

Managing Community Participation: From New Public Service Perspective, Which principles are less useful?

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ABSTRACT

The purpose of this study is to describe how the government manages citizen participation and to analyze the seven principles of the New Public Service that are considered by agencies. Qualitative research methods are the methods used in this study. Determination of informants is done by purposive sampling, on the grounds that the informant or actor is who directed the participation (stated directed), and can provide information and responses to the problems that are the purpose of this study. The research findings suggest that the government still has to guide participation in line with the national development goals. The government still has to serve as well as steering. Accountability cannot be carelessly shared with others. The laws in each country regulate the level of accountability, span of control as well as who is appointed to report in the bureaucratic system.

Keywords:

guide participation, citizen participation, stated directed, New Public Service, accountability

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Introduction and Relevant Literature

SMEs and Capacity Building

By the end of 2018, the number of SMEs had reached 64.2 million or 99.99% of the total number of Indonesian entrepreneurs. SMEs have a big role in creating employment for up to 117 million or 97% of the workforce in all business sectors, 61.1% of the contribution of SMEs to the national economy reaches 61.1% of total gross domestic product (DJKN, 2020). Apart from these achievements, there is an unpleasant data, BPS (2016) SMEs are still not optimal in managing their business prudently and have low readiness to face global competition. They have weaknesses in accordance with their

characteristics, more than 90%: they do not have official permits from the government regarding products, letters of establishment, and certification of production methods; low literacy in the use of information technology; inadequate bookkeeping skills; they do not cooperate with other parties; non bankable, including low levels of formal education and training. Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises (SME Law) requires all government units in Indonesia to build the capacity of SMEs through training programs, seminars, or other activities in partnership with private parties as experienced economic and entrepreneurial praxis. This study observes three tax

offices as government agents that have provided training to local SMEs: Pondok Aren (Banten Province), Pangkalan Bun (Central Kalimantan Province) and Wates (Yogyakarta Special Region Province).

Helping SME and Poverty Alleviation

The causes of poverty are complex and many factors contribute to them. Many experts argue that an approach is needed in implementing policy programs that break the vicious cycle of poverty, one of which is by increasing human productivity. The productivity of people who are included in the SME category (as SME Law) is an effective target, because it clearly contributes to the national economy, it is easy to recognize the real job and the real activity of them. The large number of SMEs in Indonesia is indirectly related to the majority of economic actors who come from the poor. In summary from SME Law, an SME is a person whose sales turnover is not more than IDR 4.8 billion in one year. If their productivity is low, then the performance of their household income will also be low, which will have an impact on the poor quality of life for the community and their families. The government has limited resources, especially in practical experience and entrepreneurial knowledge, therefore they invite the private sector to build the capacity of SMEs so that they can better solve their problems, improve their economic performance, which in turn has an impact on their welfare. The government acts as a facilitator (program manager), the private sector provides entrepreneurship education content (program filler) and SMEs as program beneficiaries.

Services to Citizens and Citizen Participation

The high quality of public services provided to citizens can be measured by their ability to distinguish the meaning of the relationship between government and customers, clients and citizens (Denhardt and Denhardt, 2007). Citizens are placed

at the top as owners of service rights from the government but remain within the corridors of law and accountability. Denhardt and Denhardt (2007) stated that government is considered to ignore democratic values and public interest if the main performance measures are only economic values such as efficiency, productivity, effectiveness and profitability. If the wheels of government are run like a business organization, then the question arises as to who actually owns or uses state service products. Doesn't the state exist to serve the needs of the whole society?

Rondinelli (2007) emphasizes that the complexity of the problems in creating and maintaining a sustainable economy, reducing poverty and increasing the standard of living that must be resolved in society has consequences for the government which involves citizen participation at large (e.g citizen participation in rural development in Cohen and Uphoff, 1980). The private sector as the main driver of economic growth has the responsibility to create jobs to spur added value. Employment here is not only the relationship between factories and workers, but also aspects of production and marketing methods that are carried out independently by the citizen (e.g co-production in Alford and Yates, 2016). This entrepreneurship will take turns creating new jobs for the surrounding environment. The added value as a whole in the form of an increase in people's income will ultimately increase state income. State income in the form of adequate taxes which will later be reused by the government to be spent for public purposes.

The NPS Lens Sees the Way of Governance

The government in implementing term citizen participation in the NPS paradigm (Dendhardt and Dendhardt, 2007), there are seven principles that become the government's reference 1) Serving citizens, not customers. The public interest is the result of a two-way dialogue between government and society that places shared values, government

actions in building trust and collaboration with citizens. 2) Seek the public interest. The government is demanded to further explore the problems faced by citizens, articulate and formulate adequate solutions, as well as openness to accept ideas. 3) The value of citizenship rather than entrepreneurship. Respect and empathy for citizens are no longer limited to economic measures, but incorporate various social values, justice and equality. 4) Think strategically, act democratically. More openness is characterized by the ability to open networks in the form of relationships between organizations, cross-sector coordination, and joint policy-making with multi-actors. 5) It is recognized that accountability is not simple. Every activity of government organizations must be accountable from the dimensions of legality, process, impact and policy choices made. Accountability is not limited to the organizational structure hierarchy but also to external parties, including the wider community. 6) Serve rather than drive. The value of leadership is seen from its intelligence to help citizens find their needs, not by controlling them like managing a company. Government programs should be based on meeting community needs, not directing them to accomplish organizational targets. 7) Value people, not just productivity. Citizens are human beings who must be respected and upheld in value. Assessment of program success is not only seen as a mere efficiency value but also as a process for the success of the government, the private sector, the community working together to participate in achieving common goals. The development program must also create not only economic value but also social value. In this principle, the aspects of bureaucratic motives and organizational work procedures play an important role in terms of awards in every unit of government. Appreciation of agents in the organization is no longer sufficient based on the efficient use of the budget and the effectiveness of its implementation in achieving it, but also on the ability to manage potential cooperation with citizens. Research

question in this study: which NPS's principles are less used by the government in managing citizen participation

Methodology

Participation as a human masterpiece in responding to the world around them, and as key event it was occurred in government agencies that have provided training services for SMEs in Pondok Aren (Banten Province), Pangkalan Bun (Central Kalimantan Province) and Wates (Yogyakarta Special Region). We use the strategy of focused ethnographic (Knoblauch, 2005), the intensity of time is used to find meaning pervasive in actor culture to answer the research objectives (Hammersley and Atkinson, 2007). Field observations between April - December 2019. The informants were selected purposively: twelve government officials, thirteen SMEs, and five professionals (private sector). Interviews were conducted in person (before the pandemic outbreak) face-to-face interviews. Our field observations are juxtaposed with official documents, official reports, and result reconfirmation to informan. Spradley's analysis: domains, taxonomy, componential and cultural themes were applied before concluding the study. The lens of this research is placed on government agencies as key actors in stimulating participation in line with the realm of public administration with a limited focus on the NPS perspective on how citizen engagement is managed by the state.

Results and Findings

The implementation procedure follows the letter of the Director General of Taxes Number SE-13 /PJ/2018, all tax offices stage SME building capacity at least twice a year. The Pondok Aren Tax Office empower the community they founded from local SME volunteers. This community functions as an intermediary for communication between SMEs and agencies. The community spreads messages to SMEs

to active voicing the entrepreneurial problems they face on a daily base (Johar, 2017). This governance pattern is effective in reaching remote areas of traditional markets, increasing the number of affordable SMEs, and lot of them which is connected to the trade center of the State Capital, Jakarta. Citizen participation appears to be clearly directed at the effectiveness and efficiency of resources for the implementation of government programs (Silvestre et al, 2016). After discussing the needs of SMEs with the community, the head of the tax office selects and decides by considering the willingness of the private sector to take part in training. The private sector participates on reward base and official letters of assignment (see rewarded participation initiated from above in Cohen and Uphoff, 1980)

The Wates Tax Office will intensify communications with local governments, local banks and the existing local SME community. How lucky they are, agents do not have to bother working hard to find the needs of SMEs and no need direct dialogue too. The local community already has a sustainable training from the government and the private sector. Tax offices can effectively concentrate on teaching bookkeeping for SMEs. Decisions are taken through networked dialogue between local leaders and stakeholders including representatives of local community heads. All event financing is shared collaborative between existing local institutions.

Tax Office Pangkalan Bun, located in Central Kalimantan Province, does not have SMEs as the previous two agency regions. The choice of an institution is to partnering with a private local bank that already has an SME training program. Local banks are invited for profit sharing schemes and participant data exchange to add new SMEs. Local citizen tend to be passive and wait for an invitation from the government. KPP and the private sector are actively promoting this SME capacity building service program. It turns out that there is a significant difference, the program in collaboration with the private sector makes the focus of activities more

organized. They do not pursue a large number of participants, but rather increase their competence than before.

There are three areas that involve citizens, problem identification, program announcements, participant gathering and dialogue feedback (Bovaird, 2015). The dialogue channel that has been provided by the government is the realization of giving citizens the right to achieve social justice (Cornwall, 2008), at the same time opportunity to improve their standard of living (Mitlin, 2008; Samah and Aref, 2011). There is no differentiating stratification as long as service recipients are eligible with the SME Law. If we look closely at the three institutions, arena of participation is not given directly to individuals but through representatives of the local community. Pathway are same to reach out collective interest. Not all provinces have communities with readiness to participate actively, they tend to be passive and waiting from the government, which is government will act to be dominant. Departing from this situation, there is still need top-down direction by the government (initiative for participation come from above, Cohen and Uphoff, 1980). Not all citizen are willing and able to become volunteer (Nabatchi et al, 2017) and be able to articulate their aspirations, engage in intense dialogue, and consider various interests. The government is being as a citizen educator to maintain the achievement towards the national interest. The national interest becomes the benchmark for social programs to promote economic development. Even so, efforts were made many adjustments to the hearing needs of local residents. Citizens are educated to understand placing priorities beyond their personal interests.

Discussion and Implication

Serve Citizens, not Customers

The government has opened a space for dialogue by inviting citizens as evidence of an opportunity to be actively involved in improving quality of training materials and quantity of potential beneficiaries,

which means that citizens can also provide constructive criticism. They are encouraged to actively articulate everyday problems in order to successfully raise their standard of living, just as they learn to be an honest society. Although the formal rules are limited to only twice a year, this proves the seriousness of the government in fulfilling civil rights, equipping them with knowledge and skills aimed at socio-economic welfare. The government has sought as many SMEs as possible to get learning opportunities. Professionals, practitioners are invited to provide services to SMEs, the government is looking for any means to make them feel the presence of the country.

Seek the Public Interests

The tax office clearly would not provide training for SMEs if it was not required by law. Likewise, in the name of the law, they take advantage of the participation of SMEs to achieve activity objectives. However, they also realized that even though the national interest had been determined by the central government, all tax office did not want to be fixated on completing their tasks, they had a dialogue to get closer to the real needs of local SMEs. It can be said that the government has played a role as a problem finder faced by citizens and is trying to provide alternative solutions in accordance with the limited resources available (Sjoberg et al 2017). In some cases, SMEs can convey their wishes, which the government does not automatically grant. The government is obliged to inform the many targets that are not easily understood by its citizens, which are regulated by law as the national development map for the common interest.

Value Citizenship over Entrepreneurship

On this principle, situations of doubt begin to arise. Avoiding bureaucratic governance with a business model such as fulfilling consumer orders is emphasized by the NPS paradigm. The approach to involving citizen participation in government services needs to be expanded. Are there any members of the community who want to be involved

in technical matters of serving citizen? If he is a volunteer, to what extent is he able to, how long does it take, how can he guarantee service standards and fairness? It should be understood, participation does not only involve the physical, but also the spirit of thinking and responsibility. Government agencies work under oath to preserve the values of citizenship that are governed by law. Their dedication goes beyond narrow thinking as if they are living off the state budget. The true story of the preservation of citizenship values is illustrated by our findings, doing implementation of training for SMEs, preparation of a training need schedule, creation of a deliberative dialogue forum, these are far beyond expertise of tax agencies. They are not paid higher for additional tasks, they are working in the middle of their main job. Citizen participation must remain regulated and restricted, some parts can be democratized, some are much more efficient and appropriate under full organization by the government (Stephen et al, 2016) Think Strategically, Act Democratically

The government respects the differences of opinion and interests of various parties. The government strives for equality based on the availability of their respective resources. The Pangkalan Bun tax office stands out most for its ability to forge strategic partnerships with the private sector. Emphasizing the importance of equal distribution of local SMEs to be served, it is necessary to mobilize resources so that activities do not duplicate and avoid budget inefficiency. Pondok Aren Tax Office has met a limited private sector in its territory. The focus of the chosen strategy is more on community empowerment in mapping local SME problems and expanding opportunities for other SMEs to get training. Unlike the two previous offices, the Wates Tax Office is fortunate to have a community that often gathers local SMEs to conduct training with the private sector. The focus of the strategy being carried out is more on providing content on bookkeeping issues which is expertly available by the tax agency.

Recognizing that Accountability isn't Simple

The head of the office is responsible for implementing the SME training program policies, he is also responsible for implementation results including reporting on the use of the state budget. In terms of the value of accountability, Dendhardt and Dendhart (2007) interpret the overall ideal government accountability which is characterized or involves cross-sectoral, both government, private, professional institutions and the wider community. This view is not necessarily compatible with the legal system that applies in every country and Indonesia in particular. The law regulates hierarchical boundaries in the form of reports to superiors, the law regulates the contents of state secret data reports and is not intended for consumption by the wider community. The law regulates the various interests of the parties, including protecting the performance of the duties and functions of a person or group of people who are officially appointed because of their position or expertise in assessing the work of the party to be evaluated. Dendhardt's opinion contradicts the scope of accountability initiated by UNDP, as quoted by Rondinelli (2007), it differs depending on the organization and whether decisions are internal to the organization, accountability contains official procedures and will differ in each organizational environment. Accountability very much depends on the policies of each organizing organization as well as the attitude of the organization leadership's decision which is obliged to comply with binding rules. While Grindle (1980) highlights that the aspect of experience is important in ensuring the quality of accountability, he argues that field implementers who are skilled in carrying out various administrative procedures ranging from planning, implementation to technical reporting, finance including program results cannot simply be delegated to the general public. An official position or position as a government agent in charge of compiling accountability reports, including keeping everything

confidential, shows that expertise and experience are recognized by law.

Serve rather than Steer

The government, as the master of development data, means that the government has a current picture of what is still lacking and needs to be developed in the community (Thomas, 2013; Tullock et al, 2002). Agencies use a holistic approach (holistic approach) before implementing outreach which implies that the information network method involves multiple service agencies within one local government or between levels of government. A holistic approach to the needs of SMEs has been pursued, which means addressing the most feasible possibilities for participation that can be offered to local communities and communities. The government has data on the growth of SMEs, the stretching economy, including the low ratio between the number of actors and their tax contributions. This data and information network strengthens the position of agents not only to be more expert in finding solutions but also to guide the movement of private sector and community participation in helping the government alleviate the SME problem (Sicilia et al, 2016). Serving without guiding, the meaning of the service provided will be at risk of failure to achieve the impact of benefits for SMEs. From the description of the sixth principle proposed by Denhardt juxtaposed with the agent's motive in managing participation, the role of the government must still be directing not just serving. If it is analogized that every government policy has a specific goal, achieving the goal requires a pilot (government) who can fly the aircraft, read navigation equipment, not be played by the passengers (citizens). The role of government is the main determining factor in ensuring the quality of community participation towards successful development (Abbot, 1995).

Value People, not just Productivity

The risk of administrative costs taking care of SMEs will be greater than the amount of tax paid, it is unavoidable but must be served. If this is not

managed, it will have an impact on budget waste. The budget allocation policy, the placement of a minimal number of officers when training for UKM, is the decision of the head of the unit. The main consideration is given that the resulting impact is very small for the achievement of the tax revenue target of one unit. There is no intention or deliberate attempt to underestimate SMEs (respect of marginalized groups, Young in Cornwall, 2008). The government does not abandon the poor, which is measured by their small tax payments compared to other citizens (income tax just only 0,5% from their turn over sales). The role of the state as creators of advanced opportunities for its citizens is still present in an effective, selective balance between the elements of social humanity and economic productivity, both from the individual and organizational side.

Conclusion

"Serving rather than steering" and "Accountability Is Not Simple" are two of the most prominent and least used principles by governments. The government as the owner of data and information has a better understanding of the future challenges that will be faced by SMEs. The readiness of SMEs to advance is a matter of public interest, the government seeks to assist and direct guided participation towards national development. Any government program can only run if it is based on the rule of law. The rule of law further regulates the distribution of the budget for each program and must be held accountable by each elected official. Accountability cannot be given carelessly to others. The government has limited resources, the government must be able to guarantee in operate accordance with legal mechanisms, and assess the effectiveness and efficiency of programs that have been carried out systematically by the bureaucratic hierarchy. The theoretical implication: the government is still the main trigger and director of community participation. Development participation is still more effective and efficient if it

is managed by the government. The government is required to be accountable to citizens through the prevailing legal pattern. The practical implication, the government needs to build a benefit and impact reporting system e.g. through an e-government system that can also be seen by citizens to jointly improve the quality of future programs.

Limitation And Study Forward

This study is very limited to the government's digital literacy program for SMEs in three regions. These three areas are not included in the category of big cities or metropolitan areas, most of them are still surrounded by villages or suburbs. In the future, it is necessary to conduct research on SMEs who are struggling to live in big cities, or to compare based on education, gender, geography, and more in-depth socio-economic aspects.

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