

## Articles on Public Sector Management Reform in *Jakarta Post*

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### **Improving performance through public service reform**

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The Public Service in Indonesia is too big, too slow and too dysfunctional. It is the huge anchor retarding progress towards Indonesia's rightful place as a respected international and regional leader.

The structure of government is full of ministries and departments that do not work effectively, people without real jobs and many who use the authority of public position for personal gain. A lot of processes and procedures within the public sector are unnecessary and do not add value or improve public services, provide better infrastructure or make regulation stronger.

Little advantage has been taken of the huge advances in information technology. Where there should be good government policy there is often nothing -- and where there is no need for government intervention there is often conflicting and confusing legislation that shores up privilege instead of protecting people's rights. In short, it is a mess. Indonesia will remain the cellar dweller in Asian performance until the Public Service problem is fixed.

Why should the Public Service reform itself now when it has successfully resisted change for so long? The reasons are both political and economic, both based on achieving better performance. Firstly, if politicians want to get elected or re elected, they must show how they will deliver a stronger economy and a fairer society, summed up in creating more jobs.

In the recent campaign for the first round Presidential elections, all candidates were promising increased employment opportunities. There was no close questioning of exactly where these new jobs would come from. Were they to come from increasing public sector employment, or by higher economic growth and an expanded private sector, or by just leaving it to chance? Voters tend to decide along the lines of what is in it for them, and discard politicians who talk much but deliver little.

People who are hungry, without a job, have no permanent shelter or cannot afford education for their children because their money is diverted to corrupt officials will vote for politicians who can help them. *The Economist* (July 10 -- 16) cover story, Indonesia's shining example, is about Indonesia's successful move to democracy -- the next step is to make that democracy really work.

The second reason for reforming the Public Service is straight economics. There are not enough resources available in Indonesia to provide all the public services or infrastructure to those that need them most, therefore difficult decisions need to be made on how to allocate these resources. Governments usually deal with this allocation process through the Budget.

Because decentralization of government is relatively new, methods of equalizing access to public services for all Indonesians in the Budget need refinement. An immediate improvement would be achieved by increasing revenues through higher tax collections, and demanding economy, efficiency, effectiveness and appropriateness in all public expenditures. These imperatives go straight to the heart of Public Service reform -- the need to do more with less.

Should Public Service reform be a gradual, participatory program using extensive "socialization" and discussion of the issues, or does it require a more rapid and direct "top down" approach? Other countries, faced with very similar problems, have used either approach depending on their circumstances and the urgency for reform.

The common feature of their reform programs was the focus on improving public sector management. If good public sector managers can be obtained through whatever means -- buying, contracting, training or development -- performance of public sector organizations will improve thereby contributing to higher economic growth and improved quality of life for all citizens.

There are already excellent public sector managers throughout Indonesia in central and regional governments who are forging ahead with creative activities and getting results. The difficulty is that these champions of change are in a minority and their success stories are not widely known, plus they are operating within a system of government that uses antiquated administrative procedures and confusing legislation to restrict thinking outside the box rather than encouraging it.

A whole-of-government initiative to improve public sector management across all levels and entities of government would lead to better performance as a Nation. Addressing the improvement in quality of public sector managers is a long term strategy because it deals with changing minds and behavior, not just introducing some new management tools or different Budget forms. It would need to be addressed in an institutionally-neutral manner in order to receive cooperation from all levels of government and public sector entities, including government business enterprises.

The generally accepted principles used in public sector reform programs include using outputs, or results, to manage performance instead of just trying controlling inputs like cash payments; letting the manager manage; using strategic planning as the driver; applying a customer focus; reducing the span of control to manageable limits; requiring structure to follow strategy instead of the other way around and having managers apply good values and ethics consistently in their dealings with the public.

The task facing the incoming President is to lift the economic, social and environmental performance of Indonesia. The only way this will be achieved is through improving public sector management under a concerted, comprehensive long term strategy with bipartisan support from all governments. Many problems, such as corruption, inefficiency and neglect, would be solved if there are more good managers in the Public Service. The choice is with the leaders.

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