Bureaucracy and Policy Making in Indonesia: Contemporary Issues

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PREFACE

The emergence of new economic, social, and political changes could result in greater instability and uncertainty. In the aftermath political turmoil and the collapse of authoritarian New Order regime, dramatic and multifaceted changes have taken place in Indonesia while unresolved issues in administrative system remains. The role of the state and its relations with the bureaucracy and citizens are experiencing substantial transformation. There is a need to explain what are the empirical elements of such transformation and how it might contribute to general theory on government transformation in transition countries. This book is aimed at explaining two major topics: First, how the Indonesian state is adapting itself into a more democratic environment while preventing from becoming a failed stated as happened in transition countries. Second, how the state apparatus is adapting to the overwhelming demands for public participation typically happened in a democratic society while information and knowledge transfer runs faster due to technological advance.

We begin with an examination of Indonesian public sector and policy performance. When the authoritarian regime was toppled, all the political elites in Indonesia faced ever-increasing pressures from citizens, all of whom have expectations that government should be responsible for solving problems and providing citizens with required services. Not all the public expectations are answered and the Indonesian government is still struggling to put the appropriate administrative system in place. But several transformations within the bureaucracy are underway. These transformations carry many challenges, as well as risks, that the government officials, administrators and citizens will have to confront and address.

Along with the government transformation there are fundamental problems need to be addressed. Budget constraints, human resource capacity, infrastructures and basic need provision continue to be the main
development challenge. Indonesian government is required to work extra-hard to eliminate these barriers. Meanwhile, Law No.21/2002 on Political Parties, and Law No.22/1999 (subsequently amended by Law No.32/2004) on Local Government, have ushered Indonesia to the era of a democratic nation. There are numerous new policies, which aims not only to adjust the structures and functions of government, but also to take into account broader context of democratic governance.

This book is a compilation of many contributors and as such it is a joint product. The idea for this book arose on the lunch table at the Department of Public Policy and Management, Universitas Gadjah Mada in mid 2013. Since the faculty members at the department have done a lot of studies, either conducted individually or within team-works, we thought that findings of those studies can be disseminated to open up further discussion. It is part of academic knowledge sharing, and is expected to contribute to public discussion on public policy making and public sector management. The findings showed encouraging as well as discouraging conclusions, but we sense a great optimism among our colleagues about the future of administrative system in the country.

Nine chapters of this book explore and discuss the progress and the challenges faced in Indonesia and one chapter on policy lesson from South Korea. It is based on the view that, from others' experience we may find a possible solution to our problems. The chapters are varied in their topic, ranging from the issues of performance in public bureaucracy, regulatory policy, relations between the state and the civil society, industrial policy, disaster management, inter-governmental fiscal transfers, cultural policy, education, and SMEs. Efforts have been made to ensure that the Indonesian government work better. It is certainly not easy to find the best strategy and policy, considering the rapid changes of the social and political environment. However, the main focus here is not finding a formula for success, but rather rediscovering what has been going on, what efforts have been made, what are the implications, and how to cope with constraints in order to embark on better policies.
The first chapter is written by Agus Pramusinto and gives a description and analysis on post-Soeharto bureaucracy. A number of political changes have occurred, which in turn created a new portrait of bureaucracy: (a) the multi-party system that led to bureaucracy vulnerability; (b) ethnocentrism that brought about atomization and fragmentation of bureaucracy; and (c) direct local government elections that induced politicization of bureaucracy. Muyanja Ssenyonga then discusses about democratic decentralization and social capital. He argues that social and economic gains generated by the democracy do not seem to trickle down to the rank-and-file of the Indonesian population due to the fact it has concurred, though not necessarily caused, with high unemployment, poverty incidence, and falling government effectiveness. Agustinus Subarsono in Chapter 3 provides discussion about the role of small business in decentralization time. Political decentralization failed to involve business associations and small business owners in the process of decision making at the district level because business associations have not yet developed links with political parties. In Chapter 4, Erwan Agus Purwanto elaborates concept and practice of state illegality as a strategy to elude laws and regulations among Indonesian local bureaucrats. The advent of political reforms in Indonesia has brought major changes in the country's political dynamics, including efforts to combat corruption. Nonetheless, endeavors to eradicate corruption, which have in general been limited to legal and institutional approaches, have failed to produce satisfactory outcomes. In Chapter 5, Ario Wicaksono assesses political commitment among the elected-officials that determines the success of applying technocratic instruments in restructuring local government organisations. Policies on organisational right-sizing have to face with resistances from all layers and echelons of the local government, which are compounded by the use of office politics to hamper the implementation of reforms. The end of Part 1 is written by Wahyudi Kumoratomo who discuss about Indonesian policy agenda on DAK (specific grant) schemes for financing minimum service standards and local initiatives on greenhouse gas reductions. The chapter argues that by focusing
the DAK financing on public service improvements, the decentralization policy in Indonesia will become even more beneficial and meaningful to the public. It also offers alternatives to redirect the DAK funds into more specific programs that are rooted in decentralized governance, which would have significant improvement in local public service provision and better response to global initiatives on reducing green-house gas emissions.

Part 2 deals with some issues and cases on public policy and management. The first chapter in this Part is Ambar Widiningrum work, arguing for Regulatory Impact Analysis (RIA) as a vital tool for the government to learn the best way in dealing with complex public policy issues in a competitive and open market environment. The chapter also presents experience drawn from district of West Lombok in Eastern Indonesia that has applied RIA in the local regulation making process. It is argued that, by applying RIA, possible negative impacts of particular regulatory implementation can be minimized as they can be anticipated right from the beginning. Then, Muhammad Prayoga Permama in Chapter 7 focusses on the success of cultural industrialization, the case of Korean Wave as policy lessons. The emergence of Korean Wave has derived multiplier effects for South Korea ranging from the strengthened nation branding to massive Korean product consumption. Rather than simplifying the surge of Korean wave as a bubble, this paper advocates cultural policy approach to gain some policy lessons. Cultural policy argues that there is institutional support that channel creativity to accomplish social as well as economic well-being. In Chapter 8, Bevaola Kusumasari examines the practice of local government in managing a disaster based on institutional and networking theory. Disaster management is primarily a public activity that is coordinated from local level up to the central government. All government levels must have the same commitment to create a better network for the community. Institutional theory is used to guide understanding on how institutions and local culture are contingency factors in institutional and disaster management practices. At the same time network theory is used in to examine inter-organisational networks, citizen-to-organisation networks and
organisation-to-citizen networks in disaster management. The final chapter, Puguh Prasetya Utomo provides a detailed description and assessment on the role and challenges of inclusive school development in institutionalizing anti-discrimination society. He argues that the idea of inclusive education is not only to increase and improve the access of disabled people to education services but also to develop an inclusive and anti-discrimination society. Based on a qualitative research conducted in Yogyakarta, this chapter underscores the reality that implementing inclusive education is not easy to achieve, given the many challenges that range from inconsistent government policies to school and community resistance.

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