

Role of Government Reform in Bureaucracy in the Region

Case Study of Local Government Services

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Abstract- Reform of government bureaucracy is a way to achieve "good governance", which can be the beginning of a state of advanced and modern. With the reform of governance systems more effectively and efficiently, is expected to materialize the impact of governance "Service" to the community is more precise, fast, and professional. In this bureaucratic reform role of the central government to provide guidance and assistance to local governments so that reforms can be run in accordance with community expectations. Indonesia has been reformed since 1998 and showed a positive development from the aspects of development accelerated implementation. However, there are still many problems arise because of the varied regional capabilities, the need for appropriate measures in dealing with problems that hinder the implementation of bureaucratic reform in the region. The problems encountered in the field include: Organization, legislation, human resource management, irregularities and abuse of authority, Public Service, and the pattern of thought (mind-set) and work culture (culture-sets) have not fully support the bureaucratic red tape that is efficient, effective and productive, and professional. This study aims to contribute to the government, both central and local government in order to reform the bureaucracy in areas including service-related.

Index Terms— government, reform, public service.

I. INTRODUCTION

Reform of government bureaucracy is a way to achieve "good governance". Reform of the bureaucracy can be a beginning to advanced and modern country. With the reform of governance systems more effectively and efficiently, is expected to materialize the impact of governance "service" to the community is more precise, fast, and professional. Public perception of the bureaucracy in Indonesia over the years is, bureaucracy is slow and convoluted, often times asking to be served. More aligned to the ruling bureaucracy and political interests, not the interests of the community. Bureaucracy is precisely the function and duty as a public servant, in practice bureaucratic asked to be served¹. In fact, the bureaucracy is the instrument of the State/government policies and regulations that have to serve their communities.

Indonesia has reformed more than 16 years, since 1998 and showed a positive development from the aspects of development accelerated implementation. However, there are still many problems arise because of the varied regional

capabilities, the need for appropriate measures in dealing with problems that hinder the implementation of bureaucratic reform and autonomy and decentralization. The problems encountered in the field bureaucracy faced by government, central and local riding, among others: 1). The proper functioning of government organizations and has not been right size. 2). Some of the legislation in the field of state apparatus still overlapping, inconsistent, vague, and open to multiple interpretations. 3). Human resource management has not implemented optimally to improve the professionalism, employee performance, and organization. 4). Still the practice of irregularities and abuse of authority in the governance process and yet solid performance accountability of government agencies. 5). Public services have not been able to accommodate the interests of the whole society and not fulfilling the basic rights of citizens negara.6). Mindset and culture-sets bureaucrats have not fully support the bureaucracy that is efficient, effective and productive, and professional.

Local Government (LG) as an element of an executive role in the implementation of governance and development in the area should be able to answer these problems. However, the local government itself will not be able to handle a variety of problems, without the guidance and supervision of the Central Government. In this position the central government and the role of government at the same responsible attitude embodies the guiding obliged to bring reform to the local government bureaucracy, autonomy, and decentralization and good governance, including related services to its people.

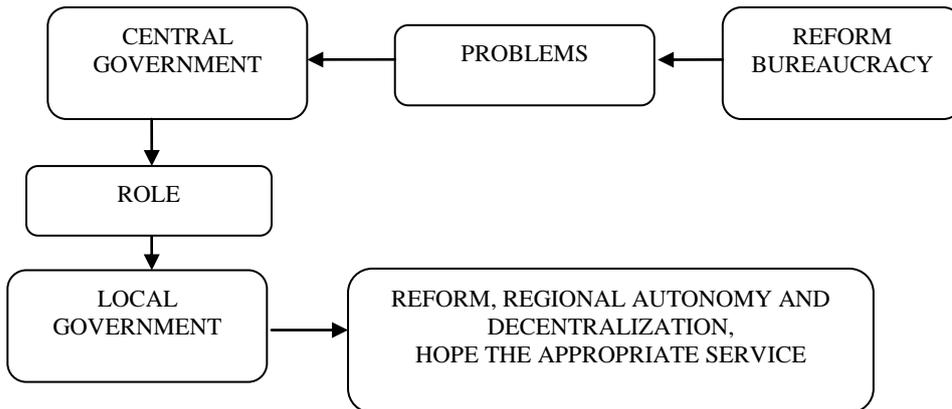
II. LIMITATIONS

To examine the whole issue above required an effort to resolve it. However, due to time constraints and the ability of researchers only be limited to:

1. How Role of Central Government in the implementation of the bureaucratic reform and decentralization otonomy?
2. How to improve public services that have not been able to accommodate the interests of the whole society?

¹ Budi Supriyatno, *Government Management (Strategic Plus twelve Step)*, Published by Media Brilian. Indonesia. 2009. P. 25.

Framework



Bureaucracy

Bureaucracy definition put forward by some experts, among others, **Peter** in his book *Bureaucracy in modern society* is a control system in an organization that is designed based on the rules of rational and systematic, and aims to coordinate and direct the work activities of individuals in the context of the completion of the task-large-scale administrative tasks².

Philosophically the **Weberian** paradigm, bureaucracy is a rational organization by promoting social mechanisms "maximize efficiency"³. In this view, bureaucracy is defined as a formal institution that plays regulatory functions, services, development, and community empowerment. Thus, the bureaucracy in the Weberian sense is a function of the agency to respond rationally to a series of goals set rule.

While **Marsal Dimock** in his book: *Bureaucracy and trusteeship in Large Corporations, Issue. U.S. Government*, defines bureaucracy as a manifestation of institutional arrangement that tends toward inflexibility and depersonalization⁴. **E. Strauss**, in *The Ruling Servants*, 1961 symbolizes the many bureaucratic imperfections in the structure and functioning of large organizations. Bureaucracy symptoms include: believe the president, lack of initiative, delay (slow in all matters), the proliferation of forms (too much formality), duplication of effort and departmentalism⁵. **Robert K. Merton** asking how the informal processes are not suspected previously, produced by an organization that seems rational,

can cause delays and komplein-common complaint that complicated⁶.

Crosier, in the book *The Bureaucratic Phenomenon*, 1964 a bureaucracy as an organization that can not fix their behavior by learning from his mistakes. Evident of how the rules of the organization can be used by the individuals in it for their own purposes, so that different inters it seeks to maintain its position, so there is stiffness in the organization, and reckless easily adapted to the needs of modern business and technology⁷.

Reformation

Reforms are drastically change for improvement in all areas of life whether economic, political, social, cultural, legal and security in defense of a country⁸. Advances in technology led to reforms in public life, into a knowledge society with a network based on the utilization of information technology. Society will always have preferences are changing rapidly, **Kenichi Ohmae** (2005:293), each new wave of technology will have each victim, that they ("organization") that are not able to keep up with changing times (meaning "the development of technology"), so that each organization must mobilize all the ability to create something new⁹. Implications for governance approach is imperative to follow the three (3) systematic practice; (1) continuous improvement in everything the organization, by the people of Japan called "**Kaizen**", whose main objective is to improve a product / service be completely

² Blau, Peter M, Mayer, Marshall. W. 1988. *Bureaucracy in Modern Society* (Random House Studies in Sociology). Published by Random House USA Inc.

³ Max Weber, in the book: *Bureaucration of The World*, by Henry Jacoby, 1969. Translated from the Germa by Eveline L Kaness, University of California Press, Berkeley Los Angeles, London.

⁴ Marsal Edward Dimock, and Howard K Hyde, 1940 : *Bureaucracy and Trusteeship in Large Corporations, Issue. U.S. Government Printing Office*.

⁵ E. Strauss, 1961 *The Ruling Servants Bureaucracy In Russia, France and Britain. Publisher by London: G. Al;en and Unwin*.

⁶ Robert Kin. Merton, 1967. *Social Thejory and Social Structure. The free Press. A divison of Simon & Scuster Inc. 1230 Avenue of the Americaa. New York. Ny. 10020*.

⁷ Michel Crosier, 1964, *The Bureaucratic Phenomenon*, Originally Published : Chicago. University of Chicago Press.

⁸ Budi Supriyatno, Article 2013: *The Indonesian bureaucracy is inefficient and ineffective in the era of reform and globalization 21st century*. Seminar on Role of Bureaucracy in Indonesia in the era of globalization. Jakarta. July 25, 2013.

⁹ Kenichi Ohmae, 2005: *The Next Global Stage, Challenges and Opportunities in Our Borderless Word*, Wharton School Publishing (March 21, 2005).

different in two or three years (shortening life cycle); (2) ability to exploit knowledge; and (3) continue to learn to innovate¹⁰.

These three things mentioned above, causing impacts on the need to perform *refromasi* on organizational structure, autonomy and decentralization, to immediately make a decision quickly, because of the proximity to the achievement of performance considerations, market demand, technological advances and services.

In the writings of **James A. Champy** on the book *The Organization of the Future*; by **Frances Hesselbein, Marshall Goldsmith, Richard Beckhard**, (1997.P 9-10); to achieve organizational goals in perspective the next time there is a tendency to perform reengineering, namely to change the organization of work patterns that do not have to follow function, but the follow up process is often passed through functional boundaries. Fundamental changes to the achievement of organizational goals, sometimes have an impact on efforts to rebuild the business field (reinventing), characterized by changes in the various elements of the organization as well¹¹.

Other authors; **Riq Duques Paul Gaske**, in the same book (p. 41-51), says that major organizations in the future will do the following strategies; (1) Act like a small company; (2) Creating a high priority to innovation; (3) Creating a lean organizational functions and value-added; and (4) Creating a culture of morale. am two or three years (shortening life cycle); (2) ability to exploit knowledge; and (3) continue to learn to innovate¹².

III. RESULTS AND DISCUSSION

Overview

When people talk about the bureaucracy in Indonesia is always a negative connotation. According to the authors in the management of Government, the Indonesian bureaucracy slow, convoluted, impede progress, tend to pay attention to the procedure than substance, and not efficient, there is a sentence even insulting satire of society addressed to officials or bureaucrats "that can be compounded why easy?"¹³.

View of the observers further about the bureaucratic model in Indonesia. **Karl D Jackson** in, *A Theoretical Framework for the Analysis of Power and Communications in Indonesia*, said that the bureaucracy in Indonesia is a model of bureaucratic polity in which the accumulation of power in the country and get rid of the public role of politics and administration space¹⁴. **Richard Robinson and King** in the *Journal of Asian Studies*, Volume 8, Issues 1-3, refer to the bureaucracy in Indonesia as bureaucratic capitalism¹⁵.

¹⁰ *Ibbid*, Kenichi Ohmae.

¹¹ Frances Hesselbein, Marshall Goldsmith, and Richard Beckhard, Editor. 1997. *The Organization of The Future*. Published by : Jossey-Bass. Inc. USA. P. 9-10.

¹² *Ibbid*, Hesslbein. P.41-45.

¹³ *Op.cit*, Budi Supriyatno. P.25

¹⁴ Karl D. Jackkson, 1978. *A Theoretical Framework for The Analysis of Power and Communications in Indonesia*. Universiti of California Presss, Berkelay and Los Angeles, California..

¹⁵ Richard Robinson dan King, 2008. *Journal of Asian Studies*, Volume 8, Issues 1-3, Publisher : Nanam.

While **Hans Dieter Evers** in *Governing and Managing Knowledge in Asia. Series on Innovation and Knowledge management-Vol. 9*, notice that the Indonesian bureaucracy in developing models of Parkinson's bureaucratic style and style *Orwel*¹⁶. *Parkinson-style* bureaucracy is a process in which the pattern of growth in the number of personnel and structural expansion in uncontrolled bureaucracy. *Orwel* being bureaucratic style is the pattern of bureaucratization as a process of expanding the powers of government for the purpose of controlling economic activity, political and social with the rules, regulations and if necessary by force.² Having the ability to provide accurate information and analysis on Bureaucratic Autonomy and Decentralization Reforms including public services.

Image of Indonesian bureaucracy as it was not up there alone, but through a cultural approach Indonesian bureaucracy in the category of patrimonial bureaucracy. The characteristics of patrimonial bureaucracy are:

1. Officials screened on the basis of personal criteria;
2. Positions seen as a source of wealth and profits;
3. Officials to control either political functions or administrative functions; and
4. Every action is directed by personal and political relationships.

The emergence of patrimonial bureaucracy in Indonesia is a continuation of the legacy system and the traditional values that grow in the future kingdoms of the past and mixed with colonial-style bureaucracy. More emphasis on bureaucracy devoted to the top than to the bottom as a service to the community.

It should theoretically have changed such that it no longer, but must lead to **Weber's** bureaucratic style in which the bureaucracy is really emphasizes the aspects of efficiency, effectiveness, professionalism, and public servant¹⁷.

Data analysis

Various changes have been made the Indonesian government in the state administration system, revitalizing high state institutions, and the general election in order to establish a state government that is capable of running properly (good governance). In the economic field, the reform has also been able to bring better economic conditions, thus ushering Indonesia back into the ranks of middle income countries (MICs). Therefore, Indonesia is seen as a successful country through the crisis well.

This, however, was not able to lift Indonesia to a position parallel to other countries, both the countries in Southeast Asia as well as in Asia. In the case of the embodiment of clean government free of corruption, collusion and nepotism, there are many things to be done in terms of fighting corruption, the data demonstrate include:

1. The Corruption Perception Index (CPI) Indonesia is still quite low, ie 3.2. The

¹⁶ Thomas Menkhoff, Hans Dieter Evers, and Chay Yuc Wah, *Governing and Managing Knowledge in Asia. Series on Innovation and Knowledge management-Vol. 9*. Publishing by World Scientific Publishing Co. Pte.Ltd. 5 Toh Tueck Lin-Singapore. 596224.

¹⁷ *Op.cit*, Max Weber, in the book: *Bureaucration of The World*, by Henry Jacoby.

number is equal to the acquisition in 2012¹⁸. For ASEAN, the figure is far less than that of Singapore or Brunei Darussalam reach 8.6 by 6.0. While other ASEAN countries, as well as Indonesia, failed to achieve a GPA of 5.0. Cambodia won 2.0, 2.1 Myanmar, Timor Leste 3.0, Vietnam 3.1, while Thailand 3.6. For more details, see Table Corruption Perception Index (CPI) in ASEAN Countries.

TABLE .4.1. CPI IN ASEAN COUNTRIES¹⁹

N O	COUNTRIE S	CPI
1	Singapore	8,6
2	Brunei DS	6,0
3	Thailand	3,6
4	Indonesia	3,2
5	Vietnam	3,1
6	Timor Leste	3,0
7	Myanmar	2,1
8	Kamboja	2,0
9	Laos	2,0

The figure shows the maximum performance is not fighting corruption in most ASEAN countries. Although Indonesia has been established in the Commission, but the agency is still often face great wall fortify political forces of corruption cases.

- Index based on data from UNDP Human Development. Indonesia is still ranked far below some ASEAN countries, including Singapore, Brunei, Malaysia, Thailand and the Philippines. Singapore has the highest HDI among ASEAN countries with 0.895 and ranks 18 in the world. Brunei has a HDI 0.855 and is ranked 30, while Malaysia has a HDI 0.769 with 64 ratings. Thailand and the Philippines each was ranked 103 and 114, with a HDI 0.690 and 0.654²⁰. Other ASEAN countries such as Vietnam, Laos and Cambodia under Indonesia.
- Accountability financial management, quality still needs many improvements included in the presentation of financial statements in accordance with Government

¹⁸ Sumber Data: *Transparency International* pada tahun 2012, Indeks Persepsi Korupsi (IPK) Indonesia.

¹⁹ Data Source: *Transparency International* and Other Sources

²⁰ See, Report of the UNDP, Human Development 2013.

Accounting Standards (SAP). Opinion of the Supreme Audit Agency (BPK) to the financial statements of the Ministry / Agency and the local government is still a lot that needs to be improved leading to an unqualified opinion (WTP)²¹.

- The public services, the government has not been able to provide quality public services in accordance with the challenges faced, the development community needs more advanced and increasingly fierce global competition. It can be seen from the results of a survey conducted integrity of the Corruption Eradication Commission (KPK) in 2012 which showed that the quality of public services Indonesia reached a score of 6.86 out of 10 for central agencies²², while scores for public service units in the area by 6, 32. For low area, but rose from the previous year 2011, with a score of 6.31. Scores show the characteristic qualities of integrity in public service, such as the presence or absence of bribes, the presence or absence of Standard Operating Procedures (SOP), SOP conformity with the existing service, information disclosure, fairness and speed in service delivery, and ease of doing community complaints.
- Ease trying (doing business), shows that Indonesia has not been able to provide good service for investors who do business or to do business in Indonesia. This is partly reflected in the data from the International Finance Corporation in 2012 Based on these data, Indonesia ranks doing business to 122 of 183 countries or is ranked 6th out of 9 ASEAN countries²³. Though Indonesia is one of the major markets for global investors. See Table 4.2. Data doing Business in 2012 and ranked the world, Best practices In Indonesia compered International, Below.

²¹ Opinion of the Supreme Audit Agency (BPK) to the financial statements and the Government Ministries and Institutions and Regions.

²² Integrity Survey conducted Corruption Eradication Commission (KPK) Indonesia.

²³ See, Data International Finance Corporation in 2009.

Table 4.2. Best Practices in Indonesia Compared Internationally²⁴

INDICATOR	BEST PERFORMING CITY WITH INDONESIA	PERFORMANCE	GLOBAL RANK (183 ECONOMIES) HOW INDONEIS WOULD COMPARE GLOBALLY
Number of procedures to deal with construction permits	Medan, Jogja	7 Procedures	4
Days to deal with construction permits	Banda Aceh	42 days	5
Days to register property	Manado	12 days	27
Cost to del with construction permits	Jambi	32% of income per capita	42
Namuber of procedure to register property	All citis except Batam, Semarang	6 procedures	83
Namuber of procedure to start a business	Balikpapan, Denpasar, Jakarta, Palangkaraya, Surakarta, Yogyakarta	8 procedures	109
Cost to to start a business	Jakarta, Pontianak, Yogyakarta	18% of income per capita	111
Daays to start a business	Gorontalo, Palangkaraya	27 days	117
Cost to register property	Jakarta	10.81% of Property Value	151

²⁴ Data Source: *Doing Business in Indonesia 2012, Subnational Data*, Author: *Subnational Doing Business Published: January 31, 2012.*

Results and Interpretation

Informants were interviewed profiles written consist of Government Officials / State and Experts in their fields, among others:

1. *Gamawan Fauzi, Minister of the Foreign Indonesia*

According Gamawan Fauzi, for Towards Autonomy and the Ideal Bureaucracy Reform, further highlighting the relationship between central and local. According to the Minister of Home Affairs, after a few times Autonomy Act amended until Act NO 32 of 2004 there are all kinds of relationships between central and local governments. In the Act No. 5 of 1974, prior to the Act No. 22 of 1999, although not stated explicitly, but it is in practice more autonomy to the provinces. "My time regent, to build a football field there must be initialed by the head of the Office of the Governor. And what will be built in the area have been outlined and budget added up to 10 percent," he said.

But now, according to Law No. 32 on Regional Government and Government Regulation. 38 mentioned the broad discretion in the district / city. The question is, if the authority submitted, if accountability is also submitted. According to the Minister of Home Affairs, is absolute only six under the authority of the central government, namely the problem of defense, security, religion, justice, foreign policy and monetary. While others have been submitted to the area. However, in its development many cases occurring in the community related to central and local relations.

Regarding public services, Gamawan, stating that only 65 percent of all regions in Indonesia that form an integrated licensing services. Of the 65 percent that is not all that include all kinds of permissions.

Answering a question, related to good governance, Gamawan states, the issue of employment has become its own concerns are. He gave exemplarily Sepiori district in Papua with a population of 12 thousand people, while cipil servant reached 1000 people. Plus every civil servant has a family of 5 for a total of 6 people in the family. When you add civil and family through 6 thousand people. Because it could be a higher absorption apparatus. The national average was 54 percent apparatus expenditure of the total budget over Indonesia. "It's not healthy. That is, 2.5 on average spend 54 percent while 97.5 percent spent 45 percent other. Answering questions about equity, Home Minister revealed that the actual equity-related set in the Regional Consultative Body (BPD) was related to Article 171 paragraph 3 of Regulation No 13 of the Minister of the Interior for investment should be defined in regulations. But the issue complained of by BPD due to investment affairs lobby too long. "Investment capital is not signed but the cost is sometimes invited to Parliament streets and everywhere comparative study. Even up to three times the comparative study, whereas an additional Rp 10 billion," said Gamawan.

2. *Kurniawati, SH, MSi, Advisor to the minister of Governance and Autonomy, Ministry of PAN and RB*

According Kurniawati, measure the success of bureaucratic reform and autonomy to be achieved in 2025 can be seen from the erosion of corruption, there is no violation of laws and regulations, the absorption maximum state and local budgets, restructuring government agencies so there is no overlap, as well as the licensing process is fast and right. Kurniawati say, good governance accelerate the creation of both economic growth and development for the welfare of the Indonesian

people. Thus, he encourages the need for the role of co-operation between communities, government towards good governance.

3. *Idris Patarai, Chief Bapeda Makassar*

According to Idris, bureaucratic reform in the region that is actually not the center of the area are not able to consider, but local governments are not confident and considers himself incapable. Therefore, Makassar prove himself to do the best to improve the quality of service to the community, as well as bringing the image of the town's wind Independent to the international scene with many accomplishments he achieved. Idris, a reminder that we should not be pessimistic about the view that the Indonesian nation towards a failed state. Expectations should remain large throughout the preamble of the 45 are not changed. "That do not belong to this nation is the sincere desire to combine the sublime as well as mandated in the preamble. We need sincere people in this country," said Idris.

4. *Chairuman Harahap, Chairman of Commission II, Golkar Party Politician*

According Cahiruman, focusing on issues of regional autonomy and reform synergies to accelerate national development bureaucracy quality. Golkar Party politician revealed the implementation of regional autonomy aims to improve services to the community, speeding up democratic life, accelerate the implementation of regional economic development, and improving the welfare of acceleration, acceleration potential management areas, increasing harmonious relations between the center and the regions.

5. *Dr. Laode Ida, Vice Chairman I Regional Representative Council of the Republic of Indonesia*

According Laode, Bureaucratic Reform in Indonesia has been established since 1998 ago but the change has not been widely seen. Bureaucracy remains a problem despite much has been done by the government. The principles and values of the bureaucracy in the implementation of regional autonomy is neglected. Rampant corruption, the position used for the sake of personal gain, families, and groups.

Laode said that the fundamental problem in the local bureaucracy is not logical to anticipate the impact of liberal democracy in local governance and bureaucracy. "Accountability is more vertical than the forces of community service in a professional manner," said Laode. "Political Authority officials are still dominant in controlling the local bureaucracy and gain legitimacy in the existing system," he said again.

The mission of addressing the problems of regional autonomy is the quality of government services to the public by way of, among others, quickly make decisions in response to the problems and needs of the community and or local entities, increasing the welfare of the people and develop local democracy. While the role of the local bureaucracy should provide services according to the needs of local communities, facilitating local resources and develop a system that is accountable and clean in ways participatory and democratic.

Laode said that needs to be done is to avoid political interference in the recruitment, placement, and bureaucratic management including development projects. "The way to limit the authority of the head region in connection with the management of the bureaucracy that makes the steering head area just as in government and regional development, then make sure the secretary position as a regional leader of the

bureaucracy," he said. Additionally apparatus for standardization of bureaucratic management and performance-based competency by developing a functional system in community service. "The system of government oversight and bureaucracy should be developed with community-based legitimacy is assured, in addition of course to make an independent government oversight agencies and professional," he said.

5. **Prof. Dede Mariana, Experts Autonomous Region of Padjadjaran University**

According to *Dede Mariana*, implementation of regional autonomy issue, the point is the orientation of the central and local governments should shift to the benefit not profit-oriented, so that the benefits of decentralization can be felt by the public. While matters relating to reform of the bureaucracy, remuneration, all existing process and can be formulated. If the only form of bureaucratic reform job analysis, finance and the like, so look into the apparatus so that it becomes a dead end. The indications have been seen where the rules are made by the project. Problem remuneration according to Dede, could also be an indicator. In addition, Dede offers autonomy exercised only at the provincial level only, while the counties and cities are administrative only. The proposal was not apart from the high cost of expansion especially in any division there must pander-calonya.

Role of Government in Services Rreformasi spirited Intrepreneur

Overview of the data and the results of interviews over the state that have not been satisfactory level of public services public, ease of business is still far from expectations, inefficient government bureaucracy, then the next step is necessary to reform the bureaucracy. Reform of the bureaucracy, according to *Guido Bertucci, and Michael Duggett* in: *The Turninng World: Globalisation and Governance at the Start of the 21st Century*, states that bureaucratic reform is a continuous process undertaken to redesign the bureaucracy, which is located within the government and political parties, so that efficient and effective in terms of the legal and political aspects²⁵.

The rationale for the need for reform efforts in Indonesia, is determined by several criteria, among others:

1. Paradigm shift system of government, which is a change from the authoritarian system of government-centralized to decentralized system of democratic government.
2. Condition objectively perceived government bureaucracy was no longer relevant, the facts of which are as follows:
 - 1) Institutional big government;
 - 2) Not supported HR-Apparatus that have a work ethic, because of lack of attention on aspects of welfare;

²⁵ Guido Bertucci, Michel Duggett, *The Turning Woorld: Globalisation and Governance at The Start of the 21st Century*. Published IOS Press Nieuwe Hemweg 6 B 1013 B6. Amsterdam. The Netherland. Fax +31 20620 3419. Email: order@iospress.nl. 2002.

- 3) Complicated administrative system and connotes high economic cost;
- 4) Less disciplined work culture, and even tend to the corruption; and
- 5) Saturation of the quality of services provided by the government.

David Osborne and Peter Plastrik, (2001); asserts that in a rapidly changing world, the technological revolution, global economic competition, the market experienced demassalisation, an increasingly educated society and critical, the customer ("community served") increasingly demanding and limitations of public financing, then the application of the bureaucracy that is a monopoly on down centralized, there will be too slow, unresponsive and unable to accommodate change (innovation)²⁶.

In answer to the above problems one of which refers to fundamental reform measures proposed by *David Osborne and Ted Gaebler* (1999), in his book: *Banishing bureaucracy: The Strategies for Reinventing Government, making Government Competitive - Competition Into Orientation on Service Delivery & Spirited Entrepreneur*, where differences with the bureaucratic system is as follows²⁷:

²⁶ David E. Osborne, Julia A Boyd, and Peter Plastrik, *Banishing Bureaucracy: The Strategies for Reinventing Government*. Published by: Plume 1998. Originil from Pennsylvania State University. Digitized 16 July 2009. ISBN: 0452273527. 9780452273924.

²⁷ David Osborne and Ted Gabebler's *Reinventing Government*, Addison-Wesley Published. Co. 1992.

Table 4.3. Comparison Birokrasi Systems and System Administration Entrepreneur

Bureaucratic system	Entrepreneur System	Government
Rowing	Steering	
Service	Empowering	
Monompoly	Competition	
Rule driven	Mission driven	
Budgeting inputs	Funding outcomes	
Bureaucracy driven	Customer driven	
Spending	Earning	
Curing	Preventif	
Hierarchy	Team work/ participation	
Organization	Market	

Referring to the above in mind, the government is able to foster the local government role in the practical application of which is currently a trend within the local government is the establishment of one-stop service unit (integrated), which was originally initiated with the formation of System Administration Manunggal (one unit) Under One Roof (SAMSAT) in the management of Motor Vehicle Licence and Vehicle Tax Book, which involves a series of 3 (three) different agencies, namely the Revenue Office, Police Traffic Unit and PT (Persero) Insurance Prog. Further development of one-stop service system already includes other types of services, such as:

1. Building Permit, Permit Place of Business and Trade Business License;
2. ID card, family card and Birth Certificate;
3. Health services.

As can be said *Gamawan Fauzi*, material in the State that has implemented SAMSAT is Sragen and Batam, and it worked. This needs to be done by other regions.

In Brief Good Governance (2009); USAID through the Local Governance Support Program (LGSP), defines a one-stop service are some local governments that are united in a location, where the main goal is to increase efficiency by combining service-related processes, reduce travel time, waiting time of customers as well as the costs²⁸.

Theoretically, one-stop service system has been applying the principles of entrepreneurial governance system as proposed by *Weber and David Osborne and Ted Gaebler*, namely prioritizing services, in which there are several elements stand out in the form of cross-functional teamwork,

²⁸ *Final Report Local Governance Support Program December 30, 2009*. This Publication was produced for review by the United States Agency for International Development.

team competition and control by the customer ("community") as a service object.

Opinion *James Champy*, "Reengineering" in 1995 in his book: *Reengineering Management: The Mandate for New Leadership*. An organization has required the change work patterns are determined by the process, so that in the one-stop service system has been classified as reengineering, considering the teams involved is a combination of several different organizational functions anyway, so here there are cross-functional working patterns²⁹.

Referring to the ideas of *Peter Drucker*, 2006, in his book *The effective Executif: The Definitive giude to Getting the Right Thing Done* (Harper Business Essential), a one-stop service that combines the functions of several different organization to carry out the process of the work ("service ") specific, can be-identified as the incorporation of "specialized expertise" different³⁰. (one-stop service that combines the functions of several different organizations to carry out the work process ("service") specific, can be identified as the incorporation of "specialized expertise" that is different).

For example SAMSAT, the Revenue Office has expertise in the fields of taxation, Police Traffic Unit has a vehicle identification skills and PT (Persero) Insurance Prog in terms of determining the amount of insurance expertise. The combination of expertise (specialization) is the one, which

²⁹ *James Champy, "reengineering" 1995. Reengineering Management : Mandate for New Leadership*. Harper Business A Division of Harper Collins Publisher, Inc. 10 East 53rd Street, New Yprk. Ny. 10022.

³⁰ *Peter Drucker,2006, TheEffective Executif: The Definitive Giude to Getting The Right Thing Done* (Harper Buusinee Essential), Paperback. Published by: Harper Business, Revised Edition (Januari 3, 2006).

according to *Peter Drucker*, will result in better services³¹. (will result in a product ("services") are better).

In contrast to *Kenichi Ohmae* thinking; 2005 in *The Next Global Stage, Challenges and Opportunities in Our Borderless World*, states: any organization that is incorporated in it enough to just decentralize technical functions operational, tactical decisions are given full authority to the appropriate team members of their respective functions³².

The demands of the knowledgeable service in the community, either by *Kenichi Ohmae* and *Riq Dugues Paul Gaske*, both recommend the need for innovation (innovation). Within the scope of this one-stop service, innovation efforts are not oriented to the product, but more emphasis on work patterns by utilizing technological developments, in order to further speed up the service process.

Other implementations that can be used as a reference in the application of the system of government is the entrepreneur enactment of the Law of the Republic of Indonesia Number. 23 of 2007 on Public Service Agency (BLU). The BLU conception in principle the provision of decentralized financial management for government organizations that are set into BLU, either by the President for the organization of the central government and Governor / Regent / Mayor for the organization at the provincial level of government / district / city.

Decentralization is intended to have an impact on the occurrence of "reinventing", because functionally relevant organizations can conduct its business change field in order to improve services, without causing changes in the organizational structure according to applicable governmental regulations. Generally, the change lead to the formation of the Strategic Business Unit (SBU), and in accordance with the thinking *Riq Duques Paul Gaske*, the SBU in accordance with the trend of the future strategy of the organization, which acts as a small company and creating a lean organization functions and high added value.

Publik Work Ministry environment, especially within the secretariat regulator Toll Road; SBU to have set up a toll road³³, the orientation has led to the economic function (profit-oriented). Conception is basically a customer (the public) as a toll road user control (market maker), where customers who have a background of money to pay for highway infrastructure service facilities better, comfortable and and rates commensurate with adequate facility.

Based on the conception, Toll Road Public Service Board, which can be identified with the company, with a lean organizational structure and more emphasis on the implementation of the function, operational decisions are fully delegated, so that the service can be implemented by a professional, fast and timely.

The strategic alliance occurs in the internal scale, such as motorway service that provides a quick way freeway facilities

³¹ *Ibbid, Drucker.*

³² *Kenichi Ohmae, 2005: The Next Global Stage, Challenges and Opportunities in Our Borderless World, Wharton School Publishing (March 21, 2005). P.293.*

³³ See, Regulation of the Minister of Public Works No.: 01/PRT/2010 About Organizational Procedures Public Service Agency Funding in the field of Environment Secretariat Toll Road Regulatory Agency.

required by the road users. From the picture above, the formation of the SBU within the Toll Road contains many compliance with the principles of government systems entrepreneur, among other things:

1. Empowering (empowering) all of the potential that exists within the organization secretariat Toll Road Regulatory Agency to provide a service-oriented infrastructure competition in providing services and spirited entrepreneur.
2. Generate funds (funding outcomes) for the benefit of more development to improve people's welfare.
3. Makes customers as control factors (customer driven) and make the market (market) as an opportunity to provide the best service.

This rationale can not be justified by *David Osborne and Ted Gaebler* (1999), where the relevant reforms to make the Competitive Government - Orientation on Competition Into Giving & Spirited Entrepreneur Services.

The role of the Central Government to Local Government in Bureaucratic Reform

State speech in commemoration of the 64th anniversary of Independence in front of the Assembly House of Representatives on August 14, 2009, the President reaffirmed the government's determination to continue the mission of Indonesian history for the next five years, which is carrying out a second wave of reforms, including the reform of the bureaucracy. The second wave of reforms aims to liberate Indonesia from the impact and tail crisis ten years ago. In 2025, Indonesia is expected to be in phase really moving towards developed countries³⁴.

In this regard, significant bureaucratic reform "as a major change in paradigm and governance of Indonesia. Moreover, bureaucratic reform also means as a big gamble for the Indonesian people in facing the challenges of the 21st century

The statement implied answer the problem of the role of central government in the reform of local bureaucracy. The role of the central government does not mean "intervention" of the central government to the local government. But here is the role of guidance from central government to local Governments in order execution Autonomy and Bureaucratic Reform and Decentralization can run Achieve the goal. With the guidance of the Central Government Local Government is able to implement them:

1. Able to create the proper organization and function of the right size.
2. Atmospheres created a System Process Work procedures are clear, effective and efficient, scalable and in accordance with the principles of good governance.
3. Able to create HR Apparatus integrity, neutral, competent, capable, professional, high-performance and prosperous.

³⁴ President's speech. Susilo Bambang Yudhoyono. State of the Union speech in commemoration of the 64th anniversary of Independence in front of the Assembly House of Representatives on August 14, 2009.

4. Able to reduce and eventually eliminate any abuse of power by public officials at the local government concerned;
5. Able to make local governments that have the most-improved bureaucracy;
6. Able to improve the quality of service to the community;
7. Able to improve the quality of policy formulation and implementation / regional programs;
8. Able to increase the efficiency (cost and time) in the implementation of all aspects of organizational tasks;
9. Able to make local government bureaucracy anticipatory, proactive, and effective in the

face of globalization and the dynamics of changes in the strategic environment.

Bureaucratic reform aims to create a professional government bureaucracy with adaptive characteristics, integrity, high performance, clean and free from corruption, collusion and nepotism, able to serve the public, neutral, prosperous, dedicated, and uphold the basic values and code of ethics of the state apparatus. So there needs to be changes to the local government by a variety of problems that hinder reform the bureaucracy.

The area of change is the goal of bureaucratic reforms covering all aspects of government management, as set out in the table below.

Table 4.3. Areas of Change and Expected Results³⁵

AREA	OUTCOMES
Oganization	Right proper organization and function of the size (right sizing)
Procedures	Systems, work process procedures are clear, effective, efficient, scalable, and according to the principles of good governance
Legislation	Orderly regulation, non-overlapping and conducive
HR Apparatus	HR Apparatus integrity, neutral, competative, capable, professional, high-performance and prosperous
Supervision	Increased governance and corruption-free clean
Accountability	Increased capacity and performance accountability bureaucracy
Public Service	Excellent service according to the needs and expectations of society.
Mind Set and Culture Set Apparatus	Bureaucracy with integrity and high performance

³⁵ Presidential Regulation Number 81 Year 2010 About the Grand Desaign Bureaucratic Reform 2010-2025.

Some principles in reforming bureaucracy in both the central government and local governments can be stated as follows³⁶:

1. *Outcomes oriented.* All of the programs and activities undertaken in connection with the reform of the bureaucracy should be able to achieve the results (outcomes) that leads to improvement of institutional quality, governance, laws and regulations, human resource management, supervision, accountability, quality public services, change of mindset (mind set) and work culture (culture-set) apparatus.
2. *Measurable.* Implementation of bureaucratic reform-oriented outcomes designed to be done and clearly measurable targets and time accomplishments.
3. *Efficient.* Implementation of bureaucratic reform oriented outcomes should be designed with attention to the utilization of existing resources efficiently and professionally.
4. *Effective.* Bureaucratic reform should be carried out effectively in accordance with the target of achieving the target of bureaucratic reform.
5. *Realistic.* Outputs and outcomes of the implementation of activities and programs are determined by realistic and can be achieved optimally.
6. *Consistent.* Bureaucratic reform should be implemented consistently over time, and include all levels of government, including the individual employee.
7. *Synergy.* Implementation of programs and activities carried out in synergy. One stage of activity should provide a positive impact on the stages of other activities, the program should provide a positive impact on other programs.
8. *Innovative.* Bureaucratic reforms provide a broad space for ministries / agencies and local governments to undertake innovations in governance, exchange of knowledge, and best practices to produce better performance.
9. *Compliance.* Bureaucratic reform should be carried out in accordance with the laws and regulations.
10. *Monitored.* Implementation of bureaucratic reform should be monitored to ensure all stages institutionalized through well, the target is achieved in accordance with the plan, and deviations can immediately know and can do repairs.

IV. CONCLUSIONS AND RECOMMENDATIONS

Conclusion

1. The bureaucracy can be a beginning to advanced and modern countries, the reform of the governance system more effective and efficient, is expected to materialize impacting governance "Service" to the community is more precise, fast, and professional.
2. Reform its bureaucratic orientation shifted from bureaucratic government system became an entrepreneur governance system, causing fundamental changes, including the organizational structure of the government, without knowing it is in line with the future development of the organization in mind.

3. Role in the reform of the central government bureaucracy in the implementation of the Local Government Autonomy and Decentralization does not mean "*intervention*" of the central government to local government, but as guidance from central government to local governments for the implementation of Administrative Reforms and Autonomy and Decentralization can run achieve the goal.

Suggestion

1. Officials including Central and Local Administrative HR should be aware that the bureaucratic reforms can transform into a powerful bureaucracy is able to provide facilitation and public services are excellent and free of corruption. To that end, should be able to develop themselves to be more competent, and professional, so as to support bureaucratic reform in earnest, consistent, institutionalized, gradual, and continuous.
2. Less appropriate public services needs to be increased public expectations and work hard in order to service more quickly and accurately.
3. In carrying out the duties and functions carried bureaucracy must be professional, transparent, efficient and effective.

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