

## Indonesia Public Administration Reform in Supporting Good Governance

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### Abstract

This paper is used to provide answers to several public administration reform efforts in realizing good governance in Indonesia. The Indonesian public administration has made significant reforms, which are a result of the convergence of external and internal factors within the specified time period. Administrative reform can be called into two groups, namely managerial reform and government reform. Studies and reviews provide reports carried out in the decade of the 2000s. The content and spirit of managerial reform and governance reflect an administration that is very different from the traditional form of administration. Thus, it has the potential to produce quite large, not only in the role of the community, but in the relations of society and society. However, this study discusses political issues in Indonesian politics as two factors that reduce effective reform performance.

**Keywords:** Public administration; Administrative reform; Managerial reformation; Patrimonialism system

### Introduction

Historically the journey of a country to its ideal form will be followed by a change in the role and scope of its public administration activities. However, in every development of state configuration, the practice of public administration must be directed to respond to the demands of the times. This means that at a stage in a particular state form, the scope of public administration is so narrow and very simple, but in the form and stage of other countries, the role that must be played by public administration is so broad and very complex. Especially today, where the state has become a modern organization, the necessity of public administration is essential for the survival of a country.

In the development of public administration is actually a result of metamorphosis of the long dialectic theory and practice of public administration. In recent years, the Indonesian public administration has undergone multidimensional reforms including substantial legal and structural. It can be said that internal and external dynamics are involved in the process of change. An external driving force for administrative reform has become Indonesia's desire to cooperate internationally. When Indonesia became part of ASEAN, as well as other countries and experienced a crisis in the 1997s, Indonesia carried out comprehensive reforms in various fields including public administration with various efforts to build a reliable administrative system. Many countries are experiencing a crisis but soon end it with various efforts including learning from other countries. Menururt Sozen and Shaw [1] and Sobacı [2] that the European Union has contributed greatly to administrative reform. In addition, by Sezen, [3] that the relationship originating from loan agreements signed by countries experiencing crisis with international organizations such as the IMF and World Bank are other external factors driving public administration reform.

In the field of domestic politics, strong political commitment and leadership are shown in connection with the restructuring of public administration by the government with the realization of decentralization by issuing Law Number 22 of 1999 concerning regional governance which was later revised into Law number 32 of 2004 [4] and revised into Local government law number 23 of 2014 which is still under the scope of regional government. Of course the government plays an important role in realizing administrative reform, because it is one of the top priorities of the government. In addition, demands and

expectations in the provision of quality public services put forward by various segments of society, especially by students, the business world and non-governmental organizations (NGOs) are also influential in encouraging administrative reform. The main objective of this paper is to analyze administrative reforms carried out in the 1997s and in this reform era. Thus, the first part of this paper will provide an overview of administrative reform. The final section will make reform assessments with particular reference to Indonesia's political-administrative system.

### Literature Review

#### General description of administrative reform in Indonesia

The last two decades show that the implementation of public administration reform is increasingly evident in various countries including Indonesia. Caiden [5] Lenvine, Peters and Thompson [6] all believe that public administration reform is indispensable because the challenges to classical administrative principles are increasingly severe. By Cooper [7] and Hughes both believe that the Old Public Administration (OPA) doctrine from the beginning was driven by Wilson in 1987 and continues to be criticized by experts and began to be abandoned because it could not accommodate changing situations and community conditions.

The success of the New Public Management (NPM) in developed countries resulted in continuous promotion of NPM doctrines in developing countries. The doctrine of privatization, shifting the form of services that had been handled by the government was transferred to the private sector. The reason is, it is more oriented to the interests of customers, stimulates the economy, and increases employment opportunities, service efficiency because it is more flexible with the market, on the other hand increases efficiency in institutions, reduces administrative burden, and financing the government. The doctrine of

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de-bureaucratization is believed to have advantages because it promises to increase performance compared to the doctrine of classical public administration. According to Jennings and Haist what is emphasized in NPM is the measurement of results rather than processes, and behavior so that it is often referred to as results-oriented government.

The Indonesian government has begun to recognize Reinventing Government since the late 1990s. The most obvious implementation is the adoption of a decentralized government system through Law Number 22 of 1999, Law 32 of 2004 concerning Regional Government which was later amended by Law Number 23 of 2014. Authorities for various government affairs were decentralized to regional governments more numbers than those regulated by the central government. The main reason for the enactment of Law Number 22 Year 1999 is to carry out the principles of democracy, increase public participation, equity and justice, and pay attention to the potential and diversity of the region through the provision of broad, real, and accountable authority to the regions proportionally.

Then Law Number 23 Year 2014 emphasizes giving the broadest authority so that regions have the authority to make policies in service, increasing community participation, initiatives and empowerment, which prioritizes the welfare of the people in the region. In carrying out this decentralized government system the regional government is given the authority to carry out various affairs. Regional government in planning and controlling the development, utilization and supervision of spatial planning, implementation of public order. The regional government also deals with health, education, social problem management, employment services, employment development facilities, cooperative development, small and medium enterprises, environmental control, agricultural services and civil registration, general administrative services, investment administration services, other basic services, and other obligatory matters mandated by legislation. While the central government only handles the fields of foreign policy, defense, security, justice, national monetary, fiscal and religion.

The implementation of NPMs is sourced from Government and Government State Owned Enterprises. Therefore, reviewing the substance of administrative reform in this era, can be grouped into two main categories. The first is reformation from managerial aspects, second from aspects of governance. Managerial reform aimed at increasing efficiency and publicizing, reforming, managing, accountability, responsiveness and involvement in public administration.

### Managerial reformation

Managerial reform with "New Public Management" (NPM) which Pollitt and Bouckaert [8] became a phenomenon in the world during the 1980s and 1990s. And therefore, Batley and Larbi [9] agree that the main principles of NPM can be grouped into three categories: technology use, organizational restructuring, and focus on performance. In line with global trends Indonesia has carried out various kinds of managerial reforms. The privatization policy has become an important part of managerial reform in Indonesia. Indeed, Indonesia has initiated privatization programs in the 1980s and accelerated again with efforts in the 2000s. As a result of various measures, many companies have turned to the private sector. An organizational unit that has the potential of a financial country, its status being a corporatization unit in the form of a Public Service Agency.

To support this policy, the direction of the implementation of NPM can be done with the Privatization of State-Owned Enterprises

(BUMN) Policies. The aim is to improve the performance of SOEs which include capital structure, increase professionalism and business efficiency, develop participation in data ownership. The privatization policy, in recent years, was accompanied by reforming Indonesian public organizations including Central Government Bureaucracy with government institutional and staffing arrangements, development of human resources and discipline, overall supervision, thinking, system regulation and budgeting, improvement of the immigration system, customs, taxation, land, investment, improving the quality of public services, as well as improving, integrating and operating and development configurations. Development of information technology (e-government, e-office, e-bidding, e-administration) is carried out on various activities, government, etc., electronic offices, electronic service scripts, procurement of government goods and services (e-procurement) and government public relations.

The application of the principles of good governance and bureaucratic reform to good implementation, the government is clean, and free of Collusion Nepotism Corruption. Associated with these conditions, Bensghir and Tekneci [10] add responsibility carried out by the legislature and executive in realizing good community administration, towards good governance. Therefore, the application of business management into public administration has become a key element of managerial-type NPM reform. In accordance with international trends, the Government of Indonesia has the spirit to carry out management reforms in public organizations. One of them is a strategic plan and performance-based budgeting. National Development Planning System by using resources that are efficient, efficient and effective and increase transparency and accountability. The management of public finances and public control that emphasizes public sector authority that must be arranged specifically for long, medium and annual periods.

Then there are new things that are needed in the accountability report for government/Lakip which is a new obligation for public administration to prepare and publicly announce annual activity reports that show the results of the activities carried out. This policy also includes the steps needed. In order to use human resources, the techniques needed for the community in the definition to the community are appropriate. The same policy as a strategy from organizations such as the Corruption Eradication Commission (KPK) which functions to take action to save money from the use of collusion, corruption, and nepotism.

Besides that, decentralization is also a major aspect of the NPM managerial reform agenda. A number of issues and criticisms posed that a centralized bureaucratic structure is less responsive to the needs of citizens, on the other hand strengthening local government is a key priority in the government's reform agenda. In this context, policies governing regional governments change both the duties/functions, responsibilities and authority of the expanded regional government regarding Regional Governments both Province, Regency/City. The Regional Government Law, narrows the control of the supervision of the central government administration to local governments, including the provision of providing participatory mechanisms for local communities. In addition, local government bodies are also given the authority to manage both mandatory and optional affairs.

With regard to decentralization reform, is the formation of regional institutions in accordance with the needs and problems of the region and the community. Authority that is handed over to the Regional Government which presents matters, both mandatory and choices that must be taken care of by the Regional Government. The authority and functions must be carried out for public services, both those carried out

by the bureaucracy and in synergy with the public and the private sector. Oecd added that public services and development agents were considered as important steps taken to enhance partnerships between the public sector, the private sector and non-governmental organizations. It is important to develop cooperation between community, public, private and civil organizations, to utilize efficient and effective use of resources and mobilize local potential so as to accelerate regional development and ensure sustainability in line with principles and policies, internal programs minimize development gaps within and between regions.

Other developments in relation to managerial reform are efforts to cut complicated procedures by simplifying administrative procedures. In this context, the point is to require quality public service principles and procedures. Thus, citizens will know which documents and information are requested; how long it will take to complete the service and to whom they can complain about it.

### Government reform

In relation to democratization policies in Indonesia, the direction of good governance reform is an important component of administrative reform. Governance reform increases, accountability and involvement in public administration. Related to transparency and accountability, which is the principle of good governance. Then one important policy is about Public Information Openness Facilitator who wants to keep the principles and procedures for broadcasting information to the public. This clearly states that an inseparable element of modern democracy is having the right to information. The right to information is a prerequisite for guaranteeing and organizing communities in democratic governance. Policy on the Right to Information, where the right of individuals to access information is used by authorities, which places public administration obliged to provide information. The aim of this policy is to establish "principles and procedures in the individual's right to receive information in accordance with the principles of equality, objectivity and openness, which are democratic and integrated conditions. Responsibility for providing information to people and people people who are responsible for information and information needed by people in Indonesia and only foreigners working in Indonesia have the right to information relating to themselves or use them. Policies also make public organizations responsible responsible for taking the necessary and necessary actions in the effective process of the right to information.

In this case, public organizations are required to publish legal decisions and responsibilities in the domain of assignments, and annual activities, through the use of information and communication technology. In addition, arrangements regarding the State Civil Apparatus are very important for public administration. All of these personnel policies are the State Civil Apparatus, but there are still many problems that require, various improvements. Relevant regulations stipulated a code of ethics for public officials and laid down the principles and procedures for the appointment of the State Civil Apparatus in structural positions. The aim is to increase public confidence in the administration of the community, allowing citizens what they have the right to expect from public officials. Of course rules are made to identify principles in carrying out tasks in aspects of justice, integrity, flexibility and impartiality.

In a democratic system, unity of accountability is inherent in organizations both at the central and regional levels of government. In Indonesia institutions engaged in the development of organizations. Decentralization policy to assist local governments in household activities to deal with conflicts originating from the actions and

operations of the local government. However, this process still has not resolved the problems that occur in the area. And because of that, the government started again. In this reform era a number of institutions were formed to respond and various kinds, one of which was that this institution was more active in the relevant elections and other related issues but had not provided encouraging results because this was a direct Regional Election case conspired with Corruption Collusion Nepotism. Thus, constitutional reform provides the basis for the establishment of law enforcement agencies. Other reform efforts are outlined by the State Civil Apparatus Act (ASN) which seeks the existence of apparatuses who have the ability and professionalism in carrying out tasks that adhere to the principles that are important in increasing transparency and accountability of the community. Rules and procedures that will be used to reflect administration. A phenomenon in Indonesia, although it is an attempt to find out the principles and procedures regarding administration, the law on ASN was finally realized. However, it can be stated that the Government Regulation related to the State Civil Apparatus Act is still at the preparation stage which has been going on for several years and has been ratified as the State Civil Apparatus Act in 2013.

And therefore, it is hoped that the Government Regulation related to the State Civil Apparatus is a policy that is implemented to provide a new spirit for the State civil apparatus in fulfilling its functions in the new National leadership, a new leadership in managing the government with a new bureaucratic face. This version of the State Civil Apparatus Act contains significant provisions oriented to guarantee administrative transparency, including recruitment patterns, promotion of officials and strengthening of apparatus at the upper echelon level (Provincial and Regency/City Regional Secretaries) so that they can be free in promotional patterns officials and avoid political pressure. And therefore, when it comes to legislation, there will be big implications for public administration.

Thus, creating transparency in public administration and encouraging openness in relations between government and society. Citizen participation is the core values of democratic governance, because strong and effective civil society participation is very important to monitor public administration and oversee its activities. One important component of democratic public administration is having a legal and institutional mechanism to realize participation, cooperation from non-governmental organizations. However, due to the unity of the state structure, strong state traditions and highly centralized organizations, it is an obstacle that the Indonesian public administration system has a mechanism to realize effective participation from civil society. In addition, there are difficulties related to the tradition of strong civil society that can fulfill the function of overseeing the administrative machinery.

However, this situation has begun to change in recent years. Current administrative reforms in Indonesia have shown a mechanism to realize public participation in the process of public policy formulation. One of them is the creation of a City Council in certain districts/cities in Indonesia. However, there are no related macro regulations issued by the Ministry of Home Affairs to regulate the principles and procedures of the City Council in carrying out their duties. This institution actually helps local governments to produce quality policies. City Councils are defined as democratic structures and governance mechanisms where local branches from the central government, local governments and civil society organizations meet with an understanding of partnerships and within the framework of society. In short, City Councils are seen as a platform for increasing public participation in local government

and strengthening local government structures. In some developed countries such as the European Union according to the Commission's Report it shows that there has been progress in the formation of city councils in operational policy improvement (European Commission).

The progress in democracy is closely related to progress in protecting human rights. Improvements in the protection of human rights contribute to the consolidation of democracy. In the field of human rights there have been important developments in the past decade. Reforms carried out for the protection and enhancement of human rights occupy a strategic position in the overall reform of public administration. In this case, restrictions on human rights and freedoms have been eliminated to a certain extent and significant progress has been made to achieve universal standards in human rights through the human rights that prove that constitutional and legal amendments made are directly related to human rights and in particular through amendments to the Constitution. In addition to legal reform, several structural arrangements have also been made in the field of human rights.

### Implications of reformation in the current era

It can be said that the current administrative reforms, as briefly described above, have important implications for Indonesian public administration. Indeed, the content and spirit of managerial reform and governance reflect a new understanding of administration that is very different from the traditional form of administration. Thus, it has the potential to bring about major changes in the role and function of Indonesian public administration. Therefore, legal and structural reforms, the Indonesian administrative system has moved from "the central/dominant state" to "citizens as the center/dominant." Indeed, a strong state tradition, which developed in the history of Indonesian government, is one of the characteristics fundamental of Indonesia's political-administrative system.

According to Heper, Keyman, [11] and Oktem all believe that the dominance of strong state traditions has important consequences relating to the state and public relations. Some of the weaknesses identified were social and individualist elements of the state, the creation of a highly centralized administrative structure, the formation of state institutions such as the Constitutional Court, Corruption Restricting Commission (KPK) and bureaucracy as civil service and its dominance of civil society. In particular, Kooiman and Pierre and Peters [12] see the ability of governance systems to deal with change and uncertainty. Pierre and Peters [12] developed a governance model based on how government systems induce and respond to information from the community and the capacity of the system to respond effectively to this information. In addition, the model of state-dominated governance what they show is the etatiste model, liberal democracies, and state-centric governance is likely to provide poor or very biased feedback, because information flows are distorted from low levels to a higher level caused by several veto points and a strong institutional structure. Adaptation of this system is also considered low due to lack of information and low capacity to reach consensus with the interests of organized communities. A government system in which the state has a weak role due to lack of information, but because of a lack of incentives to provide information from the interests of the community. On the other hand, adaptability is assumed to be high as a result of organizational flexibility [12].

As defined in Kinzig et al. in short, that it must consider not only how changes are made between government systems on different scales, but also how different government systems respond to complex adaptive changes over time. With regard to public administration,

other consequences of having a strong state tradition have become the development of an administrative culture that is not responsive to the needs of citizens. The culture of non-transparency/secretcy is an important aspect of Indonesia's new-order administrative culture. Furthermore, public officials generally see themselves as state officials representing non-public countries.

As a reflection of ideas like the state, public officials have considerable legal protection in relation to their duties. In this government, if it is looked at in the New Order era, military and civilian bureaucracies gain a dominant position in the state power structure. They traditionally see themselves as state guards and protectors of the public interest. For the country's elites, the main concern is always to preserve the state ideology, state unity and unity. Therefore, the administrative control function has taken priority over the function of public services. However, with government reforms that began in the 2000s, the main role of the administrative apparatus has changed from being one portion to the state to serve the community. As mentioned above, reforms have included several provisions and mechanisms to make public administration more accountable, transparent, responsive and participatory.

Under these conditions, legal reform is needed as a support in its effective implementation to achieve the desired change. Thus, amid rapid changes, effective implementation and law enforcement has become an important issue in Indonesia. In this case, it can be said that there are some difficulties and obstacles to putting legal arrangements into practice. First, the culture of state administration which is always centered creates great difficulties in implementing reforms due to incompatibility between traditional administrative structures and modern recent reforms that reflect good governance of the managerialist approach. Second, in relation to the design and scope of newly formed mechanisms and structures there are several weaknesses that can affect effectiveness. It can be said that new mechanisms are not equipped with sufficient authority, autonomy and resources so that they can carry out their functions in an efficient and effective manner. Three, related to the election of regional heads is a phenomenon that requires the sons of the region, whatever their competence is not so questioned that it is important to be able to be affiliated and get support. Such a large role and function is carried out by a Regional Head including leading the bureaucracy within the scope of his administration. Regarding this condition of the evaluation report, the European Group Council on States against Corruption recommends that the neutrality of the State Civil Apparatus be strengthened [13]. Similar things have also been made in the EU Report. For example, in the 2007 EU Progress Report, it was stated that "the Ethical Council of State Civil Apparatus established in 2004 is still dependent on the Prime Department, without a separate budget or its own personnel.

### Discussion and Conclusion

Thus, giving rise to limitations in the proper fulfillment of the task of monitoring with regard to ethical principles and investigating complaints [14]. It can be said that the Indonesian Government has a desire to create neutrality of the State Civil Apparatus from political influence. This mainly focuses on public services, however, there is always a neutrality in the State Civil Apparatus and there is a desire of the government to have strong control of the public bureaucracy, thus the challenge is not only to form a structure formally but to give authority, autonomy and resources to carry out its duties.

With the convergence of internal and external forces, Indonesia's public administration underwent significant reforms. In managerial

initiation of reform of global international organizations such as the IMF, the World Bank played a key role while the European Union emerged as an influential actor in the introduction of government reform. Domestically, anti-static market economic policies, pro-democracy, pro-EU political attitudes and pro-freedom of the Government with the driving force for reform. Indeed, the Government in the spirit of realizing reform policies that aim to limit power entrenched by the bureaucratic oligarchy in the political-administrative system. The government has also begun managerial reforms to integrate the Indonesian economy into the world economy and to make public administration more business oriented. The success of NPM in developed countries has led to the continuous promotion of NPM doctrines in developing countries. The doctrine of privatization, transferring the form of service that had been handled by the government was transferred to the private sector.

The implementation of public administration in Indonesia is seen by the changes in the constitutional system, government, economy, and politics, and the underlying paradigm, has a certain impact on the system and process of state administration, especially in the relationship between government and society. Actually, managerial reform and governance have the potential to change the role of public administration, as well as the nature of relations between the state and society. However, effective implementation of administrative reform is a challenging task and it is important to produce regulations/rules as a basis for implementation. In an administrative culture, the attitude and behavior of public officials towards reform are often a barrier. Thus, the success of the implementation of reform is currently very dependent on the adaptation of public officials with their new roles. This requires a change in the existing administrative culture. In addition, the persistence of patrimonial patterns in the country and Indonesia's political system is another obstacle to realizing administrative reform

aimed at establishing a meritocratic and professional administration. This is important in the framework of Indonesia's public administration reform policy.

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