

Pushing the nuts and bolts of bureaucratic reform, not just salary increase

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Since the beginning of his second term in office, President Susilo Bambang Yudhoyono has put bureaucracy reform forward as one of his 11 development priorities. The grand design of bureaucratic reform for 2010–2025 was laid out in the government regulation (PP) No. 81/2010.

The Administrative Reforms Ministry has been reassigned to accommodate the importance of reform initiatives. The National Steering Committee for Bureaucracy Reform was established through Presidential Decree (Keppres) No. 14/2010. The Administrative Reforms Ministry even formulated a roadmap for reform and technical policies, such as the moratorium on recruitment for public servants, which is in effect until end of 2012.

Nevertheless, the Indonesian public's negative perception of the bureaucracy persists. Cases of corruption involving regents and mayors, mid- and low-ranking officials at the Taxation Directorate General have made national headlines. Meanwhile, the routine spending on bureaucracy at all levels has been on a steady increase over years in order to improve remuneration although public officials' performance has stagnated and the quality of services has declined.

For sure, there are sporadic improvements in public services initiated by local leaders. Bondowoso and Jember regents vowed to replace corrupt and incompetent officials as well as underperforming civil servants. They required higher echelon officials to sign an integrity pact before assuming strategic posts. Departing from the mainstream policy, they sent a message that public officials should not be given the assurance of lifetime employment and all its perks.

Popular Surabaya Mayor Tri Rismaharini initiated an integrated office to issue permits, a policy that has helped East Java boost foreign direct investment from Rp 2.8 trillion in 2010 to Rp 17.6 trillion in 2011 (The Jakarta Post, June 8, 2012). There were also cases of best practices in electronic government in Sragen, urban resettlement in Surakarta and agricultural revitalization in North Luwu, West Sulawesi. Such encouraging cases, however, constitute the exception rather than the rule. They were initiated by individual local leaders and have no direct links to national-level policies on bureaucracy reform.

Having been effective for two years, the “grand design” for bureaucracy reform has not significantly changed the general characteristics of the

Indonesian bureaucracy. The quality of public services remains poor, organizations are still over-staffed and the general perception in the public's view remains negative. This sub-standard performance is perpetuated by the worrying trend of more financial resources made available for and absorbed by public servants. From the total government expenditure of Rp 954.1 trillion in the 2012 budget, Rp 215.7 trillion (22.6 percent) was allocated for salaries, up from 20.1 percent in the previous fiscal year. The Home Ministry reported that 293 or 61 percent of the country's 497 regional governments spent more than a half of their budget on public officials' salaries (Kompas, May 3, 2012).

Therefore, it is high time to carry out bureaucratic reform in Indonesia from the nuts and bolts. The grand design is not workable without a clear vision of the national leaders and a shrewd judgment on strategies to tackle the problems.

At present, the Administrative Reforms Ministry has initiated nine acceleration programs, ranging from the open recruitment and promotion system, remuneration system, to assets and wealth report systems. All of them have to be supported by strong commitment from government agencies at the national, provincial as well as district levels. For example, the policy to limit personnel expenditures up to 50 percent of the local budget must be implemented with appropriate rewards and punishments. The policy to increase remuneration has to go together with a performance-based pay system rather than the current system of entitlements.

To ensure that all the technical measures work, three strategic issues have to be tackled.

First, it is fundamental to sever the destructive connection between politics and the bureaucracy. Issues of the bureaucracy in Indonesia have been more complex because administrative positions are co-opted by political interests, which in turn trigger political corruption. The President appointed 17 of 34 ministers from the elites of parties in his governing coalition. It would not be a problem if the "political" ministries did not intervene with appointments and administrative procedures in the bureaucracy. During the two terms of Yudhoyono's administration, however, the opposite has occurred.

The President has appealed to ministers not to pursue their own narrow political interests at the expense of the public interest, but his call has fallen on deaf ears. The President could have done more by continually evaluating the ministers' performance, especially on whether their policies jeopardized bureaucratic neutrality, and impose penalties if necessary.

It is also essential to cultivate a mind-set of reform among ministries that manage the portfolio for bureaucracy reform, including the Administrative Reforms Ministry, Home Ministry, Finance Ministry and the National Development Planning Ministry. After many ideas for reform have been proposed, most of decision makers apparently have forgotten the caveat to "reform the reformers". This argument is substantiated when, for example, we look to the Administrative Reforms Ministry's current resistance to the bill on the national civil service.

If strategic decision makers in the ministry do not have confidence in progressive ideas for merit-based recruitment as formulated in the draft law, how can they convince other government agencies to carry out the same reforms?

Finally, all the efforts to push for reform have to be linked with the ultimate goal of creating accountable governance. The 4.7 million public servants should be enough to carry out public services if they are competent and are made accountable to the public. Unfortunately, there is a lack of capable staff in many positions, leaving the relatively capable officials overloaded in their duties.

The increases in remuneration have to be linked to real performance, regular supervision of each official and strict penalties against corruption, and decision makers should not hesitate to dismiss non-performing officials.

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