
Decentralization of Public Services: Mutualism Symbiosis between the State, Market and NGO

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Abstract

In developing countries like Indonesia, people's welfare is highly dependent on their abilities to gain access and the abilities to use public services. Decentralization is a notion that tries to challenge the weaknesses that exist in the discourse of centralization. Centralization of all public affairs only to the state, with the ideal jargon of Welfare State, in reality is only rhetoric. As a source of public services, the role of the state is very complementary with the market mechanism (private) and non-government organizations. These three sources of public services are equally necessary in the process of socioeconomic transformation of society. Each should work complementarily in providing services to the public at large. The main balance for providing power to market mechanisms in the provision and distribution of community needs is due to its highly efficient working mechanism. The forces within the market work are very efficient because they are designed by profit. Only those who can work efficiently will be able to enjoy the profit. The mechanism of market work determined by price is very different from the mechanism of bureaucratic work because the bureaucracy works based on authority and monopoly; therefore the bureaucratic mechanism tends to be inefficient. However, not all the needs of society can be provided by the market efficiently. The absence of market mechanisms is economically inefficient and socially unacceptable as a sub-service of public (economic and social market failures). The supply of public goods and social goods market mechanisms often does not work efficiently, because the price mechanisms cannot work properly (due to externalities or because the requirements required for the operation of market mechanisms are not met). In such a situation, the presence of a government bureaucracy or a non-governmental organization is required as an alternative provider of public services.

Keywords: *Decentralization; Public Service*

I. INTRODUCTION

In developing countries like Indonesia, people's welfare is very dependent on their ability to get access and their ability to use public services. However, the demand for these services usually far exceeds the government's ability to fulfill them. Decentralization is an understanding that tries to challenge weaknesses in centralized discourse. The concentration of all public affairs that are only to the state with its ideal Welfare State jargon, in reality is only limited to rhetoric. It is because such complex public service affairs cannot be managed "in bulk" by state institutions.

Public service can be interpreted as an effort carried out by a person/group of people or certain institutions to provide convenience and assistance to the community in order to achieve certain goals (Thoha, 1991). Meanwhile, the concept of community service that is activities carried out to provide services and facilities to the public (Handyaningrat, 1988). Another concept claims that public services are services provided by holding firmly to the requirements of efficiency, effectiveness and savings by serving the public interest in the field of production or distribution engaged in vital services.

Viewed in terms of service dimensions, service can be divided into several types, for example Chitwood in (Frederickson, 1988) states that if public service is associated with justice, it can be divided into three basic forms, namely:

1. The same service for all, for example, education that is required for residents aged young.
2. Services that are proportionally equal to all, namely the distribution of services based on certain characteristics related to needs. For example, the number of police assigned to patrol in certain areas varies based on crime rates.
3. Services that are not the same for individuals correspond to relevant differences. There are several

criteria why the service is not the same, among others, namely: first, services that are provided based on the ability to pay from the recipient of the service; second, providing services on the basis of needs.

The development of a variety of public services and increasingly high demands for public services that are more efficient, fast, flexible, low cost and satisfying, will bring the country into a "overwhelmed" position while still forcing itself to be the only "most legitimate" institution in providing services. In fact, that happens if it continues to place himself as it sole agent in providing services. If it keeps putting itself as the sole agent in providing service, it will definitely be in a "poor" position. Therefore, taking care of something that should not be taken care of must be abandoned by the State in order to concentrate more on more strategic and crucial matters. Based on this situation, the concept of decentralization actually intends to reduce the excessive and undue burden on the state. It recommends various rights, authorities, duties and responsibilities with the community (both organized and not) in taking care of and providing public services so that it is not increasingly in "exhaustion". In fact, it is necessary to provide recommendations so that people are allowed to take care of themselves and not to surrender all their affairs to the state.

II. RESULT AND DISCUSSION

The notion of decentralization and autonomy, until now is actually still diverse. Everyone has a different interpretation of the 'term' called decentralization and autonomy. As a result, there are various different meanings between one and the other. The United Nations for example, in 1962 defined decentralization as (1) deconcentration, also called bureaucratic or administrative decentralization, and (2) devolution which is often referred to as democratic or political decentralization, which delegates decision-making authority to elected representatives through elections local. On the other hand, Lemieux (Zuhro, 1998) states that conceptually, decentralization and autonomy are seen as a regional right and authority to regulate themselves, both concerning administrative decisions and political decisions while still taking into account statutory provisions. Whereas decentralization is (Rondinelli, 1981) :

"The transfer or delegation of legal and authority to plan, make decisions and manage public functions from the central governmental its agencies to field organizations of those agencies, subordinate units of government, semi autonomous public corporation, area wide or regional development authorities; functional authorities, autonomous local government, or non-governmental organizational".

Building on this opinion, decentralization is divided into three categories, namely:

1. Deconcentration,
2. Delegation,
3. Devolution,

Deconcentration is basically a less extensive form of decentralization, which is merely a shift of workload from departmental headquarters to staff. That may not be given the authority to formulate how the burden given to it must be carried out. Delegation is a form of decentralization in the form of making management decisions and authorities to carry out certain public functions in certain organizations and only indirectly controlled by the central department.

Devolution is defined as the concrete manifestation of political decentralization. The main characteristics of this devolution are: First, full autonomy, certain freedoms, and relatively limited control from the central government are given to the local government. Second, this local government must have clear territory and legal authority and it has the right to exercise all legal authority and has the right to carry out its public and political functions (government). Third, local government must be given "corporate status" and sufficient power to explore the resources needed to carry out all of its functions. Fourth, local government needs to be developed as an institution, in the sense that this will be prepared by local communities as organizations that provide services that satisfy their needs as government units where they have the right to influence decisions. Fifth, devolution requires a mutually beneficial relationship and effective coordination between the central government and the regional government. The involvement of three sectors in providing public services, namely the state sector (government/state), markets, and Non-Government Organizations (NGOs)/Grassroot Organizations/Civil institutions (Uphoff, 1998). In fact, it is seen that the success

of a development depends a lot on the engineering of positive synergy among the three. All three are complementary and related institutions.

1. In the government sector: (1) the controlling mechanism is the level of bureaucratic organizations from the center to the village, (2) decision makers are administrators surrounded by expert elites, (3) in providing services based on rules bureaucracy (legislation), (4) criteria for the success of decisions are the number of policies that have been successfully implemented, (5) in imposing sanctions, state powers that have the forced nature to be used, and (6) service modus operandi based on mechanisms originating from above (top-down) or self-government.
2. In the private sector: (1) the mechanism for controlling public services relies on market processes, (2) decision making is done by individuals, savers and investors, (3) behavioral guidelines are price match, (4) criteria for decision/service success are efficiency that is maximizing benefits and or satisfaction and minimize losses and/or dissatisfaction, (5) sanctions in effect are in the form of financial losses, (6) the modus operandi of services is carried out by individuals.
3. In the civil sector: (1) the service control mechanism is a voluntary association, (2) making service decisions carried out jointly by leaders and members, (3) behavioral guidelines are member approval, (4) which is used as a criterion for the success of a decision is the accommodation of members 'interests, (5) existing sanctions are in the form of members' social pressure, and (6) the modus operandi of services is carried out from the bottom (bottom-up).

In the third sector, there are differences between Non-Government Organization (NGO) and Grassroot Organization (GRO). NGO is organizations whose networks reach the international level. Thus, the structure is also clear, starting from the international level to the individual level. Meanwhile, GRO or grassroots organizations are organizations that grow from the bottom. It is not structured to the international level. In fact, it is not uncommon; this GRO grows with mere local levels.

III. CONCLUSION

Thus, as a source of public service, the role of the state is exceptionally complementary with market mechanisms (private) and non-governmental organizations. The three sources of public service are equally needed in the socio-economic transformation process of the community. Each of them should work complementary in providing services to the wider community. The main balance to give power to the market mechanism in the provision and distribution of community needs is because of its highly efficient working mechanism. The forces in the market work very efficiently because they are designed by profit. Only those who can work efficiently can enjoy profits.

The market working mechanism determined by price is very different from the mechanism of bureaucratic work because the bureaucracy works based on authority and monopoly; therefore, the bureaucratic mechanism of action tends to be inefficient. However, not all community needs can be provided by the market efficiently. Sometimes the market mechanism is economically inefficient and socially unacceptable as a source of public services (economic and social market failures). In the provision of public goods and social goods, market mechanisms often do not work efficiently, because the price mechanism cannot work properly (because of externalities or because the requirements needed for the operation of the market mechanism are not met). In this situation, the presence of government bureaucracies or non-governmental institutions is required as an alternative public service provider.

The need to reform the character of Local Government (internal reform) by applying several techniques as follows (Kingsley, 1996) :

1. "Performance measurement", with the existence of a clear report of the results of activities and measuring relative efficiency, for example with the cost/price per unit of service provided.
2. "Independence and objective audits", both for performance and financial management.
3. "Performance contracts", while maintaining good relations with other parties (departments, private sector or NGOs).
4. "Decentralization of responsibility within government", by dividing tasks and providing clear targets for the officials below them.
5. "Introducing customer orientation and access", by publishing plans and reports on activities,

establishing "one-stop-shops" to facilitate licensing, and so on.

6. "A competitive mode of service provision", in a competitive manner in providing services between the government, the private sector and NGOs.

These ideas were developed in developing countries such as India, Ecuador, Mexico, Ghana, and so on. With these reforms, it is hoped that a strong civil society will be formed and there will be "entrepreneurial leadership" to be able to mobilize the groups outside the government in the context of better public services.

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