

TRUST IN GOVERNMENT: THE INDONESIAN EXPERIENCE

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ABSTRACT

Recent social and political changes in Indonesia have had profound impacts on Indonesian society and culture. Among others these changes include: democratization, decentralization or regional autonomy, transparency, and openness of information against the backdrop of globalization. To adapt to the situation, the Indonesian government reorganized its bureaucracy, an exercise that involved changes in structure and systems that would result in modern and efficient bureaucracy. Democratic processes brought two important results: (a) freedom of the press and (b) freedom of expression. These two freedoms provide the opportunity for the increased "transparency" and "accountability" of government practices and decision making, while also opening room for "participatory government". Therefore, these changes became an important source for building trust in government. However, sometimes mass media reporting has gone too far, publishing distorted and incorrect information, with negative results. Freedom of expression in terms of "street demonstration", sometimes have become violent and destructive not only to the peoples' lives but also to the economy. Another result of the "Reformation Era" has been the decentralization process which was started in 2001. With the implementation of decentralization or regional autonomy vide Law No. 22 of 1999, at the beginning of 2001 and subsequently in 2003, the decentralization process changed the political as well as economic life of local society.

INTRODUCTION

The gradual opening up of a society to modernity and globalization era is a crucial theme in explaining a cultural development. Since the development of culture, of the ideas that people live with, is a steady process, always evolving and influencing political and social life of a society. Government bureaucracy operates within the culture of a certain society

Indonesian administrative reform has been directed toward reducing the "trust deficit." This trust deficit could be reduced only by creating a government that is efficient and also just. In the United States, this paradigm has stimulated rethinking about what government is and how it should work. Among the products of that rethinking were two theories of government administration under two great presidents. One is the minimal state theory associated with the administrative strategies used by the Reagan Administration in the U.S. in the 1980s and the other the reinventing government initiative of the Clinton Administration from 1992 to 2000.

The minimal state theory is similar to school of thought that has roots in the work of Frederick A. Hayek and Milton Friedman and draw intellectual sustenance from the work of William A. Niskanen, Gordon Tullock, Nobel Laureate James M. Buchanan, and other members of the public choice school. During the Reagan's Administration, minimalism was implemented through various means that sought diminished

expectations of government; budgetary restraints and centralized decision making; a leaner and more responsive political establishment; and a focus on a few objectives of overriding natural importance (Carrol et.al., 1985).

The reinventing government approach, in the other hand, took inspiration from the experience of practitioners such as David Osborne, a journalist, and a former city manager, and Ted Gaebler (1992). Ideas posted by Osborne and Gaebler had the enthusiastic endorsement of President Clinton when in 1993 has requested Vice President Al Gore Jr. to review the performance of the federal government of the United States of America. The purpose of the review, as the title of the report that was submitted in the same year indicates, was to create a government that is result oriented, works better and cost less (Gore, 1993). The report notes that only 20 percent of the American people trust the federal government to act rightly most of the time. To reduce this “trust deficit” then becomes an important objective of the administration at that time.

In spite of the strategic differences among the two reform movements, there is a common theme: the urge to de-bureaucratize government administration. Several innovative public programs that have broken free of the constraint of bureaucratic procedures were introduced. In order to understand the de-bureaucratizing agenda in these two reform movements, comparison of them with regards to four dimensions of public administration namely : purpose; personnel, organization, and management procedures, is summarized in Table 1 below. These dimensions address the question of why, who, what, and how public administration ought to be conducted. This is based on the approach of Hood and Jackson in their study of administration doctrines (Hood and Jackson, 1991: 178-179).

Table 1. Characteristic of the Bureaucratic Paradigm in Two Reform Approaches

No.	Characteristic	Bureaucratic Paradigm	Minimal State (Reagan Administration)	Reinventing Government (Clinton Administration)
1.	Purpose of Government	Execution of the will of the state	Provision of public goods and service	Meet citizen expectation
2.	Nature of public servants	Neutrally competent	Rational, self-interested, budget maximizers	Entrepreneurs
3.	Organization of work	Tightly structured hierarchy	Competitive, multi organizational, market like setting	“Appropriate” organizational form
4.	Management approach	Close supervision; Standard Operating Procedures (SOP)	Cost-minimizing; Consumer-oriented management	Facilitative management; total quality management (TQM)

Source: Author, 2009.

SOCIO-POLITICAL REFORMS

Social and political changes following the post-Suharto authoritarian "New Order" era have had a profound impact on Indonesian society and culture. Suharto was the second President of Indonesia and held the office for 32 years from 1967 until his resignation in 1998. The changes since 1998, identified as part of the "Reformation Era", have included increased democratization, decentralization and greater regional autonomy, enhanced government and social transparency and openness of information against the backdrop of globalization of the Indonesian economy. In adapting to the change in leadership the Indonesian government began a reorganization and streamlining of bureaucracy, an exercise that involved changes in structure and systems intended to result in more modern and efficient government.

Democratic process brought two important results; namely: (a) freedom of the press; and (b) freedom of expression. These two freedoms provide the opportunity for the increased "transparency" and "accountability" of government practices and decision making, while also opening room for "participatory government". Therefore, it becomes an important source to build "trust" in government. However, sometimes mass media reporting goes too far and may end up with negative results, for example leading to rumors. And it is true for the important decision, such as a nomination for the ministerial and other political posts. While the freedom of expression in terms of "street demonstration", sometimes become violent and destructive not only to the people's live but also to the economics condition.

Another result of the "Reformation Era" was the decentralization process which was started in 2001. By the implementation of decentralization or regional autonomy vide Law No. 22 of 1999, at the beginning of 2001 and subsequently in 2003, the decentralization process makes differences in the political as well as economical life of the local society.

In Indonesia, the decentralization process coincided with civil service reform, and particularly changes to pay scales for civil servants. Prior to the implementation of decentralization measures beginning in early 2001, one issue of concern had been the extremely low salaries for government employees, which were considered to give an insufficient incentive for work in public service while minimizing the temptation of corruption. As a result of decentralization policy, the increase ability to legislate at the local level has now given local governments the ability to increase salaries, employ new incentive structures to reward performance, and increase the differential between the highest and lowest paid civil servants. For example, as of December 2006, a decree by the governor of Riau Province in West Sumatra gave the lowest ranking civil servants (1a) an additional Rp. 1.6 mn (approximately US\$.160) per month, while the highest ranking (IVE) received a pay increase of Rp..4.5 million (approximately US\$450) per month.

In addition to regional civil servants being paid more in line with their rank, functional profession 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. Consequently, teachers at the rank of II or III now receive monthly incomes of approximately US\$250 to \$290, which is significantly higher than the province's minimum wage, which was set by government decree at roughly US\$150 per month.

However, the changes in salary levels at the regional and provincial level, which relates to the resources and wealth of the respective area, and particularly the discrepancy between the lowest and highest paid civil servants has created some problems. While civil servants at the regional level may receive additional bonuses and allowances, civil servants within central government must be satisfied with the salaries given according to the law. Thus, the most senior civil servants in Riau are paid more than twice the basic salary received by central government civil servants of the same rank, which is only around US\$ 207 per month. 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.

Putting the negative aspect aside, the additional income to the civil servants in some regions or provinces could enable the local bureaucracy to perform its duties in a more efficient and professional manner which is beneficial to society and the public services in respected regions. And the good news is, it also brings reduction to the corruption practices among civil servants in certain regions or provinces. However, sad to say, corrupt practices are still to be found in activities of top local leadership and heads of regencies and municipalities.

A major change in governance during the “Reformation Era” is the direct election of the President and Vice President by the people. In the past, during the “New Order Government” (1967-1998), the President was elected by the House of Representative, while the Vice President was chosen by the President, himself. Even though a good governance, as imposed by the World Bank and other international donors, not yet implemented fully in Indonesia, the direction toward more transparent and accountable government is on the process. Several laws and regulations had been passed to limit to power of President to modify the government structures with fixed member of ministries or departments that the bureaucracy can have. In the past, the formation of the ministries as well as the establishment of the new government’s institution is determined by the President, himself. Even the Vice President did not have a voice on this matter.

While the relationship between corruption and governance is obvious, there are clear differences among the two. The governance could be regarded as the “bright side” or “sunny side” “in the management of public power, corruption, then, becomes the “shadow side” or “dark side”. Another metaphor could be to be “two side of the same coin”. However, regardless the interpretations are, the “Reformation Era” has brought transparency and public accountability as the following examples show.

CASES IN THE FIGHT AGAINST CORRUPTION

Five recent examples in the press have highlighted the advances that continue to be made in the promotion of accountability and transparency at both the national and sub-national levels. At the municipal level, the City of Surabaya developed an e-procurement system under the newly-elected Walikota (Mayor) in response to Presidential Decree number 80/2003, on government procurement procedures. To set up the system, the city government conducted its own research and tried to incorporate best practices in procurement from Hong Kong and Singapore. It also received assistance in setting up the computer system from students at the local school of engineering. Initially the government faced resistance from big vendors, who relied on payments and

collusion to win their contracts. Since the implementation of the e-procurement system, the savings from procurements has been substantial, and the savings has been allocated to other city projects. In addition, the application of e-procurement increases the opportunity for small and medium vendors to participate in the bidding process. As a result, a big portion of the city's projects now are won by small and medium sized vendors.

At the district level, the fight against corruption has also gained credibility, as shown by the case of Kabupaten Solok. In this District, Gamawan Fauzi, Head of the Regency or "Bupati" and later the Governor of West Sumatra took the initiative to implement new policy, following his participation in a 2003 Transparency International workshop. He required all civil servants and suppliers to sign an "Integrity Pact", which obliges them to refrain from corruption, not to receive or provide bribes, provide transparency to the public and avoid collusion or cronyism. The Bupati has also reformed the rules for the procurement of goods and services in the Kabupaten, simplifying documentation, reimbursement of funds, and correspondence in the procurement process. Most recently, in early 2004, Solok eliminated civil servants honoraria, the salary supplements received by government staff for working on specific projects. The objective was to reduce corruption, as well improve employee welfare overall, since the honoraria collected had been distributed equally among public officials.

At the parliament, the Corruption Court convicted law maker Dr. Yusuf Erwin Faishal of taking bribes from local officials and businessman and sentenced him to four and half years in prison Monday, April 6, 2009. Dr. Yusuf, a legislator with the National Awakening Party (PKB), was shown to have violated Article 12 (a) and (b) of the 1999 corruption law regarding bribes. He illegally received money from the South Sumatra administration and companies that supplied an integrated radio communications system to the Forestry Ministry. He also took Rp.775 million (around US\$ 68.000) from local businessman Chandra Antonio Tan, who was appointed by former South Sumatra governor Syahril Oesman to allocate Rp.5 billion (around US\$ 0,35 million) to guarantee approval for the conversion of 600 hectares of protected forest in Pantai Air Telang in Banyuasin. The land was to be developed into the Tanjung Api-Api seaport. In addition to the prison sentenced the judges also ordered Dr. Faishal to pay Rp.250 million (around US\$ 22.000) in fines or serve an additional six month prison. The sentence was two years less than term sought by prosecutors.

While at the government bureaucracy or central government level, the KPK is also very active in prosecuting corruptors. In the first week of April 2009, the Corruption Eradication Commission (KPK) named Mr. Musni Tambusai, former director general of industrial relationship management at the Manpower and Transmigration Ministry, a suspect in the alleged embezzlement of Rp.11,3 billion (approximately US\$ 1 million) in 2003. The money came from the Retirees Deposit Fund Foundation of oil and gas worker (YDTP Migas), a foundation under the ministry which was liquidated in 2000. At that time a liquidity team was established to evaluate all the foundation's asset and they remained in charge of the foundation until December 31, 2002. The team's final report showed the foundation's total assets, which were supposed to be reported to the state, were valued at around Rp.134.4 billion and US\$ 250.327. Around Rp.11.3 billion of this money was embezzled by Mr. Tambusai who was questioned at the KPK's office on Monday, April 6, 2009. The money was used to finance some aid programs, the operations of the asset management team, and several other activities, many of which

turned out to be fabricated. Based on preliminary evidence from the KPK, Mr. Tambusai was alleged to have violated Article 12 (e) of the 1999 corruption law.

Finally, the highest level of central government has also demonstrated its commitment to anti corruption initiatives and the strengthened role of the KPK. On November 27, 2008, the KPK arrested the former deputy governor of the Central Bank (Bank Indonesia) for the alleged misappropriation of Rp. 100 bn (US\$ 83 million) in Central Bank funds in 2003. Despite the fact that the person charged was related by marriage to the presidential family, President Yudhoyono took a widely commented upon stance of non-intervention anti-corruption drive, which political analysts have said could prove a lifeline in the President's 2009 bid for re-election. A recent survey found Yudhoyono has regained popularity, thanks in part to his non-intervention in the case. In the 2009's Presidential Election, Susilo Bambang Yudhoyono won the election and became the President of the Republic of Indonesia for the second term. (Hafild, and Yulianto, 2004: 4; Vice Major of Surabaya, 2006; Jakarta Post, 2008; 2009).

CONCLUSIONS

Since the 1980s many countries around the world, including Asian countries, have devoted major efforts to promote administrative reform focusing on the openness, transparency and accountability in government. The need for good governance appears in all countries in the world regardless of their economic condition or development stage. For some Asian countries, it becomes more important following the Asian financial and economic crisis in the middle and late 1997.

After the fall off the so-called "New Order" government in 1998 and passage of Law no. 22/1999 on decentralization to regional authority the possibility was opened for public service reform in Indonesia. However, the reform momentum has yet to take Indonesia past the finishing post. Strong and determined leadership to steer reforms is crucial. The role of leadership will be key in building the trust in government needed to sustain reform to help steer the commitment of many different socio-economic actors in achieving long-term development goals. Whether such leadership will be present in Indonesia in the future is a significant question.

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