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## RESEARCH ARTICLE

## DEVELOPING ADMINISTRATIVE REFORM OF THE WORKING CABINET

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**Abstract**

The goal of current Working Cabinet is to ensure that citizens are subjected to governmental services. It is highly dependent on the success of administrative reform on the government structure. Through desk study on various sources of literature, this study aims to provide an overview as well as a corridor for administrative reform measures that have been and can be done by the Working Cabinet in the future. The analysis is conducted by referring to the opinion of Turner and Hulme (1997) about the five pillars of administrative reform (restructuring, participation, human resources, accountability and the involvement of private sectors). It is concluded that in fulfilling the ideal of administrative reform, the Working Cabinet has been working hard, yet there are still many things to be addressed to ensure the achievement of the ideals.

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## INTRODUCTION

“The government I lead will work to ensure that each citizen in all corners of Indonesia is subjected to governmental services. I also invite all of the institutions to work with the same spirit in carrying out their duties and functions”. The excerpt from the speech delivered by President of Indonesia, Joko Widodo, during the Inauguration before the Plenary Session of MPR in 2014 is an evidence and a promise to be carried by his government, the Working Cabinet, until 2019 in terms of government administration. The goal of the Working Cabinet, to ensure that citizens are subjected to governmental services, depends heavily on the success of administrative reform on the government structure.

Administrative reform has been a discourse since the 1960s, part and parcel of the theory of public administration and organization. Administrative reform became a distinctive discipline in the 1980s (Caiden, 1991; vii). In Asia Pacific countries, administrative reform has become an important agenda since the 1970s. The wave of demand for the improvement of social, economy and quality of life leads governments in Asia Pacific countries to take measures within the framework of reform to achieve efficiency, effectiveness, and responsiveness in their administrative systems (Guzman and Reforma, 1992: 2).

Administration for development has been significant since the World Bank focuses on management development. This confirmation is quite important with regard to the management in the public sector at the moment the economic paradigm emphasizes market's efficiency and effectiveness. Dissatisfaction and failure are not issues caused by the selection of inappropriate policies; both are also caused by government institutions performing low quality work. Public organizations encouraged to be large and improved in fact become the obstruction of development and it makes the organizations become more expensive. Organizations are required to be more efficient, effective, and moneymaking. Public sector management requires refreshment and needs to redesign the

vital component of strategies to make a country healthy. Therefore, administrative reform is a universal way to bring changes in public sectors. A country can no longer be trusted unless it develops administrative reform (Turner and Hulme, 1997: 97-100<sup>1</sup>). The Working Cabinet has performed many efforts to achieve this goal; however, there are still many things to be addressed to ensure the achievement of the ideals of administrative reform. Through desk study on various sources of literature, this paper aims to provide an overview as well as a corridor for administrative reform measures that have been and can be done by Working Cabinet in the future.

## B. THE CONCEPT OF ADMINISTRATIVE REFORM

Caiden (1969: 57-65)<sup>2</sup> clearly distinguishes between administrative reform and administrative change. Administrative reform emerges as a result of malfunction, natural administrative change, while administrative change is more as automatic response of an organization to environmental changes.

In addition to the differences, there are common elements in the various definitions. First, administrative reform is a prudent plan to change the public bureaucracy. Second, administrative reform is synonymous with innovation. Third, the efficiency and effectiveness of public services are the results of the reform process. Fourth, the urgency of reform is justified as the need to resolve the uncertainty and rapid changes in an organizational environment.

The main concern of administrative reform in terms of organization is primarily focused on the achievement of objectives, targets, policies, size, shape, structure, concentration, and others. Meanwhile, in terms of the individual, administrative reform emphasizes more on the rights, obligations, loyalty, ambition, hope, creativity, and others (Caiden, 1991: 97-100)<sup>3</sup>.

The success of reform of the system of government affects the reform of other institutions as a whole. Administrative reform will change the outcome of the balance of power and administrative capacity. The improvement of community's needs results in pressure on the improvement of administration and continuous demand for improvement of administrative system. Siagian (1993: 135)<sup>4</sup> states that the objective of administrative development is mainly intended to perfect the state apparatus on an ongoing basis and in sustainable and comprehensive manner by maintaining a permanent function of the current apparatus with all the weaknesses, and improving administrative capacity to meet urgent, partial, and incremental needs.

In this case, Mikesell (1995: 129)<sup>5</sup> states that the content of administrative reform is the reorganization of the administration as the main instrument of administrative perfection. Administrative reform also results in changes in people's attitudes, behaviors, and values. Thus, administrative reform includes the institutional aspects and behavioral aspects. To achieve the goal of administrative reform, we need to utilize the right strategy. Turner and Hulme (1997: 106-131)<sup>6</sup> states that there are five strategies in administrative reform, as follows:

1) Restructuring. According to Turner and Hulme (1997), downsizing, power sharing, and improving the organization's response to the client are small portions of restructuring. Based on this theory, the main reason for restructuring is to make the organization more effective and efficient. Structural component of the organization is complexity, formalization, and centralization. Complexity refers to the degree of differentiation within the

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<sup>1</sup> Turner Mark and David Hulme, 1997, *Governance, Administration and Development, Making the State Work*, London: Macmillan Press Ltd.

<sup>2</sup> Caiden, Gerald E, 1982, *Public Administrative*, Second Edition, California: Palisades Publisher.

<sup>3</sup> Caiden, Gerald E, 1991, *Administrative Reform Comes Of Age*, Berlin : Walter de Gruyter

<sup>4</sup> Siagian, Sondang P, 1993, *Administrasi Pembangunan*, Jakarta : Gunung Agung.

<sup>5</sup> Mikesell, 1995, *Fiscal Administrations, Analysis and Application for the Public Sector*, New York: Mc Graw-Hill Book Co.

<sup>6</sup> Turner Mark and David Hulme, 1997, *Governance, Administration and Development, Making the State Work*, London: Macmillan Press Ltd.

organization, including division, specialization, distribution and others. Formalization is the standardized level of job within the organization. Centralization refers to the level that centralizes decision-making.

2) Participation. According to Turner and Hulme (1997), the tendency of the administration, particularly in developing countries, is focused on public management. Public itself has only a minor influence on the management. The structure and culture of bureaucracy in developing countries have three characteristics, namely (a) emphasize on top-down decision-making; (b) the internal power relation determine who gets the service and what service is provided; (c) there is an assumption that technology is superior. In such public management, individuals, organizations, and groups in society do not have the ability to decide the quality of the service they receive and the influence of the quality of the service.

3) Human resources. Turner and Hulme (1997) argue that the most valuable resource in an organization is the staff. The staff is in charge of implementing and coordinating tasks, organizing input and producing output. Without human resources there will be no organization. Therefore, it is not surprising that human resources must be given a serious concern in order to create efficiency and effectiveness in a country's bureaucracy.

4) Accountability. Turner and Hulme (1997) view accountability as an extremely complex concept. Accountability is one of the goals of reform, meaning that it involves more dimensions than just to deal with corruption. Accountability is a way to press the actors of public sector in order to achieve better performance. In the bureaucracy of traditional organization, accountability is implemented through a hierarchy of supervisor up to the highest position. The process of democratization can potentially make accountability more open since it creates a condition that monitors the performance of public sector and can apply political pressure.

5) The interaction of public and private sector. Turner and Hulme (1997) view the interaction of public and private sector as an important issue in the administrative reform. International financial institutions have encouraged cooperation between public and private sectors, particularly in the social welfare sectors as a part of administrative reform technique.

## **C. THE MEASURES OF ADMINISTRATIVE REFORM IN THE WORKING CABINET**

Referring to the aforementioned opinion of Turner and Hulme, an illustration of the measures of administrative reform in the Working Cabinet is as follows:

### **1. Restructuring Process: The Dynamics of Jokowi's Government Restructuring**

According to the opinion of Turner and Hulme (1997), the restructuring in an administration is expected to make the organization more effective and efficient. It has been basically answered by the structure of Working Cabinet that has undergone changes in nomenclature that refers to the need for a more efficient organization. Jokowi's government has downsized the nomenclature of the existing Ministries and incorporated the cabinet structure, including the nomenclature of echelon I and II in each Ministry and Institution. It has also gradually eliminated the position of echelon III. This is supported by the enactment of Law No. 5 Year 2014 regarding Civil State Apparatus that also mandates the elimination of position of echelon III and IV.

However, the efforts to downsize and restructure the cabinet by President Joko Widodo in fact have an impact on the pace of program implementation. It is feared that major restructuring shall take a long time so that in the first year it intrudes on the wheel of government, particularly in terms of budget absorption.

The slowdown of budget absorption, either State Budget (APBN) or Regional Budget (APBD), in fiscal year of 2015 is due to administrative problems, particularly changes in the nomenclature of the ministries and

institutions. It is in line with the statement of Agun Gunanjar (2015)<sup>7</sup> "The slowdown of budget absorption in reality has occurred since the beginning of Reform, but the increase of the slowdown for this year is quite significant due to the change in nomenclature."

Furthermore, the restructuring process conducted by the Working Cabinet has not been in line yet with the simplification of administrative procedure and budget, so that the process of change in nomenclature is not followed by changes in procedure. It is in line with the statement of Agun<sup>8</sup>: "Other problems are too many procedures and disbursement process, so that President Joko Widodo needs to establish policy that cuts administrative process hampering the disbursement."

It illustrates that the occurring process of restructuring in administrative reform of the Working Cabinet has so far been in merely institutional phase. It should be followed immediately by the reform in the procedure and budget. Should the reform go hand in hand in terms of institution, procedure and budget, the process of administration reform conducted by Working Cabinet in the future will run more smoothly and accelerated.

## 2. Participatory Process in the Working Cabinet

The participatory process for administrative reform in the era of the Working Cabinet experiences a breakthrough, deserving a focus of attention. Participatory efforts conducted by President Joko Widodo and his cabinet through *Blusukan* strategy become a public concern. This approach is the evidence that participatory process has been running. President Joko Widodo in his speech at KTT G20 elaborates: "I just introduce the approach of heart-to-heart dialogue directly to the public, called '*blusukan*'. That way, I get feedback not only in line with the wishes of the citizens, but also produce system and improvement of the system to be more efficient, transparent and accountable by maximizing existing potential."<sup>9</sup> This good intention has become the evidence of the spirit of the administrative reform where the government can get closer to the citizens.

It is also followed by the spirit carried out on the various programs of The Working Cabinet where the development process is more directed to the suburbs or villages. Rural-based development process refers to the process of social mentoring, a process more preferred than the coaching process.

Principally, Village Mentoring is different from coaching. In coaching, the coaches and trainees have a hierarchical relationship; that knowledge and truth flow in one direction from top to bottom. On the other hand, in mentoring, mentors and mentees stand side by side. It is similar with the distribution of village fund. Village Fund can only be managed by encouraging village to develop responsive and participatory planning and budgeting system<sup>10</sup>. The Working Cabinet is trying to actualize it.

In the previous government, the village had been obliged to make plans, but the proposed program initiated by the society and the village government is rarely accommodated in the development planning policy for regional level. Many village governments complain that the proposed list of priority program in the Government Work Plan of the village eventually became a fallow list of proposals. Therefore, it is now a priority to be changed<sup>11</sup>.

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<sup>7</sup> Quoted from the news *Legislator: kelambanan penyerapan anggaran akibat persoalan administratif*, September 2, 2015, as downloaded from <http://www.antaranews.com/berita/515855/legislator-kelambanan-penyerapan-anggaran-akibat-persoalan-administratif>

<sup>8</sup> Ibid

<sup>9</sup> Quotes from speech delivered by President of Indonesia, Joko Widodo in the G20, November 15, 2014 in Australia

<sup>10</sup> Kurniawan, Boni (2015), *Desa Mandiri, Desa Membangun: Buku 5*, Jakarta: Kementerian Desa, PDT dan Transmigrasi

<sup>11</sup> Ibid

However, according to Setara Institute (2015), up to one year of work, the main focus of the government is still limited to ensure how the village funds of 20.76 trillion are channeled<sup>12</sup>. In the future, The Working Cabinet must ensure the readiness of the village apparatus to ascertain how accountability principle works, and supervise the development of the village. Thus, the participatory process of administrative reform will be actually proven to run to the lowest level of government.

### 3. The Auction of Position as the Key to the Development of Human Resources' Quality

Auction of position is a method popularized by President Joko Widodo when he was the Governor of Jakarta. This method is commonly used since it is considered effective in developing human resource, particularly to minimize the potential for corruption, collusion and nepotism (KKN), since the recruitment for the position is administered transparently using specific indicators and carried out by a neutral and competent party in conducting the selection. This policy is in line with the momentum of implementation of the Law on Civil State Apparatus containing spirit of administrative reform as a whole.

The euphoria of the auction of position emerges up to the level of government positions at the district level. It is actually a very good spirit and it has been successful transmitted to the lowest level. The auction of position has a clear goal and legal basis; however, the important thing to note is how the process of the auction is conducted with a selective and transparent process in order to obtain credible and competent public officials.

However, the immediate application in nearly all government institutions at both central and regional level will not only evoke the pros and cons, but lead to excess in the bureaucracy, particularly the immature state of the system and mechanism on auction of position at various levels that will need to be evaluated so that the auction process can run effectively without any counterproductive effects against the government. It is in line with the opinion of Jimly Asshidiqqie (2015)<sup>13</sup> in an interview of which he said that a thorough evaluation of any public position to be elected directly and indirectly is required. One of his opinions is that one of the shortcomings of the auction of position is the setting of career path of an employee and the loyalty of subordinates to superiors. One of the noteworthy opinions of Jimly is: "open recruitment process through the auction of position done excessively will lead to demoralization of career employee, as well as the decrease of initiative and creativity since they wait for a new culture of recruited leader"<sup>14</sup>.

As the real picture on the field, it can be cited from the news in Ujung Pandang Daily Express, Thursday edition, October 1, 2015 as follows<sup>15</sup>: Ibrahim Saleh prefers refreshment in the school environment to be implemented in the form of selection through a process of assessment conducted by the Advisory Board for Position and Ranks (Baperjakat). Ibrahim does not choose selection without reason. Some auctions of position first held by the city government always end with protests from the officials who do not accept the results of the auction. In fact, some even debate the results in court.

In this case, fears in the field on a long process encountered in the auction of position emerge, causing the hindrance of the process of government. Reflecting on this, the process of auction of position needs to be reorganized so that the application can be much more effective and supportive for the overall government process. Any hindrance in the field occurs due to differences in understanding and mechanisms in the region conducting the

<sup>12</sup> Stated in the Press Conference of Setara Institute, Oktober 29, 2015, as quoted from [http://www.cnnindonesia.com/nasional/20151029155207-20-88225/pemerintah-dikritik-atas-  
implementasi-uu-desa/](http://www.cnnindonesia.com/nasional/20151029155207-20-88225/pemerintah-dikritik-atas-implementasi-uu-desa/)

<sup>13</sup> Quoted from interview between Antara and Jimly Asshidiqqie in September 2015, as quoted from <http://www.antaranews.com/berita/517468/jimly--lelang-jabatan-perlu-dievaluasi-ulang>

<sup>14</sup> Ibid.

<sup>15</sup> Quoted from Article "Antara Lelang dan Seleksi Jabatan", as quoted from <http://upeks.co.id/smart-city/antara-lelang-dan-seleksi-jabatan.html>

auction of position. Therefore, existing hindrance should be eliminated by preparing a better, effective and integrated mechanism for the auction of position.

#### **4. The Challenge of Accountability in Jokowi's Government**

Accountability is a quite complex concept. Accountability is one of the goals of reform and this means it involves more dimensions than just to deal with corruption. Accountability is a way to press the actors of public sectors in order to achieve better performance. In the bureaucracy of traditional organization, accountability is implemented through a hierarchy of supervisor up to the highest position. The process of democratization can potentially lead to more open accountability since it creates a condition that monitors the performance of the public sectors and can apply political pressure.

In addition, the current government manages to create significant debureaucratization through the further involvement of society's role in many policy decisions. In addition to blusukan process, one debureaucratization effort that increasingly encourages the achievement of accountability is the openness of the government to the flow of social media. Currently, public support or rejection can be easily read through social media. The public is currently more responsive in responding to various matters relating to the government, starting from the policies issued by the government to the public service at the lowest level. It clearly supports the regulatory process through the increase of span of control or the control range to the lowest level.

Debureaucratization process that occurs through social media must be a momentum for the government to further improve its accountability. Do not let this momentum miss due to the fear of some government officials or certain political groups as a result of harsh and open public's criticism or input. Most importantly, it is about how the existing bureaucracy actually works and shows the improvement of public services optimally to the society. It is in line with the statement of Yuddy Chrisnandi in Bureaucratic Reform Jamboree in 2015: "I agree with any vision and mission of Nawa Cita, the key factor is the bureaucracy. If the bureaucracy is twisted, disorganized and far from the expectations of the society, Nawa Cita will be just a document, difficult to be actualized."<sup>16</sup>

#### **5. Building interaction between public and private sector.**

One of the real efforts made by the Working Cabinet for administrative reform is encouraging the role of private sector in providing infrastructure. Through the mechanism of government-private partnership, it is expected that the development process can be more effective and reduce the great burden on the government budget.

RPJMN 2015-2019 notes that national infrastructure during the year 2015-2019 is estimated to require about IDR 5,452 trillion. According to Bank Mandiri<sup>17</sup>, there is a financing gap of IDR 4,274 trillion or 78% of total infrastructure requirement in 2015-2019. This infrastructure financing is the issue that finally prompts the government to interact more openly with the private sector.

In consideration to accelerate infrastructure development and to improve the efficiency of the bureaucracy, President Joko Widodo (Jokowi) has signed a Presidential Decree No. 38 of 2015 regarding Government Cooperation with Business Entities in the Provision of Infrastructure on March 20, 2015. It is the evidence of administrative reform conducted by the Working Cabinet by opening wide spaces to build interaction between the public and private sectors. The Presidential Decree states that the Minister/Head of the Institution/Head of the Region can work with business entities (BUMN, BUMD, private, foreign legal entities, or cooperative) for

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<sup>16</sup>Quoted from speech delivered by Minister of the Ministry of Administrative Reform and Bureaucratic Reform, Yuddy Chrisnandi in the Opening of Bureaucratic Reform Jamboree, June 3, 2015, as downloaded from <http://sp.beritasatu.com/home/menpan-rb-kunci-nawacita-ada-dalam-birokrasi/88727>

<sup>17</sup> Office of Chief Economist Bank Mandiri, 2014, *Industry Update volume 15 September 2014*, Jakarta: Bank Mandiri.



Infrastructure Provision. This cooperation is based on the principle of Partnership, Usefulness, Competition, Risk Control and Management, Effective and Efficient<sup>18</sup>.

Public infrastructure that can be invited to cooperate with the private sector according to Presidential Decree No. 38 of 2015 is economic infrastructure and social infrastructure. Economic infrastructure and social infrastructure includes: a. Transportation infrastructure; b. Road infrastructure; c. Infrastructure of water resources and irrigation; d. Drinking water infrastructure; e. Infrastructure of management system for centralized waste; f. Infrastructure of management system for local waste; g. Infrastructure of management system for garbage; h. Communication and information infrastructure; i. Electricity infrastructure; j. Oil and gas and renewable energy infrastructure; l. infrastructure of energy conservation; m. Infrastructure of educational facilities; n. Sports facilities and infrastructure; o. Regional infrastructure; p. Tourism infrastructure; q. Health infrastructure; r. Penitentiary infrastructure; and s. Public housing infrastructure.

The opportunity for government to cooperate with private sector opens not only for the central government but also local governments. According to the Presidential Decree No. 38 of 2015, the Minister/Head of the Institution /Head of Region initiates Infrastructure Provision that will be cooperated with Business Entities through KPBU scheme.

The government should use this opportunity optimally so that the process of debureaucratization in administrative reform is actually proved by the increasing of private space to engage in the provision of public interest.

#### D. CLOSING

The Working Cabinet has been working hard to meet the ideals of administrative reform. However, it should be recognized that there are many issues to be addressed to ensure the achievement of the ideals of administrative reform. Referring to the opinion of Turner and Hulme (1997) about the five pillars of administrative reform (restructuring, participation, human resources, accountability and the involvement of private sectors), several conclusions are obtained:

- The process of restructuring in administrative reform of the Working Cabinet all this time is conducted only in institutional phase. It should be followed immediately by reform in the procedure and budget. If the reform goes hand in hand in terms of institution, procedure and budget, the process of administration reform conducted by the Working Cabinet in the future will run more smoothly and accelerated.
- Related to the participatory pillar in administrative reform, "blusukan" approach is the evidence that participatory process has been running. It is also followed by the spirit carried out on the various programs of The Working Cabinet where the development process is more directed to the suburbs or villages. However, it must be recognized that the main focus of the government is still limited in developing participatory effort as a whole. In the future, the participatory process of administrative reform should be actually proven to run to the lowest level of government.
- Related to the pillar of human resources, the auction of position in current government is the evidence of the administrative reform. However, existing hindrance should be eliminated by preparing a better, effective and integrated mechanism for the auction of position.
- Related to the pillar of accountability, one debureaucratization effort to encourage the achievement of accountability is government's openness to the flow of social media. Debureaucratization process that occurs through social media must be a momentum for the government to further improve its accountability. Do not let this momentum miss due to the fear of some government officials or certain political groups.

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<sup>18</sup> Quoted from <http://setkab.go.id/resmi-presiden-jokowi-izinkan-kerjasama-pemerintah-dengan-badan-usaha-bangun-infrastruktur/>

- The openness of the public sector to the private sector has been done by the issuance of Presidential Decree of KPBU that opens an opportunity for government to cooperate with private sectors in providing public infrastructure in general. It certainly should be encouraged so that the implementation of the regulation is truly actualized.

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