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The Strategy of Public Services Through Digitalization in Indonesia: A Comparative Study from South Korea Success Story

Dwi Lina Arifianti[1], Eko Sakapurnama[1]

[1]*Faculty of Administrative Science, Universitas Indonesia*

**Corresponding Author: Dwi Lina Arifianti*

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Abstract

This article provides an overview of the current conditions of digitalizing public services in Indonesia. Rapid transformation in information technology has created opportunities to simplify bureaucratic processes through digitalization. This research analyses public services through digitalization and their potential in the future, comparing them with successful stories in South Korea. Through a comparative study, this study aims to identify best practices in overcoming the gaps and challenges in digitalizing public services. This study uses a qualitative approach by collecting comprehensive literature review data, government reports, and other relevant secondary data. A comparative analysis of Korea's digitalization efforts was conducted to gain insight into potential lessons and best practices. The research results show that the digitalization of public services in Indonesia has large ambitions. However, it still needs to catch up to Korea regarding implementation strategies and the design of digital government principles. Prioritizing digitalization in public services increases the effectiveness and efficiency of public services and equalizes society's quality of life.

Introduction

One of the eight areas of change proposed by the Bureaucratic Reform in Indonesia is improving the quality of public services. The central and regional governments have made various efforts to realize optimal public services through bureaucratic simplification and administrative structures, human resource management, and administrative simplification. The government has simplified the organizational structure in terms of organizational structure by cutting Echelon III and Echelon IV level positions into functional positions to improve the performance of government employees (Kusuma 2020; Marista, et al., 2022; Setiawan et al., 2022). Meanwhile, efforts to optimize public services are carried out through various approaches, one of which is the digitalization of the public service system, commonly known as e-Governance.

Digitalization is inseparable from current public sector development, especially in public administration, due to the rapid transformation in technological instruments to support quality public services. Digitalization is also a demand for sustainable development today (Raiu, 2015; Urs & Spoaller, 2022). In the public sector, digitalization in public services has become an important issue (Raiu & Melenciuc, 2022). However, after the COVID-19 pandemic, demands for digitalization have become more intense in anticipation of unpredictable emergencies so that we can still provide excellent service to the public (Nielsen & Jordanoski, 2023).

In its efforts to optimize public services, Indonesia has shown its seriousness in becoming Good Governance. This condition is proven by the fourth-ranking results based on the Worldwide Governance Indicators (WGI) in the Government Effectiveness in Southeast Asia obtained by Indonesia in 2022. In the context of countries in Southeast Asia, the 2022 WGI data shows that

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Singapore has a perfect government effectiveness index with a score of 100 points, followed by Brunei Darussalam in second place with 91.03 points (WGI, 2023). Meanwhile, Malaysia, Indonesia, and Vietnam occupy third, fourth, and fifth positions, respectively, with point ranges that are not much different.

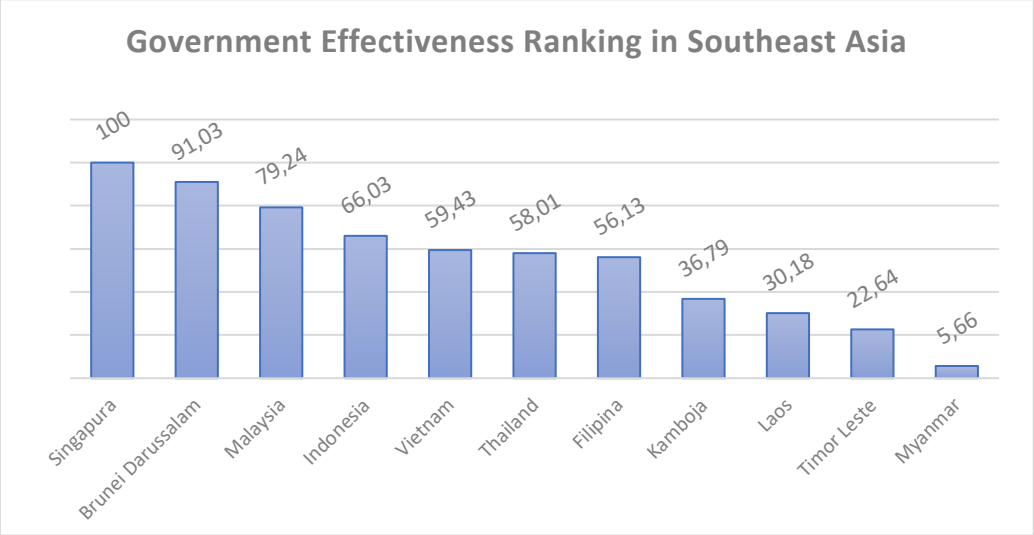

Figure 1. Government Effectiveness in Southeast Asian Countries Period of 2022

Source: WGI, 2023 (data processed by author)

The Government Effectiveness ranking obtained by Indonesia is inseparable from the digitalization efforts that the central and regional governments have carried out to realize effective and efficient government. Several digitalization efforts in public services that Indonesia has carried out include the passing of regulations related to the Electronic Based Government System (SPBE) through Presidential Regulation Number 95 of 2018, the construction of the National Public Service Complaint Management System-People's Online Aspiration and Complaints Service (SP4N-LAPOR!), and development of Public Service Malls (MPP) (Indonesia.go.id, 2023).

Even though various digitalization efforts in public services have been carried out, Indonesia still needs to overcome multiple challenges in practice. Several previous studies found that there are still gaps in digital-based public services, especially in peripheral areas (Saputro & Safriansyah, 2021). Apart from that, other research also shows that there are still obstacles at the regulatory, budget planning, and infrastructure levels in implementing SPBE in Indonesia, especially at the Regional Government level (Adu et al., 2022).

Reflecting on other countries' success in implementing digitalization in the public sector, South Korea should be used as an example. As one of the countries in the East Asia region, South Korea has developed a fast e-government model. This achievement is proven by South Korea's first ranking in the Digital Government Index category out of 29 OECD countries. COVID-19 has been established to test the Korean government's capacity to continue providing responsive and effective public services. This is done quickly and actively by mobilizing its administrative innovation capabilities based on openness, transparency, and democracy (OECD, 2020).

Korea's success in improving public services through digitalization is outlined in a 2021-2025 road map emphasizing intelligent service design and delivery, data-driven public administration, strong and inclusive digital infrastructure, and strengthening weaknesses identified by the Digital Governance Index (OECD, 2020). Currently, the target of Korean

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government public servants is no longer at the e-government level but at the innovation of a new strategy, which they call Digital Platform Government (Jean, 2023).

Through this article, the author conducted a comparative study that provides a general overview of the current state of digitalization of public services in Indonesia and explores its impact on the quality and availability of services. The rapid progress of information and communication technology has created opportunities to simplify bureaucratic processes and improve the delivery of public services. This study aims to analyze the progress and potential of digitalization in public services in Indonesia and compare it with the success of South Korea. Implicitly, this research identifies best practices from South Korea in overcoming the gaps and challenges that exist in the digitalization of public services in Indonesia through comparative studies, which is an empirical novelty in the field of digital governance studies, which is still relatively rare in the Indonesian context.

Literature Review

Digital transformation is an interdisciplinary research field that can be defined differently in various literatures. In a narrow sense, digital transformation can be defined as organizational change triggered by digital technology (Hess et al., 2016). On the other hand, the digitalization of public services has become a topic that is widely discussed by researchers in public policy and administrative science, so it often gives rise to consensus and debate. Most authors argue that the digitalization of public services is changing interactions between citizens and civil servants (Lindgren et al., 2019) and claim that digitalization requires new skills so that citizens and civil servants can interact more efficiently (Scholta et al., 2019).

Principles of Digital Government Services	• Digital by Default • Device-agnostic and mobile-centric • User-centered service design • Digital from end to end • Government as a Platform
Building Blocks of Digital Government	• A single portal • Unified data shared across the public sector • Cross-government shared services • Shared government infrastructure • Improved sensor networks and analytics • Cyber-security and privacy
Leadership and Skills for Digital Government	• Leadership and Governance • Innovation within Government • Culture and Skills
Measurement of Digital Government	• Measurement of Digital Government

Figure 2. Digital Government Characteristics

Source: Hohlov et al., 2016.

Digitalization can actually make the government function effectively and efficiently (Savoldelli et al., 2014) and provide oriented public services (Nielsen, 2020). The use of information and communications technology (ICT) and e-government strategies are often an integral part of broader public sector reform efforts. Transformative digital government trends and the new role of government are discussed in various recommendations and guidelines issued by the United Nations (UN).

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In the context of this research, a comparative analysis of public service digitalization can be a basis for understanding the implementation of Penta helix digitalization of public services, as well as identifying best practices for future decision-making. In analysing the digitalization of public services in Indonesia and Korea, the author is guided by the characteristics of Digital Government developed by Hohlov et al. (2016), which can be seen in the figure below.

Methods

This research uses a qualitative research approach through a comparative study of two countries that is exploratory (Yin, 2013). Several data collection techniques were used to obtain a clear picture of the problem, including comprehensive literature reviews, analysis of academic articles, government reports, and representative secondary data. A comparative analysis of South Korea's digitalization efforts was conducted to gain insight into potential lessons and best practices.

Results and Discussion

This section discusses research findings and analysis that have been mapped according to the characteristics of Digital Government explained in the literature review section of the two countries, Indonesia and South Korea.

Efforts to digitalize government and public services in Indonesia are included in the SPBE implementation strategy, especially through Presidential Regulation Number 95 of 2018. In its implementation, the government has designed achievements and strategic plans for implementing the National SPBE for five years (2020 – 2024). The report issued by the Ministry of State Apparatus Empowerment and Bureaucratic Reform (KemenPANRB) shows that the SPBE implementation strategy in Indonesia aims to achieve ICT Development 4.0 by 2024. The 2024 goal emphasizes a form of Smart Government that implements digital public services and government administration in full. Apart from that, efforts to utilize big data and artificial intelligence (data-driven government), as well as realizing the Smart City concept in IKN (National Capital) operations in 2024, are also SPBE's planned achievements in 2024.

Figure 3. The Strategy Achievements and Plans of National SPBE Implementation (2020-2024)

Source: KemenPANRB, 2021

The Digital Government principles designed by the Indonesian government emphasize the transformation of an electronic-based government system. SPBE application integration efforts are carried out for interoperability in public services. Initially there were approximately 27,400

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digital-based applications in 630 central and regional agencies, becoming 50 general applications and 50 integrated sectoral databases. Apart from that, in developing a digital government, the National SPBE Implementation Strategy also emphasizes strengthening the internet network in every government institution (Agustini, 2021).

When Indonesia focuses on Smart Government goals in 2024, South Korea has a strategy to realize a Digital Platform Government from 2022 until now. The Digital Platform Government model emphasizes a new model of government innovation based on data and collaboration between the government, private sector, and society itself. Korea achieved the goal of a Smart Government in the 2013-2016 period, so Indonesia is eight years behind Korea in realizing a Smart Government.

The Digital Platform Government principles designed by Korea to realize Digital Government are a transition from e-government to Digital Platform Government. While e-Government emphasizes a one-stop service portal that provides "services that the public is looking for/needs," Digital Platform Government offers proactively tailored services "before the public searches." The key to change in the digitalization of public services in Korea is no longer at the level of public service efficiency alone but at a further stage, namely realizing structured policy innovation, where cooperation is not only focused between government agencies anymore but at the level of shared platforms between the public and private sectors, and also the public (NIA, 2023).

The Digital Platform Government effort carried out by Korea is an innovative solution to the problems of e-government initiatives that have emerged so far. Several problems that arise include the implementation of digitalization, which only focuses on each Ministry. These data are isolated in each system so that there is no data integration and fragmented services. It means that when one of the services is disconnected, the other services cannot run optimally.

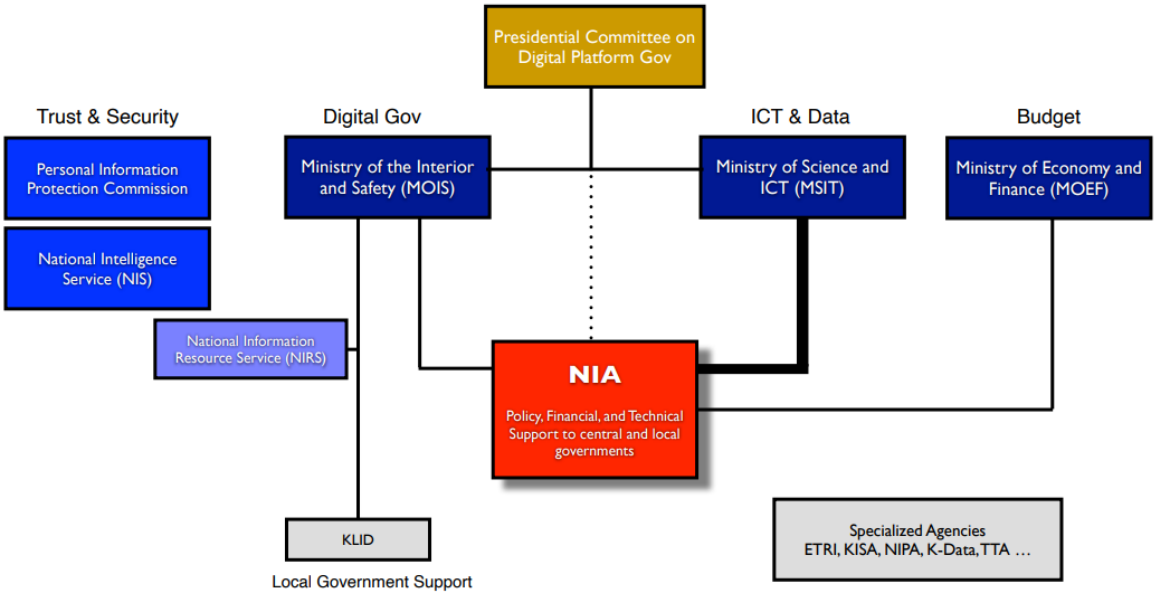

Figure 4. Korea's Governance for Digital Government

Source: NIA, 2023

This innovation carried out by Korea itself has been included in the Indonesian National SPBE implementation strategy plan by simplifying the digital public service system so that there are not too many SPBE applications that end up confusing the public. However, the

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implementation could have gone better. However, collaboration initiatives with the private sector and society still need to be improved in Indonesia.

In terms of building a Digital Government foundation, Korea has a government structure consisting of a Government Agency that focuses on supporting the implementation of digitalization of government and public services. Several agencies and ministries focus on supporting the Digital Platform Government, such as the Presidential Committee on Digital Platform Gov, the National Information Society Agency (NIA), and other agencies and Ministries.

Based on the research findings above, the existing characteristics of the digitalization of public services in Indonesia can be mapped and the comparison with successful countries such as Korea. Based on the characteristics of digital government principles, according to Hohlov et al. (2016), this principle of digital government services does not mean that attention is only focused on those who are digitally connected at the expense of poorer communities and those who have limited digital access. However, this is a shift towards the expectation that in the future, services will increasingly be delivered digitally, and help will need to be provided to those who cannot access digital services. So, in this case, Indonesia can learn from Korea about how to prepare digital services that are evenly distributed to the community. It emphasizes that the digitalization strategy is not only an effort to change the public service process to make it more effective and efficient but also to realize innovation at the policy and structural levels so that digital government can be realized more quickly, as is currently being done by Korea.

In addition, Indonesia's digital government principles still need to implement a user-oriented service design fully. It means that most programs related to SPBE are still a competition for every government institution to produce breakthrough digital services. Meanwhile, from the context of the substance of the service, it only partially provides user convenience and optimal usefulness. Learning from Korea, the key to changing the digitalization of public services in Korea is by placing the government as a platform. The transformation is carried out by emphasizing connection, openness, and cooperation so that it can produce a user-oriented government.

Furthermore, in terms of developing a digital government, Indonesia has the initiative to build digital-based one-stop public services. It has been proven in the design of the SPBE implementation strategy which reduces the number of SPBE applications. Efforts to develop a single portal are a form of service integration and interoperability as proven through programs such as the Public Service Mall.

One thing that Indonesia must learn from Korea regarding building a digital government foundation is strengthening data security and user privacy. It cannot be denied that misuse of personal data is an issue that is still being debated in the implementation of the digitalization of public services in Indonesia. The case of leaking confidential data on users of government public services indirectly reduces public confidence in the security of government digital services. Reflecting on Korea, the complexity of organizational structures related to digital services and maintaining user data storage infrastructure is crucial in digital government strategy.

Regarding leadership characteristics and skills for digital government, each country has different e-government governance models. In general, more successful countries have stronger centralization and governance. In the Indonesian context, the readiness of the Ministry of Communication and Information, as the main actor in implementing digitalization, is actually quite ready. However, constraints in terms of limited budget, human resources, and infrastructure are obstacles. Apart from that, in terms of the organizational structure and actors

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who play a role in supporting the implementation of SPBE, Indonesia still has to reflect on Korea. As previously explained, the institutions responsible for supporting the Digital Platform Government in Korea are much more numerous and complex than in Indonesia. It proves Korea's commitment and readiness to fund building a capable digital government.

Lastly, in relation to the last assessment characteristic, namely digital government measurement. In this regard, there is no recognized management system for digital government. Evaluation of e-Government carried out by various countries so far also has a different basis. However, despite this, digital government measurements still need to be carried out as an evaluation material for the development of government digitalization in the future. As information technology continues to develop rapidly, the digitalization measurement model for public services will also experience rapid changes.

Conclusion

The analysis of the existing conditions of digitalization of public services in Indonesia shows that the Indonesian government has attempted the optimization of public services through digitalization. The draft strategy for implementing digitalization has also adopted a fast and responsive response to emergencies, learning from the case of the last pandemic. However, in several components, Indonesia can learn from Korea's success story in digitalizing its government and public services. Indonesia can consider SPBE's future strategic direction at the Digital Platform Government stage to overcome existing public operational limitations by utilizing AI and cloud technology. In addition, learning from Korea, the Indonesian government can consider emphasizing collaboration and cooperation with the private sector in building data integration.

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