

BUREAUCRACY REFORM IN INDONESIA TOWARD ASEAN COMMUNITY 2015

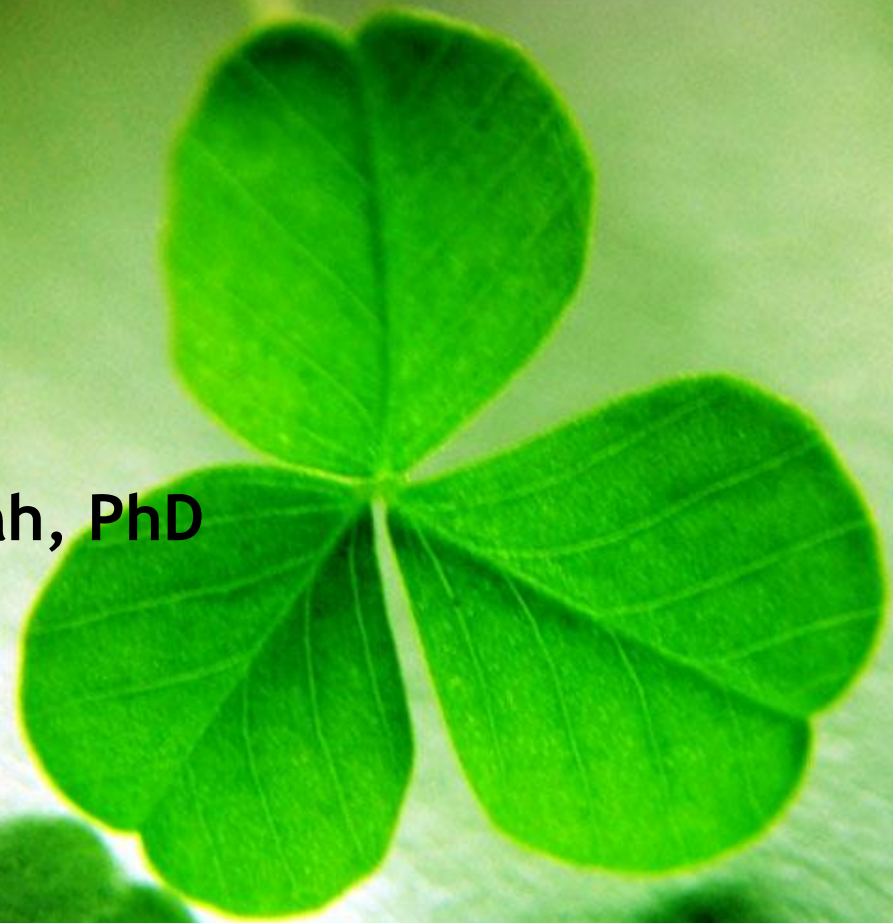
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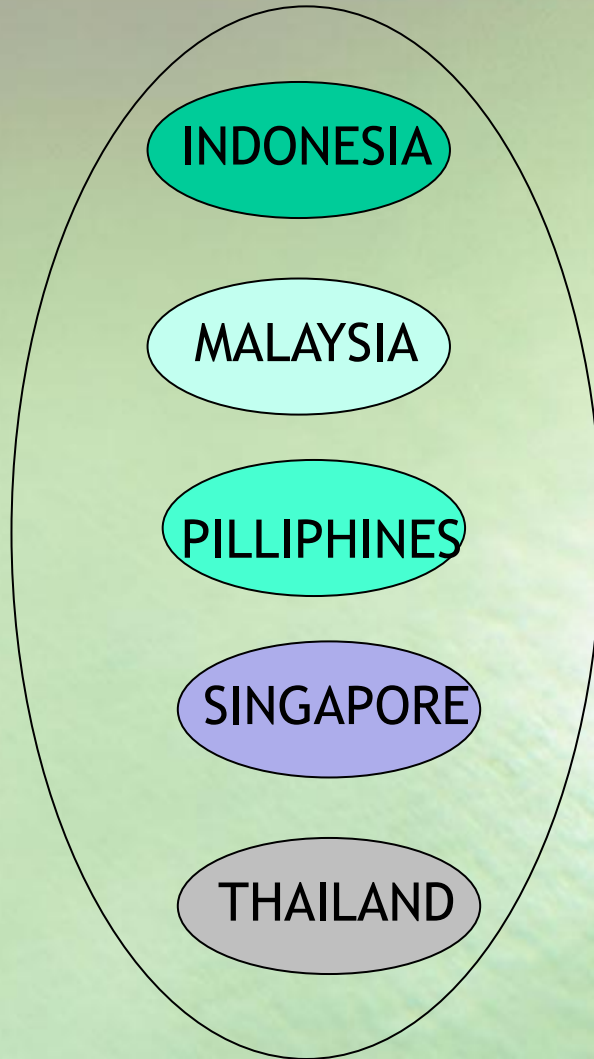
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2013



ASEAN (1967)



INDONESIA

MALAYSIA

PILLIPHINES

SINGAPORE

THAILAND

Creates the foundation for mutual cooperation in creating peace, stability and prosperity of the area

The Potential Of ASEAN

ASEAN residents in 2008 reached nearly 600 million people, greater than the population of the European Union.

ASEAN'S GDP in 2010 more than 1.1 trillion US \$ GDP, ASEAN continues to increase every year.

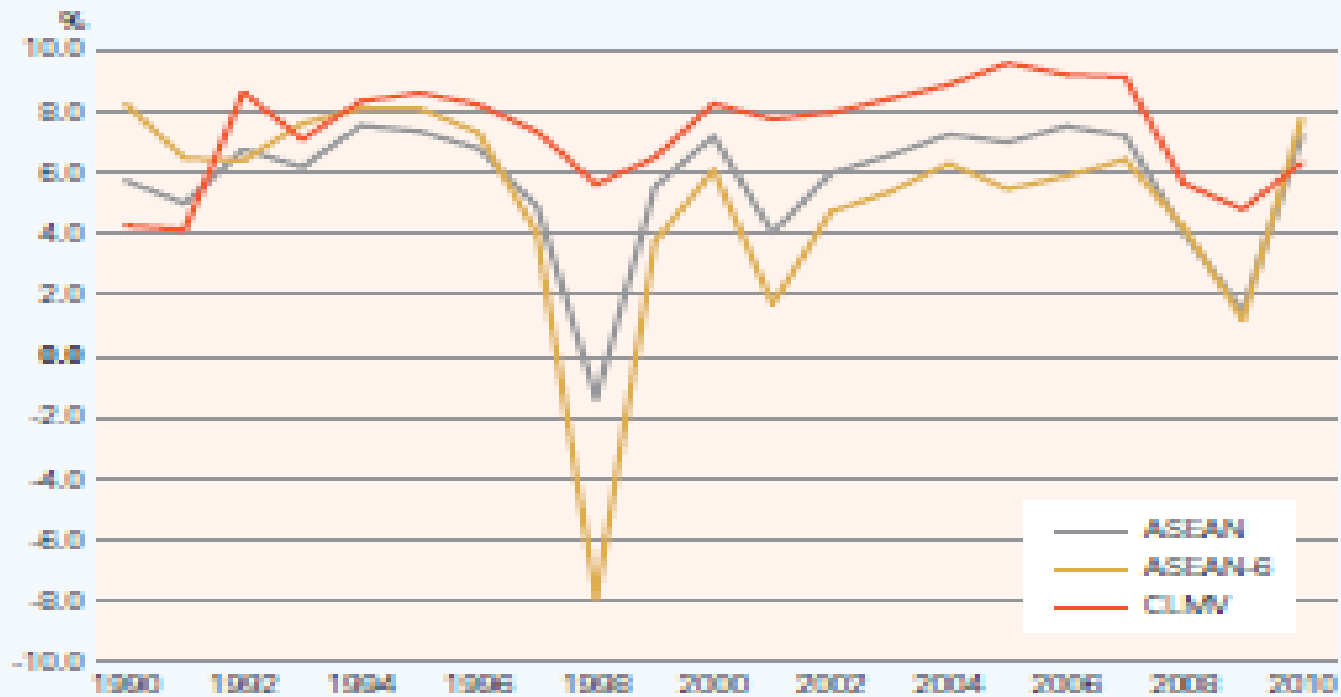
Geographic location is a line of traffic which connects the waters of the Pacific Ocean and the Indian Ocean, Asia and Australia,



STRATEGIC AREAS

ASEAN GDP Growth

Figure 1. ASEAN GDP Growth (1990–2010)



Source: International Monetary Fund, *World Economic Outlook Database*, April 2011.

GDP Growth In ASEAN Countries

(%)

No	Country	Year							
		1998	2000	2003	2006	2007	2008	2009	2010
1	Brunei Darussalam	-0.6	2.9	2.9	4.4	0.6	-1.4	-1.8	2.6
2	Cambodia	5.0	8.4	12.6	10.8	10.2	6.7	0.1	5.0
3	Indonesia	-13.1	5.4	4.8	5.5	6.3	6.0	4.5	6.1
4	Laos	4.0	5.8	5.8	8.3	6.0	7.4	7.6	7.2
5	Malaysia	-7.4	8.9	5.8	5.8	6.3	4.8	-1.6	7.2
6	Myanmar	5.8	13.7	5.1	6.9	5.6	3.6	4.8	5.3
7	Pillipines	-0.6	4.4	3.7	5.3	7.4	3.4	1.1	7.3
8	Singapore	-2.1	0.1	4.6	7.9	10.1	1.8	-0.8	14.5
9	Thailand	-10.5	4.8	7.1	5.2	4.9	2.5	-2.2	7.8
10	Vietnam	5.8	6.8	7.4	8.2	8.5	6.3	5.2	6.8
	ASEAN	-5.9	6.3	6.6	6.0	6.6	4.9	1.3	7.1

ASEAN Community in 2015

**One Vision, One Identity,
One Community**

Brunei Darussalam
Cambodia
Indonesia
Laos
Malaysia
Myanmar
Philippines
Singapore
Thailand
Vietnam

BUT

Respecting the fundamental importance of amity and cooperation, and the principles of sovereignty, equality, territorial integrity, noninterference, consensus and unity in diversity

ASEAN Community Programs

Developments	Short terms	Medium terms	Long terms
ASEAN SECURITY POLITICAL COMMUNITY	Maintaining national stability and security	Strengthening and modernizing national military forces	Engaging China and other ASEAN members into dialogue on security concerns
ASEAN ECONOMIC COMMUNITY	Encouraging people to use or to consume national products	Strengthening national small and medium enterprises	Engaging China, India and other economic developed countries in to dialogue with ASEAN members on trade concerns
ASEAN SOCIAL CULTURE COMMUNITY	Encouraging people to people contact, for example, contact between religious leaders, businessmen, etc	Cooperation in promoting welfare, capacity building, disaster relief management , environment	Maintaining dialogue on social cultural issues.

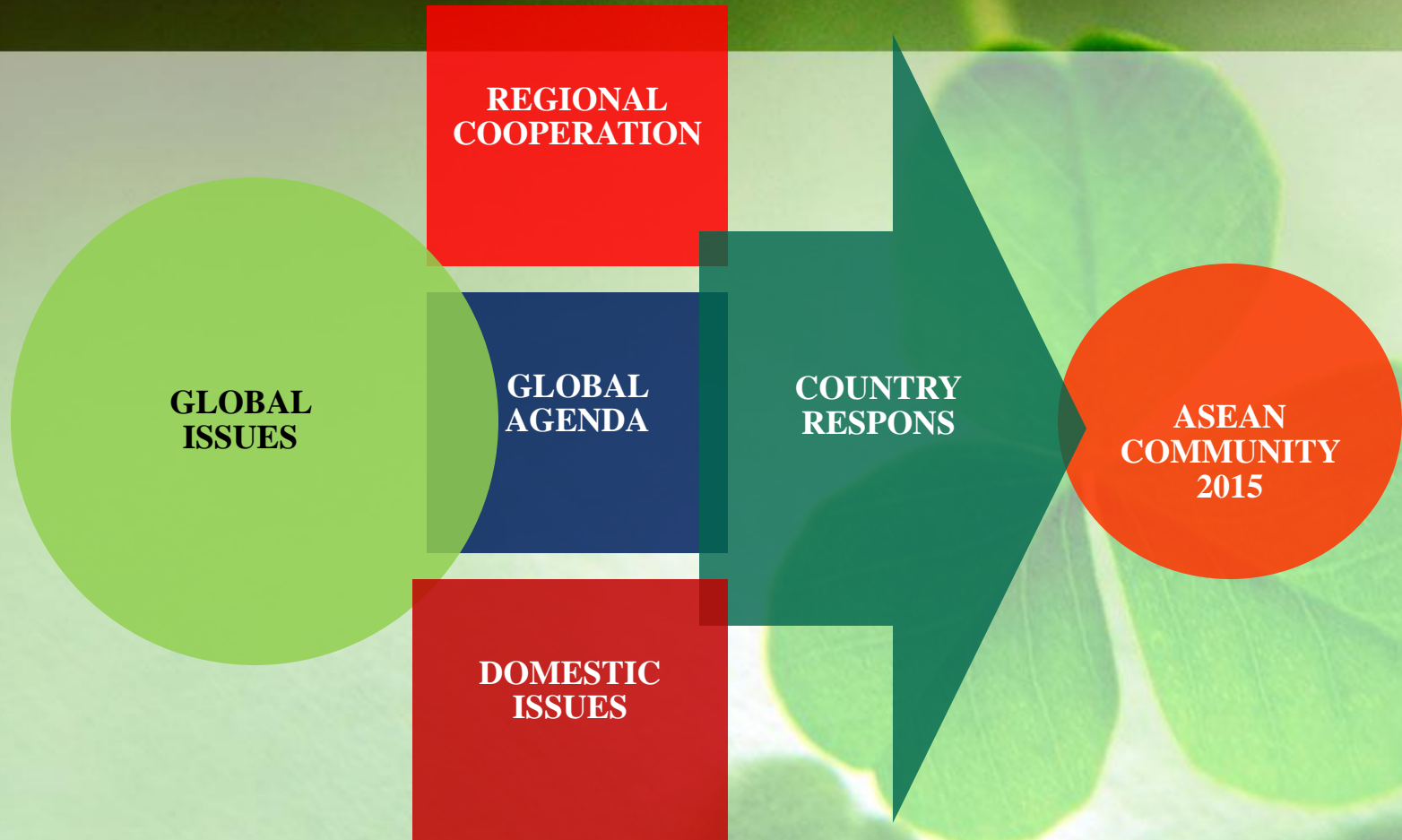
Therefore

Considering each country in ASEAN Community still remain sovereign, then every ASEAN member countries will continue to uphold the national vision in line with ASEAN Vision



each member still to be an independent, unified, sovereign, just and prosperous country

Country Strategic Framework



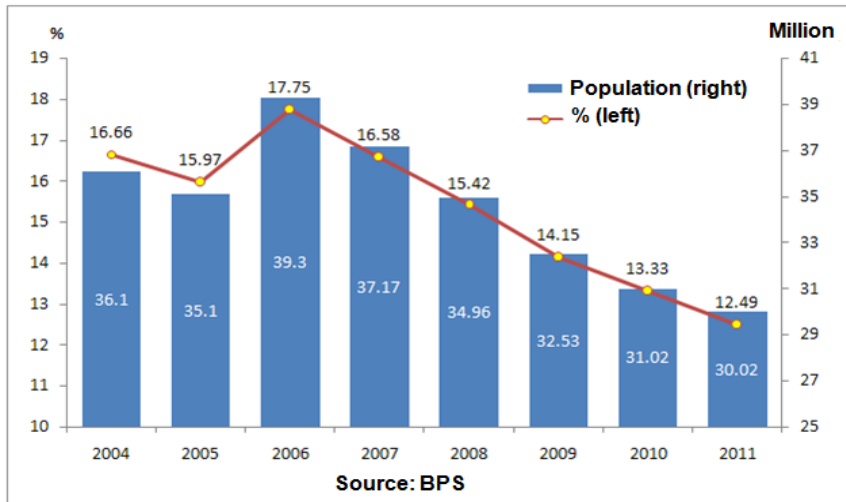
Indonesian Context

In spite of successful economic recovery Indonesia still have problems in:

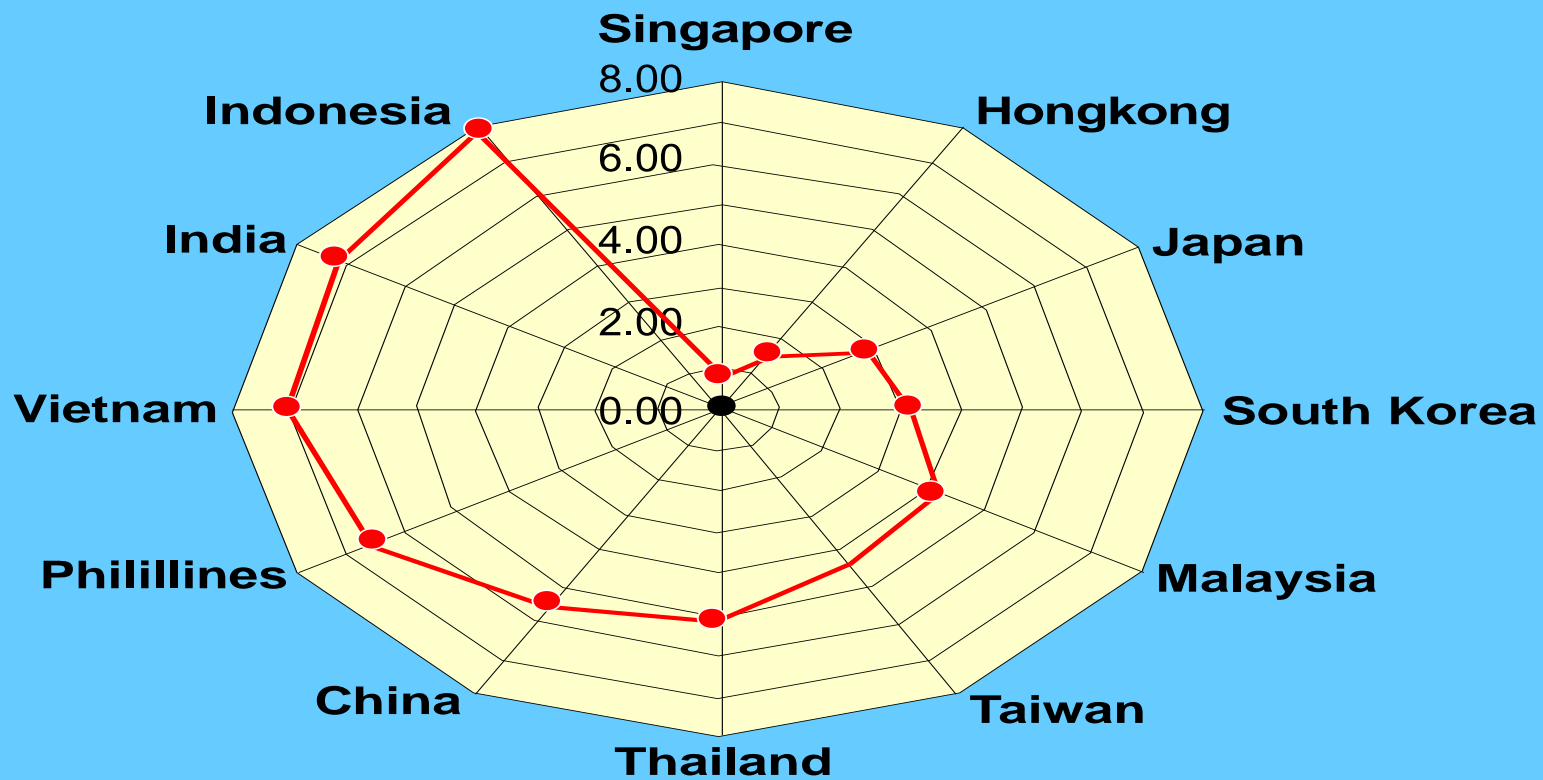
1. Poverty and Unemployment
2. Infrastructures
3. Bureaucracy
4. Corruption



Poverty and Unemployment



Perception on Quality of Physical Infrastructure



Source: Klaus-Peter Kriegsmann - Asian Development Bank, 2003

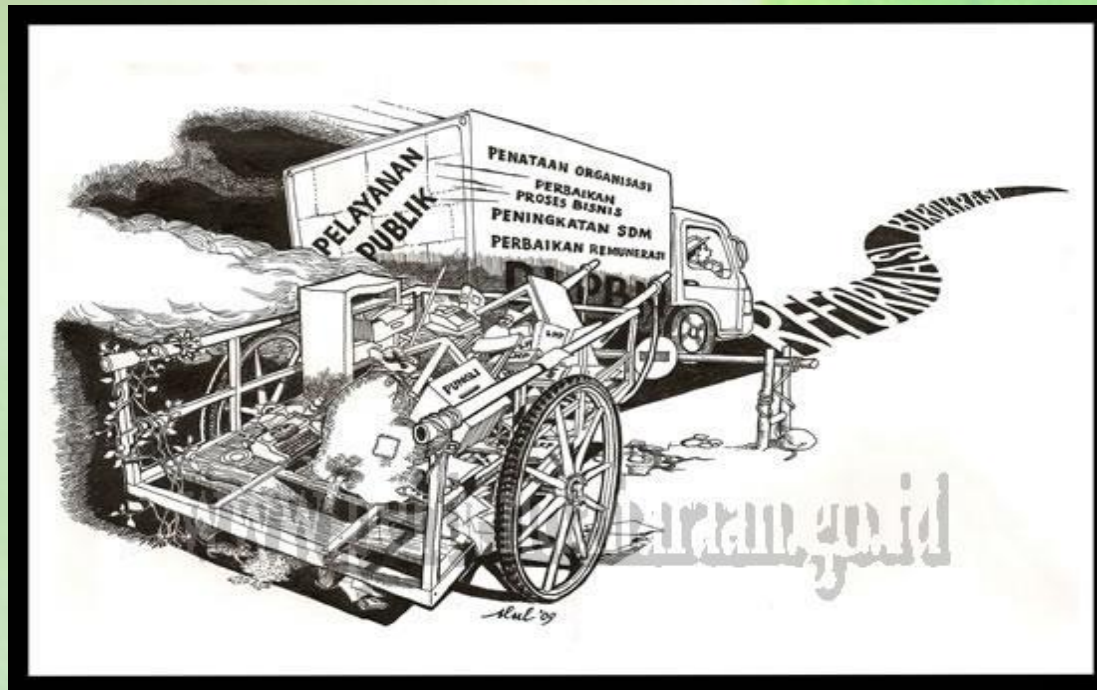
Scale: 0 = The best
10 = The worst

Bureaucracy and Corruption

1. PERC Survey 2010 , Indonesia is the most corrupt country among 16 countries in Asia Pacific
2. CPI Index, 2007 (2,3), 2008 (2,6), 2009 (2,8), 2010 (2,8) and 2011 (3,0)
3. Public Sector Integrity Survey , 2007 (5,53), 2008 (6,84), 2009 (6,50), 2010 (5,42) and 2011 (6,31)
4. Doing Business in 2010 ranking 122 out of 183 countries
5. Bribery Index 2011 (7,1)

Bureaucratic Reform

The Bureaucratic Reform is the transformation of all aspects of the management of the Government toward a world-class Government in 2025



BR Implementation Plan

1. BR Grand Design 2010-2025 (Presidential Regulation No. 83 Year 2010)
2. BR Roadmap 2010-2014 (Minister of Administrative and Bureaucracy Reform Regulation No. 20 Year 2010)

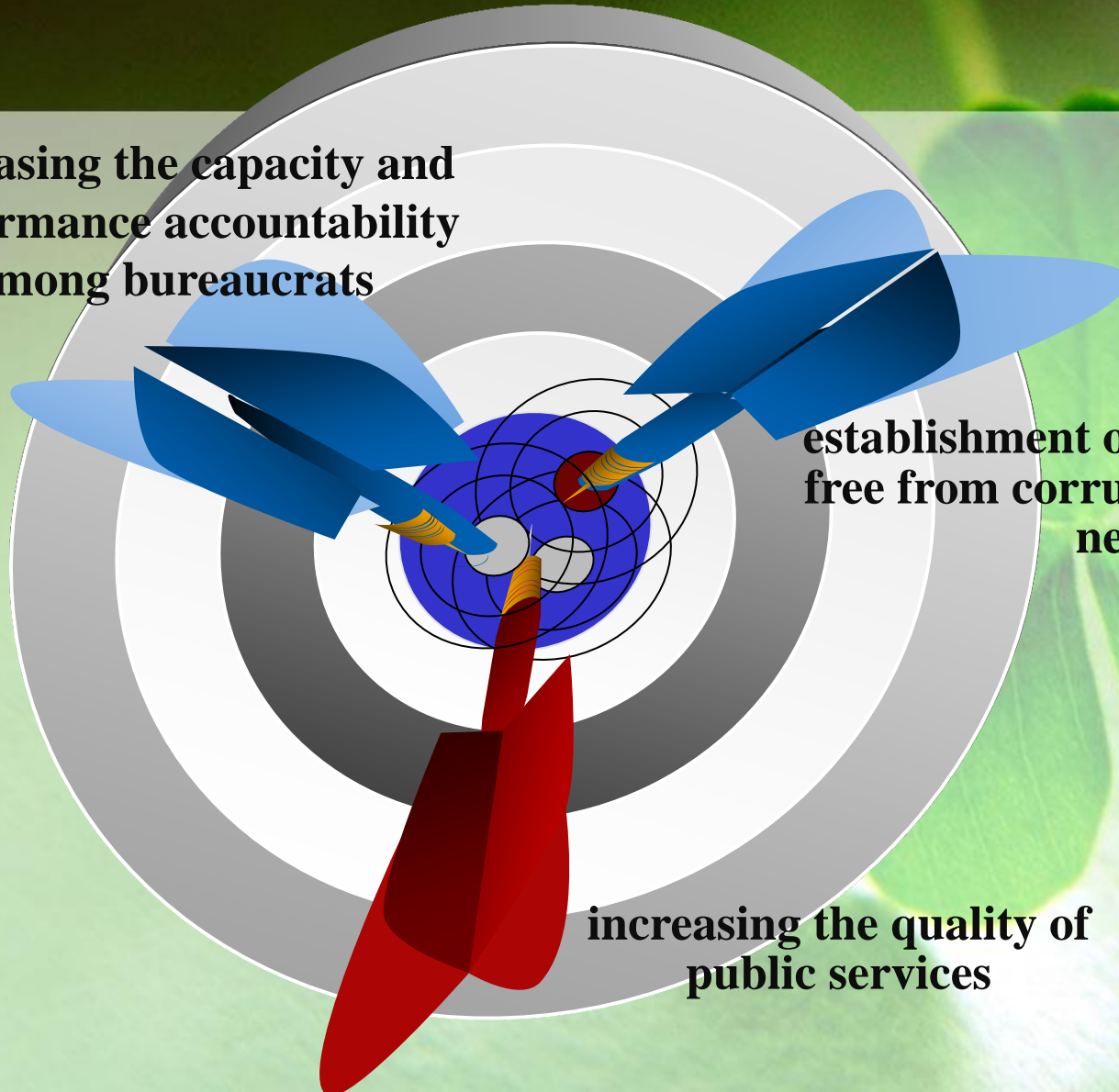
Defining reform vision, objectives, key reform areas and guiding the implementation process.

Bureaucracy Reform Targets

**increasing the capacity and
performance accountability
among bureaucrats**

**establishment of clean government,
free from corruption, collusion and
nepotism**

**increasing the quality of
public services**



Bureaucratic Reform Objectives and Indicators

Objectives	Indicators		Base line (2009)	2010	2011	Target (2014)
Clean and Non Corruptive, Colutive and Nepotism Government	CPI*)		2.8	2.8	3.0	5.0
	Supreme Auditor Opinion	Central	42,17%	63%		100%
		Local	2.73%	22%		60%
Public Service Quality Improvement	Public Service Integrity	Central	6,64	6,16		8,0
		Local	6,46	5,07		8,0
	Easeness Doing Business		122	121	121	75
Improvement of capacity and accountability	Governance Effectiveness Index**)		- 0,29	-0.19		0,5
	Accountable Governance	Central	47,37%	63,29%	82,93%	80%
		Prov	3,70%	31,03%	63,33%	
		Dist/City	1.16%	4,26%	12,78%	

Notes: *) scale 0 – 10 **) scale – 2.5 s/d 2.5


BR Dynamism

<i>First Wave of Bureaucracy Reforms (2004 – 2009)</i>	<i>Second Wave of Bureaucracy Reforms (2010– 2014)</i>
Nature: Institutional	Nature: National and Institutional
Objective: Good Governance	Objective: <ol style="list-style-type: none">1. Cleaned Government & Free from Corruption, Collusion & Nepotism2. Improved public service delivery3. Improved capacity and accountability of civil servants
Areas of Change: <ol style="list-style-type: none">1. Organization2. Organizational Culture3. Business Process4. Regulation-Deregulation5. HRM policies and practices	Areas of Change: <ol style="list-style-type: none">1. Organization2. Business Process3. Regulations4. HRM policies and practices5. Supervision6. Accountability7. Public Service Delivery8. Mind-set and Working Culture

Expected Results

Change Area	Expected Results
Organization	Right sizing
Systems and Procedures	Systems, processes and work procedures that are clear, effective, efficient, scalable and in accordance with the principles of good governance
Laws and Regulations	More orderly , not overlap and conducive laws and regulations
Human Resources	Human resources with high integrity, neutral, competent, capable, professional, high-performing and prosperous
Supervision	Increasing implementation of good governance and free of Colusion, Corruption and Nepotism
Accountability	Increasing the capacity and accountability of the performance of the bureaucracy
Public Services	Excellent service according to the needs and expectations of the community
Public Servant Mindset and Culture	The bureaucracy with high integrity and high performance

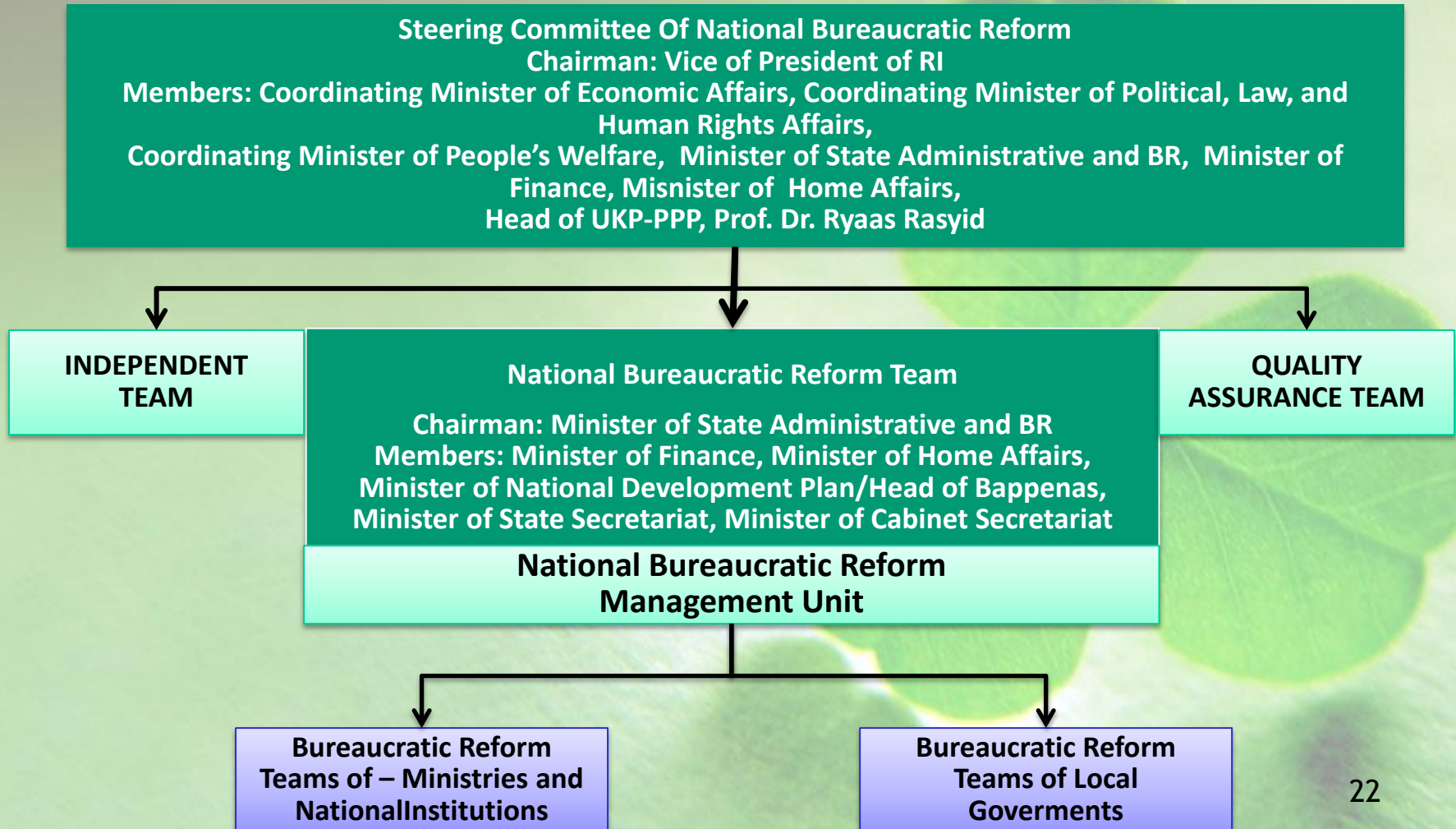
Priority Focus

1. Personal Expenditure Management Reform
 2. Pay and Grading Reform
 3. Organizational Right Sizing
 4. Business Process Reform
 5. National Human Resources Management Reform
 6. Pension Reform
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RB Guidelines

1. Guidelines for Preparing BR Proposal
2. Guidelines for Preparing BR Road Map
3. BR Proposal and Road Map Evaluation
4. Guidelines for Implementing Change Management
5. Criteria and Success Factors for BR Programs and Activities
6. Business Process Improvements
7. Quick Wins
8. Knowledge Management
9. Approval Process on BR Allowance and Implementation

Management Structure



Agencies in Indonesia

Central

Category	Total
Secretariat of Highest Agency	7
Ministry	34
Non Ministerial Agency	4
State Agency	28
Quango	88
Public Radio and TV	2
TOTAL	163

Regions

Category	Total
Province	33
District	398
City	93
TOTAL	524

BR Progress

Year	Agencies Implementing BR *)
2008	3
2009	5
2010	14
2011	16
2012	36

*) cumullative

Concluding Remark

Civil servant performance would be good if the structure of the institution has appropriate, competent human resources, and the effective and efficient system and procedures.

Good governance will be able to put ASEAN Community into the most competitive community

Thank You

