

AN ANALYSIS OF GOOD GOVERNANCE IN THE PUBLIC SERVICE SECTOR OF BATAM

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ABSTRACT

In the era of regional autonomy, the application of good governance is an urgent matter in the attempt to achieve local good governance that is effective, efficient, and free of corruption. Public service reform is not only the main agenda of the central government, but also the main agenda of the local government. Renewal of local public services can promote the sustainability of local good governance. The purpose of this study is to find out the implementation of good governance in the public service sector in the city of Batam. This study uses the application of the principles of good governance, namely participation, accountability, transparency, responsiveness and equity in view of good governance in public service in the city of Batam. The method used was a qualitative research, specifically the case study method. Results of the study explained that the implementation of good governance in public service in the city of Batam is still not optimal. This is because some of the indicators in the principle of good governance, including the principles of participation and community participation were limited to MUSREMBANG and PNPM Mandiri. In terms of accountability in the public service, only 34% of SKPD were already implementing service standards and as much as 66% have not implemented the standard service. In terms of transparency, only one SKPD was found to be ensuring transparency. In terms of equity, it was found to be lack of public services that facilitate accessibility for users with special needs.

Keywords: *Local good governance, Public service, Transparency, Accountability, Participation, Responsiveness.*

1. INTRODUCTION

The concept of good governance is simply defined as good governance, while the World Bank defines it as an implementation of management development that is solid and accountable in line with the principles of democracy and efficient market, the avoidance of misallocation of investment funds, and the prevention of corruption both political and administrative, exercise budget control and the creation of legal and political framework for the growth of business activity (Mardiasmo, 2002). It can be concluded from the concept that the implementation of good governance is an absolute necessity for the creation of a majority of the political system of governance that is more aligned to the interests of the people in accordance to the principles of democracy which are universal. It can also be a motivating factor of realization for political governance that processes the good governance of the process of public policy formulation, implementation of development, the implementation of public administration bureaucracy that run transparently, effectively and efficiently to improve the welfare of the people (Dwipayana, 2003).

Definitions and concepts of the above are relevant in the relationship between government and the welfare of its citizens, if the government can well implement good governance. However, based on a survey conducted by several agencies indicated a poor report of Indonesian public service. Evaluation Team of Public Service Performance stated that in 2011, Indonesia was ranked 129 among 183 countries by the World Bank. Indonesia is still

inferior to India, Vietnam and even Malaysia which already ranked in 61 and Thailand was ranked 70. In the meantime, Publication of World Bank Doing Business 2013, which was launched by the International Finance Corporation (IFC), an investment unit of the World Bank put Indonesia at number 128, an improvement about 2 ratings compared to the previous year, due to ease of starting a business (procedures, time, costs and payment of the nominal capital requirement). Indonesia's position in the list was flanked by Ethiopia and Bangladesh. Then, Transparency International Indonesia (TII) launched the Corruption Perception Index (CPI) in 2012 surveyed by TI. The results were quite astonishing. Indonesia was still a corrupt country with corruption getting worse. CPI survey in 2012 was conducted on 174 countries in the world. Indonesia has a CPI score of 32 to 118. Likewise, with that score of 32, Indonesia cannot escape from a situation of root corruption.

Departing from these problems, government must implement good governance in public service sectors because the improvement of public service performance is considered important by stakeholders such as governments, citizens and the private sectors. Public service is the realm of the three elements of governance as well as the values which have characterized the practice of good governance and interpreted more easily and apparently through public services. According to the perspective of autonomy and decentralization, the implementation of good governance is an urgency in attempts to achieve local good governance that is effective, efficient, independent and free from KKN (corruption, collusion and nepotism) (Winarno, 2008). This is supported by the enactment of Law No. 23 Year 2014 on Local Government, providing greater opportunities in the implementation principles of decentralization, deconcentration and administrative tasks, as well as the principles of local autonomy so that the local government is able to organize tasks and the development of government services to the public (public services) optimally and does not need to depend on the central government (centralized) as the previous administration.

Public service reform is not only the main agenda of the central government, but also be the main agenda of local government. Renewal of local public services can promote the sustainability of local good governance.

Batam is the trademark for Riau Islands Province, in which the economic growth is the focus. The investment climate and economic growth are the references in this study. The relationship between economic growth and public services is very close, because with good service, the investment grows as rapid as economic growth. The high economic growth of Batam compared to the national economic growth rate makes this area as a trigger for national and the Riau Islands Province economic growth. Various sectors of the economic mobilization include communication, electricity, water and gas, banking sectors, the industrial sectors and transshipment, trade and services sectors are Batam's economic pulse which is not only the Batam and Indonesia public consumption but also an export commodity for other countries. The existence of economic activity in this city is also to boost employment and social welfare.

Batam, as one of the largest industrial areas with high economic growth in Indonesia, definitely has implications for improving the quality of public services. The Government of Batam is concerned with organizing public services properly, due to the benefits that can be felt directly by the people and traders / investors. Contrary to the fact, if you see the results of surveys conducted by several agencies, it showed a poor report on public services in Indonesia. The purpose of this study is to identify the implementation of good governance in

Batam and explain how the implementation of public services for the sustainability of local good governance in Batam.

2. THEORITICAL FRAMEWORK

2.1 The Concept of Good Governance

The definition of governance is defined as a way to manage public affairs. World Bank (1994) defines governance as the way to state how power is used in managing economic and social resources for societal development. World Bank puts more emphasis on how government manages the social and economic resources for the benefit of community development. Meanwhile, the United Nation Development Program (UNDP) defines governance as the exercise of politics, economic and administrative authority to manage a nation's affairs at all levels. UNDP emphasises on aspects of politics, economic and administrative management of the State. Political governance refers to the process of policy making (policy / strategy formulation). It can be concluded from the definition of governance according to the World Bank and UNDP that the development orientation of public sector aims to establish good governance.

Good governance is a movement driven by the interests of various donors and international financial institutions to strengthen the existing institutions in third countries in carrying out various activities funded by those agencies. They consider that the failure of financed projects is due to the weakness of implementing agencies in the third world countries caused by bad governance practices, such as non-transparent, low community participation, lack of response to the needs of society, discrimination against different stakeholders, and inefficiency. Thus, donors and international financial institutions often link the financing of their projects with the condition or characteristics of good governance of the implementing agencies.

There are varieties of different perspectives in determining the characteristics or principles of good governance by the international financial or donor institutions. The principle of good governance, used in reference to this study, refers to the principles of good governance proposed by UNDP. This is because the concept of good governance offered by UNDP is more comprehensive than the international financial institutions or other donors. UNDP (1997) explained that the characteristics or principles developed for the implementation of good governance are: 1) participation, 2) rule of law, 3) transparency, 4) responsiveness, 5) consensus orientation, 6) equality, 7) effectiveness and efficiency, 8) accountability and 9) strategic vision.

Out of the nine (9) principles of good governance, only five (5) principles of good governance were outlined in this study as a benchmark of good governance in public services in Batam, namely:

1. Participation

Participation can be given in the forms of ideas, funds, manpower or other things that are beneficial. Citizens' participation is not merely in the implementation phase but largely, ranging from stages of policy formulation, implementation, evaluation and utilization of its results. Pertaining to public service, the role of society is required to participate in various forms of advice, thought, energy, funds and others in terms of public services in Batam City.

2. **Accountability**

Organizing public service should be accountable, for public unit and the supervisor / head of government agency services unit, in accordance with the provisions of the legislation. According to Ratminto (2006), accountability in public service includes accountability of public service performance, accountability of public service costs and accountability of public service products.

3. **Transparency**

Good governance must be transparent to the people, at both central and regional levels. In regional level, transparency is very important to support the implementation of regional autonomy. In relation to public service, according to Joko Widodo (2002), transparency implies procedures / ordinance requirement, turnaround time, details of the time / tariffs as well as things which are related to the process of providing information and services, opened to the public.

4. **Responsiveness**

It concerns with the responsiveness of service providers to expectations, desires, aspirations and demands of users. According to Zeithaml (1990), responsiveness is interpreted as the willingness to help users and organizing public service outright.

5. **Justice (Equity)**

It is defined as giving equal opportunity for every members of society to improve their welfare. The aim of this principle is to ensure that the interests of the disadvantaged, such as those who are poor and weak, are still accommodated in the decision making process. In connection to public services, public service organizers are obliged to provide services with special treatment to members of a particular community such as those with disabilities, the elderly, pregnant women, children, victims of natural disasters and victims of social disasters in accordance with the legislation and given at no additional cost.

2.2 **The Concept of Public Service**

Public service is the fulfilment of desires and needs of the community by the organizers of State. State is established by the public (society) with the aim to improve the community welfare. In essence, the State, in this case are the bureaucrats, must be able to meet the community needs. The need is not exclusive only to individual but a wide range of expected needs of society (Sinambela, 2008). Public service, under the Act No. 25 of 2009 on public service, is defined as follows: Public service is an activity or series of activities prepared to meet the needs of service in accordance to the laws for every citizens and residents in terms of goods, services and / or administrative services provided by the organizers of public service.

According to Janet V. Denhardt and Robert B. Denhardt, the concept of New Public Services put society as citizens who have the rights to be given great quality public services of the state (bureaucracy). Citizens also have the right to protect their rights; their voices are heard, while values and preferences are cherished (Mindiarti, 2007). Thus, citizens have the right to judge, reject and prosecute those who are politically responsible for the provision of public services. One of the New Public Service principles that must be realized is that the government must be able to provide a quality service, with Citizens Influence or the extent to which citizens can influence the quality of services received from the government.

New Public Service approach is actually in line with the theory of Exit and Voice which was initially developed by Albert Hirschman (Ratminto & Winarsih, 2005) who stated that the performance of public services could be improved if there is a mechanism of Exit and Voice.

The mechanism of Exit means that if the public service is not qualified then the consumers should have the opportunity to choose preferred providers of other public service. While the mechanism of Voice means the opportunity to express dissatisfaction to the providers of public services.

Departing from the theory of Exit and Voice, improvement of the quality of public services requires equality of bargaining power between consumers and the providers of public services. Theoretically, equality of bargaining position will be achieved by increasing the bargaining power of consumers by controlling authority / power agencies / public service providers (Yustinus, 2014).

3. RESEARCH METHODOLOGY

This study was done to analyse the implementation of good governance in public service in the city of Batam and to identify factors that affect the implementation of good governance in public service in the city of Batam. This study applied qualitative research approach which emphasised on drawing conclusions based on the interpretation of a phenomenon or fact. Qualitative research process typically follows inductive pattern in which the research begins with an observation of a phenomenon or an empirical fact that is specific and unique which is then translated into an empirical generalization that can eventually produce a new theory about the studied phenomenon or the fact. The research method used was a case study method (case study); based on the premise by Alan Bryman (2004) who mentioned that case study is a thorough and intensive analysis of a single case. This method is usually used to understand the complexities and characteristics of the cases studied; for instance, research that focus among other things on a community, school, family, organisation, individual or a specific event. In the context of this study, Andrew Bennett (2004) definition of case study, as an analysis of an aspect of the historical events which are well defined, will be utilised. Bennet (2004) also added about a historical event that consists of various variables, such as the independent variable (independent) and the dependent variable (dependent), to ensure the researcher to stay focus on those aspects which interest him/her in that particular case study. Documents from the survey on public services in Batam conducted by public institutions will be the main data source in this study.

4. RESULTS AND ANALYSIS

The basic concept of “government” has more to do with the institution that carries out functions of governing and managing the government administration. At the Central Government level, the concept of Government refers to the President as Head of State Government together with the Government Cabinet. Meanwhile, Governance further illustrates the pattern of good relationships between existing elements. At the State Government level, the concept of Good Governance refers to the pattern of the relationship between government and political, economic and social institutions in order to create a mutual agreement regarding the setting processes of government. Ideal relationship is a balanced and proportionate relationship among the four institutions.

Thus, the ‘Governance’ coverage is wider than the ‘Government’, since the elements involved in ‘Governance’ covers all existing institutions in the Indonesian government, including the elements of government. In this case, the governance involves the private sectors and the community within besides the government itself since government building is

a multi-stakeholders' building. Implementation of Good Governance in public service in the city of Batam can be seen from several dimensions, namely:

1. Participation

To realize the implementation of the synergistic relationship in a system of good governance, namely the relationship between the State, Society and Private Sector, the government seeks to involve public participation in any policy development as well as public service. The role of society in public service was made available in Article 39 of Law No. 25 of 2009 which reads as follows: Public participation in the implementation of public service began drafting service standards up to the evaluation and award. Besides, the Act stipulated was reinforced in Government Regulation No. 96 Year 2012 on Law No.25 of 2009 in Public Service.

The government regulation has been adjusted from Article 40 to Article 47 concerning participation in public service. The existing government regulation is a confirmation that the government is obliged to include the community to participate in public service. It can be seen from Article 39 Act No. 25 of 2009 which stated that the procedures for community participation in public service must be regulated in a government regulation. Furthermore, Government Regulation No. 96 of 2012 is a continuation which proves that the public should be included in public service.

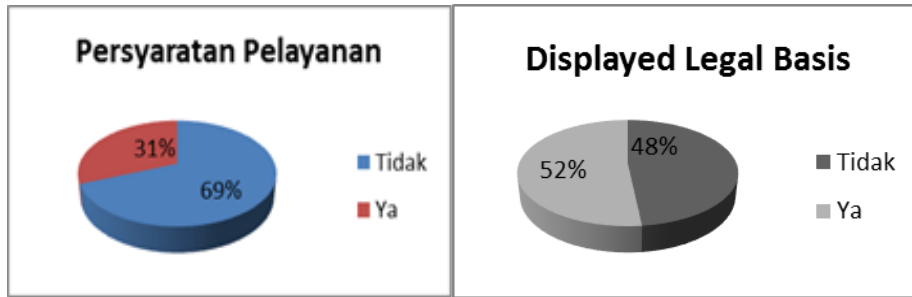
However, community involvement in public service was merely limited to the MUSREMBANG (Public Participation in Development Planning). More prominent community involvement can be seen in PNPM Mandiri (National Program for Community Empowerment). As for the real public service, community involvement has not been seen and realized in accordance to the expectations of legislation and government regulation.

2. Accountability

Public service administration should all be accountable to public and the chief / head of Local Government Work Units must be in accordance to the provisions of the legislation. According to Ratminto (2006), accountability of public service includes public service performance accountability, accountability of public service costs and accountability of public service products.

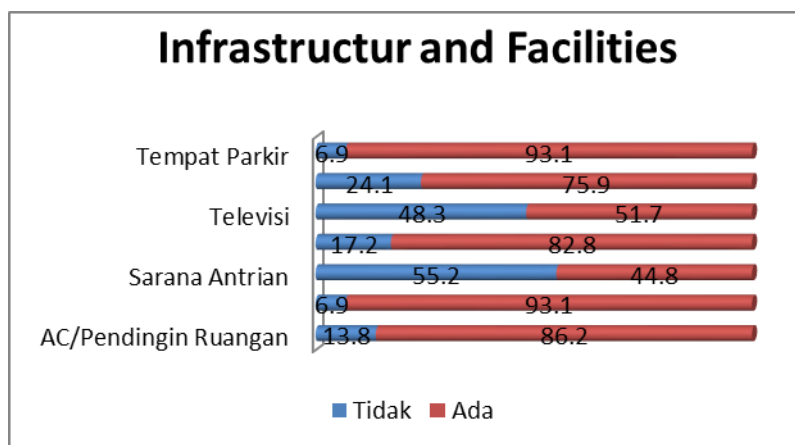
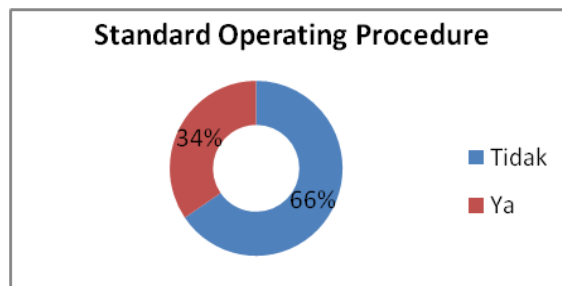
The implementation of accountability in public service can be seen from the standard of services performed by Local Government Work Units (SKPD) in Batam. The standard of service is the barometer used to guide service delivery and service quality assessment as a liability and the administrators' promise to the public, to create quality, fast, easy, affordable and scalable services.

According to the Survey Report of Local Government Compliance Undertaking Act No. 25 of 2009 on Public Services In 2013 conducted by the Ombudsman of the Republic of Indonesia, Riau Islands Province Representative, the standard of service in public service in Batam was still low. It can be seen from several indicators: only 52% of Local Government Work Units displayed legal basis; out of 29 service units, 26 were agencies / work units, only 15 and 14 work units were not displayed. This is shown in the charts below.



There is not much of difference from the condition of services displayed in the information by the unit of service, with only 31% of Local Government Work Units (SKPD) displayed information on the conditions of service.

Only 34% of Local Government Work Units possess Standard Operating Procedure (SOP), even though this SOP is important for the public to obtain information related to the procedures in administering permits.



In terms of service facilities, all Local Government Work Units (SKPD) had enough service facilities for the community. Infrastructure facilities were separated into several items, such as parking area, counter / desk, television, toilet, queuing facilities, seating and air conditioning.

Based on the survey conducted by the Ombudsman*, it was indicated that the implementation of accountability in public service in Batam is still low. Accountability of services administered by bureaucracy - Batam City Government - has an obligation to account for the success or failure of its mission in providing services. It can be said that creating accountability means aligning service procedures to the applicable rules. The creation of accountability in public service is not only beneficial to society but also has great significance in good governance.

3. **Transparency**

Bappenas* (2002) stated that transparency is a principle that guarantees access or freedom for everyone to obtain information about government administration; namely, information on policies, the process of making and its implementation, and the results achieved.

Transparency can be viewed from three aspects: 1) the existence of policies open to scrutiny, 2) access to information so that people can reach every aspects of government policy, 3) and the application of principle of checks and balances between the executive and legislature. The purpose of transparency is to build mutual trust between the government and the public. The government must provide accurate information to the public in need, especially reliable information with regard to legal issues, regulations and the results achieved in the governance process; a mechanism that enables public to access relevant information, the rules that govern the obligations of local governments to provide information to the public, and fostering a culture in the community to scrutinise the policies produced by local government.

Based on the research results, it is revealed that transparency of public services implemented by the Government of Batam was still low, as 93% did not display / publish public service information. Dispenda* is the only one which had displayed / published public service information related to information about organizer profile, executive profiles, as well as service standards (Ombudsman Kepri, 2013).

Implementation of transparency by the Government of Batam in public service was not maximized, given that only one SKPD published information about public service. Transparency in the implementation of good governance will make it easier for people to obtain information about government administration, information on policies, the process of making and implementation, and the results achieved. Transparency will ultimately create a good relationship between government and society and will create clean governance; effective, efficient, accountable and responsive to the aspirations and interests of the community.

4. **Responsiveness**

In public service, responsiveness is one of the important indicators to realize good governance. Responsiveness is the sensitivity of service providers toward the expectations, desires, aspirations and demands of the users of the service (Zeithml, 1990). Responsiveness can be seen from the management of complaints made by the public service providers in the city of Batam. Public complaint is an evidence of misuse or dissatisfaction of community / service users in the administration of public service. In addition, complaints from the public can be a challenge for the administrators to improve and provide services as expected by the public.

Based on the research, existing Public Service Unit at SKPD of Batam City Government had yet to provide a direct channel specifically for to receive public complaints on the performance of public services within its territory, 75.9% of Public Service Units in Batam City Government did not have complaint units and 72.4% did not have special officials who handled the complaints (Ombudsman Kepri, 2013). There were only a few SKPDs who own special complaint units.

Since there were only few SKPDs own special complaint units, suggestions or complaints received were never processed, or followed up in the form of improvement or

communication with the public, causing meaningless and ineffective public service delivery. Awareness is needed from the administrators to provide complaints units to ensure transparency in the management of complaints and to consider any suggestions or complaints by the community to improve quality of service.

5. Equity

Fairness in public services means that service coverage should be cultivated as widely as possible with equitable distribution and enforced fairly for the whole community (Joko Widodo, 2002). This is in line with Article 29 of Law No. 25 of 2009 on Public Service which mentioned that public service providers are obligated to provide services, even special treatment, to members of a particular community. Certain community are vulnerable groups including the disabled, elderly, pregnant women, children, victims of natural disasters and social disaster victims.

The results of the study explained that all (100%) public services administrators (SKPD) in Batam did not provide special facilities for service users with special needs. This is an empirical evidence to show that there are circumstances which have not been in agreement with the conditions expected for vulnerable groups. It is crucial to reform better public services for vulnerable groups by changing the mindset of the public service providers as to provide public services to the whole society without any discrimination.

5. CONCLUSION

It can be concluded that the implementation of good governance in public services in the city of Batam is still not properly implemented, because:

1. Community participation in public service is limited to the MUSREMBANG or PNPM Mandiri. Batam City Government should pay attention to the position of the public in public services administration through execution of Law and Local Regulations related to public participation in public services, in order to create reciprocal relationships between service providers and the community as the recipient of the service.
2. Pertaining to implementation of accountability in public service, only 34% of SKPDs have already implemented service standards and as many as 66% have not implemented the standard service. Implementation of the standard of care is a form of accountability organisation of public service performed by government officials.
3. Implementation of transparency conducted by the Government of Batam in public service is not maximized, given that only one new SKPD publish information about public service. Transparency in the implementation of good governance will make it easier for people to obtain information about government administration, information on policies, the process of making and implementation, and the results achieved.
4. Responsiveness of public service providers is not maximized because most SKPDs already have special complaint unit (24.1%) and 27.6% have special officers for complaints management. However, suggestions or complaints received are never treated or followed up.
5. The absence of public services that facilitate accessibility for users with special needs services. It is clearly stated that principle of fairness in the administration of public services is not yet implemented.

ABBREVIATIONS

Bapennas	: National Development Planning Agency
Dispenda	: Local Revenue Office
MUSREMBANG	: Public Participation in Development Planning
PNPM Mandiri	: National Program for Community Empowerment
SKPD	: Local Government Agency, Local Government Work Unit

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