

NEW PUBLIC MANAGEMENT, E-GOVERNMENT AND THE ENHANCEMENT OF ACCOUNTABILITY: CASE OF LOCAL GOVERNMENT IN EAST JAWA

Djoko Sigit Sayogo

University Of Melbourne
University Information Centre Parkville, Vie 3010
Telephone: (03) 83446543

ABSTRACT

This article aims to analyze the role of information and communication technology, namely internet in the form of e-government in supporting the creation of new public management which subsequently alter and enhance the accountability of government. It could be exerted that the inception of new public management supported by the adoption of Internet in a way will affects the traditional approach of accountability. Nevertheless, not only it will alter the traditional approach of accountability, with the new governance paradigm in which government is served as one of the actors in governance system, the inception of information and communication technology in the form of implementation of e-government will improve government accountability. Accordingly, research by Sayogo (2006) examine the local government accountability level in the perspectives of e-government in East Jawa found that there has been an alteration in the form of accountability which is exerting more on the citizen dialogue compare to financial and political.

Keywords: *new public management, e-government, government accountability*

INTRODUCTION

New public management doctrine is exerting more autonomy on public managers that provide supplier and market oriented public administration structures, in which it affects the traditional approach of accountability. There has been a common consent regarding reinventing governance in government system instead of reinventing government. This mechanism is achieved through the creation of network of states, citizens, governments, and private

sectors. In the new governance paradigm, government serve as one of many actors in governance system, in the sense that the new governance paradigm is based on the participatory policy making and extensive network encompassing various participants (Pina, et.al.: 2005).

In Indonesia, there's also has been a demand on the government to embrace good governance in entire aspect of live in relation to the governing of state governments. The slow recovery on the economic down-turn experienced by Indonesia, is

partly due to the negligence of the implementation of good governance in our government system (Soelandro: 2000).

Eventually, this spread of new governance paradigm is also give rise to the new demand on accountability. With today's more diverse stakeholders to be involved in the new governance mechanism, lead to a new form of accountability. New accountability requires more accessible and transparent information for citizens and other stakeholders served as consumer of government. Thus, today's accountability is not only concern with the auditable of government financial accountability but it has extended its meaning toward openness and transparency initiative aims at creating enhanced control of government by citizens and the occurrence of public discussion between government and citizens (Pina, et.al.: 2005). According to Wong & Welch (2004), accountability refers to the responsiveness of government to citizens in relation to the performance of government (Wong & Welch: 2004). The advancement in information technology will enhance the ability in processing, governing, disseminating, and distributing information and public services. One of the technology advancement tools that contribute in developing communication and information is Internet.

Numerous research (Irani, et.al.: 2005; Moon & Norris: 2005; Tan & Pan: 2003; Grant & Chau: 2005) shows that with the rapid development of Internet, government acquire wider possibility in disseminating information in more cost effective way, conducting trade with business, more effective and efficient citizens services and encouraging participation in democracy (Irani, et.al.: 2005; Moon & Norris: 2005; Tan & Pan: 2003; Grant & Chau: 2005). The utilization of Internet

through the development of local government homepage is a preliminary effort in achieving *e-government* that hopefully could facilitate better service to the stakeholders (Chen, Chen, Huang & Ching: 2006).

The development of *e-government* is an effort to develop government governing system on electronic basis in order to enhance the quality of public servicing effectively and efficiently. In order to improve and develop good government governance in Indonesia, the central government has enacted an (*e-government* Development Framework) through Presidential decree No. 3/ 2003. This decree served as an umbrella for the whole detail technical policy regarding e-government in Indonesia. The *E-government* development strategy in Indonesia, based on Minister of Information Decreed No 57/ KEP/M.KO-MINFO/12/2003 is conducted in 4 stages, which are: preparation stage, maturity stage, emphasized stage, utilization stage.

The utilization of e-government will enhance the ability of government to convey information timely, richer, in rational cost that could improve government information transparency to the public. Aside from that, conveying information through Internet will enhance information democracy and encourage the enhancement of information interaction between government and society, encouraging society to actively involve in monitoring government activities. Thus, e-government is often viewed as positive tools that enabling the enhancement of government accountability and empowerment of society (La Porte, Todd, de Jong & Demchak: 2002).

The increased information transparency and interaction between government and society as a result of e-govern-

ment implementation, is hopefully could improve government accountability, in the sense that government become more responsive on the need and requisition of society especially regarding with the distribution and dissemination of information (Wong & Welch: 2004).

According to Wong & Welch (1998), e-government which is encouraged by the development of information technology is an example of global pressure to public management. The global pressure affecting public organization or government institution could occur directly or indirectly in the domestic perspective. First, global pressure from e-government will affect directly to accountability and second, indirect impact due to the existing changing, especially domestically (Wong & Welch: 2001). The direct impacts domestically refer to the usage of domestic direct measurement such as: political condition and economic value. While indirect impacts refer to the changing form of interaction between related parties (Wong & Welch: 2004).

This article aims to provide further analysis on the relationship between the utilization of information and communication technology (ICT) as a tool in facilitating new public management in which it subsequently will result on the different conceptualization and enhancement of local government accountability. In regard to that, this article will be organized as follow: first, it will further describe the concept of new public management and its benefit. Second part will discuss the influence of ICT on the governance of public affairs (e-government), and also the conceptualized distinction between e-government and e-governance. Finally, this article will analyze the influence of e-government on the accountability of local government by

providing evidence on the accountability level of local governments in East Jawa after the implementation of e-government.

New Public Management

New public management has been seen as a global phenomenon. It was developed around the second part of the 80s in Anglo American. The new public management system is in large drawing management techniques and practices from the private sector to be adapted to public sector, hence it is altered emphasis from traditional public administration to public management.

Combination and complexity combination of economic, social, political and technological factors are contributed to driver of the emergence of New Public Management. However, the most common factor that influenced countries in adopting and implementing New Public Management is the occurrence of economic and fiscal crisis (UNRISD: 1999). The occurrence of economic and fiscal crisis in a country is tended to trigger the pursuit of efficiency in cost of delivering services. Moreover, when the crisis is affecting the welfare of a country, hence it usually leads to questioning the role of management and governing of a state. Either way, whether the crisis impact in large or small effects, it would eventually lead to the demand in restructuring and reforming the public administration and management. Up to recently, the adoption of new public management is for the most part due to the developed countries, in particular for Anglo-Saxon (UNRISD: 1999). As in the case of underdeveloped countries the adoption of new public management could be stemmed from the inquisition due to the lending conditionality exert by donors that required an emphasize on good governance.

Through out the years, the development of New Public Management components is evolving. However, according to Moore et.al. (1994 cited from UNRISD: 1999), the central points of new public management is in inducing and exposing public services to a open market environment, in which it is a subject of performance incentives and disciplines that have marked private market environment. Hence it is assumed that by exposing public sector to market pressures will result in increased efficiency and effectiveness of public sector management, or coarsely the government could learn a great deal from the private sector mechanism. Furthermore, Seigo (2007) exert that the implementation of new public management will bring about it the enablement of efficient public management and investment, selection of optimal countermeasure of public target and finally fulfillment of accountability and transparency. Accordingly, Ferlie et.al (1996) exert that the features in implementing new public management are: contracting out services, delegating responsibility in resources disbursement, orienting in output, controlling, orienting in market, increasing the capability of personnel, embracing information technology, and adopting quality management.

E-Government and E-Governance: a Distinct Concept

Literally, most dictionaries will exert that governance is government; it is similar in meaning. However, according to Tanzi (1999), governance has more substantive meaning compare to government. Governance is an essential part of a framework that comprising economic and financial management which also include: macro-economic stability, commitment to social and economic equity, and promotion of

efficiency (Tanzi: 1999).

Likewise, with the inclusion of information and communication technology, namely Internet, give rise to different conceptualized notion of e-government and e-governance.

E-government can be defined as an effort to utilized technology, especially information technology to transform the operational form of government (Grant & Chau: 2005). Whereas according to Evans & Yen (2005) in a simplistic way, e-government can be defined as a communication between government to society conducted through computer and the existence of networking (web), with the purpose to enhanced the access to society, improve efficiency and effectiveness of government and increase government responsiveness to society (Evans & Yen: 2005). Gronlund & Horan (2004) is also having similar definition, in which e-government is the utilization of information technology by government bureaus which will enable transformation of relationship with society, private sector, and other subsidiaries of government, with the objectives to providing better services to society, increasing access of society and government, and improving government's management efficiency (Gronlund & Horan: 2004).

In the contrary, e-governance is not government, or just a mere act of governing. E-governance is a process and structure to utilize the potentialities of information and communication technology, through the process in guiding the conduct of stakeholders and it's the process of interaction between stakeholders with government as part of the actors involved in governance (Finger & Pècoud: 2003). According to Institute of Rutgers University, it exert that e-governance dealing with creating new

channel in assessing government, providing new styles of leadership in government, new method in transacting government activity and system for disseminating information and services. Hence, it is clearly transparent the similarity in the objectives and process of new public management and e-government and furthermore e-governance.

E-government and the Enhancement of Public Accountability

There has been a common consent regarding reinventing governance in government system instead of reinventing government. This mechanism is achieved through the creation of network of states, citizens, governments, and private sectors. In the new governance paradigm, government serve as one of many actors in governance system, in the sense that the new governance paradigm is based on the participatory policy making and extensive network encompassing various participants (Pina, et.al.: 2005).

Eventually, this spread of new governance paradigm is also give rise to the new demand on accountability. With today's more diverse stakeholders to be involved in the new governance mechanism, lead to a new form of accountability. New accountability requires more accessible and transparent information for citizens and other stakeholders served as consumer of government.

According to Robinson (2003), generally, accountability is the exchange tools of an activity, if one party is accountable, thus it has an obligation to provide an answer to other party and it is a must to provide explanation regarding the activity conducted (Robinson:2003). According to Wong & Welch (2004), accountability is government responsiveness to the society

in relation to the government performance (Wong & Welch: 2004). Normanton (1966) cited from Carnegie (2005) expressing similar opinion, that accountability is basically the act of providing justification or explanation of what already have done by certain party (Normanton cited from Carnegie: 1966).

However, the definition of accountability for public organization is more complex due to the wider perspectives of public organization, which not only limited on financial reporting. This is due to, according Normanton (1966) cited from Carnegie (2005), that financial reporting can not provide full explanation and almost unable to provide background reason behind certain treatment.

Furthermore, Carnegie (2005) and Robinson (2003) exerting that due to the extensive perspectives in public organization, than public organization accountability should be measured using not only financial indicator but also non-financial indicator. Carnegie (2005), refereeing on the construct expressed by Laundry (cited from Carnegie: 2005) explained that measurement of public institution accountability should be viewed from the elements of activity level, usage-participation level, interaction-communication level, exchange and representation level, and finally reporting and controlling mechanism (Laundry: 1994 cited from Carnegie: 2005). Similar opinion given by Wong & Welch (2004) exert that two important elements of public institution accountability are interaction and transparency (Wong & Welch: 2004).

One key elements of accountability is indeed financial accountability. However, at present, accountability is also embracing issues regarding information such as how voters can elect their representatives

and all (Mulgan: 2000 cited from Pina et.al.: 2005). Furthermore, accountability has extended its meaning to involved openness and transparency in which its targets initiatives of government control in form of public discussion. Thus, subsequently, political orientation and government control in form of public discussion will enhance and support the existing financial accountability.

With the rise of a new demand to have more elements of accountability that should be provided to the public, subsequently government required a right tool to disseminate their accountability assessment. Hence new enhancement in information and communication technology, namely Internet was subsequently sought after as the appropriate tool to develop further communication and expand dissemination of information from government to more various stakeholders, which is defined as e-government. Where as, e-government can be defined as a communication between government to society conducted through computer and the existence of networking (web), with the purpose to enhanced the access to society, improve efficiency and effectiveness of government and increase government responsiveness to society (Evans & Yen: 2005). With the utilization of e-government, not only that the government could enhance the dissemination of financial accountability in a wider reach, however it is also enable government to increase the quantity of information disseminate. As it is exert by Pina et.al (2005) there has been requirement to conform more on the openness interactivity, and transparency for the government.

As in accordance to Presidential Decreed No. 3/2003, the local government in Indonesia is also sought after to implement e-government to enhance openness,

transparency, and accountability. It is as the objectives of this implementation that the implementation will subsequently enhance the openness, transparency and accountability of local governments in Indonesia.

Hence, in examining the accountability level of local government in the perspectives of e-government, the case for the local government in East Jawa is presented. This is a research conducted by Sayogo (2006), which examined the accountability level of government asserting from the perspectives of e-government. The research was conducted in the homepage of 30 local governments in East Jawa provinces.

From the research result, it is found that for local government in East Jawa, the average of for financial accountability the average level is 0,2054 with standard error of 0,02293, for political dimension the average level is 0,4469 with standard error of 0,02716, and for citizens dialogue the average level of accountability is 0,6043 with standard error of 0,03267 (refer to appendix 1). Judging from low value of standard of error for each category, couple with the confidentiality level of 95%, it can be assumed that the sample used in this research could reflect the average population value. If analyzed further, the highest average of accountability level is for the citizens' dialogue, which means that in average the local governments providing tools for citizens to interact and involved in government operation compare to providing information regarding the political dimension or even financial information as the methods of accountability. This is however, in align with the research of Pina et.al. (2006), in which they exert that the Internet has made it easier for citizens to locate and download official information and to conduct transactions

(Pina et.al.: 2006). Likewise, in this research, the web site analyzed is mostly not dynamic in content, especially in relating to the existence of interactive link between local government and citizens. This, however, lead to a new possible research root in examine whether citizens are actually expecting that ICTs could increase government transparency and it will empower citizens to monitor government performance more closely. Further research should pursue and bring an examination regarding a broader interaction between citizens and government. Nevertheless, since actually financial accountability is the first predominantly requirement asked by the users and stakeholders of the government, the survey result is surprising, in regard that the financial accountability level is only 0,2045 which is considerably low. This is however, is in congruence to the research of Pina et.al. (2006) and Wong & Welch (2004), in which they exert that technology per se is not the main influence of financial accountability, since it is more likely to be influence by the characteristics of the government itself and of the regulation. Hence, it is stimulating to pursue further research concerning the factors that hinder the capability of government in providing more accountability in the form of financial information and also further aims to examine the influence of government characteristics and regulation on finance that might have been shaped the financial accountability exerted by local government in Indonesia.

In regard to the correlation between financial accountability, political dimension and citizens dialogue, based on the correlation coefficient or significant, it can be concluded that political dimension and citizens dialogue are not relate to financial accountability. Thus the existence of

citizen involvement and the need to convey political orientation from the government is not sufficient to enforce local government to enhance their financial accountability level. This is in support to the statement of Pina et.al. (2006) that financial accountability is shaped by the fiscal regulation. However, there is significant correlation between citizens dialogue and political dimension, thus it could be derived that local government is more than willing to convey more information relate to their political orientation to the citizens, this could be due to the need of the government to have citizens support in election, tough this still need to be verified by further research.

Thus further enforce by regression analysis result that based on the F test demonstrate that F value of 0,434 and asymptotic significance value of 0,653 (refer to appendix 2). Thus, due that the probability value is more than 0,05 ($0,653 > 0,05$), it is assumed that regression model can not be used to predict the financial accountability of local government in the perspectives of e-government judge from its transparency. Hence, simultaneously, all variable is insignificant in influencing the financial accountability of local government in the perspectives of e-government judge from its transparency. This result further imposed the notion that government accountability is not only influenced by information technology alone, the characteristic of government and the government administration system is assumed to have substantial influence to accountability of local government.

Conclusion

Based on the above explanation, it could be exerted that reinventing government through the creation of

network with the support of information and communication technology in the form of e-government would result in more efficient and transparent administration and management of government. Hence this increased on the efficiency and transparency of public management is a feature in implementation of new public management. Furthermore, inception of new public management supported by the adoption of Internet in a way will affects the traditional approach of accountability. Nevertheless, not only it will alter the traditional approach of accountability, with the new governance paradigm in which government is served as one of the actors in governance system, the inception of information and communication technology in the form of implementation of e-government will improve government accountability.

Hence, based on the research by Sayogo (2006), it is found that for local government in East Jawa, the average of for financial accountability the average level is 0,2054 with standard error of 0,02293, for political dimension the average

level is 0,4469 with standard error of 0,02716, and for citizens dialogue the average level of accountability is 0,6043 with standard error of 0,03267 (refer to appendix 1). Judging from the level of accountability, the highest average of accountability level is for the citizens' dialogue, which means that in average the local governments providing tools for citizens to interact and involved in government operation compare to providing information regarding the political dimension or even financial information as the methods of accountability. This is signifying that through the utilization of e-government, enabling the alteration on the form of accountability, which shifted the weight not only in the financial accountability. Moreover, this is also signified that the increased communication between government and citizen that is facilitated by government show in a simplistic term the creation of network of government and various stakeholders in performing or unconsciously molding the shape of implementing new public management.

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