STREET-LEVEL BUREAUCRACY AND GOVERNMENT TRANSFORMATION

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ARTICLE INFO	ABSTRACT
  	This article aims to examine how the policy transformation deals with the risk of government failure at the street-bureaucracy level. The researchers adopt a qualitative research method to address the question by seeking an in-depth understanding of a case study of the licensing process in Lombok Island, Indonesia. Researchers collect data through interviews, observations, and document analysis to understand the case comprehensively by focusing on government transformation process. The results show the policy transformation deals with the risk of government failure at the street-bureaucracy level by shaping the organizational culture, gaining support from various stakeholders, sharing valuable resources, and reforming the day-to-day administration. This study extends the emerging literature on street-level bureaucracy.

INTRODUCTION

Property investment and zoning law are two important aspects to consider when investing in real estate in Indonesia. Zoning laws regulate land use and development in different areas, determining what types of structures can be built, their size, height, and location (Heris et al., 2020; Stahl, 2019). Therefore, understanding the zoning laws in a specific area is crucial, as they can affect a property's value and potential use (Freemark, 2020; Lo et al., 2020). Therefore, when investing in real estate, it is critical to consider the current zoning laws and possible future changes in zoning regulations, which implies segregation within cities and other areas (McLaughlin, 2012; Shertzer et al., 2022).

Debates on the effectiveness of zoning policy have often undermined the bureaucracy's role in providing a precarious housing context (Alexander et al., 2018; Dantzler, 2022). The challenge for transforming is to create a more efficient, responsive, and citizen-centric government capable of meeting the needs and expectations of the public, especially for street-level bureaucracy (Pareek & Sole, 2022; Ukeje et al., 2020). These activities contain significant discretion in carrying out their jobs and deciding how to allocate resources and provide services to the public (Davidovitz & Cohen, 2022). Street-level bureaucracy in this study refers to frontline government employees interacting directly with citizens and giving business licenses.

Lombok of Nusa Tenggara Barat, commonly referred to as just Lombok, is an island in Indonesia located east of Bali. This island is a popular tourist destination in Indonesia and attracts visitors from all over the world who enjoy its natural beauty and cultural attractions. The most popular interest in Lombok is the Mandalika International Street Circuit, a new Formula One (F1) race track. The circuit is part of a larger development project in the Mandalika Special Economic

Zone (SEZ, *Zona Ekonomi Spesial*) to boost tourism and economic development on the island. Hence, the property business in Lombok has been growing steadily in recent years, driven in part by the island's growing tourism industry. Many investors want to purchase land or property in Lombok to build hotels, resorts, villas, and other tourist accommodations.

One of the key attractions of investing in Lombok's property market is the relatively low cost of land and property compared to more established tourist destinations such as Bali. In addition, the Mandalika SEZ has fostered development projects, including hotels, resorts, shopping centres, and other infrastructure to support tourism on the island. The project is part of the Indonesian government's efforts to boost economic growth and investment in the country, particularly in the tourism sector. The policy makes Lombok an attractive destination for investors looking for high investment returns. In addition to tourism-related properties, there is a growing demand for residential properties in Lombok, particularly among expats and retirees looking for a more affordable and relaxed lifestyle. As a result, there has been a rise in the number of housing developments catering to this market.

Presidential Instruction (Inpres, *Instruksi Presiden*) No. 4/2015 is a directive issued by the President of Indonesia in 2015. The instruction outlines the government's policy on implementing one-stop integrated services (PTSP) in Indonesia. The instruction aims to simplify and accelerate obtaining business licenses and permits in Indonesia by establishing a single point of service for investors. The Indonesian Investment Coordinating Board (BKPM) is closely related to the one-stop integrated service (PTSP) program. The BKPM is a government agency responsible for promoting and facilitating investment in Indonesia.

Through regulation no 13/2012, the Mayor of Lombok delegates the authority to the Local Board of Investment (BPMP2T) to issue 77 types of business license to individual or organization that meets particular requirement, such as paying applicable fees and complying with zoning and building codes in Lombok Municipality. The board works with other local government agencies to provide a single service point for investors seeking permits and licenses. The policy implies that investors no longer need to go to multiple government agencies to obtain the necessary documents and approvals for their investments.

Instead, investors can go to the PTSP office, usually located at the BKPM or other government agency offices, and have all their needs taken care of in one place. Under the PTSP, investors can submit all necessary documentation and obtain approvals through an integrated online portal, eliminating the need to visit multiple government offices and reducing the potential for corruption and delays. The system also provides greater transparency and accountability in the investment process, as all transactions are recorded electronically and can be easily tracked and audited.

The challenge for transforming government in terms of people, process, and policy is to create a more efficient, responsive, and citizen-centric government capable of meeting the needs and expectations of the public (Burnett et al., 2019; Wahid et al., 2020). This approach requires a fundamental change in how the government operates, which can take time to achieve. In terms of people, the challenge is to create a government workforce that is competent, innovative, and

dedicated to serving the public (Bason, 2018; Zumofen et al., 2022). The policy involves attracting and retaining talented individuals, providing ongoing training and development opportunities, and creating a culture of service excellence.

Regarding process, the challenge is to streamline government operations and make them more transparent, efficient, and accountable. The process involves adopting best practices from the private sector, leveraging technology to automate routine tasks, and eliminating unnecessary bureaucracy and red tape. Hence, the concept of street-level bureaucracy has been used to analyze the implementation of government reforms and transformations, particularly those aimed at improving the delivery of public services.

This article aims to examine how the policy transformation deals with the risk of government failure at the street-bureaucracy level. The researchers adopt a qualitative research method to address the question by seeking an in-depth understanding of a case study of the licensing process in Lombok Island, Indonesia.

METHOD

This study adopted the phenomenology approach to understand the structures of subjective experience by examining the first-person accounts of those experiences. Researchers collected the data through interviews, observations, and document analysis to understand the case comprehensively by focusing on research questions of how the government transformation challenges the street-level bureaucracy. The study adopted open-ended questions by focusing on the main research question of how the frontline workers challenge the government transformation. Hence, the interviews began by deriving the main question into 3 topics for mini questions, namely the challenge in the human resource context, the business process, and the technology adoption.

This study involved three types of research participants, which played a pivotal role in the frontline of license. First is the street-level bureaucrats who provide services related to business licenses, including officials in licensing agencies, permit inspectors, zoning officials, and other regulatory personnel responsible for reviewing and approving business license applications and ensuring compliance with local regulations. The second type of research participant is the entrepreneurs who work as property developers and are involved in the subdivision or development of land needing a business license. The last is politicians, engaged in the business license process to ensure businesses comply with local laws and regulations.

The analysis conducted by applying data triangulation for the interview data and content analysis for the documents. The results were then synchronized to build a final conclusion for the research and to eventually generate some sort of recommendations.

RESULT AND DISCUSSION

Table 1. Data Obtained

No	Stakeholders	Role	# participants	Type of Data Collection
1	Front-liners	Service providers	8	Interview

2	Entrepreneurs	Applicants	3	Focus group discussion
3	Politicians	Mediators	2	Interview

The policy transformation deals with the risk of government failure at the street-bureaucracy level by following these steps.

Shaping the Organizational Culture

Government transformation can bring many benefits, including increased efficiency, effectiveness, and responsiveness to citizens' needs. However, there are also potential risks that should be considered when implementing significant changes in government operations. When implementing substantial changes to government operations, there is a risk of disrupting services that citizens rely on. Disruption of government license service for property business refers to a situation where the government agency responsible for issuing licenses and permits to property businesses experiences a halt or interruption in its services. The context can occur due to various reasons, such as technical difficulties, staffing shortages, or other unforeseen circumstances. This circumstance causes frustration and inconvenience for the property business, mainly if they cannot access essential services or information.

1) "Street-level bureaucrats often have a high degree of professional autonomy, which can lead to resistance to change that may threaten their authority or their perception of what is best for their clients."
2) "Street-level bureaucrats resist change if they believe they do not have the resources or support necessary to implement the changes effectively. This opinion includes inadequate staffing levels, insufficient training, or outdated technology."
3) "Street-level bureaucrats resist change if they fear negative consequences such as job loss, decreased funding for their agency, or increased workloads."

Gaining Support from Various Stakeholders

Government transformation efforts may only succeed if stakeholders are involved, including citizens, employees, and other interested parties. Stakeholders may have valuable insights and perspectives that can inform the transformation process and help ensure that changes are made to meet their needs as the local government decides to simplify the process for obtaining a business license to encourage more entrepreneurship and economic development. First, however, the government must engage with local business owners or industry groups to develop new licensing procedures. For example, suppose the city government had been involved with local business owners and industry groups in developing new licensing strategies. In that case, they may have been able to identify and address concerns early on.

1) "I am surprised by the changes and unsure how to follow the new licensing procedure."
2) "I feel that my concerns were not considered, and that the new procedures do not reflect the reality of running a business in the city."

     3) "I expect to help build support for the new procedures in the permit management process."

Sharing Valuable Resources

Government transformation requires significant changes to technology, infrastructure, or processes. For example, implementing a new digital system for managing government records may require purchasing new software, upgrading computer systems, and training staff on how to use the new system. Transforming a government agency involves staff with specialized skills and expertise or retraining existing staff to work in new roles. These costs can include recruitment, salaries, benefits, and training expenses. Transforming a government agency can be complex and challenging, requiring significant resources to manage the change and ensure stakeholders are engaged and informed. This approach can include developing communication plans, conducting outreach and engagement activities, and providing training and support to staff and stakeholders. New technologies or processes threaten the existing workforce, leading to resistance and difficulty implementing changes.

     1) "I believe the new policy is not based on long-standing norms and values, which previous policies have been applied to."

     2) "The central government imposed the policy without asking us who work at the frontline public service with the responsibility to ensure that the business proposals meet environmental sustainability."

     3) "We must delay the implementation due to the lack of the necessary skills and knowledge to operate and maintain new technologies."

Reforming the Day-to-Day Administration

Many government agencies are subject to legal requirements that dictate their operations. For example, agencies may be required to follow specific procurement rules or conduct public hearings before making certain decisions. These legal requirements can be complex and time-consuming, leading to lengthy processes. In addition, government agencies are often bureaucratic by nature, meaning they have multiple layers of decision-making and a hierarchical structure. This policy can lead to lengthy processes as decisions need to be approved by various individuals or departments. Instead of generalization, bureaucratic organizations are often designed to be highly specialized, with different departments or units responsible for specific tasks or functions. Interoperability and Integration: Different systems used in various government agencies may need to be compatible, making it difficult to share data and communicate effectively.

     1) "The specialization in property business licenses leads to multiple layers of decision-making, as decisions may need to be made at different levels following the nature of the task or function."

     2) "I have been training to review business proposals that meet sustainable development and balance economic growth with environmental protection. It is a thorough job. So how can I accomplish that in just a couple of days?"

3) "Government agencies are accountable to the public and elected officials. As a result, they often need to provide detailed justifications and documentation for their decisions and actions.
4) "The property license is a lengthy process as the government agencies work to ensure that they are making sound decisions that align with the law and public expectations."
5) "The housing permit indeed requires a lot of technical studies so that the housing can comply with existing housing procedures and requirements. We cannot issue the permit if it does not comply, such as if the land is prone to landslides."
6) "The Technical Study on Flood Control ensures that the existing channels in the housing area can function as optimally as possible."
7) "The technical inspection requires the staff to visit the location and inspect the field."

CONCLUSION

Frontline workers can also fill regulatory gaps by developing informal rules and practices to address gaps in formal regulations or policies. For example, a police officer may have to use their discretion to interpret vague or ambiguous laws to maintain public safety, or a teacher may have to adapt their teaching methods to meet the needs of students who need to be adequately served by existing educational policies. In Lombok Island, the frontline civil servant or worker is responsible for issuing and enforcing business licenses. The workers are critical in realizing shared goals and programs, mainly when regulatory gaps or resource scarcity exist by implementing public programs and policies daily.

This article presents a phenomenology approach with a detailed analysis of the structures of consciousness and experience, providing insight into how individuals perceive and make sense of the world. The results demonstrate how frontline workers are often tasked with translating policies into action and play a key role in ensuring that programs are executed efficiently and effectively. However, this approach is based on subjective experiences, which rely on introspection and self-report, which can be emotional and difficult to verify. Hence, this research calls for further exploration to generate the findings.

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