



TOWARD BETTER INDONESIA: MAKING ADMINISTRATIVE REFORM WORK

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PARTNERSHIP FOR GOVERNANCE REFORM

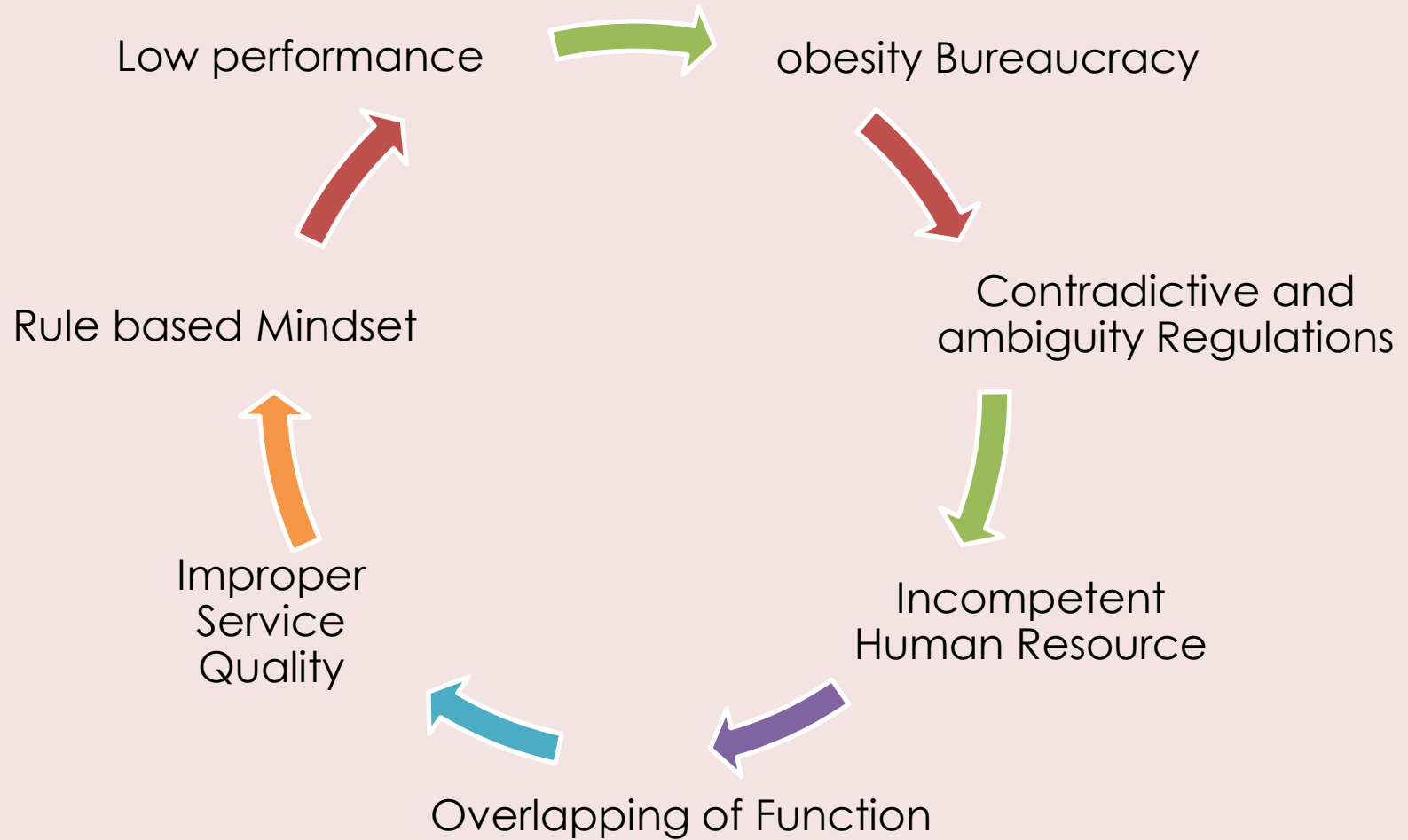


Presentation Outline

- CONTEXTUALIZATION OF REFORM
- STRATEGY AND POLICY DIRECTON
- ACCELLERATING REFORM
- RESULT OF REFORM
- LESSON LEARNED

***CONTEXTUALIZATION OF REFORM:
SOME FACTS OF INDONESIA***

Common Indonesian Bureaupathology



Portrait of Indonesian Bureaucracy

- **Organization**
 - Big structure and many unfit in their functions
- **Law and Regulation**
 - Contradictive and many ambiguous regulations
- **Human Resource**
 - Overstaffed and Understaffed at the same time
 - Problem of integrity
- **Business Process in Public Service**
 - Unclear procedures, cost and time in public service
 - Improper service quality; many uncertainty and loopholes for corruption
- **Mindset and Culture Set**
 - No spirit and culture for producing innovation, creation, and invention

Some Problems of Indonesian Civil Service

Personnel recruitment is still viewed as an annual project and based on individual political interest, nepotism, collusive

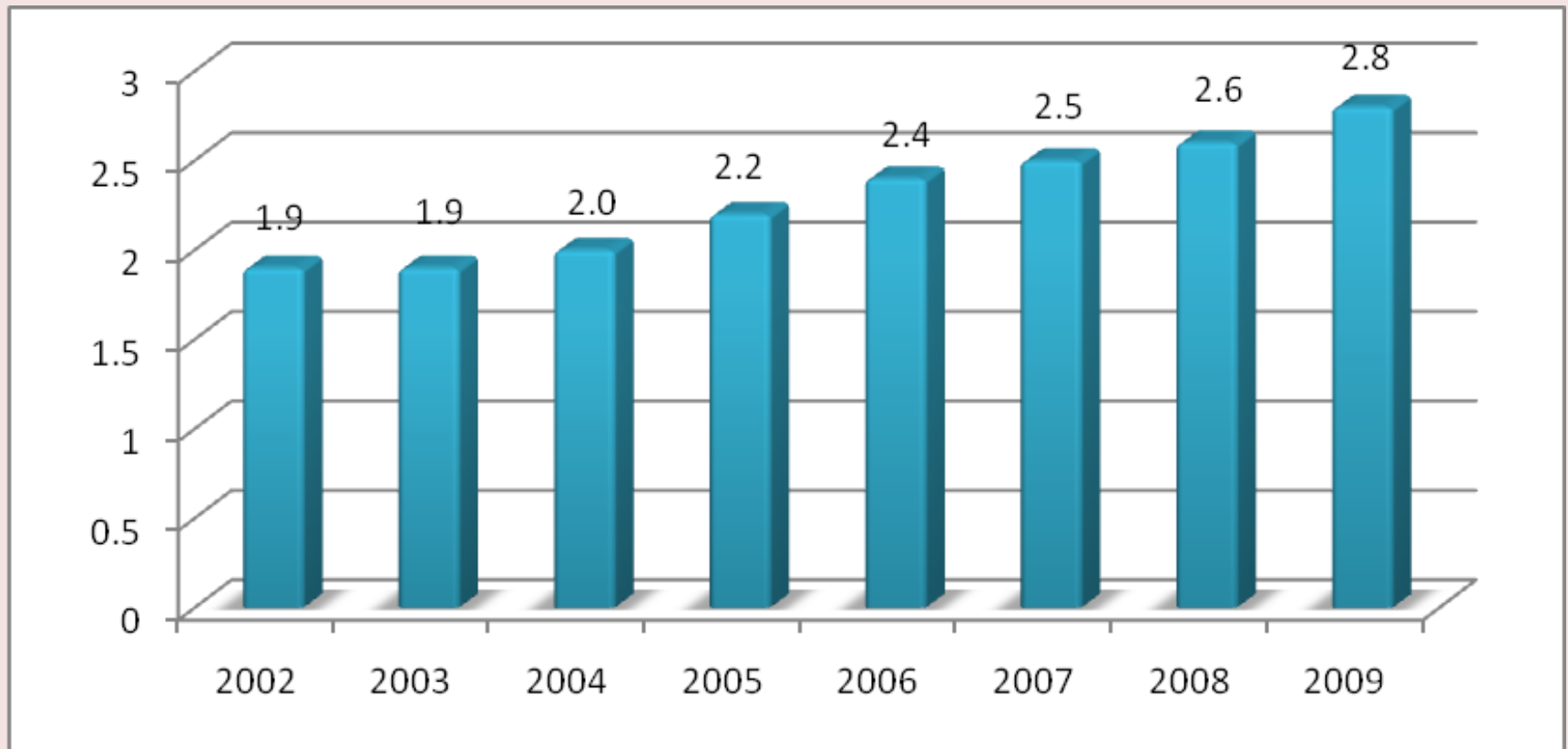
Very closed promotion and rotation system based on political affiliation

Low level of salary and not related to the performance of civil servant

Performance Management system has not yet developed

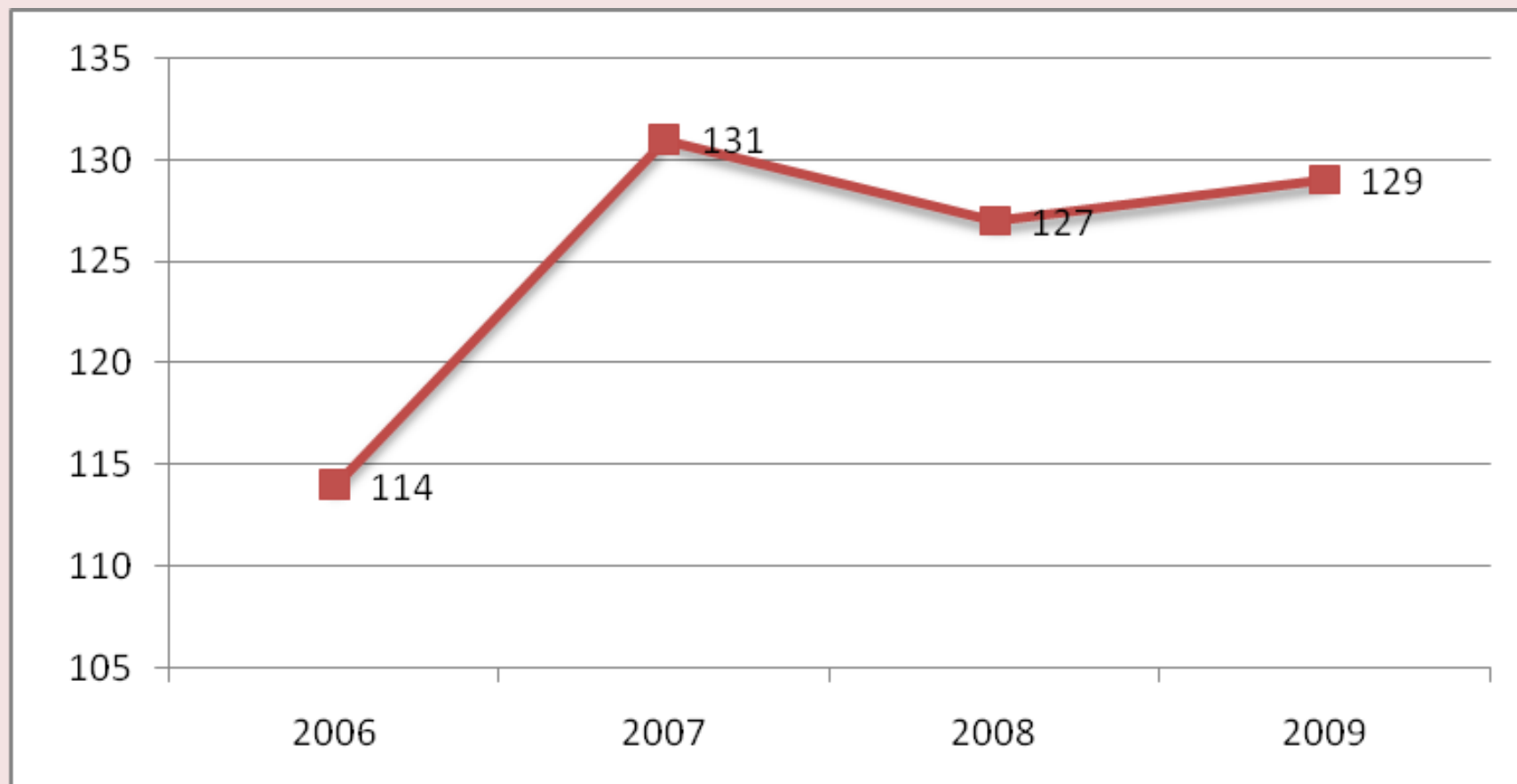
CORRUPTION PERCEPTION INDEX INDONESIA BEFORE REFORM

Figure 1: Corruption Perception Index Score of Indonesia 2002-2009



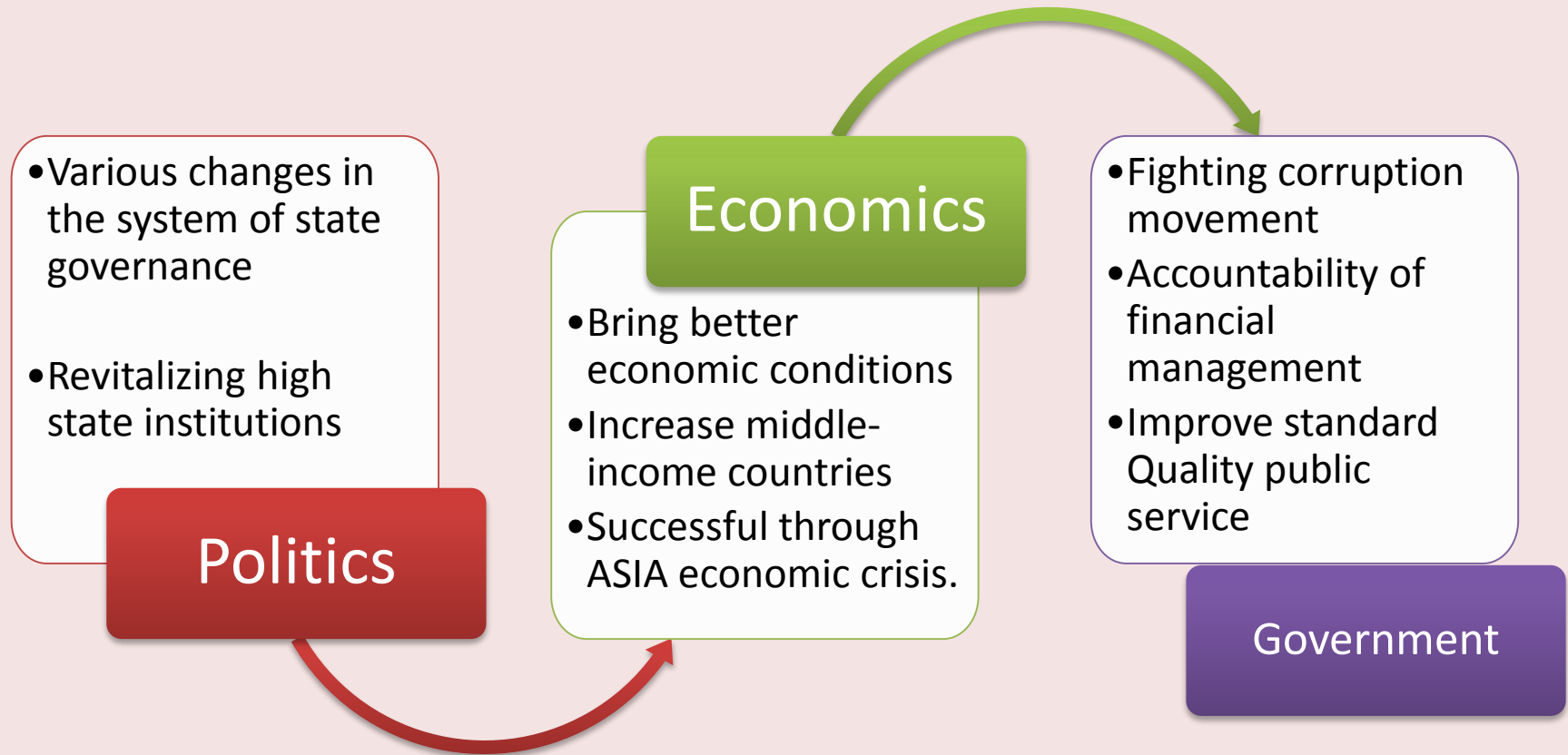
Source: Transparency International, 2014

EASE OF DOING BUSSINESS INDONESIA BEFORE REFORM



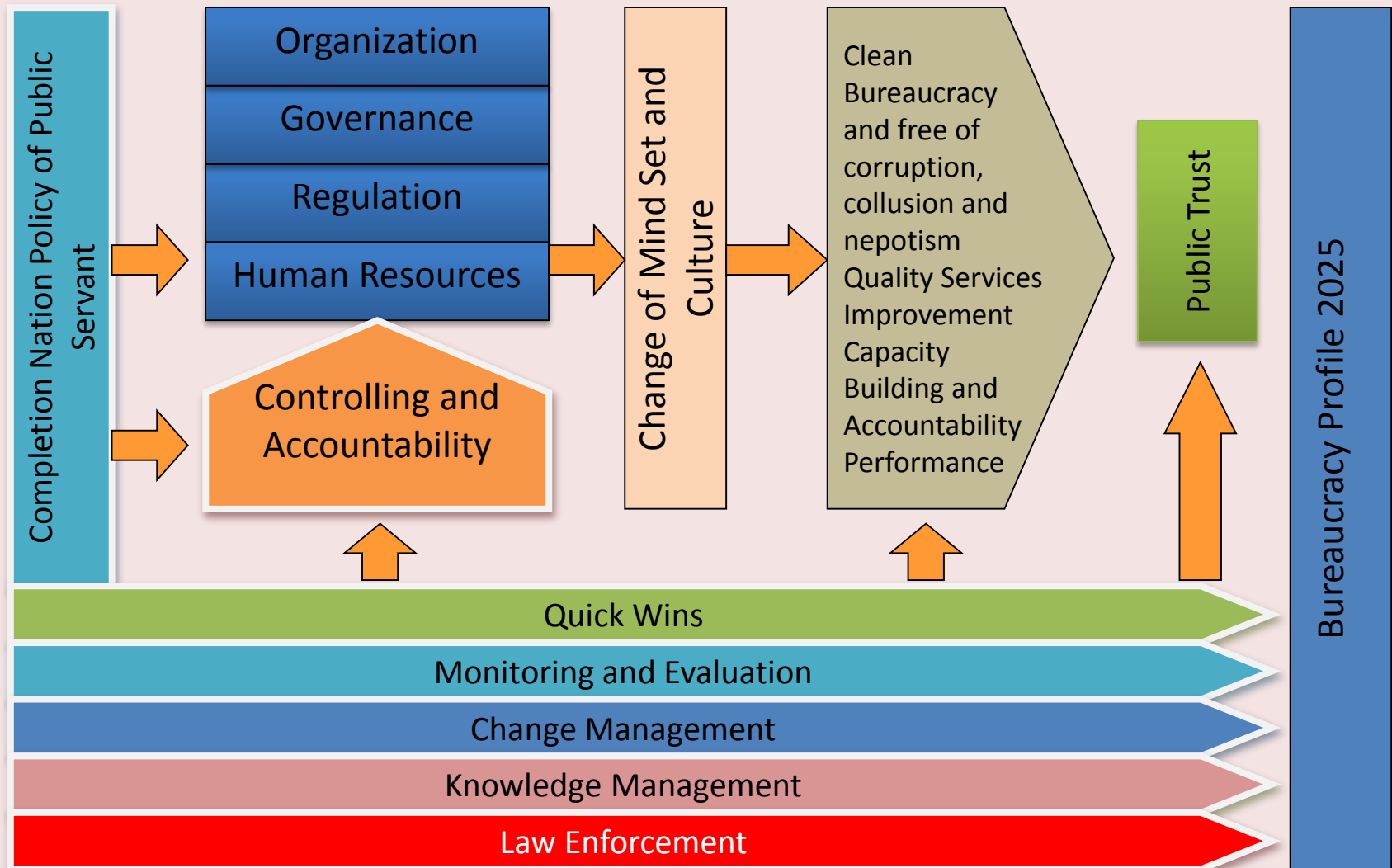
Source: World Bank, 2014

WHY DOES INDONESIA NEED ADMINISTRATIVE REFORM

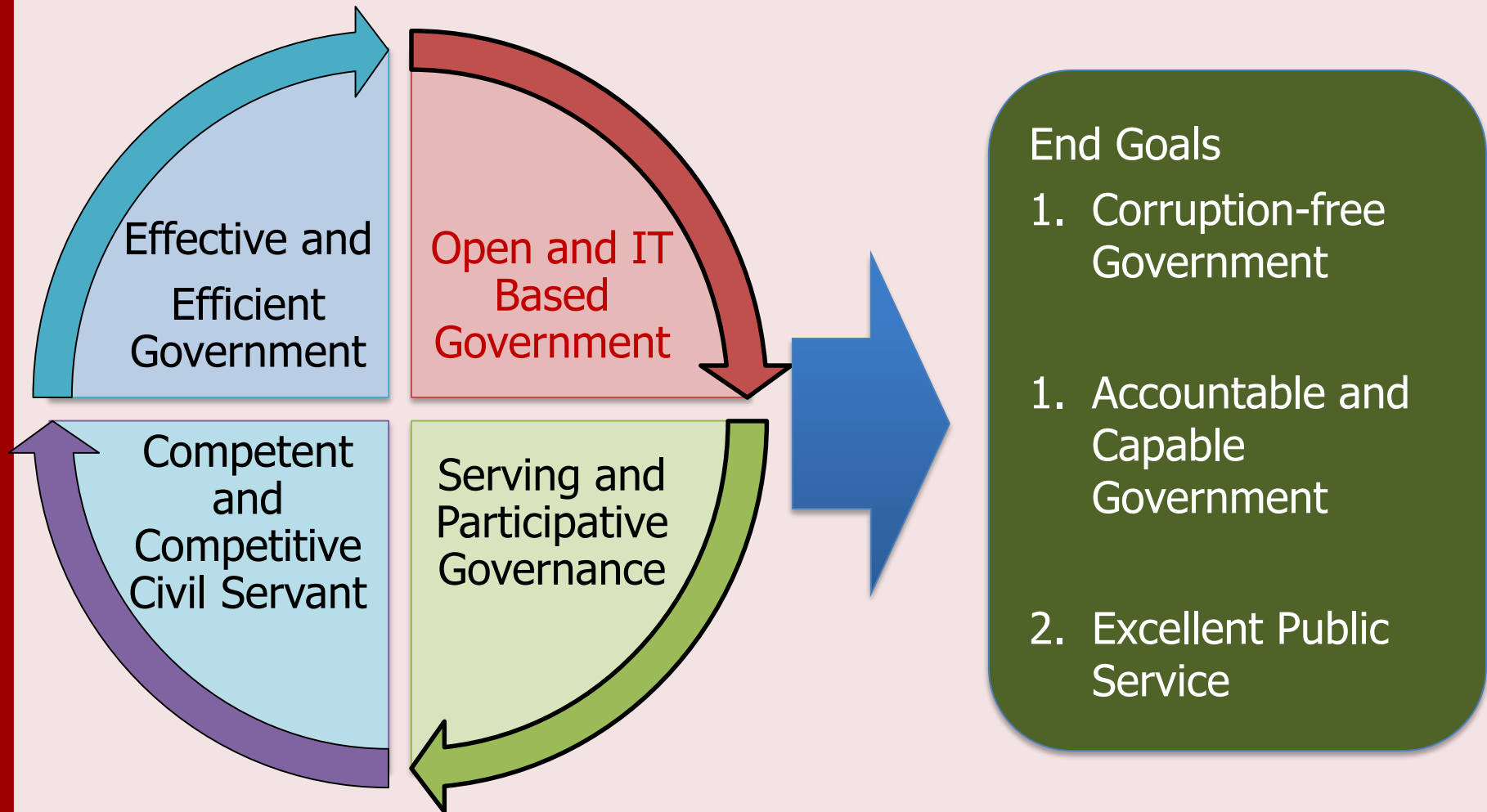


STRATEGY AND POLICY DIRECTION OF REFORM

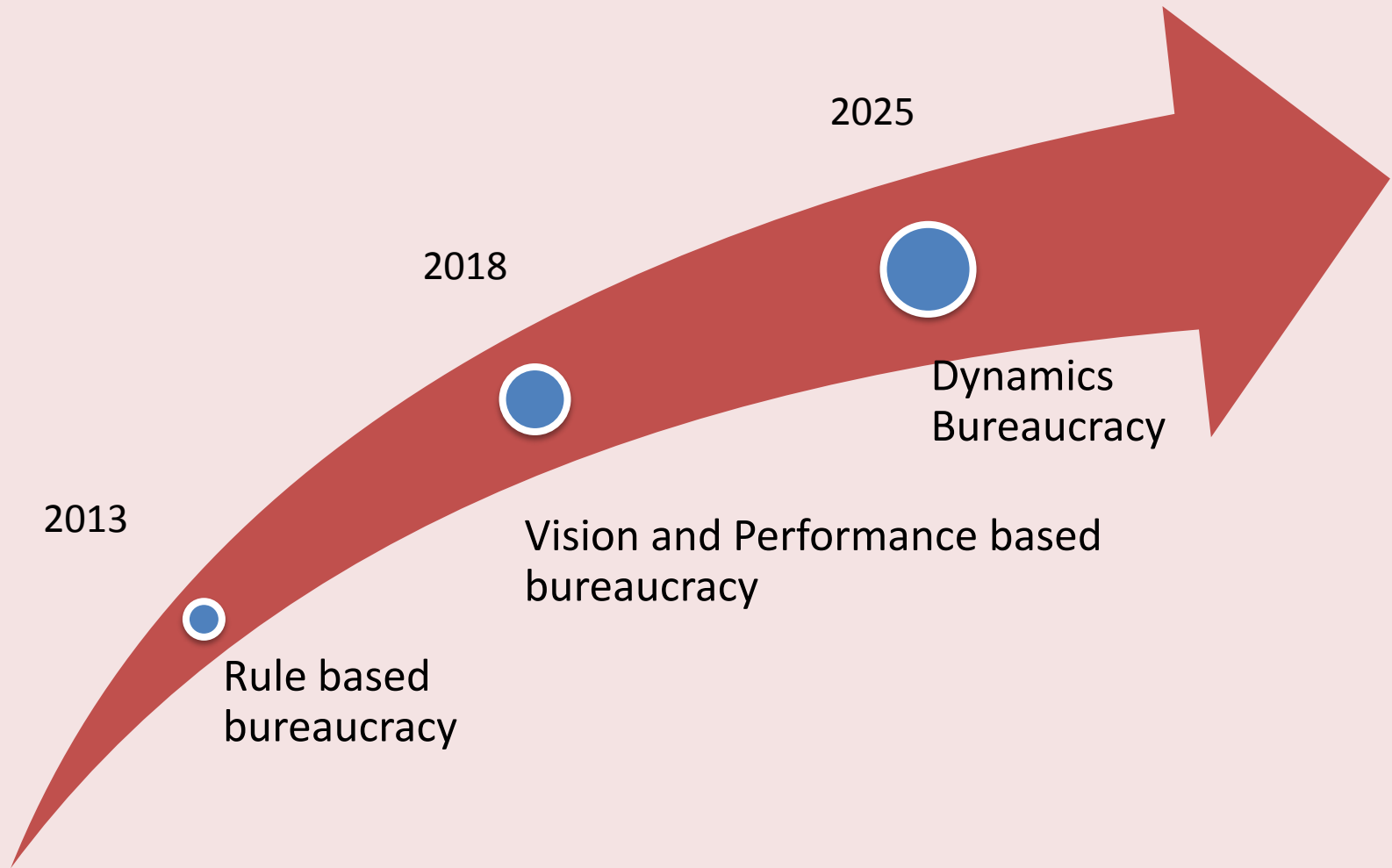
GRAND DESIGN ADMINISTRATIVE REFORM 2010-2025



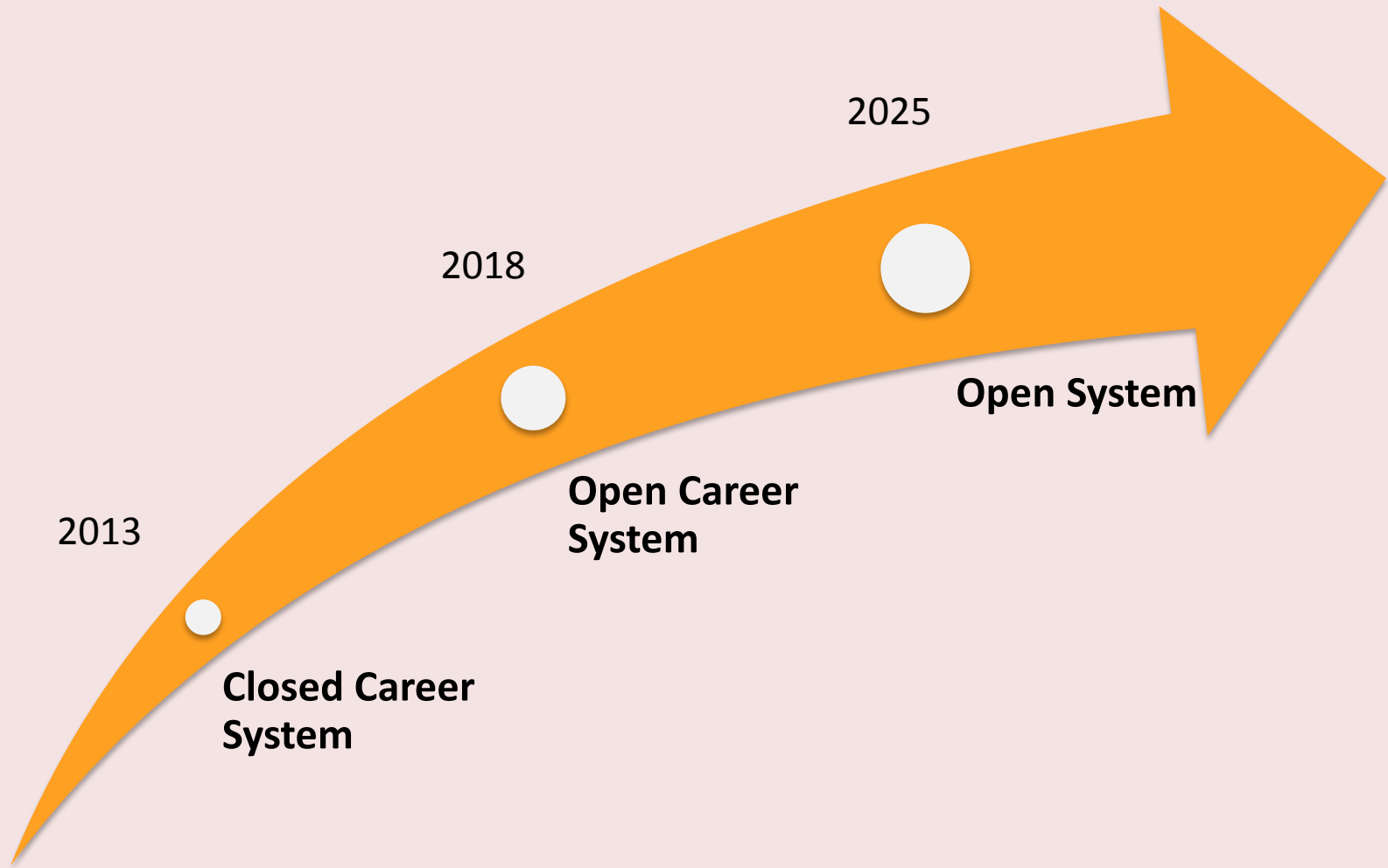
GOALS DAN OBJECTIVES OF ADMINISTRATIVE REFORM IN INDONESIA



TRAJECTORY OF REFORM 2013-2025



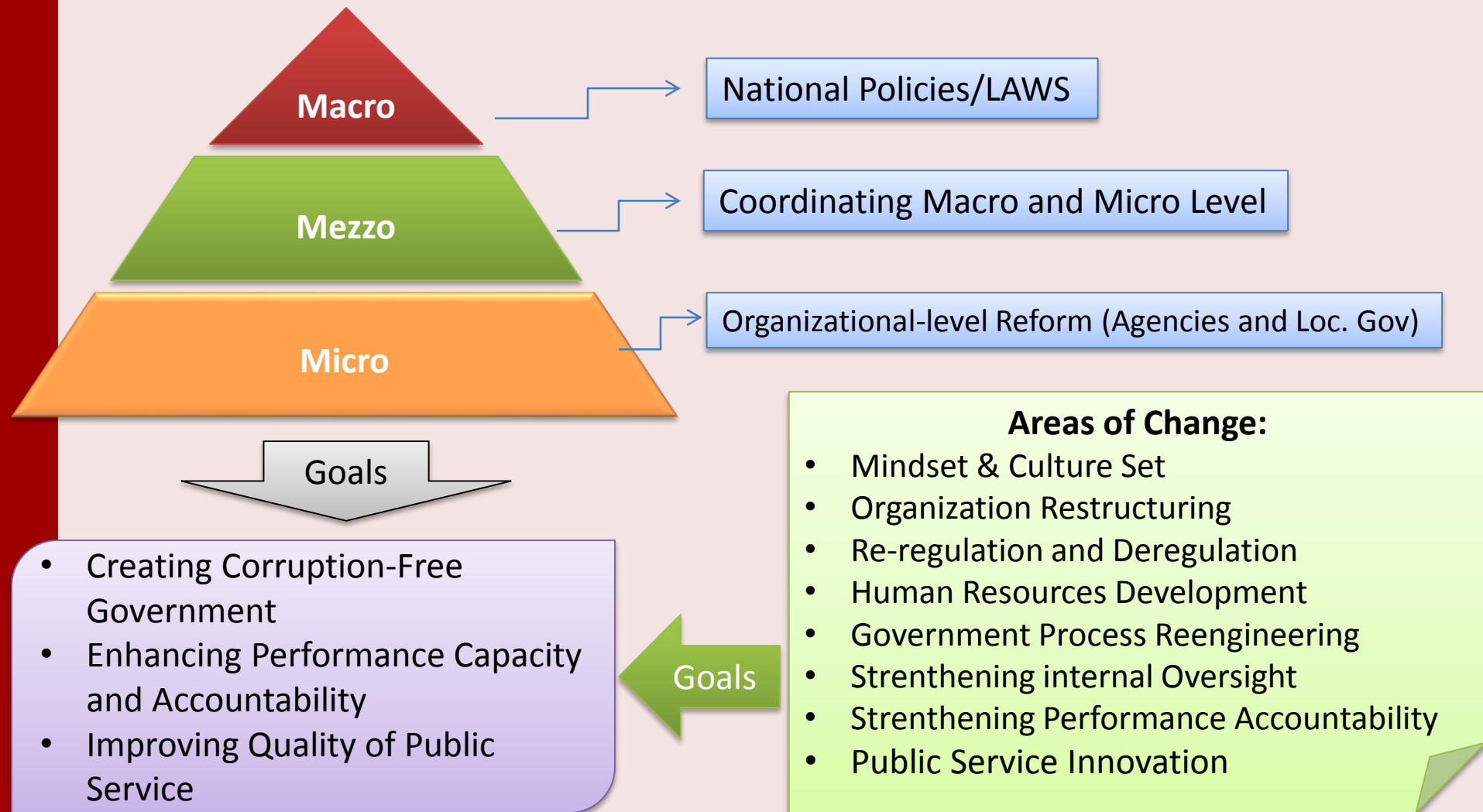
TRANSFORMING CIVIL SERVICE SYSTEM



AREAS OF ADMINISTRATIVE REFORM

Change Area	Expected Result
• Organization	Proper function and right sizing
• Governance	Clear procedures, efficient, effective, accountable
• Regulation	Orderly regulation, not overlapping and conducive
• Civil Servant	Professional and high performance
• Controlling	Free from corruption, collusion and nepotism
• Accountability	Increasing accountability and capacity
• Public Service	Excellent and appropriate to the public needs
• Mind/Culture set	Innovative and integrity

THE STRUCTURE OF ADMINISTRATIVE REFORM



LEVELING OF ADMINISTRATIVE REFORM

Macro Level Program

1. Organization Management
2. Good Governance
3. Improvement of Civil Service System
4. Controlling
5. Accountability and Performance Enhancement
6. Improvement of Public Service

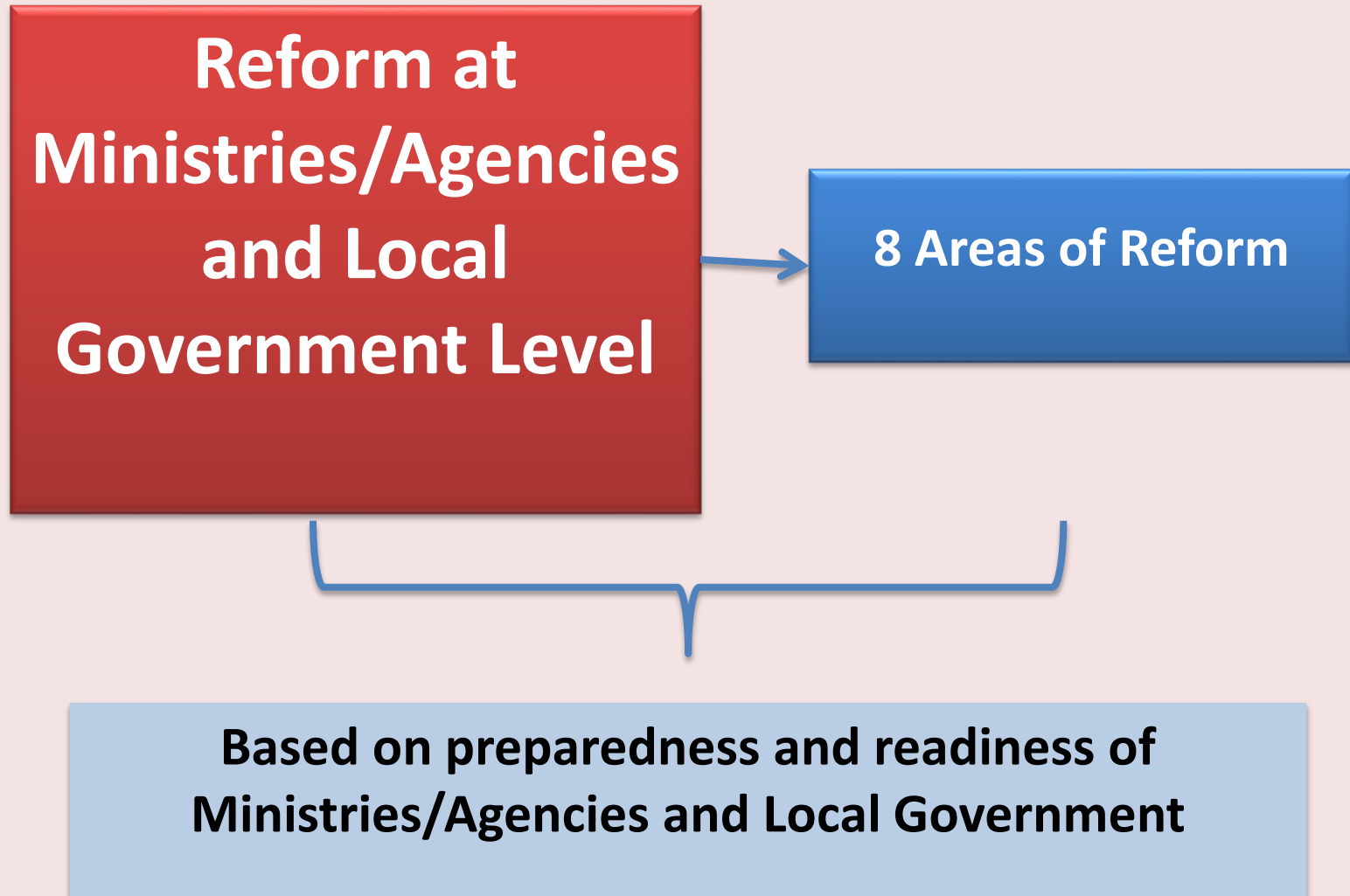
Messo Level Program

1. Change Management
2. Assistance and Consulting
3. Monitoring, Evaluation and Reporting
4. Knowledge Management

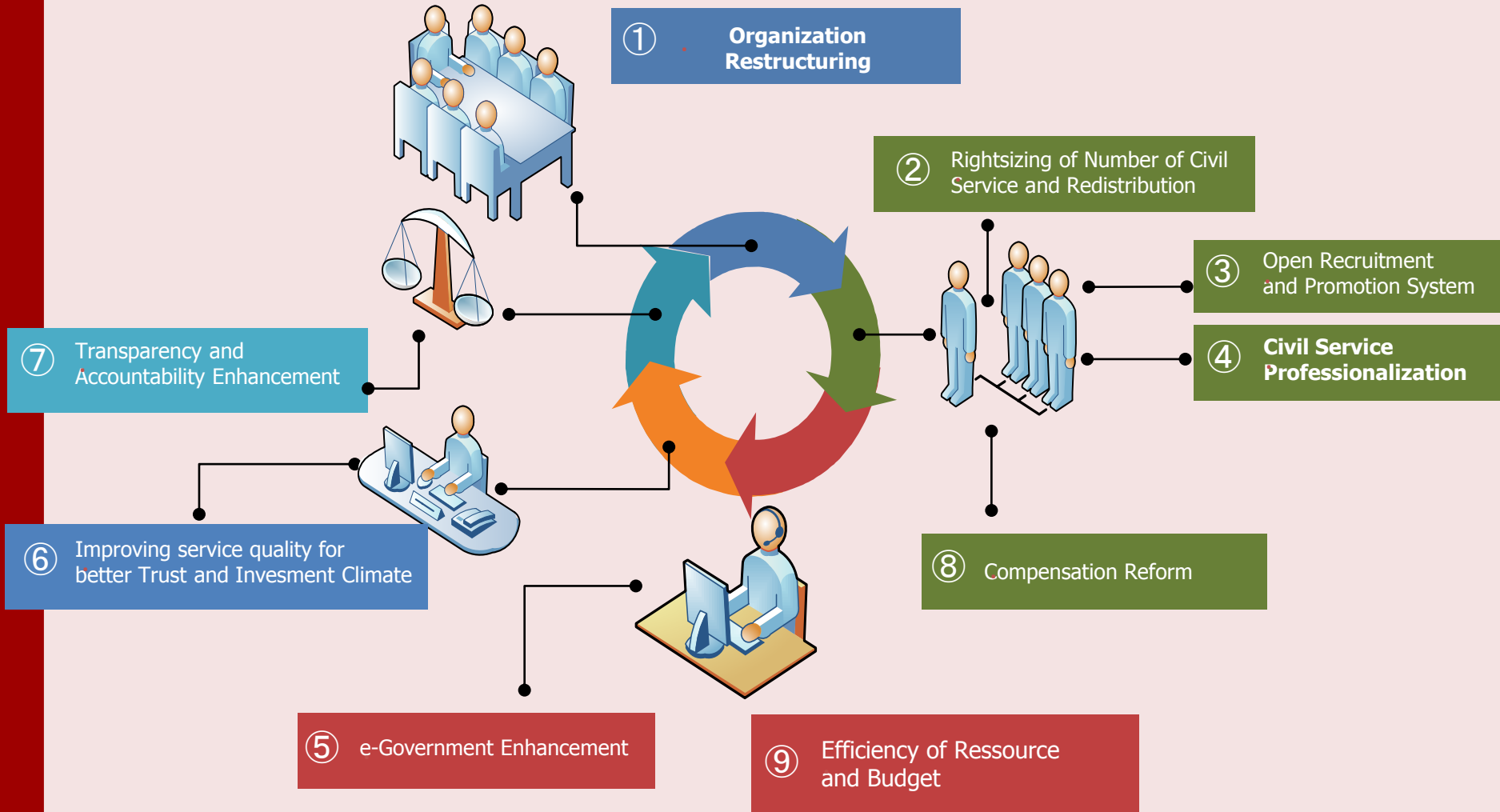
Micro Level Program

1. Change Management
2. Structuring Regulation
3. Organization Management and Capacity Building
4. Good Governance
5. Improvement of Civil Service System
6. Controlling
7. Accountability and Performance Enhancement
8. Improvement of Public Service
9. Monitoring, Evaluation and Reporting

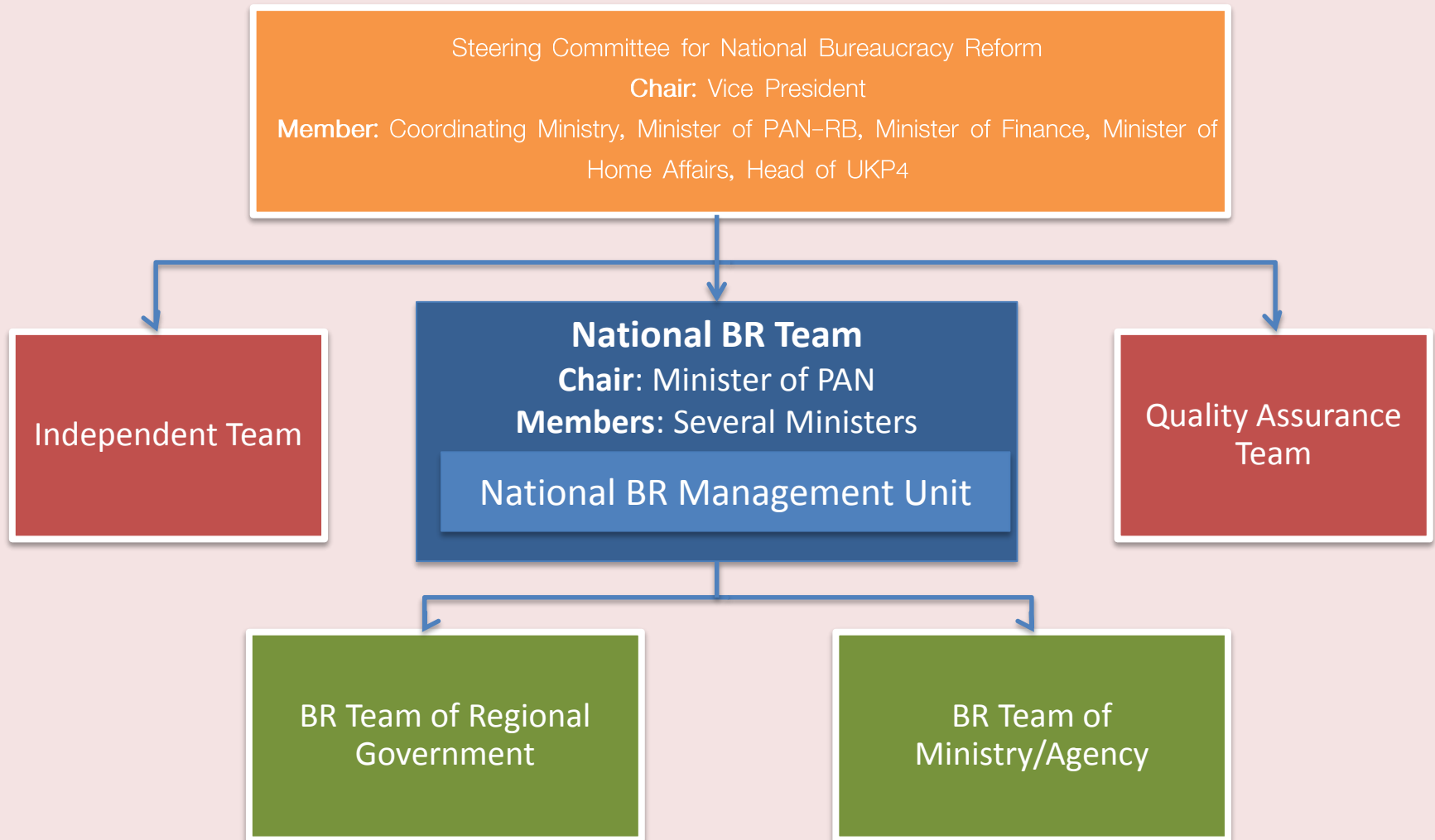
Implementing Strategy at Micro Level



9 ACCELERATING REFORM PROGRAMS



ORGANIZATION OF ADMINISTRATIVE REFORM PROGRAM



Existing Indicators and Expected Target Indicators

- BR has been placed as the highest national priorities in National Mid-Term Development Plan (RPJMN) 2009-2014, and 2015-2019 due to its role as the backbone of the other priorities
- National BR Program addressed to create Indonesian government as the world-class government in 2025, with few mid-term targets

Targets	Indicators	Baseline (2009)	Target (2014)	
Creating clean government (free from Corruption)	Corruption Perception Index	2,8	5,0	
	Supreme Audit's (BPK) Unqualified Opinion (WTP)	National	42,17%	100%
		Sub-National	2,73%	60%
Increasing Public Service Quality	National Integrity Index	National	6,64	8,0
		Sub-National	6,46	8,0
	Ease of Doing Business Rank	122	75	
Developing gov't capacity and performance accountability	Gov't Effectiveness Index	-0,29	0,5	
	Number of Accountable Gov't Offices (LAKIP)	24%	80%	

National Objective of Bureaucratic Reform 2014

Objective	<p style="text-align: center;">Excellent Quality of Public Services Excellent Performance, Capacity and Accountability of Civil Services Clean governance and corruption-free</p>			
Target 2014	Increasing the Efficiency of Government	Increase Open Government	Improve Competence and Capacities of Civil Services	Increased Public Participation in Governance
Target 2013	Enactment of the law on Relations of Central Government and Local Government	GRMS full implementation in all Ministries / Agencies and Local Government (e-planning, e-budgeting, e-procurement, e-payment, e-service delivery, e-performance)	Implementation of the National Reform Leaders Academy	Implementation of the Public Service Act as a whole
	Enactment of the Law on Nonprofit Services Agency		Enactment of the Law on Civil Service Ethics	Commissioning of the National Public Service Complaint Center
Target 2012	Institutional audit for ministries / LPNK / LNS	Enactment of the law on Government Administrative	Complete report as the results of Job analysis, needs assesment and competency analysis for national Civil Service	Formulation and implementation of policy guidelines on No Wrong Door policy
		Commissioning of One Stop Services Office effectively in the ministries/agencies and Local Governments	Issuance set of of government regulations for the implementation of the State Civil Law Reform	Guidelines for formulation and Implementation on Handling Conflicts of Interest
	Availability of guidelines institutional arrangements for the ministry, LPNK, and LNS	Partial implementation of GRMS in ministries, agencies and local governments especially on e-procurement	Enactment of the State Civil Law Reform	Implementation of Codes of Ethics as a whole in ministries, agencies and local governments
	Availability of guidelines in supporting efficiency in governance	Availability of guidelines in supporting the Government Resources Management System (Government Resources Management System, GRMS	<p>Implementation of Reform Leaders Academy in Leading Sector (ministries/agencies) in BR</p> <p>The availability of guidelines for restructuring human resource management system Apparatus</p>	<p>Establishment of National Public Service Complaint Center</p> <p>Enactment of the Government for the Implementation of the Public Service Act</p>



Dedicated Program 2011-2014

No	Program	2012	2013	2014
1	Organizational Assessment of Ministries			
2	IT Based Recruitment System (National) (CAT System)			
3	Open System Promotion for 6400 position (Assessment Centre)			
4	Public Service Monitoring System			
5	National Public Complain Handling System			
6	Government Ressource Management System			
7	Reform the Reformers			
8	Public Campaign for Bureaucratic Reform			
9	Competence Assessment for Civil Servant (National)			
10	E-Integrated Competence Based Human Ressource System			

SOME ACHIEVEMENTS OF ADMINISTRATIVE REFORM

REORGANIZATION MINISTRIES AND AGENCIES

• ACTION PLAN

1. Organizational evaluation for ministries and agencies
2. Organizational evaluation for LPNK dan LNS;
3. Organizational evaluation for Local Governments

• RESULT

1. 3 ministries/agencies has been streamlined, 13 is in pipeline
2. 10 auxiliary bodies has been dissolved, 5 is in pipeline
3. Machinery of Government developed
4. Restructuring of Echelon III and IV in some ministries/agencies

CIVIL SERVICE REFORM

• ACTION PLAN

1. Job necessity-analyze-evaluation at all ministries, agencies and local governments;
2. Moratorium and Minus Growth Policy in receiving Civil Service;
3. Redistribution and reallocation of Civil Service
4. New civil service system

• RESULT

1. 4.261 Job Analyze Officer trained
2. New Civil Service request/recruit must based on: job necessity-analyze-evaluation
3. Very Selected Moratorium for Civil Service 2011 – 2013, 2015 -2019, only for teachers and medics
4. Minus Growth Policy (2012 Retired : 116.631, Received: 15.379 2013 Retired: 111.150, Open: 65.000)
5. Law on Civil Service System

OPEN RECRUITMENT AND OPEN SELECTION

• ACTION PLAN

1. High quality of new Civil Service recruitment processes and free of CCN;
2. Promotion and Job rotation based on merit system:
 - a. Ensure Open Promotion in the Ministerial Decree
 - b. Incorporate Merit System in new Civil Service Law

• RESULT

1. Civil Service Recruitment Processes has been conducted transparent, objective and free of CCN in 2012–2014
2. Established CAT (Computer Assisted Test) at 12 BKN regional office
3. Open promotion mechanism has been used in more than 200 ministries, agencies and local governments

E-GOVERNMENT ENHANCEMENT

• ACTION PLAN

- Integration of ICT from silo to resource sharing
- Efficiency in ICT infrastructure spending
- ICT application: *e-Office, e-Planning, e-Budgetting, e-Procurement, e-Performance, e-Audit*

• RESULT

1. Several ministries, agencies and local governments has integrating their ICT programs
2. Draft law on National e-government
3. Grand design on e-government
4. 6 flagship of e-government program

IMPROVING SERVICE DELIVERY SYSTEM

• ACTION PLAN

- Improving public services quality in education, health and public administration
- Evaluation and appreciation for public services by ministries, agencies and local governments
- Improving excellent services to the public
- Increasing Ease of Doing Business Program *Quick Wins* Nasional, K/L/Pemda
- Managing Public Complaint

• RESULT

1. ONE AGENCY ONE INNOVATION has created Innovation on public services (+500/2013 and +1000/2014)
2. Ease of Doing Business rank slightly improved
3. National Quick Wins programs established by GoI

ENHANCING TRANSPARENCY AND ACCOUNTABILITY

• ACTION PLAN

- A. Developing Integrity Zone (WBK & WBBM) in Gov:
 - PNS Assets Reporting
 - Whistle Blower System
 - Public Disclosure
 - Gratification Control Program
 - Strengthening the Government Internal Monitoring System
- B. Accountability
 - Integration of Systems Planning, Budgeting and Performance Management
 - Improving Accountability and Government Performance

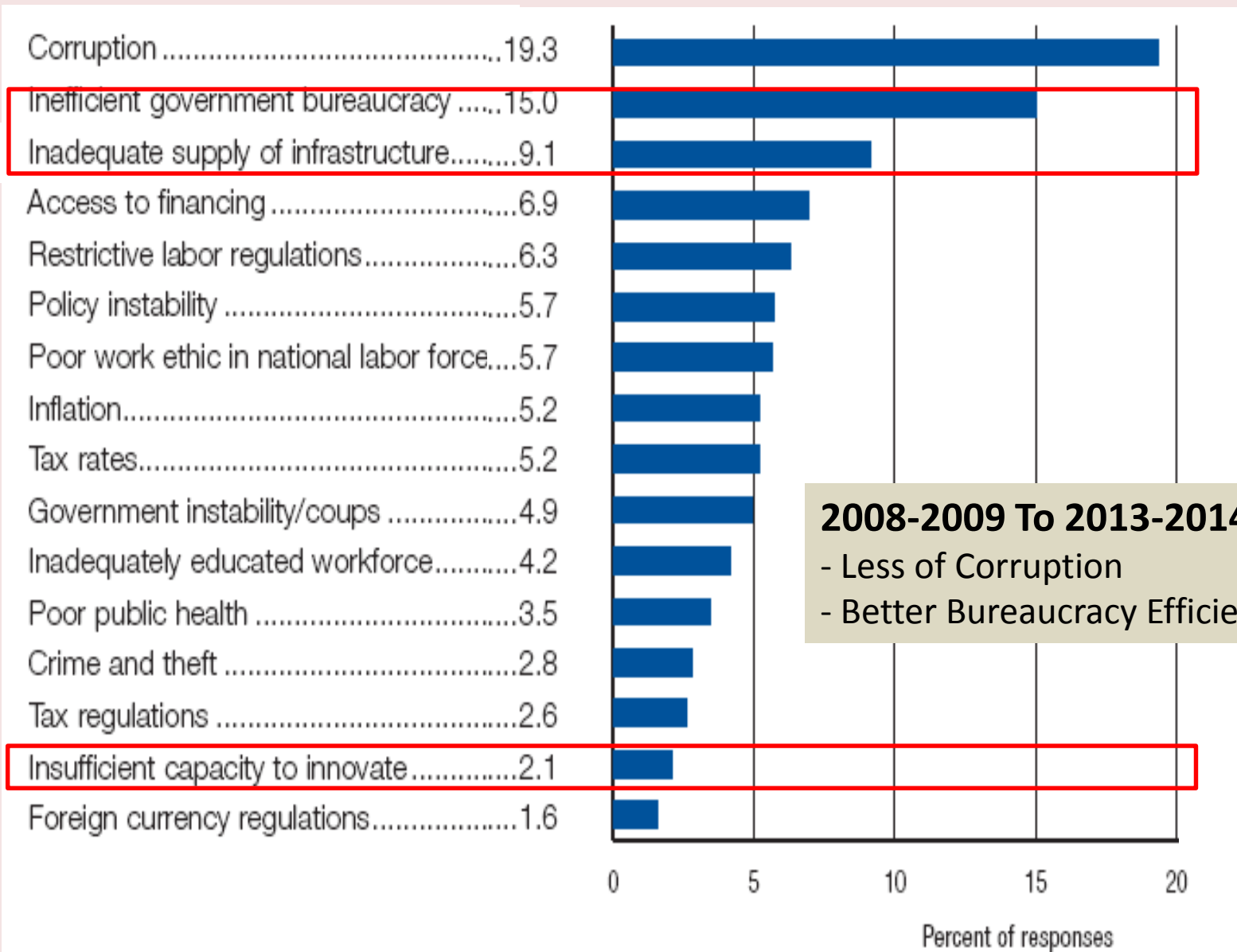
• RESULT

1. + 150 ministries, agencies and local governments has launched its Integrity Zone programs
2. Whistle Blower system has been implemented in ministries
3. Clearance of assets and property
4. New law on Government Internal Monitoring System is drafted

SOME INDICATORS OF ACHIEVEMENTS

Indicator	Scale	Current status	target	Result		
				2010	2011	2012
1. Realization of good governance						
• Percentage of ministry or agencies with unqualified opinions from ministry's/agencies' financial statement	%	41	100	56	63	77
• percentage of local government with unqualified opinions from local government's financial statement	%	2.68	60	3	9	16
2. Increasing the quality of public service						
• integrity score of public service (center)	Score 0-10	6.64	8	6.16	7.07	6.86
• integrity score of public service (local)	Score 0-10	6.46	8	5.26	6	6.32
• rank of ease of business	rank 0-183	122	75	115	126	129
3. Increasing capability and accountability of bureaucracy performance						
• index of governance effectiveness	Score -2,5-2,5	-0.29	0,5	-0.19	-0.24	n.a
• percentage of accountable ministries/agencies	%	47.37	100	63.29	82.93	95.06
• percentage of accountable province	%	3.76	80	31.03	63.33	75.76
• percentage of accountable districts/cities	%	5.08	60	8.77	12.78	n.a

GLOBAL COMPETITIVENESS INDONESIA



One Agency, One Innovation

One Agency, one Innovation

=

**Every ministry, agency and local government produce innovation
for their public service through quick wins program of reform**

=

Disseminate and share the innovation the others

The Island of Innovation

Government
Resource
Management System
in Surabaya

Drive Through
Service for vehicle
ID Extension in
Surabaya

One-stop
service in
many local
gov.

“LARASITA”
Land Permit

Civic service
and Small
Enterprises
in Surakarta

Poverty
Alleviation
Unit in
Sragen

Complaint
Handling System
(UPIK) in a City
Yogyakarta

Electronic Voting
System for
Village's Head in
Jembrana Bali

Health
Insurance
In Jakarta

Free of cost
Education
Jakarta and
others

Civic Service in Surakarta

“Common Practices”	Surakarta Case
Takes 2 days to 1 week to create or re-register citizen ID	Takes 1 hour
Paper-based civic information system	Online civic information system
Ticket window system in service interface	Open counter system in service interface



Innovation of Land Permit and Certification Service

LARASITA is an innovation created by National Land Agency (BPN) to improve the quality of service of certification of owned land using mobile office

“Common Practices”	LARASITA
No service standard	Fulfilled service standard
Difficulty of access due to distance	Ease of access
Spoiled by Bribery	No bribery



Poverty Alleviation Program in Srage Municipality

“Common Practices”	Poverty Alleviation Unit in Sragen
Silo mentality of each organization in solving poverty	Integrated strategy in alleviating poverty
Difficulty for public in solving their poverty problem due to many offices in charge of the problems	Ease of access through single office
Poor people gets poorer due to tariffs and/or bribery to get government services	All services related to poverty are free



OUR PROSPECTIVE IN THE FUTURE

Indonesia today ...

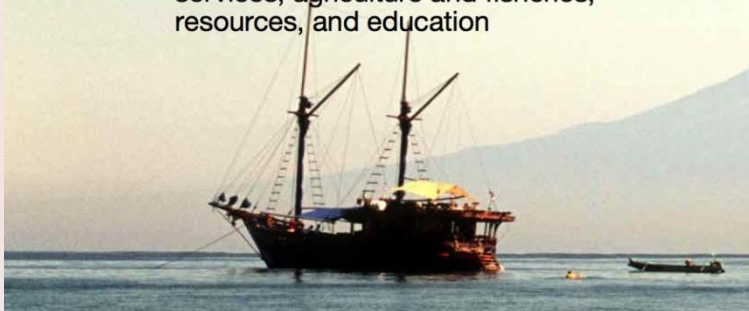
16th-largest economy in the world

45 million members of the consuming class

53% of the population in cities producing **74%** of GDP

55 million skilled workers in the Indonesian economy

\$0.5 trillion
market opportunity in consumer services, agriculture and fisheries, resources, and education



... and in 2030

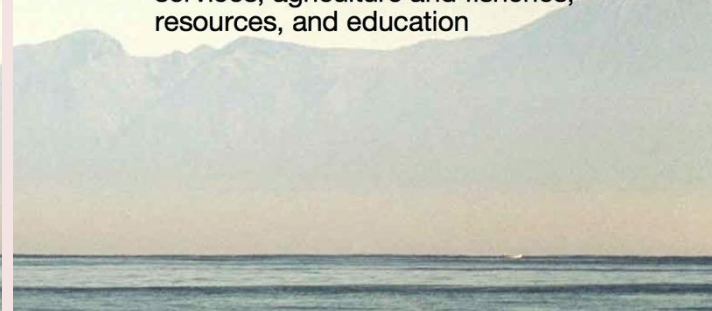
7th-largest economy in the world

135 million members of the consuming class

71% of the population in cities producing **86%** of GDP

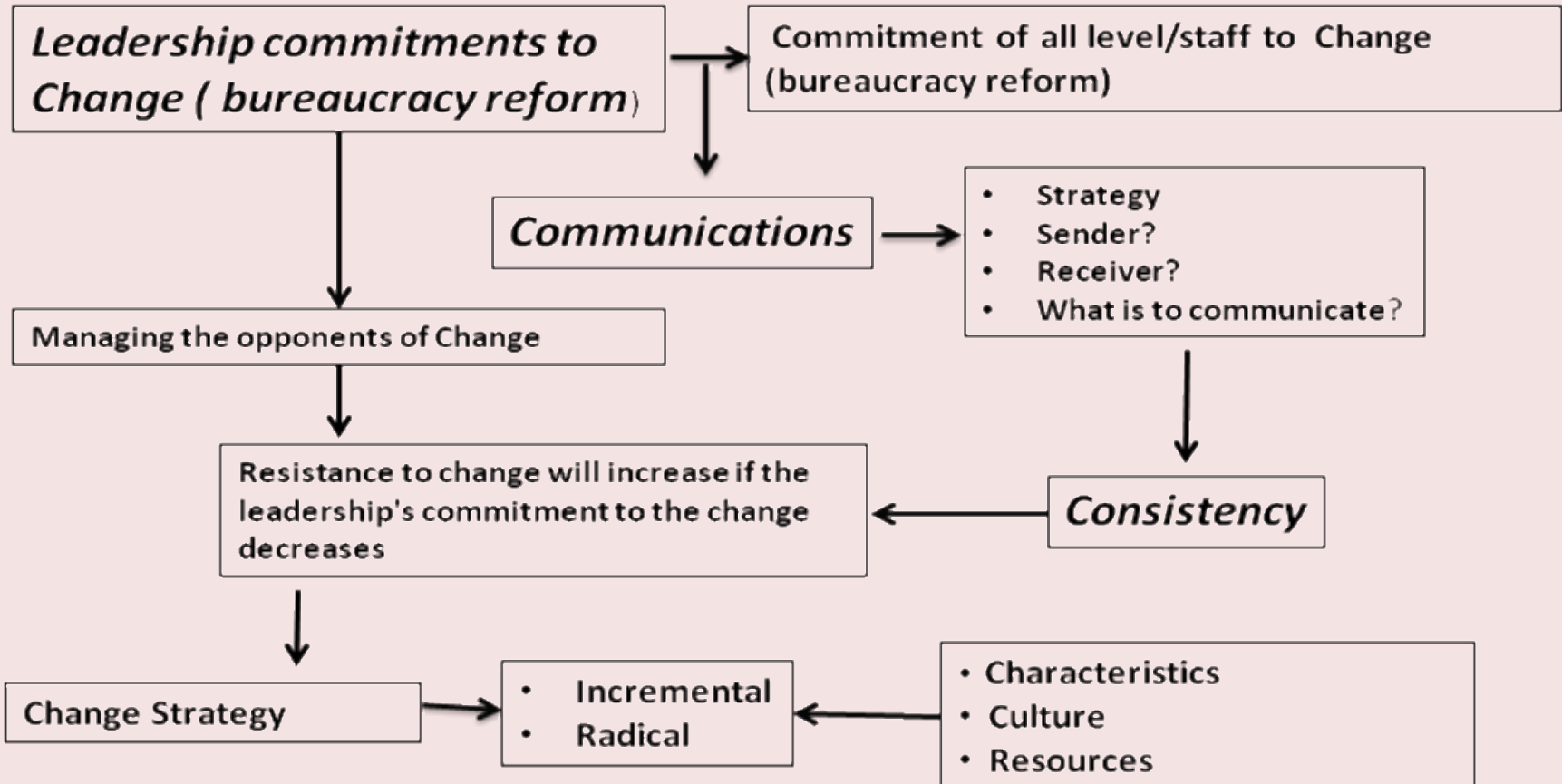
113 million skilled workers needed

\$1.8 trillion
market opportunity in consumer services, agriculture and fisheries, resources, and education



LESSON LEARNT FROM INDONESIA

SOME LESSON LEARNT



KEY SUCCES FACTORS

- Leadership and political commitment**
- Lead by political Top Decision Maker**
- Grand Coalition (Multistakeholders)**
- Trajectory reforms must doable**
- Reform the reformers (critical mass reformers)**
- Comprehensive Roadmap, gradual implementation**
- Support from development partners**

Obstacles of Reform

Difficulties in **convincing leaders to reform**

Lack of expertise to reform (know how to reform)

Strong sectors-egoism amongst government agencies

Resistance from status-quo bureaucracy

Limitation of budget financing reform programs

Reform Programs accepted as “**elites matters**”

Sustainability of reform

Poverty Alleviation Unit in Sragen

“Common Practices”	Poverty Alleviation Unit in Sragen
Silo mentality of each organization in solving poverty	Integrated strategy in alleviating poverty
Difficulty for public in solving their poverty problem due to many offices in charge of the problems	Ease of access through single office
Poor people gets poorer due to tariffs and/or bribery to get government services	All services related to poverty are free



THE NEW COMMITMENT AND PROGRAM OF ADMINISTRATIVE REFORM

- A. The government transition process has shown positive signs**
- B. The new President Joko Widodo has commitment to implement and continue bureaucratic reformation**
- c. President Joko Widodo's new administration in future policy making on reform program:**
 - 1. Bureaucratic reform program is not a short term program**
 - 2. The new administration should conduct national review or comprehensive evaluation on the bureaucratic reform program**
 - 3. Bureaucratic reform surely not only bureaucrat domain and responsibility but also concern of another important element in the country**



THANK YOU