**APPLICATION OF NEW PUBLIC MANAGEMENT (NPM) IN INDONESIA IN THE FIELD OF TRANSPORTATION (CASE IN BANDAR LAMPUNG)**

**1Rita Kalalinggi, Universitas Mulawarman**

**2Prawira Yudha Pratama, Universitas Mulawarman**

**ABSTRACT**

This paper describes the results of studies and information from application of new public management (npm) in indonesia in the field of transportation (case in bandar lampung). Finding *New Public Management* applied not only in countries of high prosperity level but also applied in countries with a similar level to Indonesian conditions. Regardless of the shortcomings in the implementation of regional autonomy, the application of NPM in the management of local government in Indonesia have a positive impact in some ways, more terperhatikannya performance accountability of government agencies and the moratorium and the policy of early retirement for civil servants who do not qualify as an effort to increase efficiency and productivity performance of local governments, which in turn will increase the quality of public services. The creation of partnerships between public and private sector or public-private partnership (PPP) has now become a standard concept in the local government environment.The concept of Trans BRT BRT Bandar Lampung as the first in Indonesia that operates without government subsidy is a new thing in Indonesia. A strong desire and passion of the City of Bandar Lampung and transportation stakeholders in Bandar Lampung to create convenient urban transportation.

***Keywords : New Public Management, Transportation, Application, Public Policy.***

**INTRODUCTION**

In the 1970s there was criticism and attacks from supporters of radical development theory shows the impression of wanting to question the role of the public sector in pembangunan.Yang often the question relating to the public sector as the true creators and implementing a strategy to stimulate and sustain pembangunan.Kritikan arose because the sector public views far behind with progress and developments in the private sector.

In the 1980s public sector reform is done in some industrialized countries in response to a variety of harsh criticism that the public sekor looked weak. Various perubahanpun done as a mark of the reform movement in the public sector. The most well known is the concept of New Public Management, abbreviated NPM and reinventing government in many countries.Administrative reforms adopted during the 1980s and 1990s to define NPM better than with well-defined doctrine or set of administration tools adoption. While generalizations about policy reforms that may be associated with NPM, they always reflect the adoption of the local institutional history, culture and policy objectives. By bringing the concerns that exist and opportunities associated with the implementation of the NPM together with an insight into the adaptive capacity and governance that emerged in the theoretical literature, we have identified several thematic areas in which the purpose of NPM and adaptive capacity intersect, to highlight the differences between the anticipated results NPM and hope for the adaptive capacity (Table[1](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3056008/table/Tab1/)). We chose these three thematic areas selected for their importance in both the NPM and the adaptive capacity of the literature; we do not claim that Table[1](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3056008/table/Tab1/)good catch NPM characteristics or adaptive capacity in a comprehensive manner.

TABLE 1. NPM sector reform and Actor

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|

|  |  | **the potential positive effects on adaptive capacity** | **potential negative effects on adaptive capacity** |
| --- | --- | --- | --- |
| technical and financial capacity |  | More efficient allocation of resources to where they are required | An indentation of public sector regulation, technical and financial capacity due to a shift of interest of professionalism for economic efficiency and because of devolution of functions and expertise of government departments for alternative service system |
| Learning, knowledge, institutional memory |  | Devolution of responsibility, improve local knowledge representation and increase the autonomy of subordinate levels of government in responding to local needs | Division policy and operational functions in public institutions, leading to fragmentation of policies, the ability to tackle the problem of complex multisectoral long-term damage, and inhibits the exchange of information and respond to local needs |
| Participation, empowerment,Accountability |  | Improved government responsiveness to citizens as customers / clients; decentralized decision making to the problems experienced | Loss of accountability, the potential centralization of power in managerial and commercial actors rather than elected representatives or civil society stakeholders |

 |

In the next section presents two very different case studies of risk management and adaptation to environmental changes in the context of New Public Management. In any case, we first examine the public sector reform at the national level and the way in which they represent a shift from government conditions conducive to adaptation. Next we investigate how the key aspects of adaptive capacity-building in the Norwegian sector and the water sector in Mexico-have been directly or indirectly affected by NPM reforms. Presenting the case of NPM reforms from emerging economies and new democracies (Mexico) together with the case of countries with a long history of democratic process and political stability (Norway) highlighting similarities that define the purpose and structure in the context of NPM reforms. Although both of these studies were not originally designed to compare or share a common approach to research, identify similarities through a comparative analysis of two geographically diverse contexts is very useful to bring up subjects not generalize certain cases the results. our concern is not whether NPM reforms is effective in achieving their stated objectives, but rather how the process of implementing NPM reforms may have affected the adaptive capacity and vulnerability to present and future environmental changes in a particular geographical context in which the reform was adopted. similarity identification through a comparative analysis of two geographically diverse contexts is very useful to bring up subjects not generalize certain cases the results. our concern is not whether NPM reforms is effective in achieving their stated objectives, but rather how the process of implementing NPM reforms may have affected the adaptive capacity and vulnerability to present and future environmental changes in a particular geographical context in which the reform was adopted. similarity identification through a comparative analysis of two geographically diverse contexts is very useful to bring up subjects not generalize certain cases the results. our concern is not whether NPM reforms is effective in achieving their stated objectives, but rather how the process of implementing NPM reforms may have affected the adaptive capacity and vulnerability to present and future environmental changes in a particular geographical context in which the reform was adopted.

**LITERATURE REVIEW**

In the World Development Report 1988, the World Bank stated the following:

 "*Since World War II, the growing importance of the public sector has been seen by many development economist and policy makers as a natural and even Necessary ingredient of development. In what can be called the 'public interest' view, the government must Intervene to foster development: the unmodified interaction of private agents will not Achieve the goals of economic efficiency, growth, macroeconomic stability, and Poverty Alleviation*. "(World Bank, 1988: 48-49)

 *public interest*the view that the free market would lead to under-provide a number of goods and services in the category of public goods and mixed goods were loaded with externalities such as education, basic health (basic health), infrastructure, water and electricity. This approach gives space for the government to carry out the function of income redistribution and poverty alleviation.

Since then, the greater the role of government and culminating in the form of the welfare state in the 1960s and 1970s in Western Europe. Therefore, public administration developed in the countries of Western Europe, America, Canada, Australia and New Zealand also known as public administration with the paradigm of the welfare state, namely public administration with a scope very broad and aims for the welfare of their communities through interventions quite intensively with enormous subsidies.

There are a number of indicators used to see the size of the public sector. The first is the size of the bureaucracy and the breadth of work undertaken by the government. Fukuyama called it the role of the state or the scope of the state, namely the various functions and purposes run by the government (Fukuyama, 2004: 6-7). Second, the percentage of government expenditure to Gross Domestic Product (GDP) and, third, the number of employees working in the government sector that continuously shows the numbers increased from year to year. Lane shows quite startling statistics about the growth of the public sector from under 25% to over 45% of GDP in OECD countries after the second world war (Lane, 1997: 2). This situation reached its peak in the 1970s and 1980s,

Top condition shown by various scientific literature shows that the level of public confidence in developed countries fell significantly against the government. This is partly the case in the United States, Canada, United Kingdom, Spain, Belgium, the Netherlands, Norway, Sweden, Ireland and Japan (Nye, 1997: 1-18). The fall in confidence is partly because of the enormous amounts of bureaucracy which resulted in a decrease in productivity, slow, inefficient and ineffective.

**Paradigm Public Sector Management (New Public Management)**

Theoretically in the 1960s and 1970s respectively appeared a number of books that are well known in the flow theory of Public Choice inter alia the Politics of bureaucracy written by Tullock, The Calculus of Consent by Buchanan and Tullock, Inside bureaucracy by Downs as well as bureaucracy and Representative Government by Niskanen. Through his writings Tullock conclude that (Parsons, 1995: 307-308):

1. *Excessive makeup parties promise to win votes;*
2. *Politicians in power have to cut offer section so as to secure the support, and this pushes up the budget;*
3. *Bureaucrats are just interested in maximizing Reviews their own self-interest rather than in the public interest. This means that they want ever-bigger bureaux and more and more money for Reviews their departments.*
4. *The political processes of liberal democracy are failing to control the growth of political and bureaucratic power*,

In essence Tullock want to say that the political mechanisms through bureaucracy is a mechanism which is very risky in allocating goods and services to society because politicians and bureaucrats more concerned with themselves than people. Therefore, Tullock found a solution to the big problem of government or bureaucracy is to introduce market forces or competition within the bureaucracy. This can be done through contracting-out, privatization and increased competition among departments or units underneath it through awards to those who have a good performance.

The next thought was contributed by Downs in Inside bureaucracy, setting out his thoughts on the theory of decision-making within the bureaucracy that is based on the introduction of bureaucratic behavior (Downs, 1966: 1-4). Downs put forward a number of hypotheses based on a number of assumptions that is contrary to what was stated by Weber. Downs said the basic premise used in his theory that the bureaucrats are significantly motivated by their personal interests. Therefore, the theory of economic development is based on the notion of Adam Smith. Downs suggests three hypotheses that (Downs, 1966: 2):

1. *Officials bureaucratic (and all other social agents) seek to ATTAIN Reviews their goals rationally. Hence all agents in our theory are utility maximizers;*

*b. Bureaucratic Officials in general have a complex set of goals Including power, income, prestige, security, convenience, loyalty, pride in excellent work, and desire to serve the public interest. But Regardless of the particular goals involve; every official is Significantly motivated by his own self-interest, even when acting in a purely official capacity;*

1. *Every organization's social functions strongly influence its internal structure and behavior, and vise versa.*

 The first and second hypothesis essentially argues that all human beings are intrinsically rational and selfish beings including bureaucrats. In this context, people are always trying to maximize their utility, while the third hypothesis would like to say that any organization, including the bureaucracy in it is not the dehumanization as proposed by Weber.

 Of the three hypotheses above, Downs then produce 16 " 'law'. Most of the law 16 cited below (Downs, 1966: 262-263):

*a. Law of Increasing conservatism: organisasi get older as they Become more conservative, UNLESS they experience rapid growth or turnover.*

*b. Law of Hierarchy: large-scale markets require hierarchical organization without authority for co-ordination to be possible,*

*c. Law of increasing conservatism: there is an inherent long-run tendency for official to Become conservers.*

*d. Law of Imperfect Control: in large organization no one can control behavior.*

*e. Law of Diminishing Control: the larger the organization, the Weaker is the control exercised at the top.*

*f.Law of decreasing Co-ordination: the larger the organization, the poorer the co-ordination*,

*g. Law of Control Duplication: attempts to control large organisasi growing niche to result in generation of another organization.*

*h.* *Law of Self-serving Loyalty: Officials are loyal to the organization that controls Reviews their job security and promotion.*

Eight 'law' proposed Downs above basically refers to the character of bureaucracy that developed in a negative direction. Hypothesis and "law" developed by Downs is particularly relevant in promoting the development of public choise theory relating to the behavior of the bureaucracy. Model theory developed by Downs known as the pluralist models of bureaucracy.

 In 1971 appeared the theory *public choice*more about the behavior of bureaucrats written by Niskanen in his book entitled bureaucracy and Representative Government. Using the same assumptions with Downs, the assumptions drawn from classical microeconomic theory of Adam Smith, Niskanen made a bureaucrat behavior theory describes as budget maximizer (Lean,1987: 81-102 and Dunleavy, 1991: 154-161). Niskanen developed his theory of supply and demand theory in microeconomics, and concluded that the bureaucrats in supplying goods and services to the public through the government budget tends to exceed demand 'market' true. There is an element of a mark-up in terms of the amount of goods or services being supplied. Niskanen theory also known as the new right models of bureaucracy.

The core ideas put forward by the theory of public choice regarding the bureaucracy and bureaucrats are, first, that the bureaucracy is not a mechanism for allocating resources efficiently and effectively. Second, bureaucrats have negative traits that are exacerbating the bureaucracy as a mechanism to allocate goods and services to society. Therefore, a good bureaucrat or bureaucracy can not be trusted.

In the course of history, the study of public administration studies experienced tremendous growth paradigm that began in the decade of the 80s. This development led to the paradigm of the new public management (Mascarenhas, 1994; Hughes, 1998: 58-57; and Peters, 2001), a paradigm in public administration studies evolved from the existing paradigm of public choice in the science of political economy (Walsh, 1995: 15-28; Hughes, 1998: 77). In essence, the ideas and principles of the reforms included in almost all the reforms at the national and sub-national level during the past two decades can be categorized into managerial understanding (managerialism). This managerial understanding is based on the techniques and practices of the private sector and the use and popularized by public choice theory and market theory.

Increased efficiency is the main purpose of the reform process in managerialism, while decentralization and privatization are a number of strategies he uses. Furthermore, Ingraham said that the government is influenced by the Westminster system (the British system or the Commonwealth Countries) separation between the units that make policies and implement policies that unit. Almost in all cases is the reform targets at senior level civil servants, the implementation of the performance contract system with a combination of autonomy and discretion are greater in budgeting and staffing issues.

 *managerialism* characterized by flexibility and a market-oriented paradigm that emerged in response to dissatisfaction with the old paradigm that is often referred to as the traditional bureaucratic paradigm that is rigid, hierarchical and bureaucratic which is a phenomenon that dominated the 20th century (Hughes, 1998: 1; Lane, 1995: 53-60), and is known as a product of the post-Keynesian welfare state (Mascarenhas, 1993: 319). At the macro level, the approach of the New Public Management oriented on slimming the state including through privatization and contracting out, while the micro can be seen in the application of strategic management, strategic planning, performance management (performance management), budget performance (performance based budgeting) as well as application system of competition in the provision of public services (Hughes, 1998: 68-69).

In addition to the demands of efficiency, NPM has also emerged as a response to improve the quality of public services. As stated earlier part of welfare state has made a very large bureaucracy, slow (unresponsive), and expensive. Therefore, NPM assume that the beneficiaries of public services should be treated the same as customer-related market institutions (private). By doing this, the public services will be accelerated as best provided by the private sector. The third reason is the emergence of NPM ideology of neo-liberlisme reason, that sharpens the neo-classical economic ideology, which believes that the market mechanism is much better than the political mechanism in allocating goods and services (public services) in the community (Minogue,1998: 19-20).

In the course of NPM can be divided into several models each with a different emphasis. The following briefly described four models of NPM. New Public Management first model driven by the goal to make efficiency (the efficiency drive). The first model is a model that appears earliest. The assumptions used are to be Wasteful bureaucracy, overbureaucratic and underperforming. Attempts to do is make the bureaucracy to become more business-like which is driven by the value of 'efficiency'. Practices that arise include tighter financial controls, the marginalization of trade unions, conduct limited empowerment and emphasizes entrepreunerial management, but still with a strict hierarchical accountability. In the first model hierarchy and rigid properties to control the efficiency was much thicker. Critics of the first model is that this model still refers to the paradigm Taylor, so Pollitt named as neo-Taylorian approach (Ferlie, et al.1996: 10-11).

*New Public Management*both models are downsizing and decentralization. It target is flexibility in the organization and efficiency by conducting organizational unbundling and downsizing. The move to combat the vertically integrated organisasi massive bureaucracy, reduce the high degree of standardization, increasing decentralization of the responsibilities that are strategic and the management of the budget, increasing the contracting-out and separating a small part of strategic (policy-making) and the other part larger and operational nature. The second model is also known as the renunciation of management by hierarchy towards management by contract (Ferlie,1996: 11-12).

*New Public Management*third model is In search of Excellence. NPM third model is closely related to the wave of excellence that emerged in the decade of the 80s. This model shows how the application of human relations school, which emphasizes culture / organizational culture in the public service. The third model is strongly rejected the first model with a very rational approach. Conversely third model emphasizes the role of values ​​and culture in the organization. There is a high concern how the organization managing change and innovation (how organization manage change and innovation) (Ferlie,1996: 13-14).

*New Public Management*The fourth model is a public service orientation. This model recalls the total quality management in the public sector and concern to users of public services. Furthermore, this last model wants the return of power from the appointed Elected local bodies, as well as skepticism about the market's role in the provision of public services (Ferlie,1996: 14-15).

NPM is a paradigm of the public service who have ideas and practice approach the private sector and business. NPM fairly well-known practice is practice dilakansakan by the United States that can be learned from the book David Osborne and Ted Gaebler, Reinventing Government (1992). Based on best practice osborne and Gaebler (1992) developed the principle of the NPM, namely:

1. **Government Catalysts (Catalytic Government, Steering Rather than Rowing)**

This principle is a picture that only direct government role can be defined strokes or provide regulation of a public service. While the public service itself undertaken by other parties. E. S Savas says that the government comes from a Greek word that means directing. The government's task is to drive instead of rowing. Providing services is defined as rowing, and government is not good at rowing.

In America, this principle can be demonstrated by the success of some of the cities in developing regions, such as effort and deputy mayor George Latimer Broeker seeking cooperation with the private sector in carrying out the government. By constantly accelerating solutions outside the government sector, Latimer able to increase the contribution of the government to cut 12% of its staff. It is necessary that the budget and the growth of property taxes remain below the rate of inflation and reduce the debts of the city without the need for massive layoffs to the prosperity of the life of public servants and grant the wishes of the owners of capital then Latimer bring about a government that is more to do with spending (funds) less ,

Based on the actions taken by Latimer and other examples, indirectly arise a new definition of the role of government is between a facilitator or catalyst. Government (cities) would be more likely to define the problems and then prepare a variety of resources to be used by others in dealing with the problem.

1. **Government Owned Communities (Community-Owned Government, Empowering Rather than Serving)**

This principle seeks to give an active role for the community to participate and support the success of a public service. George Latimer, former mayor of St. Paul says:

*"The older I am more and more convinced that in order to really walk, all programs must be owned by the community to be served. This is not just rhetoric but reality, so there must be ownership ".*

In this case, the government provides the capacity for the public to have the authority. Granting authority to the society has not only changed the expectations and inspire confidence that normally provide solutions much better against them than against any issue regular public service. Although the government encourages ownership and control into the community, but their responsibility is not over yet. Government does not produce services, but the government is still responsible for ensuring that the needs are met.

1. **Competitive Government (Competitive Government, Injecting Competition into Service Delivery)**

This principle is to apply the spirit of competition among providers of care in order to achieve an optimum public services. This principle is quite successful because it provides monopolistic competition. John Moffitt, Chief Secretary Massachusetts Governor William Weld says:

*"The problem is not a competition but a private versus state monopoly. Competition meant .There may be a competition between private versus government, private sector versus the private sector, and public versus public ".*

This competition may be used in the government to improve the quality and improvement of government services. But the competition in question is a competition between teams or between organizations that can build mendiring spirit and creativity. Related benefits, competition has several advantages eg greater efficiency or bring in more money, forcing the monopoly of the government or the private sector to respond to all the needs of its customers, reward innovation because without innovation monopolist would paralyze it, and the competition evokes a sense of self-esteem and morale of civil servants , In the process, Americans have developed some methods are almost unlimited, for example, a public competition against the private, sawsta competition against the private and public competition against the public.

1. **Government-Driven Mission (Mission-Driven Government, Transforming Rule-Driven Organization)**

The principle mission-driven government has a principle to determine the goals to be achieved ahead of the decisive way. The mission of moving ways and mechanisms implemented by public service providers. General George S.Patton states that:

*"Do not tell people how to do things. Declare your desire they need to accomplish, then you will be surprised to see their brains ".*

Organizations that are driven by a mission to give freedom to the employees in achieving the mission of the organization with the most effective method they could find. The advantages of the process that puts the mission, among others organsiasi driven by the mission more efficiently than organsiasi driven by regulation, the organization that is driven by the mission was also more effective than an organization that is driven by legislation and they can also bring a better result, organizations are driven by mission more innovative than those driven by regulatory and mission-driven organizations are more flexible than those driven by regulation. One method that can be used is a budget based missions

In the budget based on the mission, there are some advantages such as the budget is driven by the mission of giving encouragement to each worker to save money, the budget is driven by the mission of freeing the resources to test various ideas, the budget is driven by the mission of giving autonomy to managers necessary to respond to any environmental conditions change, the budget is driven by the mission to create an environment that is predictable, the budget is driven by the mission greatly simplifies the process of the budget, the budget is driven by the mission of saving millions of dollars for auditors and employees of the budget, as well as the discharge of the members of the legislature to focus on important issues.

1. **Results-Oriented Government (Results-Oriented Government, Funding Outcomes, Not Onputs)**

The principle of results-oriented government is trying to change the paradigm, ie be focused on outcomes instead of inputs. This is because in a number of previous approaches in traditional bureaucracy still focused on inputs instead of outcomes. Minneapolis Housing Manager, Tom Fulton stated that:

*"What I wrote about the program bureaucratic regulations or procedures are all little note about the actual incidence of the community served. If custom forged since the beginning, if you record the results, then you will waste a lot of complicated procedures ".*

In traditional government, the magnitude of the budget allocation to a work unit is determined by the complexity of the problems faced. The more complex the problems encountered, the greater the allocated funds. Such a policy seems logical and fair, but what happens is the work unit have no incentive to improve their performance. It can be seen from those who have a new opportunity, the longer the problem can be solved, then the more funds can be obtained. Therefore, the government of entrepreneurs trying to change the form of awards and incentives, with finance results and not inputs. Entrepreneurial government will develop a performance standard that measures how well a unit capable of solving the problems which they are responsible.

1. **Customer Oriented Government (Customer Driven Government, Meeting the Needs of the Customer, Not the bureaucracy)**

This principle seeks to reward customers of public services. The award is given to menstimulai improving the quality of public services through feedback from customers as well as customer satisfaction orientation.

1. **Entrepreneurial Government (Government entreprising, Earning Rather than Spending)**

This principle is sought not only spending, but also their income from government business. Gale Wilson, former city manager of California said that:

*"Opposition to the tax, please stop here because we have to guarantee that revenue will come by creating new revenue sources".*

1. **Anticipatory Governance (anticipatory Government, Prevention Rather than Cure)**

This principle is direct public services to perform preventive services before curative action, for example, there is time for the government to focus on the construction of water systems and sewerage to prevent disease. This public service providers carry out actions that are preventing an even worse condition occurs.

Traditional bureaucratic government to focus on the production of public services to solve public problems, and tends to be reactive. Entrepreneurial government is not reactive but proactive. He not only tried to prevent the problem, but jugaberupaya hard to anticipate the future. He uses strategic planning to create a vision.

1. **Decentralization of government (Decentralized Government, from the Hierarchy to Participation and Teamwork)**

This principle unravel the system of government tends to centralize causing the production and distribution costs are high. Public service providers perform services distributor in a more decentralized level so that the public service closer to the customer. Several decades ago, the centralized and hierarchical governance is indispensable. Decision-making should come from the center, follow the chain of command up to the staff that is most related to the public and businesses. At that time, the system is very suitable because information technology is still very primitive, communication between sites is still sluggish, and government officials are still in desperate need of direct instructions.

At present, the situation has changed, the development of technology is very advanced and desires of the community are increasingly complex, so the decision should be shifted to the hands of the public, associations, customers and NGOs.

1. **Market Oriented Government (Market Oriented Government, Leveraging Change Trough the Market)**

This principle gives the option to the government to do the market mechanism in the policy making of their public services. For example, Americans use market mechanisms through tax expenditures to influence individuals or companies. Changes were made to the market mechanism (incentive system) and not by administrative mechanisms (system procedures and coercion).

Government management to implement NPM thinking is strongly oriented toward the soul and spirit of entrepreneurship, the new public management in government bodies can be referred to as Enterprise Management. In the NPM doctrine or Reinventing Government, the government is advised to leave the paradigm of the traditional administration systems and procedures yangcenderung priority, then replace with an orientation on the work performance or results.

NPM paradigm that is very popular right now is not without criticism. Hughes puts forward seven critique of NPM (Hughes, 1998: 77-84). First, economic theory is regarded as a poor basis for understanding managerial. Moreover for the application of managerial understanding in the public sector. Second, the public sector is not synonymous with the business sector. Therefore, the application of managerial understanding in the public sector is an irrelevance. Third, in its essence is a Neo-Taylorism NPM which also has drawn a lot of criticism. Fourth, the application of NPM to a certain extent is the politicization of the bureaucracy. Fifth, the application of NPM reduces accountability because of the introduction of the concept of consumerism. Sixth, no clear definition of NPM.

Schick also add limitations of NPM, especially NPM Westminster model. Schick said that the Westminster model can only be applied in developed countries where there are "informal sector", the market is already well underway, and the rule of law is diterapkan.Schick further warned developing countries not to follow the Westminster model, especially applied New Zealand (Schick, 1998).

***New Public Services***

The birth of the concept of New Public Services was also because the criticism against NPM considered as a paradigm that has forgotten the main task of the government should be, that is to serve the community for the state administration is not the same with business organizations. State administration must be moved as moving the democratic government. This is because the public organization's mission is not just to satisfy the service user (customer), but also provides services of goods and services as the fulfillment of public rights and duties (Denhardt, 2003). Values ​​promoted emphasis on private passion for basically the country can not be like that, entrepreneurship is contrary to the values ​​of democracy, and the people only considered as a customer so that the community decision were never involved. Hence, comes the next paradigm, namely new public service.

Discussion of the new public service surfaced after Janet V Denhardt and Robert B. Denhardt open a new understanding of the new public service. Denhardt & Denhardt (2007) hoping for a new view in the public service, namely the development of democracy.*New Public Service* calls on the government to serve the public as citizens, not customers; meet the public interest; prioritize citizen above entrepreneurship; think strategically and act democratically, which means the government must be able to act quickly and use dialogue approach in solving public problems; komplekstitas realize accountability where accountability is a difficult process and measurable and should be done with proper methods; serve not to drive because the primary function of government is to serve citizens rather than direct; as well as the public interest is not productivity (Denhardt, 2003).

Denhardt & Denhardt (2007) stated that with the advent of the new paradigm of public service is expected to make a word such as 'democracy', 'citizen', and 'pride' is more commonly used than the term 'market', 'competition', and 'customer'. This thought dilatarbelakang paradigm shift that public services should not be run like a business but should be run like a democracy.

This new paradigm of public service laid the foundation of the movement of the public interest, the idea of ​​democratic government, and activities as citizens' rights are renewed. This base is shown in interaction with leaders

*Public Servants do not deliver customer service; they deliver democracy. (Denhardt & Denhardt, 2007)*

political parties, community involvement, and mechanisms for bringing about positive changes in the organization and community.

**Paradigm Governance (Good Governance)**

Last paradigm that emerged in the development of the science of public administration is good governance. It is very new to this paradigm is the emergence of the role of stakeholders are aligned with the role of government and markets. This paradigm emerged as a reaction to dissatisfaction with the dominance of the role of government and markets. As of the end of the decade of the 90s tug thought there was only the two poles, the role of government and private roles (Kooiman, 1993: 1). This paradigm also raises new role of third parties namely civil society (civil society).

*Good governance*as a paradigm in public administration emerged in the era of the 90s where the Government and private enterprises are not seen as the dominant party in governance. Society, rather civil society, given its place alongside the government and the business world. The paradigm of good governance emerged among others in reaction to some weaknesses in the new paradigm of public management. The paradigm of good governance assume that the recipient community public services can not simply be placed as consumers or customers just like that adopted in the new public management, but must be treated as a citizen, who has the right to demand akuntabiliti of government. The public wants protected their rights, their voice heard and respected the values ​​and desires (Minogue, Polidano and Hulme, 1998: 5). Furthermore, Minogue and his colleagues say that accountability in the governance system is weak. At the end of this paradigm says that issues such as accountability, transparency, participation and responsiveness is an issue of equal importance to the issue of the three Es (efficiency, economy and effectiveness).

Lately, good governance has become a concept that is usually used in political science, public administration, and specifically in management development. The concept of good governance often appear together with the concept of democracy, civil society, popular participation, human rights and sustainable social development. In the last decade of good governance is often linked to public sector reform (Agere, 2000).

Therefore, in this paradigm is the main elements of participation, transparency, accountability and responsiveness (responsiveness). Thus, the notion of good governance itself is a system of governance that is transparent, accountable, contain the truth, fair, democratic, participatory and responsive to community needs (Agere, 2000: 7-8 andLoffler, 2003: 165). To view more details of how the principles of good governance are applied in the public service proposed by the Independent Commission for Good Governance in Public Service see Appendix 1 (The Independent Commission, 2004: 5) These three paradigms that have been discussed emerged as a consequence of their administrative reform process.

**Issues and Opportunities**

The role of technology

Remote management - contract

Alternative structural solutions:

Alternative schemes of human resource management

Directing Vs Disputes

Accountability

Greater transparency

measurement needs

Reporting more open

ISSUE

OPPORTUNITIES

**RESEARCH METHODS**

According Sugiyono (2016: 2), the method of research is a scientific way to obtain data for the purpose and usefulness. The method used in this research is descriptive and verification method. According Sugiyono (2016: 29) descriptive method is as follows: "Descriptive method is a method used to describe or analyze the results of the study but not used for make broader conclusions". While the verification method according to Mashuri (2010: 45), is as follows:

"The methods of verification is to check whether if it is described to test a way with or without improvements that have been implemented in other places with similar problems with life".

**RESULT AND DISCUSSION**

**Analysis of Public Sector Management in Indonesia**

In the process, until now the implementation of the New Public Management in the organization of government in Indonesia showed a positive development, the effect on improvement of government performance. Reforms in the public sector accounting occupies an important role in the New Public Management agenda due to the application of New Public Management related to the concept of public sector performance management where performance measurement is one of the principles. Because if the public sector is still using the administrative approach, the public sector will not be able to meet that demand. Because the NPM concept calls for decentralization,devolution (delegation) and granting greater authority to subordinates (local governments) which aims to create a more efficient organization.

In Indonesia the implementation of decentralization has been evident with the regional autonomy which was granted, the authority and obligation to regulate and manage their own affairs and interests of their own community affairs and interests of the local community have been clearly set out in law No. 32 of 2004 on local government and law No. 33 of 2004 on the financial balance between the central government and local governments.

**Application of New Public Management (NPM) in Indonesia (Bandar Lampung) in the Transport Sector.**

One basic premise of NPM is the use of market mechanisms to improve performance (marketization) .To improve service performance or results, public administration should put himself or placed as a company have to live in the midst of intense competition. This can be done by expanding the private sector's involvement in the production of the public sector. Steps that can be taken either by privatization, terja contract or for the results and allowed private companies to enter certain public sector to increase competition with state-owned or government institutions. public transport servies as a manifestation of the government's responsibility to the public transport citizen. servies in urban areas are confronted by the complexity of the existing transportation conditions.

The problems of this city transportation conditions experienced by the city of Bandar Lampung. Bandar Lampung has an important contribution because it is administratively as the central administrative capital, Bandar Lampung as well as landline connection between the islands of Java and Sumatra. In accordance with the classification of the town, the city of Bandar Lampung in the category of large cities, with a length of 900,320km city streets, country roads and provincial roads along 65,04km 43, 98km (Source: Department of Transportation in Bandar Lampung, 2012) As a city that became the center activities both government and trade activities in the province of Lampung, Bandar Lampung also began to face a situation where the traffic congestion started to become a problem. It is indicated from the chaotic city transport arrangements, one of which can be seen when entering the area of ​​the shopping center where the city transportation accumulate. Public transport is not yet well integrated in Bandar Lampung, as seen from the frequent public transport involved the seizure of passengers, overtaking each other and stop at any place. This behavior makes it uncomfortable and endanger other motorists (Source: Lampung Post, October 2nd, 2011). Circumstances such transportation cause adverse effects and inconvenience the public in carrying out activities. This behavior makes it uncomfortable and endanger other motorists (Source: Lampung Post, October 2nd, 2011). Circumstances such transportation cause adverse effects and inconvenience the public in carrying out activities. This behavior makes it uncomfortable and endanger other motorists (Source: Lampung Post, October 2nd, 2011). Circumstances such transportation cause adverse effects and inconvenience the public in carrying out activities.

City government, particularly the Department of Transportation in Bandar Lampung attempted paradigm changeby prioritizing embodiment Public Transportation Systems Bulk (Saum) by applying the transport operation in the form of Bus Rapid Transit (BRT), known as the busway and named Trans-Bandar Lampung. BRT is a flagship program of the government in line with Law No. 22 of 2009 on Road Traffic and Transport (LLAJ) and Transportation Minister Decree 35 of 2003 on the Implementation of Transport People on the street with public transport (Source: Radar Lampung, March 1st, 2012). The concept of Trans BRT BRT Bandar Lampung as the first in Indonesia that operates without government subsidy is a new thing in Indonesia. A strong desire and passion of the City of Bandar Lampung and transportation stakeholders in Bandar Lampung to create convenient urban transportation.

**CONCLUSION**

*New Public Management* (NPM) is a new paradigm in the management publilk sector. And first developed in the 1980s, especially in New Zealand, Britain and the United States as a result of a crisis of the welfare state (walfare state).

Issues and opportunities asapun NPM reform, the issue is:The role of remote management technology kontrakAlternatif structural solutions, alternative resource management schemes. Peluanngnya namely Transparency broader measurement requirement,More open reporting as well as their efficiency and effectiveness in the performance of an organization

*New Public Management* applied not only in countries of high prosperity level but also applied in countries with a similar level to Indonesian conditions. Regardless of the shortcomings in the implementation of regional autonomy, the application of NPM in the management of local government in Indonesia have a positive impact in some ways, more terperhatikannya performance accountability of government agencies and the moratorium and the policy of early retirement for civil servants who do not qualify as an effort to increase efficiency and productivity performance of local governments, which in turn will increase the quality of public services. The creation of partnerships between public and private sector or public-private partnership (PPP) has now become a standard concept in the local government environment.

The concept of Trans BRT BRT Bandar Lampung as the first in Indonesia that operates without government subsidy is a new thing in Indonesia. A strong desire and passion of the City of Bandar Lampung and transportation stakeholders in Bandar Lampung to create convenient urban transportation.

**REFERENCES**

Andrews, Rhys and Steven Van de Walle. 2013. New Public Management and Citizens' Perceptions of Local Service Efficiency, Responsiveness, Equity and Effectiveness. Public Management Review, 15 (5): 762-783. Anechiarico,

Denhardt, Janet V and Robert B.Denhardt. 2003. The New Public Service: Serving Not Steering, Armonk, NY: ME Sharpe.

Department of Transportation. Need Transportation Interconnection Project 2012. Private and foreign participation. http://m.dephub.go.id/read/berita/berita-umum/proyek-interkoneksi-transportasi-butuh-partisipasi-swasta-dan-asing-15335. accessed on November 1, 2013.

Frank. 2007. The New Public Management at Middle Age: critiques of Performance Movement. Public Administration Review.Jul / Aug 2007; 67, 4.Hal. 783.

Flynn, N. 1990.Public Sector Management. Brighton: Wheatsheaf. Gruening,

Gernod.1998. Origin and theoretical basis of the New Public Management (NPM) .IPMN conference in Salem / Oregon June 1998.

Haque, M. Shamsul. 2007. Revisiting the New Public Management Public. Administration Review.Januari / February 2007.

Hayer, Garth den. 2010. New public management: A strategy for democratic police reform in Transitioning and developingcountries. Policing: An International Journal of Police Strategies & Management Vol. 34 No. 3, 2011 hal.419-433.

Kiwanuka, Michael. 2013. Decentralization and Good Governance in Africa: Institutional Challenges To Uganda's Local Governments. The Journal of African and Asian Local Government Studies.

Liedman.Sven-Eric. 2013. Pseudo-quantities, New Public Management and Human Judgment. Confero.Vol. 1.no. 1. 2013. p. 45-66.

Lynn, Laurence E. 2006. Public Management: Old and New. Routledge.New York and London. Mullins, John. et.al.2001. People-centered management policies: a new approach in the Irish public service. Journal of European Industrial Training. 25/2/3/4 [2001] 116 ± 125

Osborne, David and Ted Gaebler. 1993. Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector, New York: Plume.

Philip, Dahida Deewua and Ahmed Tafida Daganda. 2013. New Public Management (NPM) and Public Sector Administration in Nigeria.*nternational Affairs and Global Strategy. ISSN 2224-574X (Paper). ISSN 2224-8951 (Online). Vol.14, 2013*

Rhodes, RAW 1996. The New Governance: Governing Without Government. Political Studies, Volume 44, No.4.

Riccucci, Norma M. 2001. The "Old" Public Management Versus the "New" Public Management: Where Does Public Administration Fit In? Public Administration Review; March / Apr 2001; 61, 2; ABI / INFORM Global. Hal.172.

Savas, ES 2000. Privatization and Public-Private Partnerships (New York: Chatham House Publishers).

Sugiyono. 2016. Metode Penelitian Kombinasi (Mixed Methods). Bandung. Alfabeta.

Vries, Jouke de. 2010. New Public Management Is Really Dead? .OECD Journal on Budgeting Volume 2010/1.