

INNOVATIONS IN PUBLIC SERVICE DELIVERY IN INDONESIA¹

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Pemberlakuan kebijakan otonomi daerah telah memicu berbagai pemerintah kabupaten dan kota untuk melakukan pembaharuan dalam pelayanan publik. Seluruh kegiatan ini dilaksanakan sebagai realisasi salah satu amanat kebijakan tersebut untuk mendesentralisasikan pelaksanaan pelayanan publik agar lebih mampu memenuhi kebutuhan masyarakat.

Dari kajian terhadap berbagai sumber dapat disimpulkan bahwa inovasi pada umumnya dilakukan pada komponen-komponen organisasi, ketatalaksanaan, dan sistem pelayanan. Namun demikian, beberapa daerah tampak memfokuskan pada pelayanan untuk masyarakat miskin. Prioritas terhadap jenis pelayanan serta keberhasilan inovasi dalam bidang pelayanan publik di daerah tampaknya sangat tergantung pada faktor pemimpin di daerah, terutama dalam hal kualitas kepemimpinan dan kemauan untuk memperbaiki pelayanan publik, dan kapasitas pemerintah daerah dalam mengelola tanggung-jawab dan tantangan baru untuk membangun daerahnya.

A. THE BACKGROUND

The issues of improving public service delivery have been arising all over the world since the last two decades. Triggered by the concept of Reinventing Government (Osborne & Gaebler, 1992)ⁱ, the US Government launched a project on the matter in 1995 under the control of Vice-President Al Gore. Beforehand, the UK Government announced the Next Steps project by the beginning of 1990 to fulfill the basic needs of their citizen. Other commonwealth countries, such as Australia, New Zealand, and Singapore, followed the steps in various terms and models, all intended to improve the quality of public service delivery (Osborne & Plastrik, 1997).ⁱⁱ

Although the government of Indonesia has published various policies on public service improvement since 1984, however, the innovations on this field have just begun since 2000 following the implementation of local autonomy policy, after which a number of districts were sub-divided. As stated in the main objective of the policy, each local government then tried its best to fulfill its typical social needs by creating innovations on various fields of public service delivery, especially in making services work for the poor. Some excellent models could be traced in several districts.

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Boalemo, in North Sulawesi, was one of the new districts created in 1999 as a result of decentralization policy. Soon after its establishment, the new district implemented a model of accountability systems for civil servants through a more rigorous application of rewards and sanctions, and the use of enhanced mechanisms for promoting transparency. With similar system, the District of Solok, West Sumatera, also carried out such policy among the civil service as an effort to achieve a good local governance.

Another innovation came out in the field of water supplies and sanitation services. In 2001, The Lumajang District, East Java, initiated to help poor communities reduce the incidence of water-borne diseases by implementing the project of Water and Sanitation for Low Income Communities. The project, supported eagerly by community participation through the use of local facilitators, community construction, and maintenance of water facilities, has resulted in measurable improvements in local people health and access to clean water, as well as positive changes in citizen and health provider behavior regarding the disease prevention. This also triggered other districts to implement the similar system.

In 2003, the Jembrana District, Bali, implemented the first-ever fee-for-service health insurance system (for health service providers) in Indonesia. The project's aim was to increase an access to health services for the poor, and to improve the quality of health care overall. By 2005, almost all citizens signed up for the service. Such system was soon adopted and implemented in other areas. Such other cases of public service could

also be found in other districts all around the country.

This paper attempts at discussing the innovations in public service delivery in Indonesia. It is expected that such new models could change the sluggish and long-table characteristics of delivery process in the country as well as be adopted by other parties and countries facing the similar problems on public service.

B. WHAT IS INNOVATION?

It is simply noted that understanding innovation in the public sector can be supported through drawing upon five main theoretical frameworks, including innovation theory, organisational theory, studies of public policy, theories of learning, and New Public Management. Mulgan and Albury (2003)ⁱⁱⁱ define that “successful innovation is the creation and implementation of new processes, products, services and methods of delivery which result in significant improvements in outcomes efficiency, effectiveness or quality”. The definition appears straight forward and clear in its meaning, but as with most definitions of innovation masks the actual complexity of this subject area.

Meanwhile, Light (1998)^{iv} observed that “the process of innovation is lengthy, interactive and social; many people with different talents, skills and resources have to come together”. Both definitions indicate that studies on innovation in the private and public sectors have shown that innovation is a multi-faceted phenomenon that emerges in the context of numerous intervening variables, with no simple universal formula existing that

can be applied to ensure successful innovation (Borins, 2001)^v.

1. Types of Innovations

Various categorisations of innovation have been put forward by the existing literature. A common typology applicable to both private sector and public sectors differentiates between three types of innovation, i.e. process; product/service; and strategy/business concept innovation. In addition, there are two other types of innovation relating to the delivery of public services and the wider system interaction. Innovations in the area of strategy/policy refer to new missions, objectives, strategies and rationales that signify a departure from current reality. service/product innovation results in changes in the features and design of services/products, while delivery innovation involves new or altered ways of delivering services or otherwise interacting with clients. Process innovation itself came to prominence as a result of the quality and continuous improvement movements and refers to the way new internal procedures, policies and organisational forms may be required for supporting innovation. Finally, innovation in system interaction new or improved ways of interacting with other actors and knowledge bases, changes in governance.

The box below summarises the five main types of innovation that relate the provision and delivery of public services.

Table 1
Types of Innovation in Public Service

- ☐ Strategy/policy innovation, e.g. New missions, objectives, strategies and rationales
- ☐ Service/product innovation, e.g. Changes in features and design of services/products
- ☐ Delivery innovation, e.g. New or altered ways of delivering services or otherwise interacting with clients
- ☐ Process innovation, e.g. New internal procedures, policies and organisational forms
- ☐ System interaction innovation, e.g. New or improved ways of interacting with other actors and knowledge bases, changes in governance.

Source: Anwaruddin's adaptation (2006)

2. Levels of Innovations

Another way of conceptualising innovation relates to its different levels which, in turn, reflect its varying degrees of impact. The most commonly accepted categorisation in this regard ranges from incremental, to radical to transformative innovation. As Mulgan and Albury (2003) explain, innovation can be seen as incremental, radical, and transformative/systemic innovations.

In an incremental innovation can be described as one that represent minor changes to existing services or processes. The majority of innovations are incremental in nature, those that do not attract headlines and rarely change how organisations are structured or inter and

intra organisational relations. However incremental innovations are critical to the pursuit of improvements in the public sector, because they contribute small but continuous improvements in services, supporting the tailoring of services to individual and local needs and supporting value-for-money.

In a radical innovation, less frequent either involve the development of new services or the introduction of fundamentally new ways of doing things in terms of organisational processes or service delivery. Whilst such radical innovations do not alter the overall dynamics of a sector, they can bring about a significant improvement in performance for the innovating organisation and alter the expectations of service users.

Most rare are transformative innovations that give rise to new workforce structures and new types of organisation, transform entire sectors, and dramatically change relationships between organisations. Typically such innovations take decades to have their full effect, requiring fundamental changes in organisational, social and cultural arrangements.

In addition, in considering the impact of innovations some authors (more often writing about the private sector as opposed to the public sector) distinguish between “sustaining” and “discontinuous” (or “disruptive”) innovations (Christensen and Lærgreid, 2001)^{vi}. Sustaining innovations are those that move an organization along an established performance trajectory by introducing improved performance compared to existing services, systems or products. Sustaining innovations can be

incremental or radical. Discontinuous or disruptive innovations are those that cannot be used by customers in mainstream markets. They define a new performance trajectory by introducing new dimensions of performance compared to existing innovations. Disruptive innovations either create new markets by bringing new features to non-consumers or offer more convenience or lower prices to customers at the lower end of an existing market.

The box below summarises the five main levels of innovation that mostly happen in both private and public service delivery.

Table 2
Levels of Innovation in Public Service

- ☐ *Incremental*, i.e. Minor changes to existing services/processes
- ☐ *Radical*, i.e. New services or ways of “doing things” in relation to the process or service delivery
- ☐ *Transformative/systemic*, i.e. New workforce structures, organizational types, and inter-organizational relationships
- ☐ *Sustaining*, i.e. Organisations move on an established trajectory by improving performance of existing services/systems
- ☐ *Discontinuous/disruptive*, i.e. New performance trajectory by introducing new performance dimensions, new services and processes, etc.

3. Trends of Innovations

The trends in public sector innovation in general vary excessively. For example, the organisational and operational structure of the public sector has been one area where new arrangements have been introduced as a response to a variety of developments such as the drive to greater control and diversification of output (as opposed to measuring inputs/processes); the move towards greater specialisation in the provision of "individualised" services to citizens; the demands for improved accountability and transparency, etc. (OECD, 2004).^{vii} The ensuing changes in the way governments are structured and operate take many forms, ranging from altering the size of the cabinet and the number of government departments to creating bodies at arm's length from core ministries and setting up independent regulatory agencies.

This increased focus on "agencification" and creation of regulatory bodies has been accompanied by a shift in the distribution of power and managerial autonomy from core ministries towards these new entities. In view of the plethora of different configurations that have emerged, there is not commonly agreed classification of such bodies, but they all seem to come under the "distributed governance". The box below summarises such case and others concerning the trends of innovations in public service delivery in several developing countries.

Table 3
Trends of Innovation in Public Service

- ☐ Organisational structure , e.g. Agencification, "distributed governance"
- ☐ Partnerships , e.g. regional/local, voluntary sector involvement
- ☐ Horizontal integration, e.g. Breaking down departmental "silos" and fostering cross-departmental co-operation and co-ordination
- ☐ Good fiscal management, e.g. Budget reform, containment of deficits
- ☐ Performance-based management and budgeting, e.g. Top down/systems vs. Bottom up/ad hoc approach
- ☐ Public service revitalization, e.g. Building/strengthening capacity at national/regional/local levels
- ☐ Decentralization, e.g. Devolution of powers from central to regional/local government and other agencies
- ☐ Service improvement, e.g. Provision of "personalised", client-centred services
- ☐ Systems and process improvements, e.g. Streamlining business processes, developing customer-centric systems.

- Regulatory change, e.g. Focus on deregulation and simplification, shift from enforcement towards voluntary compliance
- Use of IT for both front and back office operations, e.g. Providing on-line, "e-enabled" services, investing in customer relationship management .

Source: OECD, 2004

C. THE PORTRAIT OF PUBLIC SERVICE IN INDONESIA^{viii}

Public service may be simply defined as all activities delivered by government to fulfil the needs of society. However, the face of public service in Indonesia is now still colored by high-costing service in the process of attaining the driver license, passport, marital and birth certificates, letters of land belongings, and other formal documents. The similar phenomenon appears in the delivery of clean water, education, health service, transportation and other services.

As a matter of fact, the government of Indonesia has published various kinds of policy concerning the improvement of public service performance. Published during the Soeharto era were alternately The Guidance of Simplification and Control of Business Permit (1984), The Guidance of Public Service Management (1993), and the Guidance of Reinstitution and Improvement of Government Apparatus Service to the Society (1995). After the Reformation era in 1998, the government published The Real Steps to improve Public Service (1998) and finally

the General Guidance of Public Service Delivery (2003).

In practice, the activities of public service in general can be described in terms of characteristics and types of service institutions, patterns of service delivery, service performance, and indicators of customer satisfaction. As to its functions as a part of government system, the current public service institutions in Indonesia contain the following characteristics^x (a) operate on the basis of clear legal conditions; (b) cover a wide area of importance, including the target group of delivery; (c) include both commercial and social functions; (e) need to be more accountable to the public; (f) questionable transparency of work performance; and (g) often become the target of political issues.

1. The Service Institutions

Most public service institutions in Indonesia are organized in the form of State-Owned Corporation (Badan Usaha Milik Negara-BUMN) or Local Government-Owned Corporation (Badan Usaha Milik Daerah-BUMD) with a clear legal basis. Some institutions are established for specific service delivery, such as the State Electric Company (Perusahaan Listrik Negara-PLN) for electric power, PT Telkom for telephone service, Water Supply Company (Perusahaan Air Minum-PAM) for water supply, and so on. In some cases, several institutions have to carry out both commercial and social functions, for instance, The Train Company Limited (PT Kereta Api Persero) provides transportation service for both the lower and higher levels of society.

All public service institutions, as other government organizations, have to present an annual report on their performance to the public. In this case, government has provided a model of performance accountability report, designed by the National Institute of Public Administration (Lembaga Administrasi Negara). Based on its delivery products, public service in Indonesia may be divided into three types: (a) administrative service, which comprises various kinds of formal documents, such as status of citizenship, competency certificate, land certificate, driver license, marital or birth certificate; (b) goods service, which facilitates various kinds of social needs, such as distribution of food and required daily, or installation of telephone, water or electricity networks; and (c) facilitating service, which includes various kinds of public facilities, such as education, health care, the post, and transportation.

The implementation of such services consists of three patterns of delivery: (a) functional delivery, which is performed by a specific institution in line with its tasks, functions, and responsibilities, such as electric supply by PLN, telephone distribution by PT Telkom, water supply by PAM.; (b) centralized delivery, which involves authorized institutions, for instance, the Immigrations Office for the publication of passport, the Civil Administration Office for birth certificate, the Religion Office for marital certificate; and (c) combined delivery, which includes several service institutions in a single place, for example, the Police Department and local government, for issuance of a car ownership certificate.

2. The Paradigm of Service Delivery

To meet the increasing demand for good public service performance, the government applies the customer-driven paradigm (Osborne and Gaebler, 1992:166-194). This approach, as suggested, contains the following characteristics: (a) focus on the delivery functions; (b) focus on the empowerment of society; (c) apply a competitive system; (d) focus on the achievement of vision, mission, goal, and objectives; (e) prioritize the needs of society, not merely the wish of political leaders; (f) in certain situations, generate incomes from the delivered service; (g) prioritize efforts to prevent internal problems on service delivery; and (h) apply the market system in facilitating service delivery.

To develop such a model of customer-driven service, the Ministry of Civil Service Reform has set up a General Guidance for Public Service Implementation^x, consisting of fifteen criteria as follows: (a) simplicity: the mechanism of public service should be easier, cheaper, faster, and more convenient for the customers, which is characterized by such a simple procedure; (b) reliability: the service institutions should develop a performance consistency by providing accurate accounting and data citation, and keeping punctuality; (c) responsibility: the service staff should carry out their duties truthfully, and inform the customers when something happens incorrectly; (d) capability: the service staff should have proper skills and knowledge to perform good service delivery; (e) closeness to the customer: the service staff should make contacts with their customers, either through direct meetings,

or via telephone or internet; (f) kindness and patience: the service staff should be kind and patient when dealing with their customers to develop a good relationship with them; (g) transparency: every customer could access any necessary information easily, such as the service procedure, requirements, time, cost, and so forth; (h) communicativeness: the service staff should develop good communication with their customers, so any information can be presented properly using easily understandable language; (i) credibility: any public service should be based on truth and honesty in order to maintain the customer's loyalty to the service institutions; (j) clarity and certainty: the procedures, details of service cost and methods, and delivery time should be clear and follow a logical order to develop the customers trust; (k) security: the service institutions should hinder insecure feelings as danger, risk, and uncertainty, especially concerning the physical or financial security; (l) understanding customers' expectation: the service institutions should conduct a survey on customers' specific needs and pay more attention to individuals; (m) reality: the service institutions should develop provide service conveniences for their customers, such as proper building, professional staff, badges, and other supporting facilities; (n) efficiency: the service requirements should meet the target only to keep up the proper link between the service requirements and the products; and (o) economic: the delivery cost should be in line with the value of the product and the financial capability of their customers.

3. The Problems in Service Delivery

The fifteen principles above should have been more than enough to realize a good public service delivery. However, its implementation of the principles depends a lot on the service institutions. They are free to choose any principles suit to the types of service, characteristics of institution, and patterns of service delivery. In addition, consideration should also be taken to the social condition of their customers.

This is the problem. Most regions that have just got their decentralization and local autonomy right seem still dependent on the central government. Just like many other developing countries undergoing decentralization, the political factors that drive Indonesia's attempts at decentralization have overlooked technical and economical problems.

By its nature, Indonesia's attempt at democratic decentralization is a very big institutional reform that affects not only the intergovernmental relations, but also the way all levels of government interact with the community, including the delivery of public service. The experiences of other countries show that this kind of transition could take a very long time and, by any means, Indonesia is still very much in the early stage of this transition. In terms of public service delivery, some characteristics as indicated below show the low performance of public service in Indonesia.^{xi} (a) uncertain time, cost, and procedures of service; (b) unfair service caused by political, ethnic, religious, or personal relationships; (c) a long process to obtain legal documents such as passport, driver's license, etc. which may cause the practice of bribery and corruption; (d) too much distribution

of authority just to legalize a single document, which takes longer time and higher cost; (e) culture orientation tends to the needs of authority instead of society; (f) service is based on distrust; and (g) the operational standard is to control customers' behavior instead of facilitating them.

Nevertheless, some local governments have tried their best to make innovations on various fields of public service delivery, especially in making services work for the poor. Thus, for the society in those regions, the decentralization and autonomy policy is such a blessing that change their lives through a healthy public service delivery in their area.

D. TRIGGER FOR INNOVATIONS

The transformation of Indonesian political system since the downfall of former President Soeharto in May 1998 included the radical overhaul of the role of the regions and the re-definition of the relationship between the central and local government. It was the People's Consultative Assembly (MPR) that initiated in October 1998 a revision of the antiquated Law No. 5/1974 on the Principles of Local Government by means of the MPR Decree No. XV/MPR/1998. Without much public debate, two new laws on autonomy issue— Law No. 22/1999 on Local Governance and Law No. 25/1999 on Fiscal Balance Between the Centre and the Regions— were approved in May 1999.

Both laws stipulated that the new decentralization framework was planned to come into effect in May 2001, giving a two-year time frame to allow for the

necessary preparations. However, this date was later advanced to 1 January 2001 by the MPR Decree No. IV/MPR/2000 in order that the beginning of decentralization would coincide with the new fiscal year. Although both always were then revised in 2004, the passing of the policy transformed the concept of decentralization and local autonomy into reality.

This may have been the right choice given the long time reluctance of the central government to devolve real authority to local governments during the New Order Era. However, the implication of this choice was the potential emergence of problems that could have been anticipated beforehand. Another consequence is the need to continuously revise decentralization frameworks, some of which involve fundamental issues. Revising these frameworks is likely to be a very challenging process, given the path dependence of such reform as discussed.

1. The Key Features of Autonomy Policy

The key features of the policy on decentralization and local autonomy are the devolution of a wide range of public service delivery functions to the regions, and the strengthening of the elected local councils which received wide-ranging powers to supervise and control the local administration. Meanwhile, the policy on Fiscal Balance between the Centre and the Regions aims at empowering and raising local economic capabilities, generating a financing system for the regions which is "just, proportional, rational, transparent, participatory, accountable and provides certainty", and at realizing a funding system that reflects

the division of functions (between levels of government) and reduces local funding gaps.

Where relations between a population, elected officials and an elected authority are poor, fears of corruption and self-interest, a lack of transparency and ineffective party representation can develop. A poor division of responsibilities and financial resources can hinder the effective development of decentralised authorities and prevent them from doing more for their citizens.

A failure to pay sufficient attention to government relations between different tiers of local authority has been noted, and this is apparent in Indonesia too, where inter-tier governmental relations have also obstructed successful decentralisation. Economic problems have also been a concern as happens in many developing countries. Local authorities are often financially weakened and increasingly reliant on grants and loans from the central government. As a result, the local governments have been forced to give up considerable autonomy in their decision-making.

2. The Impact on Public Service

In some countries there has existed a prior political tradition of local autonomy, but other important factors have been noted: (1) The strength of central and political and administrative support; (2) Behavioral, attitudinal and cultural influences; (3) Organizational factors; and (4) The adequacy and appropriateness of local financial, human and financial resources.

Meanwhile, problems highlighted in the implementation included: (1) The impact of a change of government and the

possible reversal of decentralisation; (2) The resentment of high level politicians towards the program; (3) Local politics are generally viewed as a between parochial elite groups which have no impact on democratic development; (4) Local politicians are viewed unfavourably; (5) There is a need to increase efficiency in service delivery; (6) Wider channels of participation are required for local populations; and (7) Greater co-operation among local governments is required.

Case studies indicate that the following conditions contribute to the success of decentralisation: (1) A lively civil society and resilient social institutions; (2) A well-developed political party system; (3) Effective representation on local councils and good co-operation between parties; (4) A 'free and assertive press'; and (5) A bureaucracy with experience of 'working under elected politicians.'

Based on the discussion above, two points may stand out. Firstly, the role of leadership at central and local levels is crucial, both in terms of the quality of leaders and their willingness to proceed with decentralisation. Secondly, the capacity of local governments to manage their new responsibilities and challenges. This is also the case with some local governments in Indonesia that successfully make various innovations in public service.

The cases of innovations come to pass in different elements of public service during the implementation of local autonomy. For example, innovations in organisational structure to simplify local government offices happen in several districts. Beside efficiency, the

change is also meant to "distribute governance" more properly. Other trendy innovations that can be traced including partnerships between local government and private sector, horizontal integration to foster economic co-operation and co-ordination among local governments, improvement on client-centred services, systems and process improvements by streamlining business processes and developing customer-centric systems, regulatory change focusing on deregulation and simplification, and providing "e-enabled" services. To implement the decentralization of powers from central to regional/local government, some innovations occur in fiscal management, especially focusing on budget reform, performance-based management and budgeting, and public service revitalization to strengthen capacity at regional/local levels.

E. SOME CASES OF INNOVATION IN PUBLIC SERVICE DELIVERY

About one year before the autonomy policy came into effect on 1 January 2001, most local governments prepared steps to develop public service delivery functions in their areas. They were, however, not their own. The central government helped them by publishing General Guidance for Public Service Implementation. Several donors and government in other countries interested in improving local service delivery also gave their hands. And now, after five-year implementation of autonomy policy, their cooperation results in the improvement of various fields of service delivery in several districts in Indonesia,

covering a spectrum of sectors and geographic locations.^{xiii}

1. Educational Performance in Tanah Datar, West Sumatera

In the Tanah Datar District of West Sumatera, Indonesia, two innovative education policies are examined: the Stronger Incentives Policy, which rewarded best-performing English teachers and headmasters with training and study visits overseas, and the Smaller Classes Policy, which limited class size in senior high schools to 30 students. A number of outcomes were identified, including changes in behaviors and expectations among English teachers and headmasters and increased student interest. However, improvements were not uniform across types of schools.

2. Learning Communities for Children Program in Polman, South Sulawesi

Creating Learning Communities for Children (CLCC) is a training package that focuses on school-based management, community participation, and joyful/active learning. This study traces its implementation in two schools in Polewali district in South Sumatera, since its introduction in 2001. The results indicate that CLCC had a lasting impact on improved learning practices in the school. However, no impact on test scores could be identified, parental involvement increased little, and most school committees continued to focus largely on revenue collection.

3. Vouchers for Midwife Services in Pemalang, Central Java

Pemalang District is one of ten districts where Targeted Performance Contracting for Midwives (TPC) was implemented for the Safe Motherhood Project. The project increased utilization of maternal health care services, increased equity to access to maternal health care services, and increased access to clientele for new midwives.

4. Community-Based Water Provision in Lumajang, East Java

Lumajang District is one district where the government's Water and Sanitation for Low Income Communities (WSLIC-2) project has been implemented. The project began in 2001, and now covers 23 communities. WSLIC-2 is an initiative that helps poor communities gain access to a safe water supplies and high-quality sanitation services, thereby reducing the incidence of water-borne diseases. Community participation through the use of local facilitators, community construction, and maintenance of water facilities has resulted in measurable improvements in citizens' health and access to clean water, as well as positive changes in citizen and health provider behavior regarding disease prevention.

5. The Fee-For-Service System for Health Service Providers in Jembrana, Bali

In 2003, the local government of Jembrana District, Bali, implemented the first-ever fee-for-service health insurance system (for health service providers) in Indonesia. The project's aim was to

increase access to health services for the poor and to improve the quality of health care overall. By March of 2005, almost all citizens have signed up for the service. The most impressive program, however, is the Free Tuition program for elementary to high-school students. Inspired by Jembrana District, other local governments then implement the same program for students in their districts or cities.

6. The Community Block Grant Program, Blitar, East Java

This study evaluates the impact of the block grant program implemented in Blitar City since 2002. A community block grant program allocates a portion of the city government's budget for small projects that are disbursed directly to communities. The program was designed to increase public participation and self-management at the local level, as well as to serve as a vehicle for local officials and communities to exercise their autonomy. The block grant program initially addressed communities' immediate needs, mostly for small-scale infrastructure improvements. In the longer term, this program has the potential to empower communities to participate systematically in both the design and implementation of more effective development programs.

The Transparency and Accountability System, Boalemo, North Sulawesi

Boalemo was one of the new districts created in 1999 as a result of Indonesia's decentralization policy, after which a number of districts were sub-divided. This study analyzes how the local government has improved local governance by creating improved accountability systems for civil servants

through more rigorous application of rewards and sanctions, and use of enhanced mechanisms for promoting transparency.

7. The Participatory Planning , Maros, South Sulawesi

Maros District is one of 36 districts where the United States Agency for International Development implemented their PERFORM project to promote good governance and participatory planning. A locally constituted umbrella group of NGOs (Forum Warga) worked with PERFORM staff to advocate for the first-ever law mandating citizen participation in district planning and project decisions, passed in 2003. Since then, PERFORM staff and Forum Warga members have facilitated citizen-driven planning in about 20% of the District's villages.

There are other cases of innovations in different elements of public service during the implementation of local autonomy. As discussed previously, innovations covers various factors of service delivery including the simplification of organisational structure, partnerships with private institutions, fostering economic co-operation and co-ordination, improvement on service systems, deregulation and simplification of service procedures, and implementation of E-Government. Others concerns with fiscal management and public service revitalization. Other districts and cities that recently triumph such improvements in service delivery are, among others, Tasikmalaya, Kebumen, Sragen, Gorontalo, Solok, and Kutai Kertanegara.

F. CONCLUSION

Since the beginning of local autonomy implementation several local governments have tried their best to create innovations in the field of service delivery. All these are meant to fulfil the needs of society in their districts or cities. Although every change of public system comes across difficulties during the transition era, however, several districts and cities succeed to show some improvements. The local autonomy policy, therefore, turns out to be such a trigger for the service improvement after a long time reluctance of the central government to transfer real authority to local governments during the New Order Era.

Most innovations involve the institution, management, and system of service delivery. On the other hand, others prioritize to make service work for the poor. Two success factors seem significant in the innovations of public service delivery during the implementation of local autonomy: (1) the role of leadership, especially at local levels, in terms of the quality of leaders and their willingness to proceed with innovations; and (2) the capacity of local governments to manage new responsibilities and challenges to develop their areas.

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