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Evi Maya Savira
Center for Decentralization and Regional Autonomy Studies-NIPA; Indonesia

Krismiyati Tasrin
Education and Training of Apparatus I-NIPA; Indonesia

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EVI MAYA SAVIRA AND KRISMIYATI TASRIN

Center for Decentralization and Regional Autonomy Studies-NIPA, Indonesia
Education and Training of Apparatus I-NIPA, Indonesia
saejungsa@gmail.com, chrissie_tasrin@yahoo.com

Abstract. Public service innovations in many ways produce better, cheaper and faster services to the customers. However, the process for good public services need a lot of adjustment such as appropriate supporting technology, competent human resources, strong leadership and contextual business process. Above all is how to internalize the innovation as bureaucratic culture and how this reform spirit embedded to their working habit as public services provider. Indonesia has high diversity in term of culture, tradition, languages, religions, etc. This uniqueness can play as positive aspect and as a challenge as well in term of designing public services innovation. Innovation without considering local values will be a challenge, sometimes it allures destructive actions from the stakeholders who felt uninvolved in the process. Sharing the ownership of the innovation is one of the best ways to involve people as part of the change. Local values can be used as medium to facilitating this change. Realizing the importance of local values as instrument to design public services innovation, Denpasar City emerges as one of the most innovative city in Indonesia in terms of innovation in public services whereby Hindu Balinese culture is integrated within their values for bureaucracy, community, and tourism industry. By using triangulation, this study intends to identify (1) what local values contribute positively to the innovation and their role as instrument to internalize the innovation; (2) what kind of strategy taken by the local government to respond to people needs, to mobilize the resources and to adjust any relevant elements for innovation pro people and stakeholders; (3) how coordination has been made by the local government with other stakeholders involved in innovation. As a result, the output of this study will be a model of sustainable, inclusive and contextual innovation based culture.

Keywords: local wisdom, local values, innovation, and innovation based culture

Abstrak. *Inovasi pelayanan publik dalam berbagai cara ditujukan untuk menciptakan sesuatu yang bersifat lebih baik, murah dan cepat kepada para pelanggannya. Namun demikian, proses pelayanan publik yang baik membutuhkan banyak penyesuaian, seperti dukungan teknologi yang tepat, sumber daya manusia yang kompeten, dan bisnis proses yang otentik. Di atas semua itu adalah bagaimana menginternalisasi inovasi sebagai budaya birokrasi dan bagaimana semangat reformasi ini melekat dalam kebiasaan pemberi layanan publik. Indonesia mempunyai keragaaman yang tinggi dalam hal budaya, tradisi, bahasa, agama dan sebagaimanya. Keunikan ini dapat berperan sebagai aspek positif dan juga sebagai tantangan dalam mendisain inovasi dalam pelayanan publik. Inovasi tanpa mempertimbangkan nilai-nilai lokal akan menjadi tantangan bahkan menciptakan potensi kegagalan terutama berasal dari para pemangku kepentingan yang merasa tidak dilibatkan dalam proses perubahan. Menebar rasa kepemilikan dalam inovasi adalah salah satu cara terbaik dalam melibatkan para pemangku kepentingan dalam agenda perubahan. Nilai-nilai lokal dapat digunakan sebagai media dalam memfasilitasi perubahan ini. Memahami pentingnya nilai-nilai lokal sebagai instrumen dalam mendisain inovasi pelayanan publik, Kota Denpasar saat ini tampil sebagai salah satu kota yang inovatif di Indonesia dalam hal inovasi pelayanan publik yang berpadu dengan budaya Hindu Bali sebagai nilai-nilai dalam birokrasi, komunitas dan industri pariwisata. Dengan mengggunakan metode penelitian triangulasi, penelitian ini bertujuan untuk mengidentifikasikan (1) Nilai-nilai lokal apa yang secara positif berkontribusi terhadap inovasi dan bagaimana caranya dalam menginternalisasi inovasi; (2) Strategi apa yang harus diambil oleh Pemerintah Daerah dalam merespon kebutuhan masyarakat, memobilisasi sumber daya dan melakukan berbagai penyesuaian yang dibutuhkan untuk menciptakan inovasi yang pro masyarakat dan pro pemangku kepentingan; (3) Bagaimana koordinasi yang telah dilakukan oleh Pemerintah Daerah dengan para pemangku kepentingan yang terlibat dalam inovasi. Hasil dari penelitian ini adalah model inovasi yang berkelanjutan, inklusif dan otentik berdasarkan budaya atau nilai-nilai lokal setempat.*

Kata kunci*: kearifan lokal, nilai-nilai lokal, inovasi, inovasi berlandaskan budaya*

INTRODUCTION

Ideally, government was formed to serve their tax payers. However, in many cases the situations were contrary in that the public servant acted as 'a quasi master' for their actual master (citizen). The absence of citizen control, participation and awareness to the government activities and policies created a type of bureacracy served by the people rather than people served by the bureacrats. Along with the dynamics and complexities of regions, reform initiatives experienced by governments across Indonesia, both at central and

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local level. They put efforts to reinvent, transform, or reform government agencies, particularly in public services. The most fundamental reform was by initiating and creating various types of public services innovation. Public service innovation in many ways produced better, cheaper and faster services to the customers.

The processes to develop public services innovation have several challenges. The most common challenge is related to resources constraints: limited budget and facilities, less competent human resources, and inappropriate supporting technology. Based on our observations throughout our field research at local level, we found bottleneck in innovation on public services are as follows: 1) Innovations are often created in uniform ways, which means that they are not adapted to the needs of the local communities; 2) Most of public service innovations are initiated and formed along with the momentum that is engaged with local leadership; 3) Innovation usually formed top down, which does not involve the community.

Those things then lead to a condition where innovations created do not match with the needs of customers, they are not sustainable, and lack of ownership. When the innovations do not match with the needs of customers', they do not able to solve the problems and only driven by needs. Unsustainable innovation occurs due to lack of community involvement, which is resulted in the lack of ownership. This ultimately circled back to the innovations being temporary and not sustainable. Considering these issues, it is important to seek out ways to create, facilitate and internalize innovations, which are sustainable, inclusive and contextual.

Among regions in Indonesia, Denpasar City is considered consistent in their efforts to provide better services for its citizen. Interestingly, the government uses a different approach other than commonly used by others local governments in designing public service innovations. In order to produce innovations, which are sustainable, inclusive and contextual, the local government initiates public services innovations based on local values. These local values are derived from of the culture of Balinese Hinduism which is the majority religion embraced by the Balinese.

Based on the aforementioned context, the research questions for this study are: (1) What are local values contribute positively to the innovation and their role as instrument to internalize the innovation; (2) What kind of strategy taken by the local government to respond to people needs, to mobilize the resources and to adjust any relevant elements for innovation pro people and stakeholders; (3) How are coordination have been made by the local government with other stakeholders involved in innovations.

Literally innovation defines as a complex, interactive and non-linear learning process (Lundvall and Johnson 1994; Isaksen 2001 in Purwaningrum, 2012: 17). Moreover, Nooteboom (2003 in Purwaningrum, 2012: 17) stated that the innovation possibly as a result of the interaction between different firms or organizational units with different complementary knowledge and competencies. However, to understand the term innovation in public sector particularly innovation in public services is about innovation in the frame of certain context in the arena of administrative reform and it is not limited to the definition of innovation, which strictly linked to the endorsement of novel idea, new technology, or new scientific approaches in the area of natural science.

Discussion on innovation in public services will bring us to the mostly use definition in the area of administrative reform which involving some similar definitions but different in application such as reform and innovation. Caiden and Siedentopf (1982) have made different opinions regarding administrative reform and innovation in public sector. These two concepts explain as follow: Administrative reform is not to be defined primarily through the number of internal changes taking place in public agencies. Rather it is an organizational, instrumental, or program related change of government and the public sector to meet environmental demands and requirements (Caiden and Siedentopf, 1982: xi). Meanwhile, innovation in public sector is another closely related process that may be part of an administrative reform program, this process can be described as creating something which none previously existed such as creating a government agency to carried-out certain task to serve the public interest which did not emerge earlier (Caiden and Siendentopf, 1982: 59).

Furthermore, Caiden and Siendentopf (1982: xii) differentiated between structural innovation and program innovation. Structural innovation consists of organizational transformation, novel structural additions (such as planning units), new decision-making techniques and information systems, as well as measures to improve organizational and staff arrangement. Program or performance innovation deals both with the delivery of public service and the content of such service provided by public agencies.

The decision whether any government or public entities will use structural innovation either program innovation or both of them, it depends on their priority and the stakeholders needs or customer needs which they are served. However, there are different angles in which way the innovation produced in public sector and in private or industry sector. In public sector, demand for innovation more or less formulated to achieve cheaper, faster and better public services with additional objective to create public values or added values to the public. To achieve these objectives, according to Caiden and Siedentopf (1982: xv) generally used three reform strategies: (1) Fiscal to reduce expenditures and costs while maintaining public service at their existing levels. They rely on internal structural changes of rationalization and streamlining. They have little direct impact on citizens as recipients of public services, but they do affect civil servants as members of public agencies. (2) Structural strategies seek to raise the productivity of public agencies without increasing costs.

They concentrate on structural arrangements, decision-making operating processes, and the professionalization of public agencies. (3) Program strategies seek to improve the quality and quantity of public service and the objectives to state activities. They include reduction of state intervention and the regulation and elimination of excessive bureaucracy.

In other hand, the objectives of innovation produce in private or industry sector is to answer the question on how they performance much better in terms of quality but in more efficient way. Therefore, as Zuhal pinpointed (2002:303), the objectives of in producing innovation for industry are mostly directed to: (1) Improving the quality; (2) Creating new market; (3) Expanding products chain; (4) Reducing labor costs; (5) Improving production process; (6) Reducing material consumption; (7) Reducing energy consumption; (8) Replacing service and goods;

Administrative reform either Innovation in public sector can be success or failure if they have no fruitful support environment and other supporting elements they needed to grow. Zuhal (2002:304) has identified the failure of the innovation process is usually triggered by: (a) Unclear definition of purpose; (b) Unsynchronized between actions and goals; (c) Poor in performance of team participation; (d) Poor in results of monitoring process; (e) Poor in communications and access to information.

According above criteria of failure in innovation process, it is necessary for all leaders and decision maker even the innovation producer to take into account those criteria as their lesson learnt when they built any innovation. The role of government as regulator is important to facilitating the innovation through their favorable policies to innovation. In addition, the role of government is to facilitate the knowledge centers as innovation sites with their proportional budget allotment and incentive to attract people for produce more innovation based on their comparative advantages. The government is also necessary to play as mediator between the private sectors and the bank as the finance sector. The innovation will be grow faster and better if there is a support to financial resources via loan with favorable interest. So the private sector will have eagerness to develop and expand their business product and market.

In addition, the regulator and implementer as well as the innovation producer should come into a common ground on the instruments that tight them into more sustainable, inclusive and contextual innovation. Referring to the argument of Christensen, Laegreid, Roness, and Rovik (2007:124) that stated, " to look at from the cultural perspective, it will be important to clarify how the course and outcome of processes of change will be influenced by an organization's established cultural features. Informal norms and values will be relatively stable over time may determine reform methods (i.e. way of organizing the process of change, such as which actor should be involved) and, to some extent, the organizational solutions (i.e. the content of change) regarded as appropriate in the light of tradition. In contrast, reform initiatives that are incompatible with established norms and values in organizations will be rejected, while parts that are compatible will be implemented; controversial parts will be adapted so as to be made acceptable (Laegreid, Roness, and Rovik (2007:133). Therefore, reform and change are linked with actions that correspond with established norms and values (Laegreid, Roness, and Rovik (2007: 134). And reforms that are incompatible with the established organizational cultures will not be followed through (Laegreid, Roness, and Rovik (2007:135)". Laegreid, Roness, and Rovik (2007) arguments supported the idea of Denpasar City vision and mission statements, which put local wisdom as the key fundamental for their bureaucracy strategy, development strategy as well as their way of life.

Denpasar City states his vision statement as creative, insightful, culture in balance towards harmony, and their mission statement to strengthening community identity based on culture of Bali Denpasar; Community empowerment based on local wisdom through creative culture; Achieving good governance through the enforcement of the rule of law; Increasing public services for people's welfare (welfare society); and accelerating the growth and strengthening economic resilience through populist economic system (economic stability). According to the city's vision and mission statements, this city put their development strategy on the pillars of economy creative and inclusive with the foundation on their local wisdom on Hindu Balinese culture.

Denpasar City vision and mission statements have aligned with the United Nations Conference on Trade and Development (UNCTAD, 2013) statement regarding new development pathway that encourage creativity and innovation in the pursuit of inclusive, equitable and sustainable growth and development. According to UNCTAD's Creative Economy Report: Widening Local Development Pathways (2013:9), culture is a driver of development, led by the growth of the creative economy in general and the cultural and creative industries in particular, recognized not only for their economic value but also increasingly for their role in producing new creative ideas or technologies, and their non-monetized social benefits. Culture also enables development. It empowers people with capacities to take ownership of their own development processes. When a people-centered and place-based approach is integrated into development programs and peace building initiatives, when interventions in fields ranging from health to education, gender empowerment to youth engagement, take the cultural context into account, including diverse local values, conditions, resources, skills and limitations, transformative and sustainable change can occur.

Using recent study from Center for Administrative Reform (Pusat Kajian Reformasi Administrasi) at the National Institute of Public Administration (Lembaga Administrasi Negara) (NIPA 2014: 155) has developed

a contextual administrative reform model to capture the administrative reform, which involves the element of public service innovation. To assure the authenticities of any model develop, this model provides general guideline on how to develop the model that fit with certain case. The main elements of this model consist at least three or four stages, which depends on type of reform and innovation as well as the initial source to reform or innovate. Based on that concept, this study refers to the contextual administrative reform model built by the Center for Administrative Reform.

First step is the identification of reform content or problem structuring or mapping the potential trigger to reform or to innovate. This stage meant to identify the limitation reform policy content (if any), but there is no written reform policy, you may start from identify source of problems, mapping the potential trigger to reform or to innovate or identify the enabler factor to reform. Second stage is value streamline or in which way the government will mobilize their resources, formulating the strategy, and adjusting of any elements of their institution to coup with reform and innovation will be made. The third stage is implementing structure and participation. In this stage implementing structure can be merged or splinted with participation. Implementing structure describes the pattern of coordination among regulators, stakeholders and customer involved.

Participation describes involvement mechanism among stakeholders with the decision makers. The four stages are to define the result according the first and the third stage.

Contextual Administrative Reform model in concept is modification from the policy process model and administrative reform model such a model of public management reform by Pollitt and Bouckaert (2000:21), input-output model by David Easton, the managerial approach to administrative reform by Caiden (1991:28-29), United Nations Schematic Framework for Enhancing Capabilities for Administrative Reform in Developing Countries (Caiden, 1999:68), and Leeman's model for Schematic Framework for Change in Machinery of Government (Caiden, 1991: 62).

Referring to the abovementioned theories and concepts, this study has conceptual framework as follow: (1) Mapping local wisdom that positively contribute to facilitating the innovation and internalize the innovation; (2) Value streamline: What kind of strategy taken by the local government to response on people needs, mobilize the resources and adjustment to any relevant elements for innovation pro people and stakeholders; (3) Governing structure: How coordination has been made by the local government with other stakeholders involved in innovation. This conceptual framework visualize as follows.
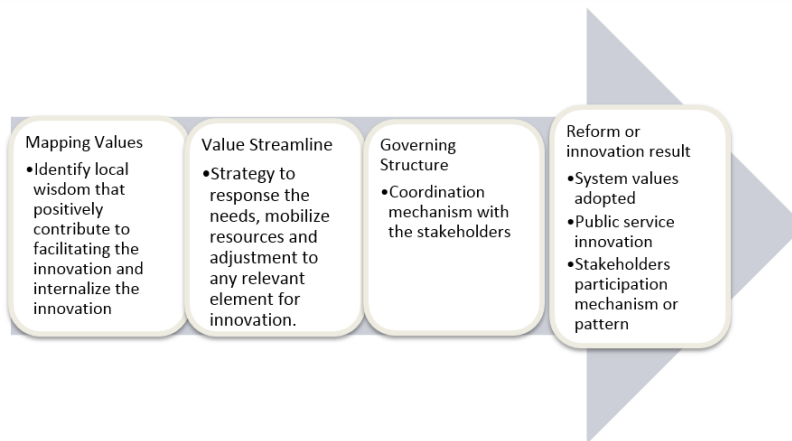
Mapping Values
• Identify local wisdom that positively contribute to facilitating the innovation and internalize the innovation

Value Streamline
• Strategy to response the needs, mobilize resources and adjustment to any relevant element for innovation.

Governing Structure
• Coordination mechanism with the stakeholders

Reform or innovation result
• System values adopted
• Public service innovation
• Stakeholders participation mechanism or pattern

Figure 1. Conceptual Framework
Source: Processed by the Author

RESEARCH METHOD

To achieve the research objectives as described earlier, this study uses some methods: 1) Desk Research, is intended to study the secondary data and documents of planning, reports, local regulations and research reports related to the research subjects; 2) Field Research, by using a triangulation method, which is a research technique that is a blend of some specific methods to ensure the reliability and validity of the data. In this case the validity of the data obtained by comparing the data obtained from a single source with data obtained from other sources.

Basically, this concept is based on the assumption

that the data sources, researchers or other methods will neutralize any inherent biases in the data source, researcher or a particular method. By conducting in-depth interviews to key informants for collecting and verify data, then do crosses test to the other key informants to ensure that there is no conflicting information from the data. If there are dissent data or information, researchers need to explore more and do a confirmation to other research resources. This process is carried out continuously throughout the process of data gathering and analysis of data, until researchers believe that there are no differences and no longer needs to be confirmed by the key informants.

Some of the resource persons in this study includes

Mr. Rai Dharma Wijaya Mantra, the Mayor of Denpasar City; Mr. I Made Mudra, the Head of Local Government Agency for Culture, Mr. I Wayan Nugra Arthana, the Chairperson of Indonesian Chamber of Commerce and Industry (KADIN) of Denpasar City, Dr. I Nyoman Dhana and I Nyoman Suarsana -- Professors from Faculty of Literature and Culture – Udayana University, Denpasar, Bali.

RESULT AND DISCUSSION

Indonesia is a country with more than seventeen thousand islands, thousands ethnicities, and 260 million population which spread over 34 provinces. As an island country, Indonesia is the world's 14th-largest country in terms of land area and world's 7th-largest country in terms of combined sea and land area. Any region in Indonesia has their own local language, local values, and tradition. Besides, as religious freedom is stipulated in the Indonesian constitution, a number of different religions are practiced in the country: Islam, Protestantism, Roman Catholicism, Hinduism, Buddhism and Confucianism. This diversity has made Indonesia rich and unique and this uniqueness can play as positive aspect and as challenge as well.

According to the 2010 census, Hinduism in Indonesia is practiced by about 1.7% of the total population or over 4 million people. Most Indonesian Hindus are Balinese but not all live in Bali Island. In Bali Province itself, about 83.5% of total population is Hindus. Bali Province is one among 34 provinces in Indonesia, and Denpasar City is a capital city of the Province. This city was established in 1992, with area of 12,778 hectar (2.18 % of the total area of Bali Island). Based on population projection data, the population of the city in 2016 was 897.300 peoples comprised of 458.300 males (51,08 %) and 439.000 females (48,92 %).
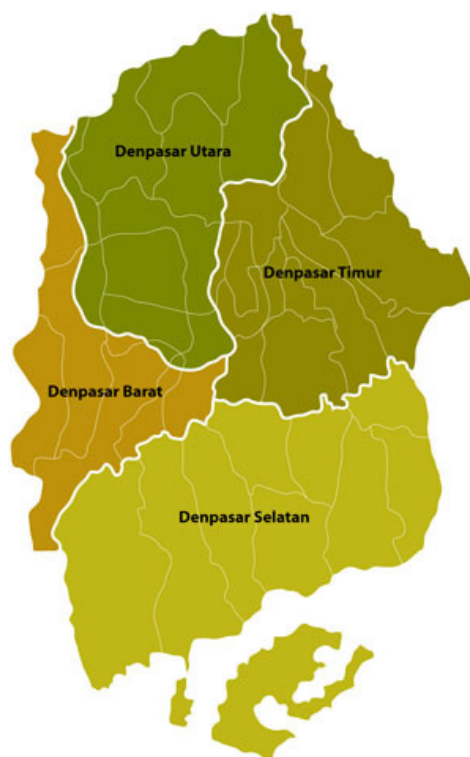

Figure 2. Denpasar City Map
Source: Denpasar In Figure, 2016

As can be seen from Figure 2, Denpasar City consists of 4 sub-districts and 43 villages/wards. District with the largest population is sub district of South Denpasar with a population of 286.060 people or 31.88% of the total population, followed by the sub district of West Denpasar 259.790 people (28.95%), sub district of North Denpasar was 197.970 people (22.06%) and the sub district of East Denpasar was 153.480 people (17.10%). Meanwhile the population density in the City of Denpasar in 2015 has reached 6,892 people per square kilometers.

Balinese Hinduism is an amalgamation of Indian religions and indigenous animist customs that existed in Indonesian archipelago before the arrival of Islam and later Dutch colonialism. It integrates many of the core beliefs of Hinduism with arts and rituals of Balinese people. Though majority of population in Denpasar City is Hindus, but there are some other religions embraced by the immigrants as more and more people come to Denpasar City; Muslims 206.201 people, Catholic 18.229 people, Protestant 26.775 people and Buddist 13.440 people and 162 for other religion. For more detail can be seen in Table 1.

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Table 1. Number of Adherents of a Religion by Sub District in Denpasar City, 2015

Sub district	Hindu	Moslem	Catholic	Protestant	Buddist	Others	Total
Denpasar Selatan	163.705	82.408	7.128	15.572	4.090	187	273.090
Denpasar Timur	111.115	29.122	2.822	4.925	859	48	148.890
Denpasar Barat	137.402	92.611	5.177	11.510	3.660	79	250.440
Denpasar Utara	134.440	43.828	2.598	6.133	4.111	69	191.180
Total	546.663	247.969	17.726	38.140	12.720	382	863.600

Source: Denpasar City in Figure, 2015

Gross Regional Domestic Product (GRDP) is one economic development indicator of a region. Based on constant market price, GRDP value of Denpasar City in 2011 – 2016 accounted for IDR 21,763 trillion, IDR 23,397 trillion, IDR 25,026 trillion, IDR 26,777 trillion, and IDR 28,433 trillion respectively. For more detail can be seen in Table 2.

Table 2. Trend of Gross Regional Domestic Product (GRDP) of Denpasar City (Million IDR), 2014- 2016

Year	GDRP at Current Market Prices	GDRP at Constant 2010 Market Prices
2011	22.664.477,20	21.763.406,30
2012	25.819.231,10	23.397.173,90
2013	29.389.254,90	25.026.379,30
2014	34.208.828.90	26.777.481,90
2015	38.463.726,26	28.433.247,23

Source: Statistics of Denpasar City, 2016

Tourism is one of the most potential sectors in Denpasar City. Cultural background related to Balinese Hinduism is the main attraction of tourism in Bali Province. Thus, the existence of this culture should be preserved, as it is the source for the development of tourism sector in the future. As tourism is highly potential sector of the City, thus economic growth is influenced by sectors that have direct relationship with tourism activities those are trade, hotels and restaurants, transportation, telecommunication, etc. If it is viewed from other classification of the economic development sectors: primary, secondary, and tertiary, it is clear that the third sector contributes highest (more than 70%) to the GDRP of Denpasar City. With a good rate of economic growth, Denpasar City manages to be magnetic attraction for surrounding residents to try their luck in the city. Many residents from neighborhood regions and even from outside Bali Island flocked to this city. The dynamics of the activities of Denpasar City then bring this city into various issues that require to be addressed. That is why many innovations created in order to provide better services to the community.

Identifying the local wisdom that positively contribute to facilitating and internalizing the innovation in Denpasar City requires our understanding on how the Balinese runs their daily life. The Balinese has main life principle in accordance to the concept of Tri Hita Karana or Harmony Living in balance relationship with God, fellow human beings and nature. These three sets of relation explain as follow (PKKSDA, 2013:74): (a) Parahyangan or human relationship with God; (b) Pawongan or human relationships with other humans ; (c) Palemahan or rules about the human relationship with nature

Tri Hita Karana is the main philosophy of live for the Balinese produces other local wisdom values as operational interpretations. In relation to the innovation motivation, those operational local wisdom acts as instrument for encouraging and facilitating the innovation. Those values (PKKSDA, 2013:73) are: (a) Competent in carrying out its duties and responsibilities: Swadharma ; (b) Efficient and effective: Labda Karya (actions that lead to success, success in doing the work) ; (c) Providing excellent service: Lascarya, Ngayah ; (d) Innovative (always develop capabilities to support the task and feel asheme if they could not do something productive which much better than other): Dhirotsaha; (e) Mutual teaser, foster competitiveness: Asah, Asih, Asuh

According to I Made Mudra, the Denpasar City Local Government Agency for Culture (PKKSDA, 2013: 74),

"The internalization of Balinese local wisdom uses three main instruments which closely related with the practice of Hindu Balinese worship such as (1) Interpretation of Hindu Religion into the Balinese culture; (2) Worship to the water temple or Pura Subur as symbol of three function of water for Hindu Balinese life such as water for fertility (Sperm), water for irrigation (Subak), the Holy water as worship the God; this temple usually used by the farmer to conduct their worship to the Gods; However, for the merchant or trader, they have their own pura (temple) in relation their service to the Gods who regulate the fortune for the merchants, this pura namely pura sugih (temple for fortune seeker); (3) Each Balinese community built their own pura as their accountability on their daily living to their Gods (Pasopati). Therefore, their Gods under the concepts of Karmapala or any good will directly control any consequences of their act or bad behavior will be affected to your own life and your future decedents. So, if you want to have good life, you should behave in proper manner, but if you misbehave then you and your descendent will take the risk and punishment (causality law). Moreover, internalization of any Hindu Balinese local wisdom ease to perform since they have strong social control from their peers and society, besides the Balinese also has Ngayah concept as internal control mechanism which represent their full surrender to their Gods".

In addition to above values, there are some unwritten rules which binders the Balinese in practicing daily life. According to I Nyoman Dhana and I Nyoman Swarsana, the professors in Balinese Culture and Linguistic at the Udayana University, explained:

"These binders act as two sides of the knife, they can act positively if they apply these seven binders with tolerance to other than their inner cycle. But, it possibly produces negative impact, if they apply this living concept with intolerance to other groups of their owned. These seven binders can be explained as follow: (1) Housing; (2) The Cult of certain temples; (3) the private ownership of land for farming; (4) Social status on the basis of caste; (5) Kinship ties on the basis of blood relationship and marriage; (6) Members of the specific group (Seka); (7) Attached to certain custom administration (Desa Pakraman and Banjar)".

Denpasar City Mayor, Mr. Ida Bagus Rai Dharmawijaya (Mantra, 2013:181) points out his mission in improving the welfare of the people must be taken to create programs and activities that can generate public value (benefit of the community). Public Values considered as adding value to the general public through the process of managing ideas and entrepreneurial activity, such as: Decreased complaints, service satisfaction, community capacity building, more professional and more productive of government apparatus, and effective and efficient planning. In order to achieve that mission, Denpasar City Government's Strategy in internalizing local cultural wisdom into the bureaucracy mind set and culture, they employ three approaches as their value streamline as can be seen from following Figure 3.

Reinterpretation, is a process, method, act or process of interpreting the strategic thinking that raises the idea of governing actions in the process of reorganizing aspects that support good governance in the public welfare (Mantra, 2013:182). Reintegration is the initial step to be able to know the problems and challenges that became an issue in the community as well as to determine and improve the environmental operational capacity, operational capability and acknowledgement the potential local wisdom that be able to acts as spirit for change. This reinterpretation also applied for program and activities planning in relation to the innovation and creativity which generating the public values (Mantra, 2013:204). This reinterpretation is operationalized through two activities (Mantra, 2013:187) namely:

Revitalization is an effort to revive something that never existed or was once a vital part or alive, but then suffered a setback or degradation. Revitalization has been done including the generating of Standard Operating Procedur (SOP) in the public service, formulating the simplifications of public service and preparing public organizations to obtain the International Standard of ISO 9000-2000. Furthermore, is about the provision of incentives for SMEs in the form of a license fee exemption for the SME who has maximum business modality of 50 million of rupiahs. In addition, the revitalization is about preparation of local government regulation and improvement the capacity of planning apparatus as well as the innovation programs that provide access for creative activity for the people (Mantra, 2013: 188).
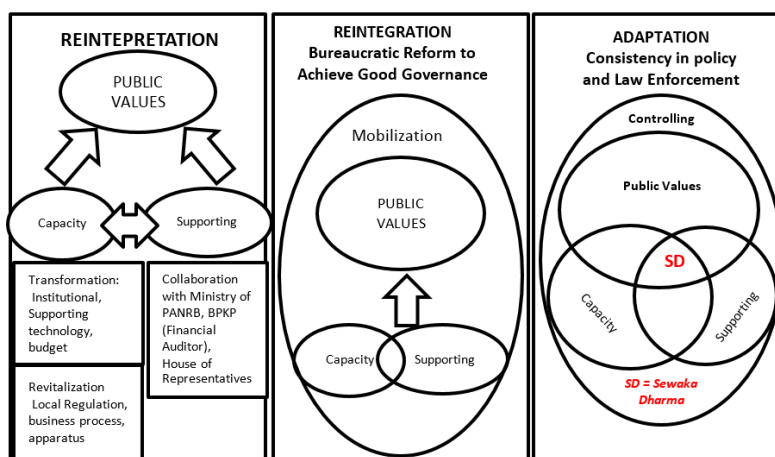

Figure 3. Values Streamline
Source: Adapted from Public Service Innovation Profile of Denpasar City, 2013

Transformation is about the change in the structure by adding, subtracting or reorganize through regulations and conventions that have long been in force, through innovation as follows: restructuring the local government agencies, utilizing information technology, and proposed the budget required to support programs and priority activities (Mantra, 2013: 188).

Reintegration is the strategic step and it requires special attention incorporating the environmental capacity and operational capability. This work is done through mobilizing and proactively the authority, which distributed to the appropriate customs agency. Reintegration is also an important to reconcile the obligation and service (Sewaka Dharma) (Mantra, 2013: 204).

Adaptation is reintegration process of implementation in public service, which aims to increase public value. Increased mobilization of sources is done through a program by utilizing information technology, building cooperation (incorporated product), and community-

based development (development of community-based groups). Indigenous cultural adaptation "Sewaka Dharma" in the community is a paradigm shift towards services, is expected to become a tool of control and the public response to the program and continuous service improvement, which have an impact on people's participation in development to strengthen the systems of good governance (204).

Furthermore, referring to Bureaucratic Reform Roadmap of Denpasar City 2013-2017, the Denpasar City government imposed to accelerate bureaucratic reform based on local values and culture. This can be seen from the public service innovation in Denpasar City which accommodated the concept of Sewaka Dharma, which means serving people is obligatory. This concept then operationalized into government principles of Denpasar City, such as: a. Law enforcement and administrative performance; b. Public finance efficiency; c. Public expenditure should be directed to build infrastructures than other expenses; and d. Multi-level performance bonuses to civil servant who work for Denpasar City government.

Denpasar City as a capital city of Bali Province in Indonesia, currently emerges as one of the most innovative city in Indonesia in terms of their innovation in public services which blending with Hindu Balinese Culture as their value for bureaucracy, their community and their tourism industry. Though, all city and region in Bali Province has adopted the Hindu Balinese cultures on their daily life both for professional relation and private relation, but Denpasar City has different outcome than other. One of their key success factors to spread the spirit of innovation is a strong leadership from their mayor, Mr. Ida Bagus Rai Dharmawijaya Mantra. According to the Chairperson of Denpasar City Chamber of Commerce (KADIN), Mr. I Wayan Nugra Arthana described the Mayor leadership capacity and styles as follow:

"Mr. Mantra as a mayor always involving the stakeholders such as Chamber of Commerce, academia, private sectors, traditional leaders in designing the City's policies in public services. Mr. Mantra uses not only formal channel to dig the information but also involving people or community with their custom organization which known as Desa Pakraman or Desa Adat, in English they called this local entity organization as custom village. Each Desa Pakraman consist of several Banjar or in Indonesia we call her as Rukun Warga or in English term we call them as neighborhood. Desa Pakraman level of status similar with Desa Dinas or in English we call his as Official Village as the lowest official government structure in Local Government. Both Desa Pakraman and Desa Dinas has same degree in terms of their structure to other level of local organization. The difference between them can be described according their function, and their leader but in terms of member, they have same people who identify themselves as part of Desa Pakraman and the member of Desa Dinas. Desa Pakraman function are for religious and social purposes, meanwhile Desa Adat function is for official matters in relation to the government activities and public services".

Moreover, Mr. I Wayan Nugra Arthana explained that Mr. Mantra has created supporting environment to promote the talent of creativity and innovation amongst the youngster by provided each Banjar with amount of money as incentive for their creation in producing "ogoh-ogoh" and other traditional worship symbols. Ogoh-ogoh is a symbol of purification of any mankind from the natural environment and spiritual pollutants. The message of creating Ogoh-ogoh is human as civilized creatures are required to preserve the natural resources and their entities without damaging the environment itself.

In align to above opinion, Mr. I Wayan Mudra, the Chairman of Local Agency for Culture of Denpasar City mentioned Mr. Mantra has initiated to re-interpretation, reintegration and re-adaptation the concept of Sewaka Dharma as public service values that tight the bureaucrat on how their run their duties and obligation as civil servants as well as how they served their customers and their stakeholders. In addition, Mr. Mantra has created also the Sabha Uphadesa concept. These two approaches are explained in the following paragraphs.

The first approach, Sewaka Dharma, is manifested as an intrinsic value. According to Denpasar City Burecratic Refom Road Map (Denpasar, 2013), the Denpasar Government is obliged to provide public services in order to improve the welfare of the people with the motto "Sewaka Dharma" or Serving is Obligation. Based on this concept of the principles of governance are: (1) Rule of law and administrative performance; (2) The existence of the principle of state financial savings; (3) The budget for public spending, for example, building infrastructure budget should be larger than the other; and (4) Tiered system of revenue sharing for the state apparatus

The whole task is only possible, when supported by an effective and efficient structure, culture professional, transparent, and accountable, and the apparatus, which has high dedication and loyalty. Sewaka Dharma is a spirit present to create a government that is strong, clean, and authoritative as a condition of the country's success in carrying out its obligations. The government is able to carry out the duties and functions, namely arranging and serving. Duties and functions of services is more emphasis on altruistic efforts, facilitate public affairs, public affairs shorten processing time, and give satisfaction to the public.

Public service is one of the keys to success in building a welfare state. In connection with the Sewaka Dharma values, the ideal of public service characteristics in Denpasar City visualized at Asta Brata characteristics. Given Asta Brata as a model of ideal Hindu services include aspects among other objectives, goals, attitudes and behavior of the service. The characteristics of Asta Brata services can be explained in detail as follows (Denpasar, 2013:14-15). (1) Indra Brata: Teaching should be such that the waitress Hyang Indra, the rain God is lowered into the earth for human welfare. In this context, the goal is the public welfare services. (2) Surya Brata: Teaching should be such that the waitress Hyang Sun that gives light and life to the universe and

everything in it. In this context, Womanizer services are educational, enlightening, and finally able to empower communities. (3) Bayu Barta: Teaching should be such that the waitress Hyang Bayu. He gave life in the form of breath, filling space and not leaving a single space that is not touched by it. This confirms that the service should be close, cheap, fast, and accurate, and touching directly the needs of the community; (4) Yama Brata: Teaching should be such that the waitress Hyang Yama, the god who uphold justice in the earth. In this context, care should be implemented in a fair, equitable, and does not distinguish any group. (5) Baruna Barta: Teaching should be such that the waitress Hyang Baruna, the ruler of the oceans as well fuser human defilement. In this context the waiter must have extensive knowledge or insight as oceans so as to overcome the problems in society. This can be realized, if the service is supported by the structure, culture, and apparatus are credible, capable, and competent. (6) Chadra Brata: Teaching should be such Hyang Chandra services, namely the properties of the cool months and enjoyable; in this context, the service must be done with a smile, welcoming, and comfortable. (7) Agni Brata: Elaborate on that serving Hyang Agni should imitate nature, which is always lit and flared. The nature of the fire that burns interpreted as power to quell any crime that can undermine the authority of the state. Therefore, good service should be done with enthusiasm and were able to eliminate all the problems facing the community. (8) Perthiwi or Kuwera initiation: Teaching should be such that the waiter or Kuwera Perthiwi Hyang, the gods conferring wealth and prosperity for mankind is also a symbol of wealth itself, is also a symbol of wealth itself. In this context public service must always look elegant and dignified.

Eight Asta Brata characteristics of the service is the foundation for building character Sewaka Dharma, the true minister. In this case, the Sewaka Dharma is the perfect mix between the principle of life, competence, and attitude in service. Some are congenital factors (Karma Wasana), but most of the others are built through a process of learning (Sewaka Widya Guna). Therefore, Hinduism teaches self-learning process maturity.

The principle of life based on the teachings of Chess Sewaka Dharma Marga Yoga, namely karma, bhakti, jnana, and the king. Karma Yoga lays down the principle that people should work according Swadharma defined, without being tied to the work. To avoid this attachment Bhakti Yoga teaches the principles of working as an offering. Making work as an offering can only be realized by those who have attained spiritual awareness (Jnana Yoga), the man for the faith (Shraddha) is not bound by sensual desires, without any doubt, and is not bound by the work. Humans who have attained spiritual knowledge is called Jiwanmukta free from all bondage and work. Humans who have attained spiritual knowledge is called Jiwanmuka, freed from all bondage and work. Her whole life was devoted only to seek hapiness from universe. Thus man has reached the consciousness of work Karma Ajarma actions, and akarman in arma "is the true minister for communities and lives". This life principle should always be held and

conducted by the Sewaka Dharma.

Furthermore, the elements of competencies of Sewaka Dharma are Subuddhi, Susatya, Sudharma, Sukarya, and Subhakti. Subuddhi, that the Dharma Sewaka virtuous and noble service behavior embodies the friendly, courteous, do not hurt the feelings of the customer, and other good behaviors that lead to customer satisfaction. Susatya, that the Dharma Sewaka are people who obey the rules, discipline, honest, trust worth, willing to cooperate in goodness, and able to provide services in accordance with the quality promised.

Sudharma, that the Sewaka Dharma are people who understand their duties and obligations, would hold it well, and have the ability in the performance of duties and obligations. Sukarya, that the Sewaka Dharma is a hard worker, tough, and strong -minded in dealing with various types of customers and the problems that arise in the care process. Subhakti, that the Sewaka Dharma is a true servant who has had a spiritual awakening to make service as an offering to God so that everything carried out free of self-interest and thus free themselves from bondage.

The Sewaka Dharma is also characterized by maturity in service behavior. In this case the five pillars of humanity Hindu, Dharma, Satya, Ahimda, Prema, and Santih. Dharma is the basis of action i.e. carry out their own duties and obligations as well as possible (karma) without attachment to the outcome (akarma). From this was born the behavior of Satya Dharma, the honest and faithful in carrying out the duties and obligations. Thus, the behavior of the service that is reliable, straightforward, no doubt for customers, and service procedures, which certainly is a behavior, based satya. The Sewaka Dharma also must show loving behavior (Prema), which is not physically hurt and feelings of others (ahimsa). In the concept of excellent service, this behavior is often referred to "serve with heart".

The behavior Santih (peace) presupposes that the whole process of service must be able to create peace, both within themselves and the customer. This is where the importance of the Dharma Sewaka understands the principles soothing communication, courtesy, and hospitality. These five pillars are to be internalized within ourselves and then became the basis of the behavior of excellent service.

Bureaucratic system built by the structure, culture and apparatus. All these three elements determine the success of the system in performing its functions, the form of services, empowerment, and development. These functions are basically geared to achieve organizational goals that are inherent meaning to achieve public welfare.

Among these three elements of self-control in terms of ethical insights get its significance as an attempt to balance the system so it can function properly. Dharma restraint Sewaka basically refers to two aspects, namely the self-control and self-control bureaucracy in service. Self-control Bureaucracy is directed to create of a strong governance structure. The obligation is a moral consciousness in which self-control is needed. That is,

free will and individual freedom- although it is essential in every man-but as an apparatus of this freedom should be controlled so as not to damage the fabric of the organization and it is contrary to the mandate of Swadharma. According to Hindu's perspective, the place of humanity in the social system is organized according to color checkers and chess dorm. In each of these colors is attached to her obligations (Swadharma) as righteousness (Dharma) that must be enforced.

Meanwhile, self-control in the public service performed by internalized ethical values alive, like Tri Kaya Parisadha; Chess Paramita; Panca Yama and Nyama Brata. Tri Kaya Parisadha prioritizing controls the mind (manas), words (wak), and action (rich) in the context of ministry. Chess Paramiya prioritize friendship and brotherhood (maitri); compassion (karuna); interesting and sympathetic (mudita); and nature introspective and clever put yourself (upeksa) in providing services. Panca Yama Brata is internally self-control, covering hygiene and inner purity born (Sauca); emotional control to keep calm, wise, and peaceful (santosa); refrain from behavior that is contrary to dharma (tapa); do not stop improving the quality of knowledge through continuous learning (swadhyaya); and services are offered as a form of devotion to God (Iswarapranidana). Furthermore, the Sewaka Dharma should be keeping their behavior in service, include: (1) Not physically hurt feelings or people served (ahimsa). (2) Faithful to the truth (satya). (3) Do not take personal advantage of the services provided (asteya). (4) Not indulgence in lust (brahmacarya). (5) The behavior of a simple life and not greedy (Aparigraha).

The second approach, Sabha UphadesaI, is formalized in a legal product. Mr. Mantra in 2013 has formalized the structure of people participation channel through Mayor Decree Number 188.45/1104/HK/2013 regarding Sabha Upadesa. Sabha Upadesa is an indigenous form of implementation of participation-oriented development (Denpasar City Local Government Agency for Culture, 2013). The concept Sabha Upadesa can be explained as follow. Sabha in Sanskrit means instructions that must be known or to be learned or to be understood by the individual, community or society regarding the cultural values (mental, intellectual, and spiritual) and any official subject matters. Sabha Upadesa is a forum that has limited task to coordinate and synchronize the empowerment of Subak (irrigation society), Pakraman (Custom Village), and uplift the Official Village within the Denpasar City towards the cultural harmony.

The Sabha Uphadesa function is to empower communities to foster public participation at their own environment. These meanings are: (1) The existence of deliberation for improving public participation in the development and generating of society creativities which led them to the liberation of civil society; (2) With the community capacity to facilitate the dynamic cultural values (mental, intellectual, spiritual), and to develop positive values in the society and to counteract the negative values that exist in the community; (3) In fact, this could be also used to construct Sabha, Tri Hita Karana concept in village level planning participation mechanism as in ward level.

Describe the program indicators: Parahyangan, pawongan, weakening. Indicators stretcher as a translation to build cultural values (mental Bureaucratic system built by the structure, culture and apparatus. All three of these elements determine the success of the system in performing its functions, the form of services, empowerment, and development. These functions are basically geared to achieve organizational goals that are inherent meaning to achieve public welfare. In all three of these elements of self-control in terms of ethical insights get its significance as an attempt to balance the system so it can function properly. Dharma restraint Sewaka basically refers to two aspects, namely the self-control and self-control bureaucracy in service. Bureaucratic control in goal-directed creation of a strong governance structure. The obligation is a moral consciousness in which self-control is needed. That is, free will and individual freedom - although it is essential in every man - but as an apparatus of this freedom should be controlled so as not to damage the fabric of the organization and it is contrary to the mandate of Swadharma. According to Hindu express their views, the place of humanity in the social system is organized according to color checkers and chess dorm. In each of these colors is attached to her obligations (Swadharma) as righteousness (dharma) that must be enforced.

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Based on those local values which derived from Hinduism and Balinese values, as explained above, then

local government of Denpasar City designed the public services innovation. Those innovations consist of two types of innovations, namely intangible and tangible innovations.

Intangible innovation is three brandings for three different target groups. These three brandings are the result of reinterpretation, reintegration and adaptation on Balinese local wisdom in order to share the ownership of bureaucracy reform process and innovation process. These three brandings can be described as follow:

Firstly, Sewaka Dharma, which contained the phrase "Nihan kayatnakna de the Sewaka dharma" means; this (that should) be considered by a servant of dharma (virtue). Dharma means law; habit; virtue; rules; the truth; assignment; justice; soul. Thus, the obligation undertaken in this life is to serve the soul or spirit (Sukayasa, 2013:132).

Secondly, Denpasar is My Town and My Home. Why "my town is my house" there is a phrase that states: The difference between buildings and settlement is one of scale. "A is small city buildings; a city is a large building "(Synder, 1979:8). If you followed this ideology that the difference between the town house is in the form of scale. The house is on a small scale and the city is home to a large city. These events will be evident at the time showed to implement identity, besides pointing home address must also include the address of our city. At the level of culture and Hindu religion in Bali, also between Great Crossroad with a home page called Natah have similarity, especially at the time of the ceremony pecaruan sasih. In the Supreme carunya larger than the home page. From a functional point of space can also be said to exist equally similarity function into a room together in a common space. (Commons space, public space) scales with different circumstances.

Thirdly, Sabha Upadesa which shaped and structured physical moves, accompanied by the Council of Experts, is expected to be able to synchronize all the programs that awaken in each of these agencies in the development of advanced and developing sustainable and the concept of culture and insight; Creative Economy which is part/ object of insight into the culture itself, within the scope of Tri Hita Karana.

Setting the pace of development by creating symbols of interaction or brandings as practiced by the local government of Denpasar City is a kind of intangible public service innovation. Considering that these brandings were created by tapping into local values and were expressed through local language so that they are feels more "sacred". Branding is very important to ground the program or policy. Moreover for Balinese who believes in symbols.

The importance of branding in development was described by I Wayan Geriya (Sewaka Dharma Magazine: 2012) by using sociological theory. Basically, there are three major perspectives to study the dynamics of society, the symbolic interactionist perspective, functionalist perspective, and the conflict perspective. According to symbolic interaction perspective, people try to understand the dynamics of the community by creating symbols to interact. As those symbols have meanings, people expected to adjust their behaviours

and actions. Meanwhile, functional or functionalist perspective views the dynamics of the community as a result of the passage of the functions of various social groups or professions. Groups or community members act according to functions they have. Furthermore, conflict perspective sees the dynamics and conflict in the society occur due to various interests of different groups or classes. It sees that in a simple, homogeneous society, or a complex, heterogeneous society, conflict will always exist because conflict (including revolution) is considered as a basis for change. Based on that explanation, the functionalist perspective sees society from the positive aspects, while the conflict perspective considers to have negative energy or deconstructive in viewing the dynamics of society.

In the business world, symbol to interact identical with branding. Symbol or branding is the main tool in promotion and marketing activities. In addition, branding is also the basis for positioning the product in order to attract the customers. The goal is to increase sales and create customer loyalty. In the context of urban development, branding is to reach the loyalty of public because the public is the consumer of development.

In terms of tangible innovation, public service innovation in Denpasar City includes several items.

First of all, Licensing Services. In 2012, Denpasar City has implemented licensing services for SMEs with capital below 50,000,000 IDR by using a mobile service that is targeted to the merchants, which are located in the traditional market. In addition, adjustments have been implemented to permit levy rates, and permits of location for trading the alcoholic beverages. The successful implementation of the programs for improving the public service quality is assessed through Surveying Community Satisfaction Index (HPI) and SME Survey results indicate that licensing services at Denpasar City has B (good) category for their quality of service.

Second of all, Health Services. In order to improve the health services, since year of 2012 has planned for the entire Health Service Center in Denpasar City should applied the Quality Management System ISO 9001:2008 through coaching and collaboration with the Ministry of Administrative Reform. The activities that have been implemented are the socializations to all head of the community health centers in Denpasar. Furthermore, the city has been also programmed the procurement of drugs and health debriefing with the expected result is the implementation of scientific of herbal clinic at the community health center. To improve the services of Hospital Wangaya, they held renovation and rehabilitation outpatient at the polyclinic at Kaswari Building within Hospital Wangaya and they got ISO 9001:2008.

Third of all , Education Services. In providing services to the community in education, Denpasar City Government through the Local Government Agency has carried out various programs for Education, Youth and Sports to provide educational services in the Denpasar City. Innovation programs that have been implemented include: (a) Developed the Cyber School which based on the internet information system technology for both the

private and public schools at four districts; (b) Developed the educational media through smart home; (c) Facilitating the learning process of students and teachers for implementing the teaching and learning process at the classroom; (d) Giving awards to high performance students and teachers, and provides a coaching training for the high performance school. (e) Acceptance of new students via real time online system. This innovation program went into effect since 2012-2013 for all schools and public schools with international standard at all levels of primary and secondary education in Denpasar City. (f) Some schools in Denpasar City have achieved ISO 9001:2008 namely: SMAN 1 Denpasar; Denpasar SMAN 3; SMAN 4 Denpasar; SMAN 5 Denpasar; SMK Negeri 1 Denpasar; SMK 2 Denpasar; SMK 3 Denpasar; SMK 4 Denpasar; SMK 5 Denpasar; SMK Harapan Tourism; SMPN 1 Denpasar and SMPN 3 Denpasar.

Fourth of all, Civil Registration Service. In accordance with the regulation Number 25 of 2008 on the Admission Requirements and Procedures for Population and Civil Registration, the City has implemented SIAK Program (Population Administration Information System). Through the implementation of SIAK, the public expectation to civil registration services will be more effective and efficient. In addition, the hope also comes to improve the service that engage with the process of producing the Citizen ID, Family Registration and birth certificate. SIAK is able to integrate multiple components into a single unit of population data intact which more accurate and informative. In order to provide excellent service to all residents of Denpasar City, the local government has made several strategies to improve their service in producing Citizen ID Card and Family Registration by: (a) Centralized the Civil Registration Service at Civil Registration Agency of Denpasar City; (b) Mobile service at least once a week at any district in Denpasar City; (c) Free charge of services for the poor people;

Fifth of all, Employment Services. Denpasar City Government through Local Government Agency for Manpower, Transmigration and Social Affairs, has created a breakthrough in order to improve employment services. One of the innovative programs that are implemented to provide services in provision labor market information is through the labor market on line (BKO) with online address to site hhtp://bursakerja.denpasar.go.id. Furthermore, the service also provides via short message service (SMS) for job seekers who have registered.

Sixth of all, Industry and Trade Services, Denpasar City Government through the Local Government Agency for Industry and Trade has conducted the information system application for industry and trade based on WEB and GIS technology. Information systems of industry and trade in Denpasar City can be accessed at www.balidenpasartrading.com. Until the year 2012, the craftsmen who have joined reached more than 363 craftsmen (SMEs) with products that have been promoted around 704 superior products.

Seventh of all, Transportation Services. Denpasar City Government through the Local Government Agency for Transportation has conducted a motor vehicle testing services through the application of system testing at Drive Thru Motor Vehicle Inspection Unit. The service aims to provide easy, fast, accurate, transparent, accountable, secure and not discriminatory services to the public or motor vehicle mandatory test.

Actually, these seven types of innovation are commonly found in other cities outside Denpasar, however, what make the public services in Denpasar City unique is the Sewaka Dharma's values which embedded in designing the public services innovation. The Sewaka Dharma building as the name of "One Stop Services" in Denpasar City is the reflection of the Sewaka Dharma values. This building is the place where people can access the permits and licensing in one-stop services. In addition, the internalization of the Sewaka Dharma values also reveals from the attitude of the civil servants of Denpasar City government in serving their customers. This can be seen from how these values applied as competency standard, as following: (a) Subuddhi: nobel personality in conducting services. (b) Susatya: obedience, honest, trustworthy in giving services as required. (c) Sudharma: competent in delivering services; (d) Sukarya: hardworking and problem solving; (e) Subhakti: delivering services to people as a reflection to serve God.

CONCLUSION

There are several key leverages for designing public services innovation in Denpasar City: 1) Strong local leadership who able to reinterpret, reintegrate, and adapt local values into vision and mission or put them into actions; 2) Strong participation models based on local values and culture; 3) Strong local mechanism in internalizing values. By using and internalizing local values, local government of Denpasar City manages to create responsible public services innovations, which are sustainable, inclusive and Contextual. As Indonesia is a country with very diverse cultures, thus the real competitive advantages that Indonesia has (beside natural resources) is also its cultures. Based on this study, Denpasar City may refer as one of good practice in public services innovation, which involve local values. For future research, this study recommends comparative studies among public services innovation in other cities and regencies in Bali Province to see different practices in applying Balinese Hinduism in public services innovation. Moreover, comparative studies with other places in Indonesia which have strong culture binding such as Yogyakarta, Banten, Aceh, and West Sumatera to know the different effects of different values in designing public services innovation.

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