



## INNOVATIONS FOR SUCCESSFUL SOCIETIES

### DEFUSING A VOLATILE CITY, IGNITING REFORMS: JOKO WIDODO AND SURAKARTA, INDONESIA, 2005 – 2011

#### SYNOPSIS

In July 2005, Joko Widodo, the first directly elected mayor of Surakarta, faced the daunting job of revitalizing an Indonesian city whose history of violence had earned it the label *sumbu pendek* in the official Bahasa language—city with a “short fuse.” Seven years earlier, riots had shaken Surakarta, known as Solo, as mobs razed several neighborhoods, destroying homes and businesses. In 2002, Solo made international news again when officials uncovered terror networks in the city. Poorly functioning government services, high unemployment and weak economic growth weighed on the half million residents. With the help of Vice Mayor F.X. Hadi Rudyatmo, the mayor took a series of steps to turn Solo around. Known by his nickname Jokowi, he built alliances with businesses, religious leaders and non-governmental organizations representing the poor. Initially he relocated thousands of street vendors to relieve traffic congestion and created a one-stop shop for business licenses and other services. He also expanded facilities at new vendor locations, improved conditions in slums and upgraded health services. Jokowi then worked to boost tourism and strengthen the economy by reviving Solo’s image as a regional center for arts and culture, both to its own citizens and the outside world. While economic growth bolstered the city’s revenue base, Jokowi reorganized parts of the government to promote efficiency and opened the budget process to greater public scrutiny. In 2010, he and Rudyatmo were re-elected with 90.9% of the vote. This case study recounts their reform efforts between 2005 and 2011.

*Rushda Majeed drafted this case study based on interviews conducted in Surakarta and Jakarta, Indonesia, in November and December 2011. Case published July 2012.*

#### INTRODUCTION

In July 2006, a colorful procession moved through the streets of Surakarta from the historic Banjarsari park area to the newly constructed Kithilan Semanggi marketplace. The parade moved slowly as those on foot made rice offerings in keeping with local tradition. City officials followed in horse-drawn carriages. Marchers

declared, “We have all won.” With Mayor Joko Widodo in the lead, the procession marked the peaceful relocation of nearly 1,000 street vendors from the Banjarsari area to the new marketplace five kilometers away. The event showcased the skill of the first-year mayor, known nearly everywhere by his nickname Jokowi, to navigate charged situations without using force.

The 44-year-old Jokowi was committed to revitalizing Solo as a clean, safe place to live and work. Surakarta's ubiquitous street vendors typified the city's problems when he took office in July 2005 after campaigning on the slogan *Berseri Tanpa Korupsi*, or "Beauty Without Corruption." With insufficient opportunities for regular employment, many residents eked out a living by selling everything from food to second-hand goods along Solo's roadways. However, established shopkeepers lost business as the number of vendors increased to nearly 6,000, and neighbors complained about the loss of open space, road congestion and litter in public parks and on sidewalks.

As citizens pressured the government to restrict or relocate the street vendors, other pressing issues festered. Traditional markets, where traders sold fresh produce or wares in simple stalls, had long resisted previous municipal government's plans to convert them into large modern shopping centers. NGOs and local newspapers reported the government's failure to provide basic health and education services to the poor. Citizens complained they often had to endure lengthy delays when they applied for routine government documents like permits and identity cards.

The city's problems had deep roots in ethnic, religious and class tensions. Located about 460 kilometers southeast of Jakarta on the island of Java, Surakarta, widely known as Solo for the river that runs through it, was an ancient seat of Javanese arts and culture and part of a Hindu-Buddhist kingdom that flourished between the eighth and 10th centuries. The city's decline began in 1757 when royal heirs divided the region between Solo and its sister city Yogyakarta, which now lies 60 kilometers to Solo's west. After Indonesia's independence from Dutch rule in 1949, the government awarded Yogyakarta autonomous status for resisting the Dutch. Solo,

which had aligned with the Dutch, became the poor stepsister.

By the millennium, Solo was the most densely populated city in central Java and the eighth most populous in Indonesia, with about 500,000 people spread over 44 square kilometers. Most of its citizens were majority Javanese and minority Chinese-Indonesians. Nearly 73% were Muslim and about 25% were Catholic or Protestant. The remaining followed Buddhism or Hinduism.<sup>1</sup> In the mix of cultures and religions, tensions often ran high. Javanese and ethnic Chinese residents had a long history of distrust, in particular.<sup>2</sup>

Disparities between poor and wealthy residents helped to widen Solo's divide. The World Bank estimated that 16% of Indonesians lived below the national poverty line (US\$1.55 per day) in 2005. The Central Statistics Agency, a national institution responsible for collecting economic and social data, reported that Solo's poverty rate matched the national rate (16%), based on housing, utilities, nutrition, occupation and income, education, and savings indicators.<sup>3</sup> Approximately 90% of Solo's households had access to electricity, but less than half had access to government-provided water.<sup>4</sup>

During the 20th century, civil unrest earned Solo the dubious title of *sumbu pendek*, meaning city with a "short fuse" in the official Bahasa language. In 1998, as the effects of the Asian financial crisis deepened, crowds protesting rising oil prices, food shortages and unemployment destroyed or damaged 330 businesses and 900 vehicles, most belonging to the ethnic Chinese minority.<sup>5</sup> Rioters destroyed property valued at 457 billion rupiah (US\$40 million).<sup>6</sup> The tumult in Solo and other cities contributed to the collapse of President Suharto's 32-year military regime. In 1999, violence flared again when supporters of the losing presidential candidate, Megawati Sukarnoputri, burned down Solo's City Hall in

protest.<sup>7</sup> A 2002 International Crisis Group report traced the roots of the militant Islamic organization *Jemaah Islamiyah*—a Southeast Asian group with links to al Qaeda—to Solo.<sup>8</sup> Terrorist suspects linked to the 2002 and 2005 Bali bombings and the 2003 Jakarta bombing also had ties to the city.

## THE CHALLENGE

When he took office, Jokowi's challenges included his own lack of political experience. A forestry graduate of the University of Gadjah Mada in neighboring Yogyakarta, he built a furniture-exporting firm and ran the company for 19 years, becoming a prominent member of the city's business community. In 2005, when a national decentralization program mandated democratic elections for local government offices, Jokowi, a Muslim, sought to become a candidate of the Indonesian Democratic Party for Struggle, or PDI-P, a prominent left-of-center political organization that enjoyed widespread support in Solo.

Jokowi aligned with F.X. Hadi Rudyatmo, a Christian, to secure his party's nomination for mayor. Rudyatmo, who headed the PDI-P in Solo, was a grassroots organizer and a seasoned politician. As a running mate, he made up for Jokowi's lack of a political base. The two won 36% of the votes cast—not much more than the 30% that was required to avoid a run-off election.

Upon taking office, building support—both inside the government and with outside constituencies—was crucial. Discord among key managers had undermined the efforts of Jokowi's predecessor, Slamet Suryanto. Taking office in 2000, Suryanto had struggled to restore order after the 1998 and 1999 riots, and political infighting had hampered progress on pressing issues. The relationship between the mayor, vice mayor and secretary general (or chief of staff) had been openly acrimonious.<sup>9</sup> Lack of coordination and communication between their offices hurt

government services. When Jokowi succeeded Suryanto in the second half of 2005, he faced many of the same problems: sprawling street-vendor sites, dilapidated traditional markets, unsafe slums and squatter settlements, and low-quality public services.

The two men faced high public expectations as Solo's first democratically elected mayor and vice mayor. The PDI-P's political base included poor and marginalized groups, and the broad challenge for the new mayoral team was how to extend basic services and expand employment at a time of tight budgets. According to Ahyani Sidik, head of the Department of City Spatial Planning, "We were still recovering from the fiscal crisis in the early period of Mayor Jokowi's term in 2005." Sidik defined Jokowi's challenge as straightforward but difficult: "To help poor people get basic health and education, raise their living standards and help them get jobs."

To achieve those ambitious goals, Jokowi and Rudyatmo had to become peacemakers and enlist the cooperation of wealthy business people, who often had been the target of protests in the city.

Street vendors were the hot-button issue. The vendors blocked traffic and public spaces, as well as access to other businesses and homes. A focal point of complaints was Banjarsari, a historic park with a monument commemorating the 1945-49 independence struggle, where an estimated 1,000 street vendors crowded walkways and roads. Well-to-do residents of the area accused the vendors of damaging the park, taking over public space and harboring petty criminals. The situation came to a head in 2004, when citizens who lived near the park refused to celebrate Independence Day as part of a high-profile protest against the street vendors' presence.<sup>10</sup>

The vendors had proliferated after the Asian financial crisis that began in 1997. Syifaul Arifin, reporter for *Solopos*, the city's main newspaper, said: "Unemployment became a nationwide problem. As companies or businesses shut, many

people were laid off. Unemployed people did street-vendor business or other informal businesses.” The 1998 riots made conditions worse. In 2002, the Surakarta City Statistical Bureau reported that 38.3% of the working population fit into an unspecified or informal employment category that included street vendors<sup>11</sup> (which numbered about 6,000), hawkers, pedal-cab drivers, street musicians, parking attendants and others.

Street vendors complained that city police and government officials abused them, and that they were in constant danger of losing their temporary places of business. Some claimed that they had to pay anywhere from 10,000 to 25,000 rupiah (about US\$1 to \$2.50) per day in illegal fees to avoid being forced to move.<sup>12</sup>

Beginning in 1998, Jokowi’s predecessors had attempted to remove street vendors. Former mayors Imam Soetopo and Suryanto had commissioned university studies on relocation. Suryanto had created the Office of Market Management and even selected Kithilan Semanggi as a site for relocating the Banjarsari vendors. None of the street vendors had been willing to move, however, and their numbers grew in Banjarsari.<sup>13</sup>

Aggressive measures had been unproductive and divisive. Although local laws empowered the mayor to renovate, relocate, expand or demolish markets, previous city governments had converted only a few of Solo’s 49 traditional markets into large modern shopping centers.

A major problem was that such upgrades raised the cost of doing business and fostered resistance from vendors and small businesses. When *Pasar Gede*, the city’s largest general market, burned down (without casualties) in April 2000, sellers organized protests against the government’s move to rebuild it as a modern market because they feared higher rents. The traditional market was ultimately rebuilt on the

same plan as before the fire. Other attempts at renovation or rehabilitation encountered similar opposition. In 2003–04, for instance, thousands of sellers in *Pasar Klewer*, the city’s largest batik textile market, forced the government to abandon renovation plans.<sup>14</sup>

The conflicting interests were easily apparent, according to Akbarudin Arif, executive director of Kompip, a consortium of NGOs working to promote social justice in Solo. “The city government wanted to renovate markets to generate higher local income,” he said. “After renovation, it became clear which stall belonged to whom. The government collected stall fees, taxes and money from leases up for renewal.”

Squatter settlements along the river were another challenge. Local laws prohibited building along the river. But in 2005, about 2,000 temporary houses with 8,000 inhabitants lined the Solo River. Heavy rains had washed away houses in the past. Eko Sulistyono, a board member of Kompip, said: “It is dangerous for the people living along the river because every rainy season we have a flood. We want to preserve the river and also protect the people.”

In addition, each of the city’s 51 *kelurahan*, or neighborhoods, had a large number of temporary and substandard houses. Numbered at 5,000—according to the Department of Community, Women and Children Empowerment, and Family Planning—low-income houses lacked access to sanitation, drainage and water facilities, and were prone to fires. In 2002, the city recorded 56 fires in substandard houses, one of the highest totals in its history.<sup>15</sup>

Inadequate city services created difficulties for businesses and weighed on Solo’s economic growth. Business owners often had to wait four to six months to obtain permits or licenses. Because no central department handled permits, applicants had to spend time and money visiting different locations to get the necessary approvals.

Coordination was scant, and services lacked integration. Customers often had to bribe civil servants to expedite applications.

Similar problems vexed citizens who tried to get government-issued identity cards that were required for driver's licenses, tax identification numbers, certificates of land rights, and access to health and education services. Jokowi said: "People always complained about the identity cards. They said that when they asked the subdistrict office for identity cards, they had to pay extra amounts, and it took one or two, sometimes three weeks."

### FRAMING A RESPONSE

Jokowi and Rudyatmo decided on a top-level division of labor to reduce redundancy and smooth reform progress. Jokowi would develop the vision and strategy for reforms and build public support. Rudyatmo, who had extensive grassroots organizing experience, would supervise civil servants to implement policies and projects. He also would use his position as chairman of the PDI-P in Solo to ensure support on the legislative council.

The two pledged to strengthen communication and coordination between their offices and the city's 15 departments. The secretary general's office within the Secretariat, which also included the mayor's and vice mayor's offices, became the nerve center of operations. Secretary General Boeddy Soeharto said, "The mayor and the vice mayor's offices coordinate with each other all the time. They share tasks so that the mayor decides the main strategy and makes decisions, while the vice mayor supervises implementation."

Using this structure, Jokowi moved ahead on several fronts. Although stimulating the local economy and boosting employment were Jokowi's bottom-line aims, he was aware that he first had to clear away longstanding problems—such as the relocation of street vendors—as well as encourage

business by easing the process of getting licenses and similar services. Soeharto, the secretary general, described the strategy as a unified approach: "We did the reforms all together, in tandem, in health, education, economic empowerment and development. We did not focus on only one thing. We had to have integrated development." With a coordinated development strategy that aimed to create a cleaner, business-friendly city, Jokowi could focus on attracting investment in Solo.

Building support was a priority. Jokowi believed in openness and dialogue as the pathways to reform, and he aimed to resolve contentious issues through negotiations rather than force. He knew that his goal of diagnosing problems correctly and achieving real gains required him to deepen his understanding of Solo's various groups as well as his own government. "I had to know the civil servants in the city and the municipality because I didn't have a background in managing a municipality and the government," he said. "Then, I had to have a map of the problems in the city. ... After mapping the problems, I had to then decide the policies."

With Rudyatmo's political leverage, Jokowi generally could count on support from Solo's legislative council. Fifteen of the 40 members belonged to the PDI-P, and four representatives each from the Prosperous Justice Party (PKS) and National Mandate Party (PAN) aligned with the PDI-P. Four council members from the People's Conscience Party (Hanurah) and the Great Indonesian Movement Party (Gerindra) also provided support.

For ideas, Jokowi tapped his own travel and management experience and reached out to the community. During his 19 years in the exporting business, he said, he had learned from frequent trips to Europe and other Southeast Asian countries.<sup>16</sup> As a businessman, he had excelled in brokering agreements, especially informally over dinners and lunches, and could bring his business

experience to bear in negotiating and managing reforms.<sup>17</sup>

Jokowi convened City Hall meetings and other events to encourage citizens to share their views and ideas about what government was doing and how it could improve. “He got ideas from the community,” Sidik said. “This is how the ideas got generated: from the stakeholders in the city.” Constant discussions helped develop and refine the strategy.

Jokowi believed that the city’s cultural heritage was a significant but largely unexploited asset. “Surakarta is rich in arts and culture that are marketable to an international audience,” he said. “There are many cities in Europe that are frequented by visitors due to their rich culture.”<sup>18</sup> With hundreds of performing arts schools teaching traditional dance, music and theater, Solo could attract much-needed tourism and growth, as had Yogyakarta. The city could revive or build upon “Solo: Spirit of Java,” a 2003 campaign for promoting tourism, and offer events such as traditional orchestra performances and Javanese shadow puppetry. A focus on heritage could inspire pride and attract support from diverse social and economic groups that had often come into conflict in the past.

Promoting Solo as a center of culture and traditional arts could bring competitive advantage, too. “Cities must have brand management to position and differentiate them,” Jokowi observed. “Who would know about Solo if our city does not have a trademark?”

Jokowi decided to rely on existing staff to implement his vision. In 2005, the city had about 10,000 civil servants,<sup>19</sup> with about 350 in the Secretariat, according to Sidik. At 2% of the population, the size of the city’s civil service was in line with the national average.<sup>20</sup> To improve government workers’ performance and raise the level of services provided, Jokowi knew he had to set a personal example and create a higher standard of integrity and public service.

## GETTING DOWN TO WORK

When Jokowi became Solo’s mayor in late 2005, one characteristic of the city worked in his favor: The community’s turbulent history had fostered civic activism, and citizens were vocal in making their demands known to the government.<sup>21</sup> Low-income and disadvantaged groups had legitimate representatives who understood their needs and were ready to play an active role in working for change. The community was well positioned to negotiate important issues.

The new mayor’s reforms targeted the twin goals of building a new social contract and bolstering the economy, and he moved ahead on several fronts at the same time. Creating stability both among the citizenry and in the business community—the key elements of social progress and economic growth—would require building trust among the city’s diverse interest groups.

### *Cultivating support*

Jokowi knew the value of a strong public image, and he used symbolic gestures as part of his efforts to gain the respect and credibility he needed to push ahead with his planned reforms. Having built substantial wealth from his importing business, Jokowi donated his salary of 6.2 million rupiah (about US\$700) a month to the city. He told the *Jakarta Globe* in 2011, “I do sign the payment check [for the city payroll], but that’s all I do. I never take my monthly salary. I never even see the envelope.”<sup>22</sup>

Seeking to create an image of thrift and responsibility, he used his predecessor’s official car rather than buying a new one, and he flew economy class. Sulistyono from the NGO network Kompip said the mayor’s approach set a tone of prioritizing public service over personal gain: “If the mayor does not ask for a new official car, then he can show to the people below him that they don’t need a new car.” Soeharto also praised the mayor: “Jokowi talks about clean government,

without corruption and nepotism, and he sets an example himself.”

To encourage better performance by the people working under him, Jokowi created training opportunities for civil servants. He encouraged civil servants to study how regional neighbors such as Singapore or South Korea dealt with street vendor management, tourism, services and other issues that confronted Solo. Staff members traveled to Singapore, South Korea, Spain and Germany to study city management.

The mayor pressed for greater collaboration among city officials, urging departments to work closely. He held meetings with all department heads at his office every Monday, and followed up regularly on decisions that he communicated at the meetings. He visited different municipal offices unannounced, and the routine random visits kept civil servants on their toes. He also held monthly evaluation meetings with officials. In order to keep up pressure on employees, the mayor and vice mayor announced that their mobile numbers would be available as a 24-hour hotline for public complaints.

Jokowi also regularly held meetings at his official residence, a rare gesture for high-ranking Indonesian officials, and he opened the door wide. Arif of Kompip, the NGO consortium, praised the mayor for his willingness to speak with all classes of citizens. To underscore this point, he remarked: “In a conservative city like Solo, Jokowi has met with sex workers. This might break religious norms in other cities, but he is different. He can walk into spaces that a lot of other leaders cannot.”

Jokowi and Rudyatmo often left their offices in order to seek recommendations and complaints from citizens and to hold civil servants accountable for service provision. On Friday mornings, the mayor, vice mayor and department heads often bicycled to three or four neighborhoods to meet residents and assess the quality of services.

These efforts earned Jokowi the respect of the community. Speaking about the mayor, Ahmad Rifai of the NGO *Solo Kota Kita* noted: “He has weekly discussions in the city’s neighborhoods. Every week he goes to these with the department heads. It gives him strong support in the neighborhoods.” Tumiriyanto (who uses one name), executive director of *Yayasan Krida Paramita*, an NGO working for gender equality, recalled, “One day I saw Jokowi and Rudi [Rudyatmo] doing an inspection on their own in a *kelurahan*, and they called civil servants to fix any problems they saw.”

The mayor followed a similar tack in approaching local business people. In informal meetings at his official residence, Jokowi met with small and large business owners, including members of Chinese business associations that were eager to strengthen their relationships with the city government. The informal sessions complemented official forums such as “coffee mornings,” bimonthly gatherings that brought together officials and private-sector representatives to discuss business needs and government policies.<sup>23</sup>

#### *Relocating street vendors*

As a first step to fulfill his campaign promise of creating a beautiful city, Jokowi focused on the unregulated street vendors in public spaces. But his initial declaration to relocate the city’s street vendors from one high-profile area attracted unexpectedly fierce opposition and tested the mayor’s political instincts early in his term. Soon after being elected in July 2005, Jokowi announced that he would move vendors from the area of the Banjarsari Park, a focal point of the tension between vendors and residents, by 17 August, a day that marked Indonesia’s 1945 declaration of independence from Dutch rule. Street vendors protested strongly and openly, and raised the threat that the government would have to use force to evict them. “I worked with street

vendors and witnessed them holding banners in Banjarsari's market," said Arif of Kompip. "The banners read, 'Struggle till the end of our life. We would rather die than move.'" But NGOs representing street vendors hoped to work out a nonviolent solution and set about assessing conditions that would enable the vendors to move.

Recognizing the potential for serious repercussions, Jokowi quickly shifted gears. "I took a softer approach," he said. "I invited them to lunches and dinners and discussed with them what they wanted. I came to know the condition and situation of the street vendors 100%."

After his initial clash with street vendors over relocation plans, Jokowi held more than 50 lunch meetings with representatives during his first six months in office and listened to the vendors' concerns. The vendors, for their part, presented a list of demands to the mayor. Before moving forward on relocation, the mayor tasked officials to collect data on street vendors in Banjarsari. Officials worked with university researchers to collect information, such as number of vendors, types of trade, or sizes of stalls. Jokowi also met with the legislative council to gauge political support and discuss the budget for relocation. Eventually, he pledged to build appropriate facilities for street vendors at Kithilan Semanggi, to provide public transport and access, and to publicize the location. He also offered incentives to vendors who agreed to move: free carts and umbrella tents or kiosks, free trading licenses, education and training, affordable loans to survive in the new market, and a tax exemption for the first six months. The two sides—the city and the vendor representatives—reached an agreement in December 2005, six months after Jokowi's election, and design and construction of the first new marketplace started the following month.

City councilors who did not agree with the mayor criticized the relocation project, which had a price tag of 9 billion rupiah, or about US\$1 million.<sup>24</sup> (When Jokowi became mayor, the city's

annual budget was 500 billion rupiah, or nearly US\$520 million.) Jokowi won support in the legislative council by arguing that the city's increased revenues from taxes would offset the cost. Sulistyono said: "When Jokowi gave free space to 1,000 street vendors, others protested that it will be free money for the street vendors. Jokowi calculated the return on investment and said that in seven years the money would be returned to the city through higher taxes and revenues."

The Office of Market Management carried out the actual relocation plan. A technical team comprising civil servants prepared a blueprint of the project, obtained legal approvals, bought raw materials, and supervised construction. Another team worked with the vendors on a daily basis and responded to their concerns.

In mid-2006, the market was ready, and Jokowi led a celebratory procession marking the relocation from Banjarsari to the new Kithilan Semanggi site. Arif attributed the successful resolution to Jokowi's openness to dialogue and the willingness of NGOs to negotiate on behalf of the vendors: "It was a dramatic situation, but he was able to replace a thousand vendors in peace. This has never happened in any city in Indonesia. There was no bloodshed or violence. It was also the first time that Jokowi sensed people's acceptance. After this, he continued the dialogue with citizens and believed that his style could work."

The amicable Banjarsari resettlement helped ease the relocation of other street-vendor sites in Solo. Vendors saw the opportunity to be involved in government decisions and appreciated the incentives, and Jokowi saw value in engaging marginalized groups rather than face unrest in a city that had a tradition of instability.

For each subsequent vendor site, the Office of Market Management—later merged into the Department of Traditional Market Management—collected information on the number of vendors and total revenues and



identified potential problems with relocations. It also calculated the cost for physical construction, stalls and carts. Civil servants arranged meetings with vendors to listen to their concerns and solicit buy-in. After a series of meetings in which key decisions were made on locations, new facilities, moving dates, and incentives such as exemption from licensing costs, the city began the process of relocation. The city also started training programs to help vendors better manage and expand their businesses, and promoted the new markets to customers.

Building on earlier discussions, in 2009 the council set up standardized fees and transparent procedures that sharply reduced the chance of street vendors having to pay officials on the side. A regulation stipulated that street vendors in open locations would have to pay a daily fee of 200 rupiah for every square meter they occupied. Vendors in sheltered locations would pay 1,000 rupiah daily. Jokowi held staff members at the Office of Market Management accountable for the collection of the fees in strict accordance with the regulation. Vendors could call a 24-hour-a-day hotline if they had complaints.<sup>25</sup>

By 2010, the department had moved most street vendors, and many vendors reported higher profits because of improved facilities and services. Within three months, some vendors in Kithilan Semanggi reported a 200% increase in revenue because of better facilities.<sup>26</sup> Subagyo (who uses only one name), head of the Department of Traditional Market Management, said revenues improved even more in other areas. “In Notoharjo, a secondhand-goods market, revenues increased,” he said. “Previously, a street vendor used to earn 100,000 to 500,000 rupiah [US\$10-50] per month. After the move, they now earn anywhere from a million to five million” [US\$100-500].

Arif from Kompip, the NGO network, expressed skepticism about some of the official estimates regarding revenue improvement, but he

agreed on the overall success of the program. “The advantage for vendors is not only in the earning. It is in the security of livelihood,” he said. Local officials “can sweep them off when they are selling on the streets; the new sites are secure, and their livelihood is secure.” The relocations made headlines in other cities that had similar problems, and soon representatives from cities such as Medan in northern Indonesia arrived to learn from Solo.

Still, some relocations went poorly, and street vendors complained that they lost business. For instance, the Panggungrejo market, relocated in 2010 because of the creation of the Solo Techno Park, a vocational training center, failed to attract customers because it was reestablished behind a large building and was not easily accessible. Of the 201 businesses, only 35 survived the relocation.<sup>27</sup> Arif said that when some relocations went awry, the problem usually involved hasty implementation that failed to elicit sufficient input from vendors. “The Office of Market Management needs to adopt Jokowi’s early strategy for relocation,” he said. “The office needs to provide more deliberative sessions and inclusion to vendors in assessing their relocation plan. Otherwise, street vendors will lose their income.”

#### *Revitalizing markets*

Jokowi also took steps to upgrade traditional markets to meet the city’s safety and sanitation regulations. Learning from the vendor-relocation projects, Jokowi met with owners in the markets and persuaded them to move to temporary locations for one year; they could move back once the sites were upgraded. He promised to preserve the markets’ traditional character rather than converting them into large shopping malls, and he pledged to earmark tax money to provide loans to small traders.<sup>28</sup> To enlist the traders’ cooperation, the mayor assured them that the city would pay renovation costs and not raise rents. Starting in 2006, the Department of Traditional Market

Management set a target of upgrading three sites each year, and the renovations moved forward with the merchants' agreement.

In an important concession to the market sellers, the mayor worked with the city council in 2007 to ban the construction of retail stores or modern malls within 500 meters of traditional markets. Four years later, the city passed an act to preserve and protect traditional markets, acknowledging their contribution to the cultural heritage and character of Solo.

Renovations and relocations allowed the department to increase government revenue by renewing licenses and leases, and registering new or undeclared traders. The department put traditional market traders into six categories and charged fees for permits accordingly. For example, permits for stalls in open-air markets cost five to ten million rupiah (US\$500-1,000), and permits for those in enclosed facilities cost two to three times as much. Officials found it far easier to collect taxes and fees from registered businesses in the newly renovated, well-organized traditional markets.

### *Improving the business climate*

Although Jokowi made substantial progress in dealing with problems related to street vendors and merchants in traditional markets, he knew that his goal of bringing more jobs to Solo required efforts aimed at the broader business community. He focused first on inefficiencies in city offices that issued business licenses and permits. "We had to change the mindset of civil servants," he said. "We had to change the attitude and the spirit of the bureaucracy, and improve systems or make new ones."

Toto Amanto, who was responsible for city permits, recalled, "Jokowi said that we had to invite investment and better our infrastructure and services. He told employees that we were going focus on enhancing services. By reducing fees and

making everything transparent, citizens would not incur major costs and save time."

Borrowing an idea implemented in other areas of Indonesia including Sragen, Bali and Sidoarjo, Solo inaugurated a "One Stop Service" in December 2005. The office provided 28 different services, such as construction permits, travel agency permits, tourist guide licenses, industrial business permits, franchise permits, and shopping center permissions, among others. The operation was subdivided into registration, verification, permit issuance, complaints and evaluation sections.

The office's 32 employees received special training in working with customers, recalled Amanto, who headed the office. "We decided that if the smile of civil servants in other departments was five centimeters wide, then our smiles will be 10 centimeters wide," he said.

The interior organization of the One Stop Service made it easy for customers to move from one area to the next. Booths were arranged in a long row similar to a bank counter, and civil servants were easily visible and accessible. In keeping with Amanto's emphasis on the customer experience, bright décor and colorful staff uniforms contributed to a lively atmosphere, and posters and computer terminals provided information for visitors.

The managers also simplified procedures. Customers had to fill out only one form for most services. After filling out their forms, customers would go to the appropriate counter, where an employee would accept documents and make sure each application was in order. A technical team from the One Stop Service verified documentation and conducted site inspections as needed. The department head and the team then met to decide whether to accept or reject individual permits, which customers could pick up within six days.

A help desk at the One Stop Service allowed

dissatisfied customers to file grievances. Civil servants at the help desk followed specific procedures. They recommended follow-up action and process improvements when appropriate, kept records of complaints that were resolved, and informed customers when complaints resulted from misunderstandings or other minor problems.

Jokowi took a personal interest in making sure that employees followed procedures and did not accept bribes or extra payments. Amanto said, “Jokowi replaced five people in 2009 because they practiced outside the regulation, taking additional costs and pocketing it. ... This was a warning for others, and after that no more cases have happened.” Jokowi told *The Jakarta Post* in 2010, “In Solo, public officials involved in violations are dismissed. I’ve discharged several of my employees and officials for failing to provide satisfactory service.”<sup>29</sup>

Solo’s business community appreciated the One Stop Service. Gunawan Nizar, who owned one of the companies in Solo’s Laweyan Batik Village, an area famous for producing the intricately dyed fabric, said, “Now we only deal with one civil servant, and the license is free for small businesses. The process is very simple. We can go to the office, fill a form, and it takes a day or two to get the license. It took months earlier.”

The service issued 10,000 permits per year on average, compared with 6,000 issued by various departments before 2005, Amanto said. The office soon became a model for cities in the region. “There are similar services in other cities like Sragen, but Solo’s is faster,” he said. “Solo is the best in speed and in simplicity of the application forms. In Sragen, it takes 10 to 14 days, but we do it in six days.”

In 2008, the office started surveying customers and found a high rate of satisfaction. The first survey found that 73.88% of customers were satisfied with the service, and satisfaction increased to 75.75% in 2009 and 77.87% in 2010.

The success of the One Stop Service encouraged changes in other areas of government. Adopting similar policies, the city’s five subdistrict offices expedited the issuance of citizen identity cards, important documents that residents needed to access other government services. “We changed the offices and made them open and transparent within three months,” Jokowi said. “I informed the public that the identity cards would take only one hour, not one week.” Applicants who applied to offices in their home areas received identity cards in less than an hour.

While changing procedures to accelerate issuance of ID cards, the city also improved functions. For example, with the help of national security agencies that were keeping a close eye on Solo after the Bali and Jakarta bombings, subdistrict officials who approved and signed identity cards for citizens instituted a rigorous screening process.

#### *Renovating houses, relocating informal settlements*

In tandem with the effort to help businesses expand, Jokowi sought to address concerns of the poorest residents, who made up a significant part of the PDI-P’s political base.

In 2006, Jokowi called on the Department of Community, Women and Children Empowerment, and Family Planning to help renovate substandard housing and move squatters to safer locations. Although an existing program at the department handled sanitation and cleanup of poorer neighborhoods, Jokowi wanted the department to scale up the program to include renovation and relocations. The department targeted weak or crumbling houses that lacked basic sanitation, drainage or water facilities, and prioritized moving squatter settlements from riverbanks.

The department enlisted community members to form working groups to repair or build houses. Representatives visited

neighborhoods to explain the program. Community members nominated respected and senior residents to neighborhood working groups, and the department interviewed and formally approved each nominee. Hasta Gunawan, head of the department, explained: “We empower the community. The *kelurahan* nominates candidates based on criteria that we provide, and then we give them a license to become members of the working group.” The department held workshops to train members.

In each neighborhood, the working group of seven or eight members proposed a list of houses to be renovated to district- and city-level committees, comprising local officials and NGO members, which verified and forwarded proposals to the department. Department officials approved proposals and allocated funds to the neighborhood to start renovations. The city allocated about US\$220 per house from the municipal budget, and the department used the money to provide raw materials to the working group. The department requested regular progress reports from the group. In addition, the United Nations Human Settlements Program (UN-Habitat) provided a US\$750 loan, which the city government guaranteed, for each house.

For resettlements, a local government subsidy contributed US\$900 toward building a house and the central government granted \$1,300. Inhabitants had full property rights over the house and land. A festival or carnival usually marked the move, just like it did for street vendors. Gunawan said: “The idea came from the people and is a kind of tradition. They decide a good day for moving according to tradition and culture, and we have a feast.” Jokowi supervised each move. After the relocations, flood-prone areas were converted into parks and public facilities.

The department also provided training and employment opportunities to those living in squatter communities. It focused on women in

particular, providing for training in skills such as cooking and tailoring. Poorer residents could also get business loans or public works jobs to improve their standard of living.

The city’s efforts enjoyed considerable success. In 2008, a year after massive flooding hit Solo, Gunawan’s department moved many houses from near Solo river. By 2011, the department had relocated nearly 1,000 houses from the riverbanks, affecting about 4,000 people, and renovated 3,750 houses in city neighborhoods, with others scheduled for completion by 2013. Jakarta and other cities sent representatives to learn from Solo’s experience.

As in the case of street vendor moves, not all housing relocations went smoothly. Although local newspapers reported no violent incidents, in 2009 residents of one squatter settlement demonstrated against the government, saying they were being forced to relocate in order to benefit businesses.

Other complaints arose when the government relocated poor residents to distant suburbs or neighboring districts. According to Gunawan, these people could not easily reach city and public services because of poor infrastructure and public transportation. (The city provided the regional government with funds to help extend services to the relocated communities, and started strengthening infrastructure for better access to the city during Jokowi’s second term starting in 2010.)

During his second term, Jokowi shifted focus to projects that would improve transportation infrastructure and connectivity to surrounding cities. Projects included expansion of existing bus terminals to increase capacity and construction of four bridges and four roads in the northern part of the city. The new construction would connect the remote northern areas with the city center and surrounding provinces. Initiated in 2011, the networks were scheduled for completion in 2015.

*Improving access to health services*

In 2007, taking humanitarian concerns seriously and minding the interests of the PDI-P base, the mayor's office identified citizens who were in need of free or subsidized healthcare but were ineligible for the national health plan. In Indonesia, the Ministry of Health's national health plan, *Jamkesmas*, covered about 76 million people who were in the bottom 20% of the population based on income.<sup>30</sup> In Solo, *Jamkesmas* covered about 100,000 people (or 20% of the residents), but it was up to the city to provide for people who were not covered by any kind of public- or private-sector insurance, and could not afford to buy insurance.

Jokowi began to work with Solo's Department of Health to supplement the national healthcare policy. Siti Wahyuningsih, head of the department, said: "In April 2007, Jokowi summoned me five days after I was appointed head of department to design a program of health financing and insurance especially for the poor in Surakarta. At that time, some cities near Surakarta had free health services at community health centers for the poor. He asked me if it was possible to give free healthcare, and I said that we can make a similar program with a better system."

After evaluating healthcare plans in other Indonesian cities, Wahyuningsih and her team created a plan for Solo. Residents who did not belong to *Jamkesmas* or other kinds of public insurance, such as civil servant insurance, or private health insurance, and had lived in Solo for the past three years could use services under the program.

Starting in 2008, the Health Program for the People of Surakarta allowed citizens easy access to health facilities. Based on guidelines set by the Central Statistics Agency, the department issued gold insurance cards for free health services to Solo residents who met 14 agency-set standards of poverty related to housing, access to utilities, nutrition, occupation and income, education, and

savings.<sup>31</sup> They could go to a clinic or hospital to receive free services, for which a government-nominated insurance provider would reimburse the facility. Residents who did not meet the gold-card requirements and did not have insurance could get silver cards that covered a portion of medical expenses. The department partnered with all of Solo's 13 public and private hospitals to offer health services. Holders of gold or silver cards could go to any health facility in the city.

The department solicited the help of the citizenry, especially Solo's active NGO community, to register residents. At the end of 2007, the department started publicizing the program in print and electronic media and through community meetings. In January 2008, the program became operational with a budget of 14.5 billion rupiah (US\$1.5 million). Arif of the NGO network Kompip praised the plan: "One extraordinary policy of Jokowi is health insurance for the poor. He allocated 100% free-of-charge medical services to the poor. Solo has a high poverty rate, and all of the poor receive the insurance."

In 2010, Solo's health department reported that gold cards covered more than 13,000 people and silver cards ensured health services to about 195,000 people who had not been insured.

*Making better use of revenue*

Sustaining these and other programs required a strong government revenue stream. The central government contributed about 70% of Solo's budget, and local taxes on businesses supplied the rest. Mayors in Indonesia could not raise local taxes without permission from the central government. Although economic growth and more efficient collection of some fees and taxes helped improve the city's fiscal position, improved government efficiency offered another important source of revenue.

Taking aim at government waste and corruption, Jokowi stressed better financial

management that included stringent tracking of spending and projects. He called on department officials to help sharpen top-level management control by focusing on large, integrated projects rather than many small ones. “First, it was important that when we had the money from the central government, we managed it efficiently and with more focus,” he said. “Second, earlier the city used the budget for small programs of 100 or 200 million rupiah [US\$10,000-20,000] each. Small programs were very difficult to control and not focused. So I told my office to focus on larger programs, for example, of 10, 20 or 30 billion rupiah. They had to present their projects to me, along with the concept, planning, revenues and the social returns to the city. It became more efficient and focused.”

Coupled with his early successes, Jokowi’s ability to manage the city budget helped him make a case for higher allocations from the central government for scaling up existing programs and initiating new ones in subsequent years.

Jokowi also pushed for more transparency in the city’s budget. He encouraged municipal offices to publicize the details of new projects and to publish budgets on websites. Officials worked with the media and NGOs to circulate the annual city budget through newspapers, posters and pamphlets. In 2009, the Department of Local Planning collaborated with a number of NGOs to create a pamphlet that listed government projects and budgets, and enabled neighborhood committees to learn about and monitor projects in their areas. Jokowi and civil servants also held an annual City Hall meeting to showcase successes and address citizen concerns. Arif said: “Jokowi is introducing a new tradition of public transparency through an annual meeting of all stakeholders. At the meeting, city officials show what they have achieved and also invite criticism.” Sulistyono of the NGO network Kompip said that nearly 3,000 people attended the meetings.

Jokowi also enlisted the help of citizen groups and committees in advising or managing public projects. Citizens had worked with city offices in the past; for example, NGOs and citizen committees had helped civil servants at the Department of Local Planning develop budget projections through a process called participatory planning. The city had started the new budget planning process in 2001, prior to Jokowi’s administration. Officials held community meetings at the *kelurahan*, subdistrict and district level, collected information from residents, and evaluated existing plans and projects. Meetings included participants from the community, NGOs, government, university and the business community, and the input influenced municipal budget planning.

The regional government and the Regional Development Planning Board then evaluated projects and allocations requested in the municipal budget, and allotted funds to the city accordingly. Jokowi extended the practice of community meetings and committees to other areas. Citizens committees, such as those created for cultural events or housing renovations, started assisting officials and tracking progress of projects.

#### *Creating the Solo ‘brand’*

A year into his term, Jokowi focused on his initial ideas about branding Solo as an arts and culture destination. Through the Bureau of Culture and Tourism, he worked to develop cultural events in cooperation with representatives from the Indonesian Institute of the Arts, Surakarta and other performing arts schools.

The tourism bureau had existed since 1985, but it took on additional responsibilities under Jokowi. It worked with citizen committees to organize events such as festivals involving traditional music, performances, batik and other arts. The bureau started investing in calendars of events, brochures, and guidebooks for tourists,

and opened up information centers at the railway and bus stations, and the airport. It also strengthened ties with local hotels, restaurants and travel agents, publicizing cultural events and marketing the city through them. Solo's government website provided information about the city and local events. In order to bolster the tourism budget, Jokowi enlisted local businesses to sponsor and promote events.

In 2009, Jokowi launched "Solo's Future is Solo's Past," a marketing campaign to publicize a positive image of the city. The city's communication department worked with the tourism bureau to create and advertise events. Jokowi invited national media outlets to visit and report on the city's growth and development. Delegations from Solo also marketed the city abroad. In 2009, representatives participated in a mask festival in Korea, and the city sent a cultural delegation to Indonesia. In 2010, groups from Solo attended festivals in Singapore, Malaysia and Australia.

## OVERCOMING OBSTACLES

Solo's diversity presented Jokowi with special challenges. For instance, his emphasis on arts and culture could alienate some conservative Islamic groups that eschewed dance, music and cultural festivities. Although most of the population was Muslim, Jokowi aimed to create policies that balanced religious and cultural needs of the entire population, which included minority Christians, Hindus and Buddhists. He also had to address the groups' diverse political and economic concerns.

Muhammad Dian Nafi', a prominent leader at the *Al-Muayyad pesantren* (Islamic boarding school) in Solo, stressed: "In Solo, you can find more than 80 groups from different denominations, beliefs or religions. The conflict between religious communities in Solo is not really religious but social, political and economic."

As he did in dealing with the street-vendor problem, Jokowi favored dialogue as his main tool. He engaged religious groups early in his term. Nafi' recalled that in 2005 the mayor met with religious leaders of all communities to discuss community issues and listen to their concerns. Sulisty of Kompip described the policy: "Jokowi is inclusive. He meets leaders of all groups, religious and ethnic. He has two-way communication with the religious communities. He speaks directly to everyone." Building on early successes, Jokowi highlighted the peaceful relocation of street vendors as an example, and publicly advocated dialogue between communities as the best solution for maintaining law and order.

Jokowi was successful in striking a balance between different religious and ethnic groups. He maintained close ties with Javanese Muslim communities, regularly joining religious studies at local mosques and Islamic centers and using the opportunity to discuss government policy with community leaders and students.<sup>32</sup> He also reached out to churches and other religious communities. In 2006, religious leaders responded by helping the mayor start the Religious Peace Forum, an inclusive discussion group that met regularly to consider interfaith issues.

Jokowi also offered economic opportunities in violence-prone areas in an effort to encourage the jobless, youth and other vulnerable citizens to reject recruitment by extremist groups. Programs offered training in vocations such as automotive repair and tailoring, and also included loans for small businesses. Nafi' said, "It is a mainstreaming policy with special programs to reduce radicalism in Solo, and the impact has been to reduce radicalism."

Jokowi forged strong ties between the municipal government and the Chinese-Indonesian business community. He attended events hosted by Chinese associations and encouraged city officials to organize events of

significance to the community. In 2007, for instance, Jokowi inaugurated a Christmas bazaar and a cultural festival. In 2008, Javanese and Chinese communities jointly celebrated the Chinese New Year and commemorated a local Chinese hero. For its part, the business community collaborated enthusiastically, helping finance a wide range of community facilities, including a professional sports center, ambulance service, as well as mobile fire-fighting appliances.<sup>33</sup>

Jokowi's administration moved quickly when signs of unrest arose. In February 2011, when riots broke out in another city in central Java, Jokowi and Rudyatmo reached out to religious groups and NGOs to head off similar problems in Solo.

Jokowi used media to reassure citizens when tense or violent situations erupted. In September 2011, when a bomb destroyed a Protestant church, he and his vice mayor reacted swiftly. Along with a group of religious leaders, Jokowi spoke on a local Christian radio station soon after the incident. During the program, the mayor stressed that Solo was a safe city and that the bombing—a terrorist act—did not point to conflict between the city's Christians and Muslims.

## ASSESSING RESULTS

Jokowi won praise for reforms as his first term came to an end in June 2010. Solo and its mayor won awards and accolades, and gained national stature. In 2006, the Organization of World Heritage Cities, a group of 238 municipalities with UNESCO-recognized heritage sites, named Solo a World Heritage City. *Tempo*, a national magazine with wide circulation, declared Jokowi to be one of the "10 Best Indonesian Mayors of 2008." By 2009, Solo had earned a reputation as one of Indonesia's most business-friendly cities.<sup>34</sup> In 2010, Jokowi's emphasis on clean government earned him the

national Bung Hatta Anti-Corruption Award, named after one of Indonesia's founding fathers popular for his anti-corruption stance. Indonesia's Ministry of Home Affairs named Jokowi "Best Mayor 2011."

Cultural events and conferences brought business to Solo. In 2007, Jokowi started promoting Solo as a MICE (Meeting Incentive Convention Exhibition) hub, along the lines of Jakarta, Bali and Yogyakarta, to encourage conferences and events that would bring revenue to the city. Airlines serving Solo began flights to Singapore and Bangkok, opening the door to increased tourism from other Asian locales. With financial support from banks and other businesses, the city launched an International Ethnic Music Festival in 2007, the Solo Batik Carnival in 2008, and an International Performing Arts Festival in 2009. In 2008, Solo hosted the International Symposium of World Heritage Cities.

By the end of 2011, with the help of citizens and businesses, the city had hosted the Association of Southeast Asian Nations (ASEAN) Commission for the Promotion and Protection of the Rights of Women and Children, the Asia Pacific Ministerial Conference on Housing and Urban Development, and the International Conference on New Media and Technology, among others.

Favorable publicity and events attracted more tourists, boosted the local economy, and paved the way for larger investments. "Six years ago, the maximum occupancy of the hotels was 25% in Solo," Jokowi said. "There were many hotel owners who wanted to sell their hotels because there were no tourists. Now, the occupancy is more than 90%, and 13 new hotels are in progress."

Small businesses proliferated, and large investments grew. Batik retailer Nizar noted, "The number of batik businesses have increased from less than 10 to more than 50 in my *kelurahan* [neighborhood]. Almost every house has become



a shop, and business is growing fast.” In 2011, the One Stop Service reported that microenterprises invested 9.3 billion rupiah (US\$1 million) in Solo and small firms 115 billion rupiah (US\$12.6 million). Medium-sized enterprises added another 206 billion rupiah (US\$22.5 million). Large businesses invested in ventures such as the Solo Techno Park, a 215 billion rupiah (US\$24 million) project, and contributed 1,347 billion rupiah (US\$147.6 million) to the economy. In 2011, the city was considering permits for new hotels from international chains such as Four Points by Sheraton and Holiday Inn.

Jokowi offered another measure of success: “Before, the budget for accommodation of people who come to my municipality to learn from us was only 400 million rupiah [US\$44,000]. Now, it is 1.8 billion rupiah [US\$200,000], more than four times. People come from Indonesian cities and also from China, Cambodia, Thailand and Laos to see how we have managed traditional markets and street vendors.” The city’s budget for various programs grew. By 2011, the overall budget stood at a trillion rupiah, or about US\$100 million, double the amount prior to 2006.

The vendor-management programs helped support the growing budget. The Department of Traditional Market Management said revenues from traditional markets and small vendors more than doubled to 18 billion rupiah (US\$1.9 million) in 2010 from 7.8 billion rupiah (US\$820,000) in 2006.<sup>35</sup> Between 2006 and 2011, officials succeeded in relocating or renovating 13 street vendor areas and traditional markets, and two projects were in progress in 2011. Renovation of *Pasar Gede*, the large general market, began in 2011. The city was to invest 17.4 billion rupiah (about US\$2 million at the time) over five years to upgrade the facade and shops, improve entrances and exits, and spruce up the surrounding areas.<sup>36</sup>

In 2010, citizens endorsed the reforms when they re-elected Jokowi and Rudyatmo for a second

term with 90.9% of the vote. Many residents said that they would support Jokowi again if he ran for a third or a fourth term.

Early in his second term, Jokowi promoted the vision of Solo as an “Eco-Cultural City.” The vision focused on four strategic areas: heritage, urban ecology, economy and infrastructure. Building on the successes of his first term, Jokowi pledged to strengthen the city’s competitive edge in culture, attract more tourism and investment, and boost the local economy. He proposed projects to renovate historical buildings, develop parks and open spaces, clean rivers, and invest in bus and train networks. He prioritized improving services and infrastructure in the poorer northern part of the city.

Despite Solo’s successes, problems remained. Some economic and social indicators showed little or no improvement during Jokowi’s tenure, for reasons that were unclear. Indeed, Arifin, the reporter for the newspaper *Solopos*, argued that poverty in the city had increased and standards of living had fallen. In 2007, the mayor’s office had reported 89,515 citizens, or 16% of the population, were living in poverty. In 2010, the Regional Development Planning Board estimated that Solo had 125,600 poor people, or nearly 22% out of a population of 560,000.<sup>37</sup> City officials responded that the numbers had remained more or less the same, and any increase was the result of a significant influx of unregistered migrants from neighboring districts.

Jokowi also angered street vendors by tightening regulations. In 2010, the city introduced a policy that prevented vendors from expanding to new areas. Rifai of the NGO *Solo Kota Kita* expressed concern: “Some marginalized groups say that Jokowi released local regulation that any public space is not for vendors. But they [vendors] say that we have the right to do business wherever we want if the city cannot provide jobs.” Arif of Kompip suggested that the policy had contributed to the rising poverty in Solo. He

explained, “If the government tries to close informal sectors, and if people lose jobs because of relocations then the poverty numbers rise.”

Erman Avantgarda Rahman, director of local and economic governance at the Asia Foundation in Jakarta, said: “I see significant improvement of city development under the leadership of Jokowi: revitalized parks, good public transport, well-managed street vendors, etc. However, several studies conducted by the foundation and its local partners urged caution. In a 2007 local economic governance survey, Solo ranked 168 out of 243 districts.<sup>38</sup> In a 2010 local budget study, Solo ranked low (28 out of 42 districts) on accountability, and average (16 of 42 districts) on transparency. However, it ranked high on civic participation, at 3 out of 42, and had a relatively low unspent budget per year.”<sup>39</sup>

In addition, civil service reforms took root slowly. Jokowi conceded the shortcoming in a 2010 *Jakarta Post* article: “We have achieved at most 40 percent of our goal. The achievements are still limited to good governance. We have a long way to go to have clean government.”<sup>40</sup>

Critics found fault with other aspects of Jokowi’s administration. Setyo Dwi Herwanto of the NGO *Pattiro Surakarta* asserted that the mayor had not tackled corruption effectively. “There has been no direct action,” Herwanto said. “Jokowi is trying to reduce corruption but in a soft way, like publicizing budgets through the posters and the pocketbooks.” He added that it was not easy to get city officials to share information: “We discussed with the mayor, who admitted that there are problems with transparency of information in several departments and that he is working to improve them.”

In addition, Solo’s healthcare support program did not reach all of the city’s poor, many of whom did not understand the registration process or did not believe that they would actually get the service. City officials complained that

citizens did not renew cards that expired and went to hospitals to use health services only when they became sick, rather than for preventative measures. Hospitals and clinics turned away patients with expired cards. Health officials said that they would continue to work with NGOs and hold awareness workshops at community health centers and in neighborhoods annually.

Residents also worried about the sustainability of reforms after 2015, when Jokowi’s second term would end. Electoral rules barred the mayor from running for a third consecutive term, and citizens feared that the changes that he had initiated might not continue under his successor.

## REFLECTIONS

During his first term as mayor of Solo, Joko Widodo gained strength by forming coalitions and developing a broad base of support. His conciliatory approach to solving problems and disputes—especially in the sensitive area of relocating the city’s street vendors—earned him the respect of citizens and enabled him to negotiate from a position of mutual trust. “I always went to the people,” he said. “Show up, and you solve 90% of the problem. Then we follow through with the other 10%.”

The mayor managed the needs and concerns of civil servants effectively and in a similar manner. Ahyani Sidik, head of the Department of Spatial Planning, said: “The strength of the mayor was that he could accommodate and manage the demands of the civil servants in different departments. There was a discussion at every level and all relevant departments joined in, including civil servants from the subdistrict, district and city level.”

Jokowi’s working relationship with Vice Mayor F.X. Hadi Rudyatmo and the division of responsibilities between them proved critical to effectively implementing reforms. Rudyatmo’s reputation as a grassroots organizer, politician and

activist helped him bring crucial constituents to the table. He also worked effectively with other government departments to reach policy goals.

Jokowi's early reforms paved the way for others. He worked with street vendors and business owners in traditional markets first, offering them substantial incentives to cooperate. After winning their support, he focused on large-scale projects. The mayor noted in 2009: "My objective is to create a modern city that maintains its heritage. ... It is important to strengthen traditional businesses and markets ... but, at the same time, Solo is changing. It needs to accommodate new investments and urban development."<sup>41</sup>

Strategies such as budget consolidation and an emphasis on culture and arts paid off. Jokowi said: "It used to be that there were a lot of smaller projects, too many to keep track of and nothing was coordinated. Now there are fewer projects which are much bigger and easier to manage." Similarly, by the end of his Jokowi's first term, Solo had solidified its brand as a city rich in arts

and culture and attracted tourists, businesses and investment.

Overt signs of Jokowi's personal integrity, including gestures such as forgoing his salary and driving an old car, helped fuel his popularity. As he gained visibility, his actions drew interest across Indonesia. In December 2011, he made national headlines again when he replaced his 11-year old Toyota Camry with a prototype built with 80% domestic parts by students of a senior vocational high school in Solo. The news sparked widespread interest in such a car and generated calls for the production of it. Jokowi was enthusiastic about his new vehicle: "This car is one of a kind. I will use it as an official car. This will give us the spirit to produce our own cars."<sup>42</sup>

(In March 2012, the PDI-P capitalized on Jokowi's national popularity and endorsed his candidacy to become the governor of Jakarta. Citizens headed to the polls on 11 July 2012, after this case was published.)

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<sup>2</sup> Sumarto, Hetifah Sjaifudian, "New Voices of the Community? Citizen Forum in the *Reformasi* Era, Indonesia," The Flinders Asia Center, (2005): 223.

<sup>3</sup> Kurniawan, Ayu Prawitasari, "22% Wong Solo Miskin," *Solopos Daily*, 29 July 2011, <http://epaper.solopos.com/swf/2011/07/290711.swf> (7 June 2012).

<sup>4</sup> Laporan Keterangan Pertanggungjawaban Akhir Masa Jabatan Walikota Surakarta Periode Tahun 2000-2005 Kepada Dewan Perwakilan Rakyat Daerah Kota Surakarta, accessed online April 2005, from <http://www.surakarta.go.id/amj01.htm> in Sumarto, 225.

<sup>5</sup> Mulyadi & Soedarmono, Runtuhnya Kekuasaan "Kraton Alit": Studi Radikalisasi Sosial "Wong Sala" dan Kerusuhan Mei 1998 di Surakarta, Solo, Lembaga Pengembangan Teknologi Pedesaan, 1999, p.2 in Sumarto, 219.

<sup>6</sup> Wahyudi, Pergeseran Akuntabilitas Kota Solo Pasca Kerusuhan, Solo, Solo Heritage Society, 1999, p.1 in Sumarto, 219.

<sup>7</sup> Sumarto, 220.

<sup>8</sup> "Al-Qaeda in Southeast Asia: The Case of the 'Ngruki Network' in Indonesia," *International Crisis Group*, 8 August 2002.

<sup>9</sup> Sumarto, 235

<sup>10</sup> "Ibaratnya, kami masih dalam masa penajajahan," *Solopos*, 12 August 2004 in Sumarto, 254.

- <sup>11</sup> Sumarto, 224.
- <sup>12</sup> “Best Practices of Fiscal Management and Investment Planning in Southeast-Asian Local Government,” *Partnership for Democratic Local Governance in Southeast-Asia*, (2011): 32.
- <sup>13</sup> Ibid, 22.
- <sup>14</sup> Sumarto, 271-273.
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- <sup>18</sup> Poer.
- <sup>19</sup> Laporan Keterangan Pertanggungjawaban Akhir Masa Jabatan Walikota Surakarta Periode Tahun 2000-2005 Kepada Dewan Perwakilan Rakyat Daerah Kota Surakarta, accessed on line April 2005, from <http://www.surakarta.go.id/amj01.htm> in Sumarto, 230.
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- <sup>21</sup> Sumarto, 213.
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