



Catalyzing local innovation to improve services for Indonesia's poor

Anna Winoto

is a public policy analyst working with Indonesia's National Development Planning Ministry on poverty reduction.

As the seventh president of Indonesia, Joko Widodo envisions a government that is close to the people. He has continued his trademark blusukan, or fact-finding walkabouts, to connect with the masses and get a feel for their problems, but given his busy schedule he sometimes has to resort to e-blusukans.

Shortly after taking office last October, Joko visited Papua to assure the people of Indonesia's easternmost province that his government would bring them closer to the rest of the country in terms of development. His nine-point "Nawa Cita" agenda calls for "building Indonesia from the outskirts and strengthening the regions and villages as part of the Unitary Republic of Indonesia." The policy frequently mentions his intent to strengthen the "state's presence," whether through providing security or implementing governance reforms and

Clearly, the poor are a priority group to whom the government should reach out with basic services.

law enforcement. Closeness, connection and presence – these are key features that Joko wants his government to have.

The challenge is: how does the government make its presence felt by all 250 million citizens across the sprawling archipelago? One way in which citizens can experience the state's presence is through public services, including something as simple as obtaining a national identity card at a subdistrict government office. Public services are those that the government provides to its citizens, either through government delivery systems or alternative channels with government funding.

Within the range of public services, the Indonesian government has defined a subset of basic services that answer to the fundamental rights of its citizens. These include local health services, basic education, clean water and sanitation, adequate housing and security protection. Citizens can feel and experience the state's presence through these basic services.

Nonetheless, access to basic services such as health care and education remains a huge challenge, especially for poor, remote and marginalized communities. Significant disparities in access to basic services extend through geographic dimensions between rural and urban areas, and between Java island and eastern Indonesia. In five eastern provinces – Papua, West Papua, North Maluku, Central Sulawesi and West Nusa Tenggara – mortality

rates among children under the age of five are more than 70 per 1,000 live births, which is more than double the national average.

There are also glaring disparities between the poor and rich. Among the poorest 20 percent of Indonesians, less than 30 percent of babies are born in a health facility and less than 50 percent of children are fully immunized. Among the richest 20 percent of the population, 90 percent of births are in health centers and more than 70 percent of children are fully immunized.

In education, school participation rates are equally high and nearly universal among primary school-age children (seven to 12 years old) from poor and rich families, but disparities occur and widen in older age groups. Less than half (43 percent) of children aged 16 to 18 in the poorest quintile are in school, as compared to 75 percent of their peers in the richest quintile. Clearly, the poor are a priority group to whom the government should reach out with basic services.

To improve the poor's access to basic services, the Joko administration issued "smart cards" to low-income families to help cover the costs of health, education and essential household items. These programs are in addition to ongoing social protection efforts such as the national conditional cash transfer program. However, to have the intended impact on the poor, services have to be

Anyone, whether the public, government or civil society, is allowed to innovate. And those who try and fail will not be punished.

available and accessible. And they have to be of adequate quality.

Indonesia is a growing middle-income country with a gross domestic product per capita of \$3,475, according to the World Bank, and a huge government apparatus. Nonetheless, basic services are still not reaching the people who need them most. There is a disconnect between the volume of resources poured into service delivery systems and the output of services accessed by people. Challenges abound, from a lack of infrastructure, human resources and fiscal capacity in poor and difficult areas to fragmented implementation of sector-specific programs. Decentralization is supposed to fix this problem by providing district governments the authority and resources to address local-specific needs. In fact, the new Law on Regional Autonomy designates a set of obligatory functions related to basic services to district governments. However, effective execution of these functions relies heavily on the capacity of local governments to analyze service gaps and drive more coordinated efforts to address them, as well as the capacity of communities to voice their needs, provide feedback and be part of the solution.

Innovation and frontline service delivery

The National Development Planning Ministry, or Bappenas, is trying to take a fresh approach to making service delivery work for the poor. The Medium-Term National Development Plan 2015-19 includes a new policy to improve basic services for the poor and vulnerable as part of a four-pillar plan for reducing poverty to between 7 and 8 percent by 2019. Other pillars include inclusive economic growth, an expanded social protection system and sustainable livelihoods.

The new policy on improving basic services is designed to address poverty more holistically as a multidimensional phenomenon, and to ensure that the poorest can access their basic right to a decent life. The approach focuses on enhancing interactions at the front line between government, service providers and citizens, as well as their collective ability to diagnose and solve service delivery bottlenecks at the community level.

To translate this policy into an actionable plan, a multidisciplinary team led by a poverty reduction unit within Bappenas conducted a series of field visits between September 2014 and January 2015, with a mission to identify local innovation and best practices for improving services for the poor and vulnerable. The itinerary covered five districts from west to east: Bireuen, Aceh province; Sragen, Central Java province; Sleman, Yogyakarta province; Timor Tengah Selatan, East Nusa Tenggara (NTT) province; and Jayapura in Papua. The team interviewed local government officials, teachers, health workers, subdistrict chiefs, local leaders, nongovernmental organizations and poor



AFP PHOTO/ROMEO GACAD

families. They visited frontline facilities and communities. They focused on understanding real problems on the ground through the lens of various stakeholders and took stock of local innovations that have led to real change for underserved communities. Selected vignettes from the field visits appear in this essay to illustrate the supporting environment needed to catalyze local innovation to solve local problems.

In the innovation sciences, Clayton Christensen, an American expert on innovation and growth, has defined catalytic innovations as those that “can surpass the status quo by providing good enough solutions to inadequately addressed social problems.” Catalytic innovations focus on social change,

whereas the broader category of disruptive innovation is applied to private goods and services. Interestingly enough, the drive for innovation is penetrating through government in Indonesia. The aforementioned new regional autonomy law even states that anyone, whether the public, government or civil society, is allowed to innovate. And those who try and fail will not be punished.

Enhancing social accountability in Aceh

Bireuen is a 15-year-old district on the northeast coast of Aceh province. It used to be an off-limits conflict zone, but like other parts of Aceh, the district has opened up to external support since the 2004 Indian

Ocean tsunami and a peace agreement the following year between Jakarta and separatist rebels. In 2010 the provincial government, using donor funding, started implementing the Local Governance and Infrastructure for Communities in Aceh (Logica) program, which aimed to improve service delivery by strengthening community engagement with service providers.

Through citizen charters, complaints handling systems and the activation of health center and school oversight committees, citizens were empowered to negotiate standards and hold the government and service providers accountable for the quality of services. Logica also introduced innovations in professionalizing services at the subdistrict office through the Integrated Administrative Services at Kecamatan (Paten) model and competitive recruitment for heads of subdistrict offices. The Paten model is now endorsed by the Ministry of Home Affairs and is being expanded nationally. With this mix of interventions, the uptake and quality of education and health services improved, with the proportion of women receiving quality maternal health services increasing by more than 50 percent. A community health center in Jeumpa, Bireuen was named the third-best in Aceh in 2014, and another one in the district's Peudada area won the Best Services award in 2013 and 2014.

When the Bappenas team visited Bireuen three months after donor assistance officially ended, some activities still continued largely due to the uniquely strong and effective trilateral relationship between local nongovernmental organizations, the district

Instead of each sector such as health, education, public works and social affairs running parallel systems, Sleman district has a single online database that is used by all poverty reduction stakeholders.

government and the local legislature. Further sustainability, however, remains to be seen.

Innovation in NTT

Timor Tengah Selatan is perhaps one of the most-visited districts in NTT province. The central government, donors, researchers, nongovernmental organizations and others frequent this dry, mountainous area bordering the nation of Timor-Leste. The development challenges here are compelling and complex. Plagued by extreme drought and challenging topography, the district has alarmingly high rates of maternal deaths, child malnutrition and disease. Approximately 61 percent of children under the age of five are stunted, and only 21 percent of households have access to clean drinking water and appropriate sanitation. Both local and international aid organizations are trying to tackle a wide range of development issues in the district, from youth economic empowerment to water and sanitation.

To a certain extent, nongovernmental organizations assume the role of government by filling service gaps with innovative approaches.

For example, Plan International sends out a squad of facilitators to engage communities in a transformative process toward healthy sanitation and hygiene behavior. Sanggar Suara Perempuan visits neighborhoods to counsel both victims and perpetrators of violence. The local government has also introduced the Desa Mandiri Anggur Merah program that provides direct funding to villages for livelihoods and other development priorities, which can be considered as a precursor to the forthcoming nationwide village transfers program. Nonetheless, despite a multitude of actors and innovative interventions, coverage is patchy and, as such, not producing the catalytic effects and level of impact needed by the people of Timor Tengah Selatan.

One-stop shops in Sragen

Sragen is a quaint district located less than a two-hour drive from the Central Java city of Solo. The district chief in Sragen has put in place one-stop shops at his office and at subdistrict offices to cater to the needs of the poor. Whether it is subsidized housing, free health care or education, anyone who lives in Sragen can come to these Integrated Service Centers for Poverty Reduction to register as a beneficiary and obtain referral to specific government programs. There is a mandatory verification process to go through, but the streamlining eliminates the burden of citizens having to go door to door to different government offices seeking information and services.

The Sragen model has become the gold standard for an integrated services and

referral system for social welfare, which the Indonesian government is trying to expand nationally. Aside from increased efficiency, the approach brings integrated services closer to communities, reflecting a more serious intent by the government to serve its people. Sragen has hosted numerous study visits by officials from other provincial districts across the country that want to learn how to replicate the model.

‘Whatever it takes’ in Yogyakarta

When the central government asked Sleman district officials to establish a team for the acceleration of poverty reduction, they responded with skepticism. They were weary of establishing yet another working group that did not work. Instead, without any formal decree, they created their own poverty reduction teams at the district, subdistrict, village and neighborhood levels. The teams are a mix of government staff, civil society and academics. They are flexible, but fixed on a mission to actively seek out poor and marginalized families and provide help.

One size does not fit all. Instead of prescribing a set menu of interventions to improve service delivery, the approach should be to create a supportive policy and institutional environment that fosters innovation.

They work under the credo “mbuh piye carane” (Javanese for “whatever it takes”) to find immediate solutions to the immediate needs of the poor. Added to this novel get-things-done approach to government is the technological innovation of a districtwide integrated poverty database. Instead of each sector such as health, education, public works and social affairs running parallel systems, Sleman district has a single online database that is used by all poverty reduction stakeholders. Modern technology easily allows different management information systems to talk to each other.

Revolutionizing planning in Papua

With Papua’s main airport situated there, Jayapura district is relatively well developed compared to the province’s isolated highland districts. Yet despite an enormous budget of Rp 1 trillion (\$78 million) for a population of just over 118,000, health and education services in Jayapura are substandard. According to district government data, nearly 30 percent of villages have not reached universal childhood immunization and school enrollment rates for junior and senior secondary school are only 67.4 percent and 56.4 percent, respectively. A bilateral donor program was initiated last year to address service delivery bottlenecks in health and education in Jayapura. Although the program is less than a year old, innovations are already under way to revolutionize the way subdistrict and village stakeholders work together.

The program introduced an integrated planning process that creates an opportunity

for health workers, educators and subdistrict and village heads to sit together and consolidate their plans. In Kampung Nendali village, this process led to community solutions to finance the salary of a much-needed midwife to serve in the local maternity clinic. The clinic had been built more than seven years ago, but the district government could not provide funds to recruit a midwife. In the multi-stakeholder planning session, the village offered to pay the midwife’s salary with its own funds. Problem solved. In another donor-supported subdistrict, consultations resulted in having clean water available in a community health center. Again, problem solved.

In essence, the program has built effective community teams that can solve problems together, giving communities a say in decision-making to improve service delivery. Moreover, in the district’s highland areas, the program is trying to introduce consensus building and participatory approaches within communities that traditionally follow the controlled, “big man” approach to decision-making. An interesting twist is that consolidated plans are then entrusted to the subdistrict chief through adat (local customary tradition), so that the official can responsibly champion the plan. In a way, this is an innovative use of customary law.

From local innovation to systemic change

These portraits show that innovation occurs in different forms. It can take the form of novel accountability tools, alternative service delivery channels, technology-based inventions or new governance and planning mechanisms. Another clear takeaway from



AFP PHOTO/IRAY ISMOYO

the field visits is that one size does not fit all. Instead of prescribing a set menu of interventions to improve service delivery, the approach should be to create a supportive policy and institutional environment that fosters innovation. Rather than fixating on sluggish reforms at the central level, the focus should be on fostering experimentation and learning at the local level.

Based on observations from the five districts, to achieve scalability and sustainability it matters who initiated the innovation. Interventions are more sustainable when initiated by local government itself, such as the cases in Sleman and Sragen. It can be argued that donor communities and

nongovernmental organizations are better positioned to provide flexible funds for piloting and experimentation. However, replication and scale-up of donor-funded programs are always challenging. Aside from external validity issues, institutionalizing these programs, which are often implemented through parallel structures to government, is often difficult.

As such, the onus should be on government to create more flexible financing mechanisms, especially at the district and subdistrict levels, for testing innovations, albeit with clear targets, accountabilities and performance management. The locus of innovation also matters. The closer the innovation occurs to

Indonesia is a classic case of a country that has all the necessary policies on paper but not enough capacity to implement them effectively.

the community, the more potential for catalytic change. An obvious reason is that changes at the community level are more likely to impact the day-to-day lives of the people. The more visible and felt by the community, the more likely the innovation will be talked about and spread to others. Diffusion can happen organically but knowledge sharing and creating communities of practice can help the expansion of innovative ideas.

Perhaps what needs to be scaled up is not the innovations themselves but the necessary conditions to catalyze innovation in governance reforms. In the 2012 paper “Escaping Capability Traps through Problem-Driven Iterative Adaptation,” Matt Andrews, Lant Pritchett and Michael Woolcock argue that many reform efforts fail because governments resort to mere structural and policy makeovers without enhancing the core functionality of the bureaucracy itself. Indonesia is a classic case of a country that has all the necessary policies on paper but not enough capacity to implement them effectively. Andrews et al offer the problem-driven iterative adaptation (PDIA) approach as an innovative way for government to deliver better services to its people. To make PDIA happen, government needs the ability to solve particular problems in local contexts, an authorizing environment for experimentation, experiential learning and iterative feedback, and an engaging agenda.

The new frontline service delivery approach of Bappenas strives to apply these principles to leverage local capacities to solve local problems. By setting specific targets for the bottom 40 percent of the population, Indonesia’s planning ministry is trying to provoke a sense of urgency for all stakeholders to combine and concentrate their efforts on the poor and their ability to access the full package of basic services. To achieve these targets, business as usual will not cut it. It requires outside-the-box thinking and doing. This starts with the central government in Jakarta not prescribing all the solutions, but helping district governments to diagnose and fix their own problems.

The new regional autonomy law already authorizes district governments to innovate, but facilitating them in doing so is the bigger challenge. In order to create an authorizing environment for experimentation, options for more flexible funding must be identified for local government, especially at the district and subdistrict levels. Currently, the available government funding at service delivery units such as via the smart card program is quite rigid and prescriptive. The National Community Empowerment Program, which is heralded as the largest community-driven development program in the world, provides block grants directly to communities to use at their discretion through participatory processes.

This year, the Indonesian government will

implement an adaptation of this model with direct transfers to villages. However, more flexible financing is also needed within the public financial management system to foster experimentation by government actors. It may be a fiscal transfer, pooled funding from sector budgets or a pot of innovation funds. The use of the funds should be at the discretion of stakeholders but tied to specific targets that they choose and agree upon. Needless to say, accountability mechanisms need to be put in place. Moreover, the funds should incorporate reward for innovation. Performance-based incentives or bonuses could be given to districts and subdistricts that achieve targeted improvements in basic services. The key is to establish flexibility and accountability, while incentivizing innovation.

In addition, just as in financing, more fluidity is needed in monitoring and feedback mechanisms. The conventional government planning, monitoring and evaluation cycle takes place on an annual basis and is not conducive to rapid feedback and analysis. A local government can put in place complementary processes for more dynamic debottlenecking and iterative feedback on what works and what does not. This is where technology-based innovations may play a big role in generating (near) real-time data for immediate analysis and action. Supplied to “whatever it takes” teams such as in Sleman district, such data could be very powerful in creating real and timely improvements in service delivery for communities.

These are a few ideas guiding Bappenas’s development of a new frontline service delivery policy. Building on field visit observations and the intention to create supportive policy environments to catalyze local innovation, the ministry’s multidisciplinary team is now designing a five-year plan to improve basic services for the poor and vulnerable. The coined “sandwich strategy” integrates top-down local governance reforms with bottom-up community empowerment initiatives to deliver quality services. Innovation lies at the core of the strategy as the fuel for driving local service delivery reforms.

In its quest to enhance the state’s presence and the connection between government and citizens, the Joko administration will need to focus on the reach and quality of basic services that Indonesians experience day to day. They should invest in local governments, frontline health workers, teachers, social workers and others who are serving the needs of citizens on behalf of Jakarta. Furthermore, they should pursue equitable outcomes for all, especially in disadvantaged areas and marginalized communities that are perhaps feeling the least connected and close to government. With central and local governments, service providers and civil society adopting more innovative practices to improve access to basic services, citizens will feel a stronger, more active and effective presence of their government.