PROJECT RESULT / CASE STUDY

Indonesian Government Reform and Public Services

A district in Central Java has made itself a model of bureaucratic reform, employing training courses and e-government to vastly improve the efficiency and inclusiveness of public services.

Civil servants help a resident at the Sragen District’s Integrated Poverty Reduction Services Unit. The office opened in May 2012. Photo: Eric Sales/ADB

Fast Facts

47
Number of local governments that received ADB assistance

over 1 month
Amount of time it took to get a permit in Sragen District in 2002

< 12 days
Amount of time it takes now to get a permit in Sragen District
Sragen, Solo - Sunarto sits on a row of benches in a government office, waiting for official authorization that will allow his sister to leave the hospital free of charge after surgery for breast cancer.

"It only takes 2 days," the 52-year-old teacher says. "I submitted the application yesterday and today I am here to collect the letter. It's all free; I didn't have to pay for anything."

The Integrated Poverty Reduction Services Unit opened in May 2012. Already it is providing daily assistance to up to 100 of Sragen District’s poorest residents - typically those who earn less than Rp400,000 ($42) a month. Located in the local government offices, residents who meet the poverty criteria are entitled to 18 different types of assistance, ranging from free healthcare and scholarships to financial support for house repairs. Next to the entrance of the office is a poster that lists all 18 types of assistance. All take 3 days at most, and are free of charge.

"The poor need a lot of money for medical services when they are sick. In the past, getting a reference letter like this was very difficult."
- Sunarto, applicant for health care assistance

Subakir, a 42-year-old handyman sitting on a bench in front of Sunarto, says that when he tried to get dialysis assistance for his uncle in the past, he had to pull strings.

"Here, it's easier and faster, and the people are friendly," he said, clutching the reference letter that stated his 55-year-old uncle was eligible for medical services worth up to Rp10 million ($1,053).

Encouraging efficiency

Sragen is an agricultural district about 30 kilometers from Solo, the capital of Central Java Province. It is one of 47 local governments in 10 provinces that have received assistance under ADB’s Sustainable Capacity Building for Decentralization Project, which ran from 2002 to 2011.

The project, implemented following the decentralization of the Indonesian government in 2001, aims to equip local governments with the skills and tools needed to efficiently deliver public services and promote inclusive economic growth.

"Sragen is among the most successful [project sites] because of strong ownership from the top all the way to the lower levels."
- Deeny Simanjuntak, ADB project officer

More than 1,200 of Sragen's civil servants received training under the project, including courses on information and communications technology systems, which were key to making the project so successful.

"There was high level of enthusiasm among the subdistrict heads for the IT training programs," says Nugroho, a consultant who served as the project manager. "Even if we only had space for 40 people, almost 100 would show up."

It wasn't always easy. With efficiencies come fewer opportunities for corruption, and Deeny says there was resistance from some civil servants who saw their ability to earn kickbacks reduced.
"Even when the system was already in place, some staff attempted to 'play around' with it," she says. "For example, the system enforced a first come, first serve arrangement for handling permit applications. That prompted some staff to attempt to move up their 'client' so that they could get extra money."

Srangen District head, Agus Fachturrachman, adds that part of the challenge was teaching civil servants that all residents, regardless of socioeconomic status, deserved to receive good public service.

**One-stop processing**

In another part of the Srangen district government compound, a well organized center now serves as the one-stop shop for 74 different licenses and permits.

"When people want to obtain any kind of license ... it can all be done under one roof," says Joko Purwanto, the head of the provincial Development Planning Agency, which served as the local implementing agency for the project. "Applicants know how much it costs and when it will be ready. They can track the status of their applications through the internet."

Today, permits that used to take more than a month to obtain are issued in 12 days at most. Indonesia's national identity card, the KTP, is issued in as little as 2 minutes.

"Before, we had to go to several government offices to get a permit," says Jarot Sukisto, who was applying for a building permit. "Now we just need to fill out one form, submit it, and it will be ready within a few days."

Residents don't even have to go to the district capital. All 208 villages in Srangen's 20 subdistricts are now connected through an online e-government system.

It is possible, for example, to apply for renewal of a KTP from any government office at a village or subdistrict level. Office staff log onto the system to verify the data, and then issue the new card within minutes.

"We used to go to the district capital to renew our ID cards, but now we can just do it here in the subdistrict office," says Titi Sawaji, who is accompanying her mother to apply for a new KTP.

**Model of reform**

Srangen - recognized as a model by numerous awards, both from government and the private sector - receives visitors from other governments and NGOs wanting to study the district's system. Srangen representatives are also regularly invited to other districts to share what they have accomplished and learned.

Malinau district in East Kalimantan Province, for instance, has entered into a memorandum of agreement with Srangen to replicate their e-government system.

Deeny is confident that what has been accomplished in Srangen can be sustained.

"In Srangen, I saw some of the staff as champions, consistently aiming for reform, even though the leaders kept changing," she says.

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