



New Public Governance-Based Public Services: A Study of Drinking Water Regional Company Governance in Indonesia

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ABSTRACT

Drinking water services are a form of basic public services that are directly related to the community's right to a healthy and decent life. In Indonesia, the implementation of drinking water services is mostly carried out by Regional Drinking Water Companies (PDAM) or Regionally Owned Enterprises which have a dual function, namely carrying out public service obligations while maintaining business sustainability. This condition poses a governance dilemma, especially when PDAM must balance social aspects, tariff affordability, operational efficiency, financial sustainability, and demands to improve service quality. This article aims to analyze PDAM governance in Indonesia through the perspective of New Public Governance. This study uses a qualitative approach with literature review and document analysis methods. The results of the study show that PDAM governance is not enough to be analyzed through a bureaucratic or managerial approach alone, but needs to be seen as a collaborative process involving local governments, PDAM management, the community, the private sector, regulators, and other stakeholders. The New Public Governance approach emphasizes the importance of institutional networking, multi-stakeholder collaboration, trust, community participation, transparency, and public value creation. Thus, strengthening PDAM governance based on New Public Governance can be an alternative to improve the quality of drinking water services that are more inclusive, accountable, fair, and sustainable.

INTRODUCTION

Public services are one of the important indicators in assessing the quality of government administration. In the context of a welfare state, the government has a responsibility to ensure that the basic needs of the community are met, including access to safe, clean, affordable, and sustainable drinking water. Drinking water is not just an economic commodity, but a basic need that is closely related to the health, welfare, and quality of life of the community. Therefore, drinking water services need to be placed as part of the public service mandate that must be managed fairly and responsibly.

In Indonesia, drinking water services are generally organized by Regional Drinking Water Companies (PDAM) or drinking water BUMDs under the authority of local governments. The position of PDAM has a complex character because it is between two main demands. On the one hand, PDAM is required to carry out social functions through the provision of drinking water services for the community. On the other hand, PDAM is also required to work efficiently, maintain financial health, and in some contexts contribute to Regional Original Revenue. This dilemma often raises tensions between the orientation of public services and the orientation of business.

A governance approach that overemphasizes market efficiency and managerial logic as contained in New Public Management is not always able to answer the complexity of drinking water services. Drinking water services are not only related to technical issues of distribution, tariffs, and financial performance, but also related to equity of access, sustainability of raw water resources, public accountability, community participation, and coordination across actors and regions. Therefore, a more collaborative and relational approach is needed in understanding PDAM governance.

New Public Governance exists as a paradigm that emphasizes that the implementation of public services can no longer rely solely on the government as a single actor. In this paradigm, public services are understood as the result of interaction between various actors, such as the government, public organizations, the private sector, civil society, communities, and citizens as service users. This approach is relevant to study PDAM because drinking water services require cooperation between local governments, service providers, regulators, communities, raw water resource managers, and other actors involved in the water governance system.

Based on this background, this article aims to examine how the concept of New Public Governance can be used in analyzing the governance of PDAM in Indonesia as a basic public service provider. The focus of the study is directed at three main aspects, namely the dynamics of actor networks, collaborative practices in the management of drinking water services, and the orientation of public values in the implementation of services. This article is expected to make a conceptual contribution to the development of PDAM governance that is more transparent, participatory, accountable, and oriented towards the interests of the community.

LITERATURE REVIEW

New Public Governance is a public administration paradigm that has developed in response to the limitations of traditional public administration models and New Public Management. Traditional public administration tends to emphasize hierarchy, formal rules, and procedural compliance, while New Public Management emphasizes efficiency, competition, contractualization, and outcome-orientedness. However, contemporary public problems are increasingly complex and cannot be solved only through bureaucratic instruments or market mechanisms. Therefore, New Public Governance emphasizes the importance of networking, collaboration, interdependence, and interorganizational processes in the delivery of public services (Osborne, 2010; Rhodes, 1996).

In the perspective of New Public Governance, the government is no longer seen as the only actor that produces and distributes public services. The government is better understood as a facilitator, director, and network manager that brings together various actors to create public value. Public services are not just the work of government organizations, but the product of relationships between the government, society, the private sector, communities, and other organizations involved. This concept is in line with the idea that public value is created through a process of co-production and co-creation between service providers and service users (Bovaird, 2007; Bryson et al., 2017).

One of the important concepts in New Public Governance is collaborative governance. Collaborative governance emphasizes the importance of the process of cooperation between public and non-public actors in decision-making and policy implementation. Effective collaboration requires trust, shared commitment, face-to-face dialogue, mutual understanding, and institutional mechanisms that support cooperation between parties (Ansell & Gash, 2008). In the context of PDAM, this concept is important because the provision of drinking water involves many parties, ranging from local governments, PDAM management, customer communities, regulators, technology providers, to raw water source managers.

The literature on public services also emphasizes that citizens cannot be positioned only as customers as in the logic of New Public Management. In public services, citizens are the subject of rights that have an interest in justice, accessibility, affordability, and sustainability of services. Therefore, public services need to be assessed not only by organizational efficiency, but also by their ability to create public value, strengthen legitimacy, and meet community needs fairly (Lapiente & Van de Walle, 2020; Osborne et al., 2021).

In the context of water governance, the New Public Governance approach is relevant because drinking water is a sector that involves technical, social, economic, political, and ecological dimensions. PDAM is not only required to provide water continuously, but also must maintain water quality, expand service coverage, manage tariffs fairly, reduce water loss, increase transparency, and build public trust. Thus, the New Public Governance framework can be used to read PDAM governance as a multidimensional process built through

institutional networks, collaboration, accountability, and public value orientation.

METHODOLOGY

This article uses a qualitative approach with literature review and document analysis methods. The qualitative approach was chosen because this study aims to understand in depth the concept, dynamics, and governance issues of PDAM as a basic public service provider. Through this approach, the analysis is not directed at statistical measurement, but at a conceptual understanding of how New Public Governance can be used to explain the governance of drinking water services in Indonesia.

The data sources in this article come from academic literature on New Public Governance, collaborative governance, public value, public services, and drinking water governance. In addition, this study also utilizes conceptual documents on PDAM governance in Indonesia, especially those that discuss the institutional dilemmas of PDAM, challenges in drinking water services, limited capacity, collaboration issues, and the need to strengthen public accountability. The data is analyzed by identifying the main themes, grouping relevant concepts, and then connecting them to PDAM governance issues.

The analysis technique used is descriptive-qualitative analysis. The analysis stage is carried out through data reduction, theme categorization, concept interpretation, and synthesis. The focus of the analysis is directed at three main dimensions, namely governance networks, collaborative governance, and public value orientation. These three dimensions are used to read how PDAM governance can be directed at improving service coverage, water quality and continuity, financial efficiency and sustainability, transparency and accountability, and community satisfaction.

RESULT AND DISCUSSION

The results of the study show that the governance of PDAM in Indonesia faces a fundamental problem in the form of a dilemma between social functions and economic functions. As a public service provider, PDAM has an obligation to provide safe, clean, and affordable drinking water for the community. However, as a regional business entity, PDAM is also required to maintain efficiency, financial health, and operational sustainability. The tension between these two functions often affects decision-making, especially in tariff policies, network expansion, infrastructure investment, and service quality improvement.

PDAM governance still faces challenges in terms of service coverage. In some areas, piped drinking water services have not fully reached all levels of society, especially low-income groups and areas that are geographically difficult to reach. The low coverage of services shows that drinking water services cannot only be completed through the internal capacity of PDAMs, but requires the support of local governments, regional planning, infrastructure financing, and cross-sector collaboration.

The quality and continuity of service are important indicators in assessing the performance of PDAM services. Communities not only need access to water, but also need water that is decent, safe, and sustainably available. Distribution

disruptions, water that does not flow regularly, poor water quality, and slow handling of complaints can reduce public trust in PDAM. From the perspective of public services, the quality and continuity of service are part of the legitimacy of service provider institutions.

Efficiency and financial sustainability are still important issues in PDAM governance. Problems such as water loss or Non-Revenue Water, operational cost burden, limited investment, and tariffs that do not fully reflect service costs are challenges for the sustainability of PDAM. However, financial efficiency should not be understood solely as an effort to raise tariffs or reduce costs, but rather must be balanced with the principles of social justice and affordability of services.

Transparency and accountability are aspects that greatly determine public trust in PDAM. The public as service users need clear information about water quality, tariff structure, service disruptions, performance reports, and complaint mechanisms. If information is not conveyed openly, PDAM's policies, especially related to tariffs and services, have the potential to cause public resistance. Therefore, transparency needs to be part of the service strategy, not just an administrative obligation.

The New Public Governance approach provides a more appropriate framework to answer the governance problems of PDAM because it places drinking water services as the result of multi-stakeholder interaction. In this approach, the success of PDAMs is not only measured by its technical and financial performance, but also by its ability to build networks, manage collaborations, strengthen community participation, increase accountability, and create public value. Thus, PDAM governance needs to be directed from a closed and bureaucratic model to a more open, collaborative, and responsive model to the needs of the community.

The findings that PDAM faces a dilemma between social functions and economic functions show the limitations of the New Public Management approach in drinking water services. NPM emphasizes efficiency, performance measurement, and outcome orientation, but in the drinking water sector, efficiency is inseparable from the fairness of access and affordability of services. This is in line with the criticism of NPM which states that public services cannot be fully managed with the logic of customers and markets because citizens are the subjects of rights, not just consumers of services (Lapiente & Van de Walle, 2020; Osborne, 2010).

From the perspective of New Public Governance, the issue of PDAM service coverage needs to be understood as an institutional network issue. The expansion of drinking water services does not only depend on the ability of PDAMs to build pipelines, but also on the support of local governments, spatial planning policies, financing, coordination with technical institutions, and community participation. This is in accordance with the view of Rhodes (1996) that governance is related to a network of interdependent actors in the policy process and public services. Thus, PDAM needs to build stronger institutional relationships so that drinking water services can reach the community more equitably.

The aspect of quality and continuity of service is also closely related to the concept of co-production in public services. The community is not only the recipient of services, but can also play a role in providing information, submitting complaints, supervising service quality, and being involved in the process of improving services. Osborne et al. (2016) explain that co-production is an important part of public services because the value of services is formed through the interaction between service providers and users. In the context of PDAM, complaint mechanisms, customer communication channels, public consultation forums, and community involvement can strengthen the quality of the relationship between PDAM and the community.

Findings on the importance of transparency and accountability reinforce the relevance of collaborative governance. Collaboration will not be effective without trust, shared commitment, and a clear accountability mechanism. Ansell and Gash (2008) emphasize that trust is one of the important prerequisites in collaborative governance. In the context of PDAM, public trust can be built through information disclosure, responsiveness to complaints, clarity of tariffs, and performance reports that can be accessed by the public. Without accountability, collaboration risks becoming an administrative formality.

This discussion shows that the governance of PDAM based on New Public Governance does not mean ignoring efficiency, performance, and financial sustainability. Instead, NPGs seek to place efficiency within a broader public value framework. PDAM still needs to maintain technical and financial performance, but this orientation must be balanced with fair access, community participation, transparency, and environmental sustainability. Thus, the New Public Governance approach can be an integrative paradigm that connects the managerial, social, institutional, and ecological dimensions in drinking water services.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the study, it can be concluded that public services in the drinking water sector require a more collaborative, participatory, and public value-oriented approach to governance. PDAM as a drinking water service provider not only faces technical and financial problems, but also institutional, social, political, and ecological problems. Therefore, PDAM governance is not enough to be analyzed through the traditional bureaucratic approach or New Public Management, but needs to be studied through the New Public Governance approach.

New Public Governance provides a relevant conceptual framework because it emphasizes the importance of stakeholder networking, multi-stakeholder collaboration, service co-production, transparency, accountability, and public value creation. In the context of PDAM, this approach can help explain how drinking water services can be managed in a more responsive manner to the needs of the community, while still paying attention to the efficiency and sustainability of the organization.

The recommendations of this article are as follows. First, local governments need to strengthen the role of PDAM as a provider of basic public services, not solely as a source of regional income. Second, PDAM needs to build a more open

collaboration mechanism with the community, the private sector, regulators, and other related actors. Third, transparency of information regarding tariffs, water quality, service interruptions, performance reports, and customer complaints needs to be strengthened so that public trust increases. Fourth, PDAM's financial efficiency and sustainability policies must continue to consider the principles of social justice and service affordability. Fifth, follow-up research needs to be carried out empirically on several PDAMs in Indonesia to test how the principles of New Public Governance are applied in the practice of drinking water service governance.

FURTHER STUDY

This study has several limitations that should be acknowledged. First, this research is limited to a conceptual and descriptive analysis of public service governance in Regional Drinking Water Companies (PDAM) in Indonesia through the perspective of New Public Governance, so it has not yet measured the direct effectiveness of this governance approach in actual institutional practice. Second, the study focuses on governance networks, collaborative governance, public value orientation, transparency, accountability, and public service quality, but it has not deeply examined technical and operational aspects such as water production capacity, non-revenue water, tariff formulation, infrastructure investment, service continuity, and financial feasibility. Therefore, further research is recommended to use an empirical approach through interviews, surveys, or field observations involving PDAM management, local governments, regulators, customers, private partners, and community organizations. Future studies may also develop and test a New Public Governance-based model for PDAM governance to evaluate its effectiveness in improving service accessibility, responsiveness, transparency, accountability, service sustainability, and public satisfaction.

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