CIVIL SERVICE REFORM IN INDONESIA

Prijono Tjiptoherijanto

ABSTRACT

An important agency of the government is its civil service or bureaucracy. The civil service has the potential to empower a government to achieve a country’s goals, that is, to improve its citizens’ standard of living. The ability of a civil service to successfully support the government depends heavily on the characteristics of the civil service. In the case of Indonesia, the civil service is slow; lacks transparency, accountability, and initiative; and is sometimes corrupt. Therefore Indonesia’s civil service is badly in need of reform, both in relation to its institutional aspects as well as in relation to moral issues.

“God . . . is clearly democratic. He distributes brainpower universally, but He quite justifiably expects us to do something efficient and constructive with that priceless gift. That is what management is all about.” (McNamara, 1968, pp. 109–110)

INTRODUCTION

The issue of good governance has gained prominence during the last two decades. Good governance has become the new paradigm of public administration, replacing Weber’s (1978) old public administration model. The new model involves cooperation among the government, civil society, and the business sector, whereas the old one only took government entities into account.

Reforms in the field of human resource management and civil service administration point to the changing role of public administration. This new role has been shaped by three main models: (a) public administration, (b) public management, and (c) governance. While public administration can be defined as all the processes, organizations, and individuals involved in carrying out laws and other rules adopted or issued by the legislature, the executive branch of government, and the courts, public management redefines the relationship between the government and society.

According to Osborne and Gaebler (1993), the new paradigm of public management calls on governments to focus on achieving results rather than solely conforming to procedures and to adopt competitive, innovative, and entrepreneurial strategies. By contrast, according to the World Bank (1993b), good governance entails sound public sector management (efficiency, effectiveness, and economy), accountability, and exchange and free flow of information (transparency) along with a legal framework for development (justice and respect for human rights and liberties). Hirst (2000: 14) offers a more succinct definition of good governance, namely, that it refers to “creating an effective political framework conducive to private economic action: stable regimes, the
rule of law and efficient state administration adapted to the roles that government can actually perform and a strong civil society independent of the state.”

Table 1 highlights some of the unique characteristics of each of the three main models discussed. Regardless of the model, the civil service has a key role to play in empowering a government to achieve a country’s goals and to improve its citizens’ standard of living.

**Table 1. Key Aspects of Three Models of Public Administration.**

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Public administration</th>
<th>Public management</th>
<th>Responsive governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship between citizens and the state</td>
<td>Obedience</td>
<td>Entitlement</td>
<td>Empowerment</td>
</tr>
<tr>
<td>Accountability of senior officials</td>
<td>To politicians</td>
<td>To politicians and citizens/customers</td>
<td>To politicians, citizens, and stakeholders</td>
</tr>
<tr>
<td>Guiding principles</td>
<td>Compliance with rules and regulations</td>
<td>Efficiency and results</td>
<td>Accountability, transparency, and participation</td>
</tr>
<tr>
<td>Criteria for success</td>
<td>Output</td>
<td>Outcome</td>
<td>Process</td>
</tr>
<tr>
<td>Key attribute</td>
<td>Impartiality</td>
<td>Professionalism</td>
<td>Responsiveness</td>
</tr>
</tbody>
</table>

*Source: United Nations (2005).*

**THE INDONESIAN CIVIL SERVICE**

To adapt to globalization, the Indonesian government has to improve the structure of its bureaucracy, both in terms of enhancing the quality of government employees and developing a modern and efficient system. The development of human resources would improve the quality of services provided to citizens. This task is currently especially significant in Indonesia as the country is confronting a variety of new developments, such as democratization and decentralization.

**Number of Civil Servants**

Indonesia has a large number of civil servants: approximately 3.74 million, or 1.7% of the 2005 population. This figure represents a decrease from 1974, during the early years of the so-called New Order Government (1966–98), when the ratio was about 2.1% of the population. These ratios are similar to those of other countries in the region, such as India (1.2%), Pakistan (1.5%), the Philippines (2.1%), and Vietnam (3.2%) (Schiavo-Campo, 1998).Table 2 shows the number of civil servants at different levels of government.
Table 2. Number of Civil Servants, Selected Years.

<table>
<thead>
<tr>
<th>Level of government</th>
<th>1974</th>
<th>Percentage (% of all civil servants)</th>
<th>2002</th>
<th>% of all civil servants</th>
<th>2003¹</th>
<th>% of all civil servants</th>
<th>2005</th>
<th>% of all civil servants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central government</td>
<td>1,312,254</td>
<td>78.3</td>
<td>915,660</td>
<td>24.0</td>
<td>840,007</td>
<td>23.1</td>
<td>896,211</td>
<td>24.0</td>
</tr>
<tr>
<td>Provincial governments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>311,047</td>
<td>8.5</td>
<td>303,724</td>
<td>8.1</td>
</tr>
<tr>
<td>Regency or municipality</td>
<td>362,617</td>
<td>21.7</td>
<td>2,907,426</td>
<td>76.0</td>
<td>2,496,951</td>
<td>68.4</td>
<td>2,541,560</td>
<td>67.9</td>
</tr>
<tr>
<td>Total</td>
<td>1,674,871</td>
<td>100.0</td>
<td>3,823,086</td>
<td>100.0</td>
<td>3,648,005</td>
<td>100.0</td>
<td>3,741,495</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: National Civil Service Agency data.

As table 2 shows, as of 2002, the number of civil servants assigned to regional levels of government is far higher than the number in the central government. This is in line with the government’s objective of providing better quality services to the public, as well as moving government closer to society. Indeed, the main objective of public service reform in most Asian countries is to provide citizens’ with enhanced services (see, for example, Chham 2006 in relation to reforms in Cambodia).

Salary System

At the same time, even though the number of civil servants in Indonesia is equivalent to only about 1.7 percent of the total population, the quality of government employees is low. This is partly an outcome of the unattractive salary system. To attract effective, efficient, and uncorrupt government employees, they need to be provided with appropriate salaries and benefits. Appropriate compensation will not only have an impact on staff turnover and on employees’ productivity and quality of work, but will also reduce tendencies for civil servants to engage in corrupt practices.

Salaries for Indonesian civil servants are determined by the level of responsibility, the type of job, and the cost of living. The salary system for government employees in Indonesia is classified as a combination scale system, because it combines the single scale system and the double scale system. Under a single scale system, employees at the same rank receive the same salary regardless of the type of job and the level of responsibility. Under a double scale system, salaries are determined based on employees’ level of responsibility and type of job. Job performance is not generally taken into account. Under the combination scale system, some civil servants might have significantly higher salaries than their colleagues at the same rank.

Civil servants are divided into four ranks, from I (the lowest) to IV (the highest), each with a basic salary scale. Ranks I through III are divided into four grades (a, b, c, and d), and rank IV has five grades (a, b, c, d, and e), making a total of 17 grades from Ia to IVe. Individual civil servants’ ranks are based on their educational qualifications and

¹ Since 2003, regional civil servants have been divided among provincial governments and regencies or municipalities. This is an outcome of the decentralization of civil servants that started at the end of 2000; however, until 2003, determining the number of civil servants assigned to the two levels was difficult.
seniority. Ranks III and IV require a university degree. The basic salary for a civil servant at rank Ia (primary and junior high school graduates), regardless of the job held and the level of responsibility, is around US$66 per month, or a little over US$2 per day. The salary for an employee at rank IVe with 32 years of service is only around US$207 per month. This is roughly equivalent to 6 percent of the average salary of a chief executive officer of an Indonesian state-owned enterprise. Table 3 breaks down basic salaries for different ranks and grades of civil servants in recent years.

Table 3. Basic Salaries for Civil Servants by Rank and Grade, Selected Years (Rp thousands/month)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>78.0</td>
<td>135.0</td>
<td>500.0</td>
<td>575.0</td>
<td>661.3</td>
<td>92.2</td>
<td>151.1</td>
<td>723.1</td>
<td>809.2</td>
<td>930.5</td>
</tr>
<tr>
<td>II</td>
<td>110.1</td>
<td>182.9</td>
<td>620.0</td>
<td>725.6</td>
<td>834.4</td>
<td>129.0</td>
<td>204.8</td>
<td>667.3</td>
<td>782.0</td>
<td>899.2</td>
</tr>
<tr>
<td>III</td>
<td>277.3</td>
<td>409.3</td>
<td>832.8</td>
<td>1,047.1</td>
<td>1,204.2</td>
<td>294.0</td>
<td>425.7</td>
<td>866.5</td>
<td>1,091.4</td>
<td>1,255.2</td>
</tr>
<tr>
<td>IV</td>
<td>150.2</td>
<td>241.8</td>
<td>760.8</td>
<td>905.4</td>
<td>1,041.2</td>
<td>154.0</td>
<td>251.5</td>
<td>788.3</td>
<td>943.7</td>
<td>1,088.2</td>
</tr>
<tr>
<td>Grade b</td>
<td>97.2</td>
<td>163.4</td>
<td>577.2</td>
<td>673.2</td>
<td>774.2</td>
<td>97.2</td>
<td>163.4</td>
<td>577.2</td>
<td>673.2</td>
<td>774.2</td>
</tr>
<tr>
<td>Grade c</td>
<td>97.2</td>
<td>163.4</td>
<td>577.2</td>
<td>673.2</td>
<td>774.2</td>
<td>97.2</td>
<td>163.4</td>
<td>577.2</td>
<td>673.2</td>
<td>774.2</td>
</tr>
<tr>
<td>Grade d</td>
<td>97.2</td>
<td>163.4</td>
<td>577.2</td>
<td>673.2</td>
<td>774.2</td>
<td>97.2</td>
<td>163.4</td>
<td>577.2</td>
<td>673.2</td>
<td>774.2</td>
</tr>
</tbody>
</table>

Source: National Civil Service Agency data.

Note: n.a. = not applicable. Applicable exchange rates were as follows: in 1993, US$1 = Rp 2,100; in 1997, US$1 = Rp 4,650; in 2001–5, US$1 = Rp 9,200–Rp 10,000.

The ratio between the salaries of the lowest-paid employees and of the highest-paid employees started changing as of 2001. This followed the departure from office of President Soeharto in May 1998, when Indonesia embarked on numerous reforms, one of the main pillars of which was democratization. Thus as of this time, equality was emphasized. As table 3 shows, in 1993 the ratio between the earnings of the lowest-paid and highest-paid civil servants was 1:7, but by 2001 it was only 1:3.
In recent years, governments have become aware that they need to link civil servants’ salaries to those paid in the private sector if they are to attract and retain the talent necessary to improve and sustain public sector performance. When income inequality among staff is deliberately increased, senior management positions become more attractive than was previously the case. In theory, an egalitarian pay structure is more attractive to those in the lower ranks of the civil service, whereas a pay structure that more clearly differentiates between staff at different levels is conducive to recruiting and retaining talent that might move to the private sector (United Nations, 2005). However, Indonesia’s salary structure is moving toward an egalitarian system, with the result that most of the best graduates from well-known and high-quality universities are not keen to become government employees. Moreover, the low salaries tend to encourage wrongdoing and illegal activities, such as accepting bribes and asking for compensation for services provided.

In Indonesia, as in many developing countries, allowances and in-kind benefits play a substantial role in remunerating public sector employees, which is why determining the right balance between pay and benefits and allowances is so important. In Zambia, for instance, permanent secretaries earn 50 times as much as the lowest-paid civil servants when in-kind benefits (housing, cars, telephones, and so on) are taken into account, but if such benefits are excluded, the difference is only fivefold (Kenleers, 2004). Moreover, where “moonlighting” and corruption prevail, senior civil servants will earn even more than junior ones, as they are likely to have more opportunities to engage in such activities.

Impact of Regional Autonomy

The situation of extremely low salaries for government employees as described earlier has changed somewhat since the implementation of Indonesia’s decentralization policy, which started in early 2001.

Proponents of decentralization see it as a process that enables more efficient allocation of resources, reduces information asymmetries, increases transparency, promotes citizen participation, and enhances accountability, thereby improving governance. Local governments are often more aware of and attuned to the needs of local populations than the central government, which means that local governments may have a clearer sense of which projects and policies people living in their jurisdictions would favor. This will have an impact on the duties of civil servants in different regions.

The other impact of decentralization has been improved conditions for some regional civil servants. For example, in Riau Province in West Sumatera, as of December 2006, a decree by the governor gave civil servants of the lowest rank (Ia) an additional Rp 1.6 million (around US$160) per month, while those at the highest level (IVe) received a pay increase of Rp 4.5 million (around US$450) per month. Thus the most senior civil servants in Riau are paid more than twice the basic salary that central government civil servants of the same rank receive. With a salary of US$657 (base pay of US$207 plus US$450) per month, civil servants in Riau earn almost as much as middle managers in the business sector in Jakarta, the capital.
In addition to regional civil servants being paid more in line with their rank, their functional professions are also recognized by means of additional functional allowances. For example, in East Kutai Regency in East Kalimantan Province, since 2006, elementary and high school teachers have been paid an additional allowance of Rp 1.2 million (approximately US$120) per month. Therefore these teachers, who are ranked II or III, have monthly incomes of around US$250 to US$290, which is much more than the minimum wage in the province set by government decree of some US$150 a month.

Nevertheless, despite some improvement that followed implementation of the Regional Autonomy Law, Indonesia’s public sector still needs to undergo substantial change, especially in relation to establishing good governance that will allow the country to compete in the global arena.

**BASIS FOR CHANGE**

The stimulus to embark on changes came from perceptions that the system of public administration was incapable of providing good services to the public. It was viewed as slow and as lacking in relation to transparency and accountability. In Indonesia, as in many other Asian countries, citizens have demanded cheaper, faster, and better public services and more effective and efficient government. To respond to this demand, the country’s public management must become more democratic, efficient, and citizen oriented.

Governance is more than just routine government operations. Governance refers to how civil society, the government, the business sector, and all other relevant institutions and bodies interrelate to manage their affairs. Hunter and Shah (1998) developed the following governance quality index based on four subindexes:

- a citizen participation index—an aggregate measure based on indexes of political freedom and political stability;
- a government orientation index—an aggregate measure based on indexes of judicial efficiency, bureaucratic efficiency, and lack of corruption;
- a social development index—an aggregate measure based on indexes of human development and egalitarian income distribution;
- an economic management index—an aggregate measure based on indexes of outward orientation, central bank independence, and ratio of debt to gross domestic product.

The resulting governance quality index is then used to rate countries as good, fair, or poor. Table 4 summarizes the results for selected Asian countries.
Table 4. Quality of Governance, Selected Asian Countries, 1997

<table>
<thead>
<tr>
<th>Country</th>
<th>Index</th>
<th>Quality of governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>65</td>
<td>Good</td>
</tr>
<tr>
<td>Japan</td>
<td>63</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td>Korea, Republic of</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>45</td>
<td>Fair</td>
</tr>
<tr>
<td>Philippines</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>43</td>
<td>Fair</td>
</tr>
<tr>
<td>Thailand</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>39</td>
<td>Poor</td>
</tr>
<tr>
<td>Indonesia</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>Nepal</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>Pakistan</td>
<td>34</td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from Hunter and Shah (1998, table 2.1).

In 2003, the World Bank (Kaufmann, 2003) constructed an index of government effectiveness that compared the quality of public bureaucracy, policy making, and service delivery as one of six elements of a measure of governance. An analysis of data from 175 countries confirmed that government effectiveness contributed to higher national income.

Good governance is an important vehicle for guaranteeing that a state’s political and economic activities benefit the whole of society and not just a small group of individuals. In the absence of good governance practices, a lack of transparency in state affairs and opportunities to engage in corruption flourish. This can result in widespread corruption in both the government and state-owned enterprises, in a judicial system that lacks accountability, in poor management of natural resources, and in a lack of responsiveness to civil society. These and other impacts of poor governance undermine development efforts, hinder progress with respect to eradicating poverty, and infringe on human rights (World Bank, 1993b). As table 4 shows, Indonesia’s governance quality is poor, therefore a reform of its public service is badly needed.

### DIRECTION OF REFORM

A major challenge for countries undergoing rapid change is the establishment of an effective and socially responsible bureaucracy or, in other words, an efficient and innovative civil service. The civil service is an important agency of routine government activities. Accountability, transparency, and public participation are some of the ways in which the behavior of civil servants can be influenced. Many developing states are viewed as weak mainly because of their inability to control their civil servants and obligate them to enforce the will of the state (Fukuyama, 2004). Public services in developing countries are riddled with patronage and corruption, and cleaning them up by implementing “modern” (in terms of recruitment, training, promotion, and discipline) civil service systems has been a central goal of institutional reform (Fukuyama, 2004). Nevertheless, the problem of controlling bureaucrats still exists to

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2 The six indicators are (a) voice and accountability, (b) political stability, (c) government effectiveness, (d) regulatory quality, (e) rule of law, and (f) control of corruption (Kaufmann, Kraay, and Masturizzi, 2003).
varying degrees in most developing Asian countries. One way to achieve the objective of controlling the behavior of civil servants is by means of civil service reform. In this regard, Indonesia is currently focusing on institution building and moral or ethical conduct.

Institutional Approach

The United Nations Development Programme (2003) describes civil service reform as developing the capacity of the civil service to fulfill its mandate by addressing such issues as recruitment, promotion, pay, number of employees, and performance appraisal, and this still constitutes the bulk of national programs concerned with public administration reform. Civil service reform has historically focused on the need to contain the costs of public sector employment through retrenchment and restructuring, but has broadened to focus on the longer-term goal of creating a government workforce of the right size; with the appropriate mix of skills; and with the correct motivation, professional ethos, client focus, and accountability (United Nations Development Programme, 2003).

Furthermore, in a report for the Indonesian government, the World Bank (2001, p. 10) indicates that “the civil service reform strategy should include changes to the incentive system, size of the civil service, recruitment, performance management, remuneration, and probity.” Indonesia is planning to launch a number of promising initiatives in these areas. For example, pilot reform initiatives are planned for the ministries of Finance and Education, including a new merit-based pay initiative under Teacher Law No. 14/2005. If successful, these initiatives could be scaled up to the national level. In addition, an independent remuneration commission will advise on pay scales and on modernizing the pay structure for senior officials; a review of the legal framework for the civil service is ongoing; a number of subnational reform initiatives are taking place in Yogyakarta, Jembrana in Bali, Solok in West Sumatra, and elsewhere; and a cabinet-level unit to help implement reforms is planned (World Bank, 2006).

In order to have an effective and efficient public service, most governments have set up a special institution responsible for human resource management. This body is often referred to as the civil service commission (CSC) or public service commission. In the Republic of Korea, the CSC established in 1999 has been leading the country’s major civil service reform initiatives. In 2004, those personnel management functions that still remained under the purview of the Ministry of Government Administration and Home Affairs were transferred to the CSC, thereby resulting in a single, central personnel authority for the Korean government (Kong, 2006). In New Zealand, in 1999 the state service commissioner asked to be given responsibility for developing a solution to the lack of corporate capacity in the public service. Since that time, New Zealand’s public service has increasingly moved to address a wide range of service and human resource management issues from a corporate perspective (United Nations, 2005).

Once a CSC has been set up, questions frequently arise pertaining to the commission’s relationship with line ministries and agencies, thus once a government decides to establish a CSC, it must clearly delineate the division of responsibilities in relation to resource management among central government departments and agencies. In many
countries, responsibilities for human resource management in the civil service are along the lines shown in table 5.

**Table 5. Responsibility for Human Resource Management in Central Government Agencies**

<table>
<thead>
<tr>
<th>Agency</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Prime Minister</td>
<td>Overall government policy</td>
</tr>
<tr>
<td>Ministry of Finance</td>
<td>Pay and pensions</td>
</tr>
<tr>
<td>Ministry of Public Service</td>
<td>Deployment and conditions of service for civil servants</td>
</tr>
<tr>
<td>CSC</td>
<td>Appointments, promotions, transfers, and discipline</td>
</tr>
<tr>
<td>National Administrative Staff College</td>
<td>Staff training and development</td>
</tr>
</tbody>
</table>

*Source: Adapted from United Nations (2005, table 6).*

The structure outlined in table 5 resembles the model prevalent in the Commonwealth of Nations, especially with respect to the role of the CSC, but countries such as Korea and Thailand have similar arrangements in place.

Indonesia does not yet have a CSC. Even though Law No. 43/1999 of 2000 stated that a CSC should be established, the government does not currently have any plans to establish such a body. Therefore the division of responsibilities in relation to human resources among line ministries and other public sector entities is as shown in table 6.

**Table 6. Institutions Responsibility for Human Resource Management in Indonesia**

<table>
<thead>
<tr>
<th>Agency</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the President (State Secretariat and Cabinet Secretariat)</td>
<td>Overall government policies</td>
</tr>
<tr>
<td>Ministry of Finance</td>
<td>Civil service pay and pensions (state-owned enterprises are responsible for their own pay and pensions under the supervision of the State Ministry for State-Owned Companies)</td>
</tr>
<tr>
<td>Ministry of Administrative Reforms</td>
<td>Supervision, coordination, monitoring, and evaluation of all civil services matters, including supervision and coordination of the National Agency for the Civil Service and the National Institute of Public Administration</td>
</tr>
<tr>
<td>National Agency for the Civil Service</td>
<td>Appointments, promotions (except at the highest levels, which are managed by a team chosen by the president), and transfers</td>
</tr>
<tr>
<td>National Institute of Public Administration</td>
<td>Education, training, and organizational design</td>
</tr>
</tbody>
</table>

*Source: Author.*

Thus as table 6 shows, the management of human resources in the civil service is not being carried out by an independent body that reports directly to the president, but by institutions that are part of the government bureaucracy.

**Moral Issues**

In countries such as Indonesia, where civil servants, like politicians, are key government decision makers, government employees are sometimes viewed as community leaders.
In this sense, civil servants may be expected to do many things in the communities where they live, following practices established during the Dutch colonial era. Such a role calls for adherence to norms of morality, meaning that civil servants must avoid irregularities and always obey the rules when conducting their activities (Magnis, 1996; Natakusumah, 1990). Therefore civil servants should not engage in any illegal activities, such as bribery and other corrupt acts.

Friederich (1940) noted the growing importance of internal values and moral and professional standards among bureaucrats. In their absence, abuses of power can easily arise in the government sector.

A recent study by Meier and O’Toole (2006) shows that bureaucratic values are far more important in explaining bureaucratic output and outcomes than political factors. This should not be taken to mean that external political control is unimportant, but is does show that paying serious attention to the values of civil servants is important.

Ensuring that civil servants give high priority to honesty, responsibility, and integrity in relation to their day-to-day activities and routine duties can be done through well-planned human resource development. Human resource development for civil servants starts with their recruitment and continues until they leave government service. Recruiters should undertake job and requirement analyses before undertaking recruitment activities. Furthermore, to allow the civil service to select the best candidates, the recruitment process should be fair and open. The next step in human resource development for civil servants is education and training and should be provided regularly for those at every level, as is already done in the armed forces. An objective and selective recruitment process combined with integrated and systematic education and training during the period of service can enhance the quality of government employees. Several Asian countries have adopted such an approach, for example, China, Japan, Korea, and Malaysia. Furthermore, the government should also provide higher education scholarships both in the country and abroad for exceptional government employees. Such a policy is not only good for the individuals concerned, but also for the government and perhaps for the country in the future (World Bank, 1993a).

CONCLUSION

Since the 1980s, many countries, including Asian countries, have engaged in major efforts to promote administrative reform, focusing on the openness, transparency, and accountability of government administration. All countries, regardless of their economic situation or stage of development, need good governance. For some Asian countries this became particularly important after the 1997 Asian financial and economic crisis.

In Indonesia, following the fall of the New Order Government in 1998, a political movement emerged that pursued reforms in relation to politics, the economy, the judicial system, and public administration. Law no. 22/1999 on Decentralization and Law no. 43/1999 on Civil Service Administration opened up possibilities for public service reform in Indonesia, but the country still has a long way to go in relation to having a high-quality civil service. As with any reforms, strong and determined
leadership is crucial. While good governance is a central pillar for dealing with competition in a globalizing world, Indonesia must also undertake civil service reforms to achieve a clean and efficient bureaucracy.

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REFERENCES


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The purpose of the International Public Management Review is to publish manuscripts reporting original, creative research in the field of public management. Theoretical, empirical and applied work including case studies of individual nations and governments, and comparative studies are given equal weight for publication consideration.

IPMN  The mission of the International Public Management Network is to provide a forum for sharing ideas, concepts and results of research and practice in the field of public management, and to stimulate critical thinking about alternative approaches to problem solving and decision making in the public sector.

IPMN includes over 600 members representing sixty different countries and has a goal of expanding membership to include representatives from as many nations as possible IPMN is a voluntary non-profit network and membership is free.

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