E-ISSN : 2962-9713
P-ISSN : 2963-928X

Dynamics Of Waste Governance Policy In Pekanbaru: A Literature Review On The Transition From Outsourcing Model To Regional Public Service Agency (BLUD)

Zulkarnaini[1], Nadila Saumitri[2], Icha Octavia[3]
[1]Universitas Riau , zulkarnainfisip@lecturer.unri.ac.id
[2]Univertasi Riau, nadila.saumitri0140@gmail.com
[3]Universitas Riau, Ichaoctavia03@gmail.com

Abstract

Urban waste management represents a persistent governance challenge in rapidly urbanizing Indonesian cities. This study examines the policy dynamics of waste governance in Pekanbaru City through a systematic literature review, focusing on the institutional transition from a third-party outsourcing model to the establishment of a Regional Public Service Agency (Badan Layanan Umum Daerah/BLUD). Employing a descriptive-analytical qualitative approach, data were drawn from government regulations, planning documents, academic journals, and institutional reports. The findings reveal that waste management failures in Pekanbaru constitute fundamentally governance failures rather than technical deficiencies, characterized by weak oversight mechanisms, contractual imbalances, and persistent implementation gaps. The outsourcing model demonstrated structural vulnerabilities including service disruptions, labor conflicts, and insufficient public accountability. In response, the city government has initiated BLUD formation, a post-NPM institutional reform offering greater operational flexibility and enhanced accountability. Comparative evidence suggests BLUD can effectively integrate circular economy principles into urban waste governance, provided it is supported by disciplined internal management, competent human resources, and robust multi-stakeholder coordination. This study contributes to theoretical discourses on public policy implementation, environmental governance, and institutional reform in developing cities.

Kata Kunci: *waste governance, outsourcing, BLUD, public policy, Pekanbaru, institutional reform, environmental governance*

Corresponding Author:
Zulkarnaini
Universitas Riau , zulkarnainfisip@lecturer.unri.ac.id

INTRODUCTION

Urban waste management constitutes one of the most critical issues in the study of public administration and environmental policy, particularly in rapidly growing cities confronting the dual pressures of urbanization and escalating waste volumes. Indonesia's Minister of Environment has set a national target to achieve at least 53 percent of waste management coverage by 2026, representing a substantial increase from the approximately 24 percent level recorded at the beginning of that year (Antara News, 2026). This target was proclaimed as part of the national agenda embedded within the National Medium-Term Development Plan (Rencana Pembangunan Jangka Menengah Nasional/RPJMN) 2024 - 2029, which emphasizes fundamental transformations in waste management systems particularly through source-level waste sorting and the elimination of open dumping

E-ISSN : 2962-9713
P-ISSN : 2963-928X

practices by 2026 (Ministry of Environment, 2026). The significant disparity between the current baseline and the stated target underscores the urgency of a systemic overhaul in waste governance, especially at the municipal level where operational implementation occurs.

Over recent decades, the New Public Management (NPM) paradigm has encouraged local governments to adopt market-based mechanisms through privatization and outsourcing of public services, including waste management. This approach aims to enhance service efficiency and quality through competition and private sector involvement. However, a substantial body of literature demonstrates that the implementation of outsourcing in public services in developing countries frequently encounters structural constraints, including weak governmental supervisory capacity and high dependency on service providers (Hood, 1991; Pollitt & Bouckaert, 2017). These findings suggest that the application of NPM principles is not universally compatible with the institutional conditions prevalent in many local governments across the Global South, where regulatory frameworks, enforcement capacities, and contracting competencies remain underdeveloped.

At the national policy level, waste management in Indonesia is directed through a legal framework that integrates the 3R approach (reduce, reuse, recycle) and emphasizes upstream processing, with explicit obligations placed upon facility managers and local governments to ensure more structured and sustainable waste management practices. Notwithstanding this regulatory architecture, a growing body of literature indicates that the implementation of waste management policies at the city level continues to face structural challenges, including fragmentation of authority, inadequate law enforcement, and over-reliance on outsourcing schemes dominated by third parties. Such schemes have been shown to be insufficiently responsive to the principles of efficiency, transparency, and public accountability (Gardini & Zulkarnaini, 2025). This disconnect between policy design and operational reality reflects a broader governance deficit that requires both institutional innovation and political commitment to resolve.

Pekanbaru City represents one of the major Indonesian urban centers currently confronting serious challenges arising from rapid population growth and urbanization. With a population exceeding 1.1 million inhabitants, the city experiences a directly proportional increase in daily domestic waste volumes. Between 2021 and 2025, the third-party-managed waste transportation system encountered numerous operational problems, ranging from fleet shortages and labor dispute-related disruptions to delayed payments that led to service interruptions. Empirical studies on waste management in Indonesian cities consistently demonstrate that outsourcing system failures are commonly attributable to contractual imbalances, weak monitoring mechanisms, and insufficient accountability on the part of service providers (Sembiring & Nitivattananon, 2010; Damanhuri & Padmi, 2015). These conditions have direct implications for the deterioration of public service quality and the escalation of environmental risks.

In response to these recurring failures, the Pekanbaru City Government began initiating an institutional transformation in 2026 toward the establishment of a Regional Public Service Agency (Badan Layanan Umum Daerah/BLUD) for waste management services. The BLUD model represents an institutional innovation in public sector governance that combines financial management flexibility with principles of service accountability. From a post-NPM perspective, this model is understood as an effort to correct the shortcomings of privatization while maintaining state control over essential public services (Christensen & Lægreid, 2007). This transition thus reflects a deliberate departure from market-oriented logics toward a more hybrid governance arrangement that preserves public authority while accommodating operational agility.

A number of studies indicate that institutional models such as the BLUD possess significant potential for improving public service performance when supported by sound

E-ISSN : 2962-9713
P-ISSN : 2963-928X

governance, competent human resources, and effective oversight systems (Mardiasmo, 2018). However, the successful implementation of BLUD is not automatic; rather, it is highly contingent upon institutional readiness and adaptive policy design that is responsive to local conditions. Beyond the administrative dimension, the waste management problem also carries serious implications for public health. The accumulation of uncollected waste in urban areas can increase the risk of environment-based disease transmission, including respiratory infections and vector-borne diseases. This reality underscores the point that failures in waste governance do not merely affect environmental quality but have direct consequences for the overall welfare of the population.

On the basis of the foregoing analysis, this study is warranted as a means of examining the policy dynamics of waste governance in Pekanbaru, specifically in the context of the institutional transition from outsourcing to the BLUD model. A literature review approach is employed to identify patterns in prior governance arrangements and their outcomes. Through this analysis, the study aspires to deliver both a theoretical contribution to the development of public policy scholarship and a practical contribution to the improvement of waste governance at the local government level.

METHOD

This study employs a descriptive qualitative method with a library research approach. The research was conducted through the collection and analysis of secondary data drawn from government regulations, regional planning documents, government performance reports, online media news, academic journals, and prior research findings related to waste governance in Pekanbaru City. A policy analysis approach was applied to examine the implementation dynamics of waste management policy, with particular emphasis on the institutional transition from the third-party outsourcing model to the formation of the Regional Public Service Agency (BLUD). The analysis was conducted in a descriptive-analytical manner, scrutinizing the gap between regulatory frameworks, policy implementation, and the empirical conditions of waste management on the ground. This approach enables a comprehensive reading of the policy trajectory by triangulating normative, empirical, and conceptual dimensions of the issue without reliance on primary fieldwork, while maintaining scholarly rigor through systematic engagement with credible and verifiable sources.

RESULTS AND DISCUSSION

Regulatory Dynamics of Waste Governance

The findings of the literature review reveal that the waste problem in Pekanbaru City is not merely a technical matter of transportation logistics, but rather a recurring policy failure spanning multiple administrations and years. According to Adlin (2021), the city government's capacity to manage waste remains constrained by institutional, financial, and policy coordination limitations. This finding is reinforced by Widayat et al. (2025), who affirm that the primary challenges in Pekanbaru's waste management lie in fleet shortages, inadequate field supervision, and inconsistency in service delivery. Furthermore, Fajri et al. (2024) demonstrate that the implementation of waste policy in Pekanbaru continues to be influenced by actors whose interests and capacities remain poorly synchronized. Taken together, these studies suggest that the waste problem in Pekanbaru is more productively understood as a governance problem than a volumetric one.

Suleman and Zulkarnaini (2025) assert that public policy-based environmental management in Pekanbaru still faces significant inconsistency between planning documents and actual budget allocations, resulting in flagship waste programs frequently stalling at the formulation stage. This condition reflects what public policy theory refers to

E-ISSN : 2962-9713
P-ISSN : 2963-928X

as the implementation gap, a phenomenon wherein the quality of a policy design does not correspond proportionally with the quality of its execution in the field (Widayat et al., 2025). This gap is particularly consequential in the waste sector, where service disruptions have direct, visible, and immediate impacts on the urban environment and public health.

Recent policy literature and news coverage indicate that the outsourcing model for waste transportation in Pekanbaru has been unable to deliver stable and continuous services. The Pekanbaru City Government terminated its contract with PT Ella Pratama Prakasa (EPP) in June 2025 following a work stoppage caused by delayed salary payments, which resulted in significant disruptions to waste collection services (Media Center Riau, 2026; Riaurealita, 2024). Prior to this, a cooperation scheme with PT SHI had also been evaluated for suboptimal operational performance (Riaureview, 2023). From a public administration perspective, these episodes demonstrate that outsourcing does not automatically yield efficiency gains when control mechanisms, performance incentives, and accountability structures are insufficiently operationalized (Isril et al., 2018; Aditya et al., 2025). The failures in Pekanbaru can thus be interpreted as failures of policy design and service contract engineering rather than failures of the outsourcing concept per se.

The literature further reveals that patterns of third-party cooperation have paradoxically introduced new vulnerabilities into the waste management system. Isril et al. (2018) found that public-private partnerships in Pekanbaru require a clearer institutional design to prevent over-dependence on short-term contractual interests. Anugerah et al. (2024) similarly affirm that actor synergy in waste management has not been sufficiently consolidated, resulting in persistent weaknesses in inter-agency coordination. In this context, outsourcing has generated not only technical problems but also social risks in the form of waste accumulation in public spaces, undermining urban environmental quality. The accumulated evidence from the literature suggests that third-party schemes are more appropriately positioned as a complementary mechanism rather than the primary pillar of waste service delivery.

BLUD as an Alternative Governance Paradigm

Nurmalasari et al. (2024), in their study on the implementation of circular economy principles within waste management BLUDs in Indonesia, affirm that the BLUD framework provides an institutional architecture that enables local governments to manage waste services more independently, efficiently, and sustainably. This is achieved through a retribution revenue management mechanism that operates directly without the rigid constraints of the regional budget (APBD). Normatively, the Regulation of the Minister of Home Affairs Number 79 of 2018 on BLUD establishes the legal basis for BLUD entities to provide public services more effectively, efficiently, economically, transparently, and responsibly with due regard to principles of fairness, propriety, and public benefit under governance authority delegated by the regional head. Aditya et al. (2025), in their analysis of waste management implementation strategies in Jakarta, conclude that institutional transformation toward a more autonomous and accountable model constitutes a prerequisite for the long-term success of urban waste management, particularly in securing operational funding continuity and service quality.

Empirically, the adoption of BLUD in the waste sector has begun to gain traction in several Indonesian regions. In Malang Regency, the establishment of a BLUD under the Clean Indonesia (Bersih Indonesia) program opened a pathway for public entities to monetize separately collected waste fractions from households, whereby revenues from recyclable material sales and collection fees can be reinvested to sustain the long-term viability of integrated waste management systems. This model demonstrates that BLUD is not merely an administrative-institutional reform instrument but also a platform for

E-ISSN : 2962-9713
P-ISSN : 2963-928X

integrating circular economy dimensions into urban waste governance. Anugerah et al. (2024), in their analysis of actor synergy in good governance of waste management in Pekanbaru, affirm that the effectiveness of institutional waste management reform is critically determined by the capacity to build robust coordination among government, private sector, and community actors within a clear and coherent governance framework.

One of the key findings emerging from the literature is that the planned formation of a waste management BLUD in Pekanbaru arose as a direct response to the repeated failures of the outsourcing model. As of early 2026, the Pekanbaru City Government remained in the assessment phase for BLUD establishment, prior to formal ratification through a mayoral decree (Pekanbaru.go.id, 2026). From a public policy standpoint, the BLUD offers financial management flexibility, operational latitude, and an improved capacity for service responsiveness without complete dependency on private contractors (Nurmalasari et al., 2024). Heryanti (2025) demonstrates that BLUD-based public service institutions can enhance accountability when accompanied by clear performance indicators and transparent reporting mechanisms. The transition to BLUD can therefore be read as a paradigmatic shift away from privatization logic toward a more adaptive semi-autonomous governance arrangement.

While the BLUD model is widely regarded as a viable solution, the literature also cautions that its success is by no means automatic following a mere change in institutional form. Nurmalasari et al. (2024) explain that the application of circular economy principles within waste BLUDs requires disciplined internal governance, transparent financing systems, and adequate human resource preparedness. Rehulina and Rowa (2025), in their study on integrated waste management service standards, demonstrate that performance standards are only effective when supported by cross-agency coordination and consistent supervisory oversight. Additionally, the transformation of regional technical implementation units (UPTD) into BLUDs in Indonesia frequently encounters transitional challenges including regulatory adjustment, human resource realignment, and bureaucratic resistance (AJEMB, n.d.). These findings collectively reinforce the understanding that BLUD is not an instant solution but rather a policy instrument that becomes effective only when undergirded by a mature and well-designed implementation framework.

The literature also reveals a discernible shift in the orientation of waste management policy in Pekanbaru, moving away from a contractor-dependent paradigm toward community-based self-management (swakelola) and participatory approaches. Dewi (2025) highlights that emerging policies in Pekanbaru have begun to position communities as integral actors in waste management, particularly in relation to source reduction and primary sorting. This approach aligns with the national trend emphasizing circular economy principles and community-based waste management strengthening. However, this shift does not automatically resolve the core governance challenges, as the capacity of communities to effectively implement waste sorting remains contingent upon adequate infrastructure support, public education, and reliable waste collection pathways. Fajri et al. (2024) similarly affirm that stakeholders in Pekanbaru continue to identify the need for a clearer delineation of roles to ensure that community-based policies do not remain confined to the discursive level.

From a collaborative governance perspective, the Pekanbaru experience demonstrates that waste policy cannot be assigned to any single actor. Yusriadi et al. (2023) contend that waste governance in Indonesia is heavily shaped by the capacity of local governments to manage relations with other actors, including the private sector and civil society. The findings of Anugerah et al. (2024) reveal that actor synergy in Pekanbaru has not yet developed sufficiently, leading to persistent policy fragmentation. Meanwhile, the literature on public-private partnerships foregrounds the importance of proportional role

E-ISSN : 2962-9713
P-ISSN : 2963-928X

distribution, mutual oversight, and aligned incentive structures for such arrangements to be effective (Ikhsan et al., 2016; Isril et al., 2018). Based on these findings, BLUD can potentially serve as an integrative node connecting multiple governance actors, but only if it is deliberately designed to incorporate service delivery, regulatory, and supervisory functions within a coherent institutional structure.

This study further confirms that the waste management problem in Pekanbaru is directly interrelated with environmental health outcomes. The accumulation of uncollected waste in public spaces increases the risk of vector proliferation, generates malodor, reduces urban livability, and exacerbates sanitation conditions in densely populated areas. Within the environmental health literature, waste management is recognized as a critical component of public health risk prevention strategies, particularly in urban areas characterized by high population density and vulnerability to environmental contamination. Accordingly, waste governance failures cannot be analytically separated from the public health agenda. In this context, the BLUD model assumes significance not merely as a mechanism for improving service efficiency but also as an institutional guarantee for the continuity of basic services that bear direct consequences for population health outcomes.

Methodologically, the findings of this literature review demonstrate that document-based research is capable of capturing policy implementation patterns with considerable analytical depth, without the necessity of primary field interviews. Through a systematic review of prior academic journals, official government publications, and plans for BLUD formation, it is evident that Pekanbaru is currently situated at a critical juncture of policy transition. On one hand, the local government has begun to recognize the structural limitations of the outsourcing model; on the other, the BLUD alternative has not yet been fully operationalized. This transitional state renders the literature review particularly relevant, as it can bring together empirical, regulatory, and conceptual arguments into a coherent and integrated scholarly reading. This study thus contributes to the broader literature on environmental policy and public administration, particularly on the issue of urban waste institutional reform.

CONCLUSION

Based on the findings of the literature analysis, it can be concluded that the dynamics of waste governance policy in Pekanbaru City reflect a significant institutional shift from an outsourcing-based management model toward the planned establishment of a Regional Public Service Agency (BLUD). This transition represents more than a technical or administrative restructuring; it constitutes a direct response to the cumulative implementation failures of waste services that have long been dependent on third-party contractors. A broad range of prior studies demonstrates that outsourcing schemes have failed to produce stable, accountable, and sustainable service delivery, primarily due to weak supervisory mechanisms, operational disruptions, and persistent misalignment between contractual arrangements and actual field service requirements. These findings collectively indicate that the waste management problem in Pekanbaru is more accurately understood as a public policy governance failure rather than a technical shortcoming in waste collection.

More broadly, this study affirms that waste management in Pekanbaru is inextricably linked to the quality of public service delivery, environmental health, and public trust in local government institutions. Therefore, policy reform in the waste sector through the BLUD model can serve as a strategic measure to establish a more effective, participatory, and sustainable urban service system. At the same time, this study underscores that institutional change alone is insufficient; the effectiveness of BLUD as a governance instrument depends critically on disciplined internal management, cross-sectoral

E-ISSN : 2962-9713
P-ISSN : 2963-928X

coordination, robust financial oversight, and the genuine integration of community actors into the governance architecture. This study simultaneously demonstrates that literature-based research can yield robust insights into the direction of policy change and provides a relevant academic foundation for strengthening environmental governance at the local level.

REFERENCES

Adlin. (2021). Sistem Pengelolaan Sampah di Kota Pekanbaru: Kemampuan Pemerintah Kota, Isu, dan Alternatif Kebijakan. Jurnal Bina Praja, 13(3), 395–406. https://doi.org/10.21787/jbp.13.2021.395-406

Aditya, C., Nurdin, N., & Asropi. (2025). Strategi Implementasi Pengelolaan Persampahan Jakarta. Journal of Public Policy and Applied Administration, 101–118. https://doi.org/10.32834/jplan.v7i1.874

Anugerah, M. F., Fadhli, M., & Yahya, M. R. (2024). ANALISIS SINERGITAS AKTOR GOOD GOVERNANCE DALAM PENGELOLAAN SAMPAH KOTA PEKANBARU. JDP (JURNAL DINAMIKA PEMERINTAHAN), 7(1), 1–30. https://doi.org/10.36341/jdp.v7i1.3817

Christensen, T., & Lægreid, P. (2007). Transcending new public management: The transformation of public sector reforms. Ashgate Publishing.

Damanhuri, E., & Padmi, T. (2015). Pengelolaan sampah terpadu [Integrated waste management] (3rd ed.). Institut Teknologi Bandung.

Dewi, Y. S. (2025). Analisis Arah Kebijakan Baru Dalam Pengelolaan Sampah Di Kota Pekanbaru Menuju Swakelola Berbasis Komunitas. Publikauma : Jurnal Administrasi Publik Universitas Medan Area, 13(1). https://doi.org/10.31289/publika.v13i1.15117

Fajri, J., Nastasya, M., & Zulkarnaini, Z. (2024). Analisis Implementasi Kebijakan Pengelolaan Sampah Perkotaan: Studi Kasus Perspektif Stakeholder di Kota Pekanbaru. PROSIDING SENADIKA : Seminar Nasional Akademik, 1(1), 355–363. https://www.unars.ac.id/ojs/index.php/SENADIKA/article/view/5833

Gardini, N., & Zulkarnaini, Z. (2025). Peran Dinas Lingkungan Hidup pada Pengelolaan Sampah di Kota Pekanbaru. JISPENDIORA Jurnal Ilmu Sosial Pendidikan Dan Humaniora, 4(2), 349-360.

Heryanti, Y. (2025). Evaluation of Waste Management Through the Lens of Public Service Management: A Literature-Based Study in Tasikmalaya City. Publica: Jurnal Pemikiran Administrasi Negara, 17(2), 434–459. https://doi.org/10.15575/jpan.v17i2.45876

Ikhsan, N., Nurmaeta, S., & Hamdan, H. (2016). Kemitraan Pemerintah Daerah dan Lembaga Swadaya Masyarakat Dalam Pengelolaan Rumah Hati Rumah Bakat di Kota Makassar. Publik (Jurnal Ilmu Administrasi), 5(2), 86–94. https://doi.org/10.31314/pjia.5.2.86-94.2016

Isril, Febrina, R., & Harirah, Z. (2018). Kemitraan Pemerintah dan Swasta dalam Kebijakan Pengelolaan Sampah di Kota Pekanbaru. Nakhoda: Jurnal Ilmu Pemerintahan, 17(29), 56–68. https://doi.org/10.35967/jipn.v17i29.7059

Kementerian Lingkungan Hidup dan Kehutanan. (2021). Laporan pengelolaan sampah nasional

Media Center Riau. (2014, October 31). Sampah di Pekanbaru akan dikelola BLUD. https://mediacenter.riau.go.id/read/88197/sampah-di-pekanbaru-akan-dikelola-blud.html

Nurmalasari, P., Prasetio, J. E., & Kusharyanti, K. (2024). Implementation of Circular Economy in Regional Public Service Agencies in Waste Management as a Waste Reduction Strategy in Indonesia. Journal of International Conference Proceedings, 7(4), 862–871. https://doi.org/10.32535/jicp.v7i4.3556

E-ISSN : 2962-9713
P-ISSN : 2963-928X

Pekanbaru.go.id. (2026, February 21). Pembentukan BLUD sampah masih tahap penilaian.https://www.pekanbaru.go.id/index.php/p/news/pembentukan-blud-sampah-masih-tahap-penilaian

Suleman, O., & Zulkarnaini, Z. (2025). Pengelolaan Lingkungan Berbasis Kebijakan Publik di Kota Pekanbaru. JISPENDIORA Jurnal Ilmu Sosial Pendidikan Dan Humaniora, 4(2), 361–371. https://doi.org/10.56910/jispendiora.v4i2.2305

Widayat, P., Pahlawan, R., & Rajab, S. (2025). Tantangan Pengelolaan Sampah Kota Pekanbaru. Jurnal Indragiri Penelitian Multidisiplin, 5(1), 110–115. https://doi.org/10.58707/jipm.v5i1.1155

Yusriadi, Y., Muhammad, Y. T., Ansar, & Farida, U. (2023). Governance of Waste in Indonesia: Implementing Policies and Role of Local Authorities. Journal of Indonesian Scholars for Social Research, 3(2), 124–129. https://doi.org/10.59065/jissr.v3i2.123