

COUNTRY PAPER
LEADERSHIP FOR CHANGE:
THE ROLE OF LEADERSHIP IN PUBLIC SECTOR REFORM IN INDONESIA
Lesson Learnt from Solo Municipal City
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Inefficiency bureaucracy and corruption are among 15 chronic diseases in Indonesia over the last 10 years. Others are infrastructure, labor, inflation, tax policy, and so forth. This phenomenon place Indonesia in the low rank among countries in world competitiveness level. The implication is obvious, particularly in attracting investments. In the year 2008 position of Indonesia was at the level of 51 over 132, then followed by 2009 was 42/132, 2010 was 44/142, 2011 was 46/142, and 2012 is 50/142. As a regional ASEAN comparison, countries in the region, in the year 2010 Singapore was in the position of level 3, then in 2011 were 2, while Malaysia was 26 then 21, and Thailand was 38 and 39. Two countries below Indonesia were Vietnam (59, 65) and the Philippines (85, 75). (*World Economic Forum, World Competitiveness Report 2011-2012*).

Since democracy is becoming a new choice of Indonesia since reformation movement of 1998, there is also a hope that by electing leader of, the, and by the people, the best person could be chosen, particularly in overcoming those two main diseases: inefficiency bureaucracy and corruption, and also could make a change, make something new, and make any difference. Leadership in public sector management doesn't not automatically come from inside bureaucracy itself, but also nowadays possible from the business or private sector. This opportunity has also opened new horizon in creating possibilities. Borrowing Peter F. Drucker's terminologies, leadership era of 2009-2014 is time of a great change, particularly in the context of change in the system as well as the culture of bureaucracy so that systematically feasible and culturally desirable.

Keywords: competitiveness, democracy, reform, leadership, public sector, change

FORWARD

This paper is discussing about how transformation of leadership could take place in Solo Municipal City, Indonesia, that is how a businessman runs bureaucracy, and yet categorized success. And in the general election for the governor position of the Jakarta Special Province, the mayor of Solo Municipal City get elected and sworn as a governor of Jakarta on 15 October 2012.

In dealing with the issue, this paper is divided into four parts. Those are introduction, the national reform initiative, best practice: the Solo change phenomenon, and conclusion.

A. INTRODUCTION

Any time people talk about bureaucracy, what is coming into their minds are the same: fat, slow, corrupt and inefficient, too many rules and regulations, and the like. Indeed this view is to certain degree not wrong. The implication is obvious. At home it is service

delivery that is always complaint endlessly beside distrust shown by the community has been a daily event could be seen everywhere. Efforts are indeed has been done, is on the way, and will always be, however up to now there is no such a great and significant difference. The situation is not anymore usual. That's why the unusual action is needed. The usual situation was the election of leaders from the national level of government throughout lower level of government of provinces as well as districts or municipal cities. In short, democracy was not coming yet.

Abroad, the impression of the country goes to the lowest level. This unfortunate situation is aggravated by the unexpected issues like terrorism, environment, human rights, and social unrest took place in several places like Poso, Ambon, and Papua.

Financial crisis in 1997 in Asia in general and in Indonesia in particular broaden into economic crisis, political crisis, and every walk of life crisis. This crisis brought President Suharto down from power in 1998. This crisis, however, brought Indonesia into new era called democracy. Full democracy is a must, not step by step strategy to implement it as many countries do it. We hope that this democracy emerged from crisis could bring new hope, new environment, new systems, and prosperity, and not creating another crisis, today and forever more.

Under this new political system of democracy, president and vice president are directly voted by the people through general election. And so are governor and vice governors, head and vice head of districts, and mayor and vice mayors as head and vice head of municipal city. They could come from many directions and various backgrounds such as politicians, bureaucrats, businessmen/women, military officers, academicians, religious leaders, artists, and the like.

One issues this paper is going to pay attention is when one businessman who won an election in the municipal city of Solo and made many breakthroughs in bureaucratic bottlenecks and acknowledged by the world. He indeed made many changes such the topic of this paper given by the committee, leadership for change. He is the one.

B. THE NATIONAL REFORM INITIATIVE

Under his second term in office, President Susilo Bambang Yudhoyono initiated the reform in bureaucracy by establishing a ministry named Ministry of Administrative and Bureaucratic Reforms. In his cabinet working agenda, reform of the bureaucracy placed in the first priority. Also become the first priority in the Long-term National Development Plan (RPJP) 2010-2025.

To carry out this initiative, In December 2010, a Grand Design with a 15 year timeframe for rolling out National Bureaucracy Reform was issued by the President, and a Road Map, was signed by the Minister for Administrative and Bureaucratic Reform. This appeared as a result of responses to the increased demand from the societies and global environment. The increased rate of literacy in Indonesia and the on-going process of political-judicial-economic-constitutional reform has led to the increased demand of people to get good public services and facilities provided by the government. Government Bureaucracy in Indonesia which is characterized by inefficient, a sluggish culture, feudalism, a lack of transparency and a lack of egalitarianism and corruption has

to be massively transformed. Some problems of Indonesian bureaucracy such as the oversized organizational structure, the competence of the apparatus, the mismatch between various subsystems of state administration, poor quality of most public services, and the overlapping laws (vertically and horizontally) had become specific issues in Bureaucratic Reform Program.

Eko Prasajo (2012), Vice Minister of State Apparatus and Bureaucracy Reform, noted that the problem of the oversized organizational structure of all level of government which not only causes severe inefficiency, but also the overlapping and ineffectiveness in service, governance and development. In terms of apparatus, Indonesian bureaucracy is suffering from overstaffing and understaffing. Although it has a significant number of apparatuses, when a specific competence is needed; it is hard to find someone within the structure who meets the requirement. The problem of various sub-systems of state administration, which includes the planning system, budgeting system, good and service procurement system, delivery of public service systems and performance accountability report systems has led to the difficulty of the outcome and impact measurement of all series of government, development and public service process. Regarding the problem of poor quality of most public service delivery systems, these apart caused by the absence of clear operational standards. The public service in Indonesia is characterized by levies and an ignorance of the constitutional rights of the citizens. The mechanism for public complaints is only available at a formal level, but without follow-up action. The last bureaucracy problem of overlapping laws both vertically and horizontally, tend to complicate coordination and cooperation among government agencies at the central and local levels.

Indeed it is not such an easy job to handle and overcome such complicated problem whoever the leaders are, since these have to cover both structural and cultural changes at the same time. However, The Indonesian Government has had an agenda to strongly eliminate them by enacting Presidential Regulation Number 81 the year of 2010 on Grand Design for Bureaucratic Reform (GDRB) 2010-2025 and Road Map for Bureaucratic Reform (RMBR) 2010-2014. It is commanded nationally, with the purpose to get increased awareness of the need for reforming bureaucracy. It is clearly mentioned in the Regulation that the aim of Bureaucratic Reform are (1) the creation of an efficient and effective government, (2) competent and competitive state apparatus, (3) an open, informative and communicative technology-based government and (4) participative government.

In operational level, to achieve the goals of Bureaucratic Reform, there are 8 (eight) targeted program will be applied, or 8 areas of change. Those are:

- 1) Improving quality of public service delivery;
- 2) Organizational refitting;
- 3) Business process reengineering;
- 4) Regulatory trimming;
- 5) Selection and appointment of “agents of reform”;

- 6) Monitoring and evaluation;
- 7) Accountability; and
- 8) Implanting a culture of results.

Regarding the scale of reform, by considering that bureaucracy problems had happened not only at Central Government but also at Local level of government, Bureaucratic Reform has to be implemented at both levels of government at the same time. The overall objective of the reform program is quite ambitious: by 2015 all national agencies, 35 ministries, 28 non-ministerial agencies and approximately 50 statutory agencies are expected to complete implementing bureaucratic reform. At local level, all sub-national levels, including 33 provinces and 497 districts and municipalities, are expected to implement bureaucratic reforms by 2025. It is expected that by the year of 2025 the long-term vision to achieve world class government can be pursued.

Bureaucratic Reform will not automatically be implemented. It needs a strong leadership to put it into action. There must be a *strong pull* from a leader to change the existing bureaucratic work culture that characterized by slow, unfriendly, laziness, inefficient, rigid to become efficient, effective, competent, competitive, an open-informative and communicative technology-based government and participative. In other words, there must be a *strong pull* from the leader to bring the bureaucracy move out from *comfort zone* to *competitive zone*. Therefore, the role of the leader is very significant. There are various styles or models of leadership identified by scholars that effectively used in achieving high performance of organization.

Although various report showed that bureaucracy reforms were viewed as slow and lagging behind reform initiatives such as political reform and constitutional reform, some innovative government have been indicated to be able to improve a wide range of public services and facilities through various reform program, thus has given substantial effect on economic growth. The Role of Leadership in driving the Reform seems to be significant such as the case of Municipal city of Solo.

C. BEST PRACTICE: THE SOLO CHANGE PHENOMENON

Administratively it is formally named the Municipal City of Solo, just to distinguish it with another type of second local government named districts or regencies. Solo is located in Central Java with majority citizen are Javanese as one part of many others under the jurisdiction of Central Java Province. It is the most densely populated city in Central Java, the eighth most densely populated city in Indonesia. The City was well known with its amazing achievements in the last 5 years. Under the leadership of Mayor Joko Widodo (nicked name Jokowi), Solo has experienced reforms at various aspects which gained prestigious awards or records from both national as well as international stages.

According to the research done Prihantika & Hardjosukarto, (2011) these achievements cover : (1) Improved rankings of Corruption Perception Index with a score of 6 in 2010 from a score of 5.53 in 2008; (2) Second rank in terms of business starting convenience and in the 13th ranks in terms of property registration in 2010 recorded by

the World Bank (3) First ranked in the category of best governance performance awarded by the Ministry of Home Affairs, and (4) Best practice of street vendors arrangement, escalation of regional competitiveness and eco-cultural city. With such amazing achievements, Solo City which was dumped because of a large riot in 1998 has now turned into a success city.

Some reforms done by the Government of Solo since 2005 are: (1) Change in work culture and official mindset. The Mayor conducted regular meeting with echelon II & III on Monday morning. The meeting is a media for the Mayor to get involved not only in project planning process of each regional work unit (SKPD) but also in project monitoring as well as project evaluation. The meeting usually lasted up to 2 to 3 hours in which the Mayor always put emphasis on pro-community program. As a result, Regional Work Unit (SKPD) has developed work program and projects based on people need and sustainable such as street vendors' empowerment and restructuring program, revitalization of traditional markets. (2) Simplification of public service operating procedure. The government has given an order to simplify the operating procedure at any public service unit. Especially in providing a comfort permission service, the government has established One Stop Service (OSS) office to integrate many kind of permissions into one place. Nowadays, OSS serves up to 21 kinds of permissions which integrate several work unit function in it. (3) Human Resource Development Program. The government has regularly allocated large amount of budget with the purpose to improve the quality of life of people and the competitiveness of the area. Education Program itself in general aimed at "character development, etiquette and cultural value of Java". (4) Providing a place namely "Solo Techno-Park" to facilitate research (innovation), training and industrial trade center. It is an integrated places for industrial, , universities, research, training, entrepreneurship, banking which engage in such activities. (4) Aggressively creates Innovation through product management, branding management, and customer management. The branding management made by slogan "Spirit of Java".

The Reforms done by Solo City Government through various program above had derived support from the House of Representative, private sectors, society, government official and stakeholder.

As mentioned above, the role of leadership factor plays a prominent role in taking place such various reforms in Solo. The amazing achievement of City of Solo cannot be separated with the significant role of its Mayor, Joko Widodo. He was elected in 2005 for the first term and reelected in 2010 for his second term in office due to his innovation and various breakthroughs in managing regional development and municipal bureaucracy. He is characterized as a low profile, hard worker, peace maker, humble, smart, people-oriented leader. Indeed he came from private sector. However, even his was background was a businessman but he did not find any difficulties in driving bureaucratic reform in Solo. Indeed, with the uniqueness of his characters he was successfully change Solo's bureaucracy in the very short time.

Furthermore, the successful of the Mayor in driving Solo's bureaucratic reform have given impacts or benefits on local inclusive growth. Research done by Prihantika & Sudarsono, (2011) revealed that:

- (1) The City's Gross Domestic Product (GDP) has increased by almost 100% by the 5 years (from 2005 to 2010);
- (2) Human Development Index (HDI)'s score was 77.49 in 2012 and categorized as a the first rank in Central Java and 17th rank nationally.
- (3) Unemployment rate has reduced from 8.28% to 8.93% in the period of 2006-2009.
- (4) Corruption Perception Index has improved from 5.53 in 2008 to 6 in 2010
- (5) Quality of Local Regulation Index in 2007 was 90.7 (study of team KPPOD-TAF 2008) meant that in categories of principles, substance, and judicial reference, the local regulations applied in Solo are of good quality
- (6) Best Governance Performance for the year of 2011 awarded by The Ministry of Home Affairs.

D. CONCLUSION

It is fair to conclude that political and administrative infrastructures are the conditions must be available in order to make a change possible. Democracy is just one of many means to get the right person to make a change. Visionary and committed leadership, not just a leader got the power through election, is a real change maker.

Bureaucratic Reform is an un-linear program. To have a successful reform, many factors play their own role, but leadership plays its most. It is proved that Indonesia's bureaucratic reform can be achieved by having strong and strategic leaders with strong commitment. Lesson learnt we can conclude is that its strong leader is a good example and role-model of the role of Leadership in driving Bureaucratic Reform in local entity. The Mayor has been successfully encouraging their sub-ordinates to optimize their duties, having good interaction with all members of staff, and using approach to achieve organizational objectives. And finally, the successful of Bureaucratic Reform Program Implementation will be significantly benefitted to the local inclusive growth, a growth which is not merely measured using economic statistics only but also many other dimensions.

E. REFERENCES

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