

Workshop on Improving Local Efficiency and Transparency in order to Improving the Quality of Public Service and Attracting Investment into the Region

Time: 21 February 2017 in Yogyakarta.

a. Speakers:

- Syurkani Ishak Kasim (Fiscal Policy Office)
- Tri Widodo (Gadjah Mada University),
- Tavip Agus (Local Government of Yogyakarta Special Region)
- Rohidin Sudarno (Center for Regional Studies and Information - Pusat Telaah dan Informasi Regional / PATTIRO)
- Robert Endi Jaweng (Regional Autonomy Implementation Monitoring Committee - Komite Pemantauan Pelaksanaan Otonomi Daerah / KPPOD)
- Pradana Murti (Indonesia State Owned Infrastructure Financing Company/PT SMI)
- Gonang Djulastono (Indonesia Regional Chamber of Commerce and Industry - Kamar Dagang dan Industri Daerah/KADINDA)
- Dian Ariani (BPD Yogyakarta)
- Ria Sartika Azahari (DG Fiscal Balance, Ministry of Finance)
- Djoko Tri Haryanto (Researcher, Ministry of Finance)

b. Conclusions and recommendations of workshop:

- **Development Strategy.** High economic growth should be accomplished without being coupled with the threat of Middle-Income Trap. This can be achieved through development which includes aspects of:
 - 1) Accumulation: Encourages large public investment that helps accumulate the infrastructure and skills needed to grow rapidly;
 - 2) Innovation: Encouraging innovation and "imitation" or technology transfer);
 - 3) Allocation: Referring to the relative price issue between capital and labor);
 - 4) Stabilization related to macroeconomic conditions), and
 - 5) Inclusive: Encourages policies that increase openness in the economy.
- **Funding Innovation.** As one of the national and regional development priorities, infrastructure occupies the top portion as a catalyst for economic growth. With regard to it, funding innovation is required in supporting the growth of regional economy due to limited local government finances.
- **Regional development.** Regional economic integration through the ASEAN Economic Community (MEA) and Free Trade Area (FTA) should get the government's attention. Indonesia needs to adopt more integrated regional

development to strengthen national capacity and competitiveness in the globalization era.

- **Public Service.** Economic governance related to community roles and increased government capacity must be enhanced by improving the quality of public services and dynamic interaction between public and private institutions in the public sector, ensuring the market works for the public good, and building a conducive investment climate for business growth and regional development activities.
- **Leadership Character.** The factors that most influence the progress of a region currently is the factor of regional leadership that is honest, creative, and innovative.