

Suggestion

Suggestions for further study are to research the Ministry of Finance's other Joint programs such as Joint Audit, Joint Secondment, Joint Business Processes and IT, and so on. In addition, future researchers can also conduct observations and forum group discussions to complement the data and analysis made.

Attachment 1

State Revenue Realization for 2019-2023

Source of Revenue	State Revenue Realization				
	2019	2020	2021	2022	2023
I. Revenue	1.955.136,2	1.628.950,5	2.006.334,0	2.630.147,0	2.634.148,9
Tax Revenue	1.546.141,9	1.285.136,3	1.547.841,1	2.034.552,5	2.118.348,0
Non-Tax Revenue	408.994,3	343.814,2	458.493,0	595.594,5	515.800,9
II. Grants	5.497,3	18.832,8	5.013,0	5.696,1	3.100,0
Total	1.960.633,6	1.647.783,3	2.011.347,1	2.635.843,1	2.637.248,9
% Taxation Revenue to Total State Revenue	78,86%	77,99%	76,96%	77,19%	80,32%
% Non-Tax Revenue to Total State Revenue	20,86%	20,87%	22,80%	22,60%	19,56%

Source: Extracted from (BPS, 2024a, 2024b)

Attachment 2

List of Interviewees

Code	Interviewee
P1	Section Head of Data Analysis, Directorate of Tax Data and Information (DIP) (DGT)
P2	Section Head of Supervision Quality Control, Compliance and Revenue, Directorate of Compliance and Revenue Potential (PKP) (DGT)
A1	Section Head of Potential & Supervision of Non-Oil & Gas Revenue, Directorate of Non-Tax Revenue from Natural Resources and Separated State Assets (DGB)
BC1	Senior Functional Customs and Excise Analyst, Directorate of Customs and Excise Audit (DGCE)
BC2	Officer in Coordinator Unit I of Joint Analysis Working Group, Directorate of Customs and Excise Audit (DGCE)

Source: Writer (2024)

Attachment 3

Stages of Joint Analysis at the Central DSAB

Source: KMK-570/KMK.01/2023

Attachment 4

Variable and Indicator based on Comparison DGCE and DGT Documents

Variable		Indicator
DGCE Document	**DGT Document**	
1. BC 2.0, BC 2.8 and BC 2.5 documents	Periodic VAT Return Appendix B1 and B3	Taxpayers with Taxable Entrepreneur status who conduct import transactions with certain import value significance
2. BC 3.0 and BC 3.3 documents	Periodic VAT Return Appendix A1	Taxpayers with taxable entrepreneur status who conduct export transactions with a certain export value significance
3. BC 3.0, BC 3.3, BC 2.5, BC 4.1, BC 2.7 documents	• Corporate Income Tax Return Appendix I • Periodic VAT Return Appendix A1 and A2	Business Turnover in Corporate Income Tax Return Appendix I and Value of DPP in VAT Return Appendix A1 and A2 **compared with** Documents BC 3.0, BC 3.3, BC 2.5, BC 4.1, BC 2.7
4. BC 2.0 documents	• Corporate Income Tax Return Appendix II • Income Tax Return Article 26 • Periodic VAT Return B1 (Code 03 - Intangible Taxable Goods / Services) • Data of Shareholders and Person in Charge of the company	• Purchase of Materials / Merchandise (COGS) on the Corporate Income Tax Return Appendix II. • Total gross income on Income Tax Return Article 26. • Value of tax base on VAT Monthly Return B1 (Code 03). • Affiliation relationship between overseas suppliers and shareholders.
5. Excise documents: CK-1, CK-2 dan CK-3	• Corporate Income Tax Return Appendix I	• Retail Selling Price on CK-1, CK-2 and CK-3 • Business Turnover in Corporate Income Tax Return Appendix I

Source: DGCE (2024)

Attachment 5

Trigger and Indication based on Indicator and Variable

Trigger	Indication Description
1. Difference between Import Value and VAT Paid on BC 2.0 and/or BC 2.8 documents and the tax base and VAT Value on VAT Return Appendix B1 (example: significance of difference > IDR 3 M / 20%)	• Indication of Under / Over Valuation • Indication that the Importer is not the Owner of the Goods • Indication of Non-Compliance Reporting
2. Difference between Export Foreign Exchange Value on BC 3.0 and/or BC 3.3 document and tax base Value on VAT Return Appendix A1 (example: the significance of the difference > Rp 3 M / 20%)	• Indication of Exporters Not the Owner of the Goods • Indication of Reporting Non-Compliance • Reference to the export realization of DGCE facilities
3. • Equalization of Business Turnover on Corporate Income Tax Return with tax base Value on VAT Return Appendix A1 + A2 • Ratio of Foreign Exchange Value on BC 3.0 and/or BC 3.3 to Business Turnover on Corporate Income Tax Return • Attention to the value of DPP A1 < A2 for companies with KB / KITE facilities	• Attention to tax invoices not based on actual transactions • Attention to the correctness of export realization for DGCE facility companies
4. • Royalty Fee on Corporate Income Tax Return Appendix II and tax base Value on VAT Return Appendix B1 Code 03 (Intangible Taxable Goods) and Total Gross Income on Income Tax Return Article 26 as trigger data for indications of Royalty Fee that must still be added to the Customs Value. • Data of Shareholders and Person in Charge as a reference for testing the fulfillment of the Transaction Value requirements.	• Costs that must still be added to the Customs Value • Method I Customs Value is not met due to the relationship between the Supplier and the Importer
5. Retail Selling Price on CK-1 deducted by Retail Selling Price on CK-2 and CK-3 and then compared to Business Circulation Value	• Indication of the release of Excisable Goods that have not been attached with excise tape • Indication of Undervaluation in Business Circulation

Source: DGCE (2024)

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