

Bureaucracy and Good Governance: Comparing the New Order and the Reform Eras

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Introduction

Bureaucracy sets out the administrative procedures and regulates the work of an organisation, so that it is well organized and properly planned. During the New Order regime in Indonesia, from the 1960s to the 1990s, the bureaucracy of the government was known to be complicated, and there was a tendency to benefit certain groups, thus making dealing with bureaucracy very costly for the common people.

This paper elaborates how bureaucracy is transformed into over-bureaucracy and trapped into bureaucratism, such as what happened during the New Order era. This paper particularly highlights the demobilization and depoliticization of the public supervision and the control functions of other state institutions outside of the executive during the New Order era, and how after the fall of the New Order regime new efforts of good governance and local autonomy that emphasize on public control over governmental bureaucracy emerged.

Over-bureaucracy

From the Weberian perspective, the structure of bureaucracy must have rational principles to prevent it from being discriminative. For example, the functional structure of the bureaucrats and officials must be rigid and abide by rules, and the officials must have special com-

petence, which relates to: (a) the obligation to carry out tasks that are part of the work division; (b) the requirements to carry out the pre-set functions of the position; and (c) the methods of enforcement.¹ The Weberian formula essentially describes the ideal type of governmental bureaucracy, which includes how to organize official positions in a pyramid hierarchy. A pyramid hierarchy regulates that authority lies in the position, not the official (person). The selection process for a position must be based on specific qualifications, and accomplishments are the criteria for promotion.

This type of bureaucracy has, however, gained various criticisms, mainly due to its over-emphasis on rules, work divisions, and the possibility of deviation from its original objectives. Impersonal regulations will result in reliability; however, it decreases the flexibility of an organization. Regulations that are over-emphasized as to have a symbolic meaning tend to become more important than the original objectives of providing services.² Moreover, "over-formalized" bureaucracy may create uncertainties on the part of the decision-makers, as they tend to use those regulations to cover themselves from any wrongdoings.³ Over-obedience to regulations may result in dysfunction, as officials may not adjust to dynamics and changes to circumstances.⁴

This Weberian approach implies that governmental bureaucracy inherently tends to become more bureaucratic over time. Administrative procedures in the form of regulations that regulate governance internally and externally will continue to be added and expanded. In other words, a process of bureaucratization within a government is inherent and functions as a "self-defence" mechanism and to exploit economic and social resources. Such bureaucratic character can also be seen in the ever-expanding and complex structure of a governmental organization, which tends to be fragmented to small sections with overlapping functions. This consequently results in large number of employees, each with very few tasks and very little function, which in the end limits the use of their abilities.

¹ Amitai Etzioni, *Organisasi-organisasi Modern* (Jakarta: UI, Press, 1982)

² Stephen M. Robbins, *Teori Organisasi: Struktur, Desain dan Aplikasi* (Jakarta: Penerbit Arcan, 1994), 334.

³ Ibid.

⁴ Ibid.

In the end, this implies an inefficient government. Market mechanism and economy are disrupted by the large amount of rigid regulations, as they normally require fast and fair decision-making that is adaptive to change and dynamics.

Centralized Bureaucracy

Governance during the New Order era was far from efficient, simple, flexible and effective practices. What occurred was bureaucracy that emphasized on overlapping procedures and administrative regulations; some of which were illogical. Although such practices resulted in bad image of the government among the people, there was very little control of the public, as it was very difficult to gain the permit required for social, economic, cultural, and most of all political activities. The New Order regime was anti all political, economic and social institutions that were found to question its policies. Critical non-governmental institutions would be accused as being subversive. This is typical of a bureaucratic-authoritarianism; a strong authoritarian state with dominant executive that is able to co-opt and subordinate social and political groups. The main characteristics are: (1) strategic positions are held by the military; not in a dictatorial sense, rather as an institution that collaborates with civilian technocrats; (2) they are supported by oligopolistic domestic businessmen that closely cooperate with international business community; (3) decision-making process is bureaucratic-technocratic; (4) civil society groups are depoliticized and demobilized; and (5) to repress the oppositions, the government take repressive and coercive actions.⁵

The New Order regime was involved in all sectors throughout the country, and sociologically, they entered the smallest sphere of the society down to the individuals. Civil society organizations existed; however, they were more of an interest representation system, where the units are limited and uniform. They were not allowed to compete against each other, and were given monopoly rights to represent their interests in their respective sectors in exchange for obedience to state control. Their leaders must be selected by the state.⁶

⁵ Mohtar Mas'ood, *Ekonomi dan Struktur Politik Orde Baru 1966-1971* (Jakarta: LP3ES, 1984), 10-11.

⁶ *Ibid*, 12.

In terms of decision-making, the New Order regime was very centralized, and therefore was named a bureaucratic polity state, where a small group of elite (consisting of both civil and military) fully controlled the decision making in economy and politic, whereas independent participation of the civil society did not exist.⁷ A good example is the case of the adoption of urea tablets as fertilizer for rice paddy. The decision was taken only by a number of officials in the Ministry of Agriculture, and one or two businessmen in Jakarta.⁸ There was no public discussion on whether urea tablet was indeed the best type of fertilizer. There was no opinion taken from the agriculture experts and the farmers.

The centralistic character of the New Order was also reflected in its division of authority. The local governments did not have any autonomy; the authority that they are mandated with was merely the shift of functions from the central government without giving the local government the authority to decide the implementation of these functions.⁹ The central government had all authorities on decision-making, planning, and funding, while the implementation of these decisions were shifted to the local governments, which later had to report back and held accountable to the central government.¹⁰ With such centralized mechanism, there was no possibility for the local governments to be independent.

Interestingly, the centralized bureaucracy gave the local governments a loophole to shift all blames to the central government when questioned about the complicated bureaucratic system by the public. The public would continuously have problems with low and low quality services. Local social-economic potentials, which are supposed to be supported by the local governments, were hindered due to complicated procedures. In this regard, local bureaucracy was generally

⁷ Karl D. Jackson, "Bureaucratic Polity: A Theoretical Framework for the Analysis of Power and Communications in Indonesia," in Karl D. Jackson and Lucien W. Pye (Eds.), *Political Power and Communications in Indonesia* (Berkeley: University of California Press, 1978).

⁸ Afan Gaffar, *Politik Indonesia: Transisi Menuju Demokratisasi* (Yogyakarta: Pustaka Pelajar, 1999), 217-218.

⁹ Fadillah Putra, *Devolusi: Politik Desentralisasi sebagai Media Rekonsiliasi Ketegangan Politik Negara-Masyarakat* (Yogyakarta: Pustaka Pelajar, 1999), 23.

¹⁰ *Ibid*, 24; Hermawan Sulistyono, "Negara dan Masyarakat Lokal: Studi mengenai Otonomi Daerah, Pemda, dan Kapasitas Masyarakat," in Didik J. Rachbini, et al, (Eds.), *Negara dan Kemiskinan di Daerah* (Jakarta: Pustaka Sinar Harapan, 1995), 68.

counter-productive, and was prone to widen the socio-economic gap within the community.

Democracy as a Requirement

Osborne and Gaebler introduced the concept of "reinventing government," which means that a governmental organization must reinvent itself.¹¹ This follows the model of private commercial enterprises that have employed de-bureaucratization. In this regard, a governmental organization has to take the following characters: entrepreneurial, innovative, imaginative, creative, and courageous in risk-taking.¹² There are ten principles that are the core of reinvented and entrepreneurial government: (1) Catalytic government: public leaders solve problems by catalyzing their communities; (2) Community-owned government: empowering rather than serving (3) Competitive government: injecting competition into service delivery; (4) Mission-driven government: transforming rule-driven organizations; (5) Results-oriented government: funding outcomes not inputs; (6) Customer-driven government: meeting the needs of the customer, not the bureaucracy; (7) Enterprising government: earning rather than spending; (8) Anticipatory government: prevention rather than cure; (9) Decentralized government: from hierarchy to participation and teamwork; and (10) Market-oriented government: leveraging change through the market.¹³ Osborne and Plastrik improved this framework by adding a follow up in the form of "banishing bureaucracy."¹⁴

These frameworks from Osborne et al are very market-oriented and tend to privatize governmental bureaucracy. They suggest the maximum obtainment of benefit, just like in business enterprises, by putting the cost burden to the users; this means, whoever has the right amount of money would obtain fast and good services. Hence, those with less economic resources would not be able to get services.

Essentially, governmental bureaucracy is different to commercial enterprises. Governmental bureaucracy is a public institution that has

¹¹ David Osborne and Ted Gaebler, *Mewirusahaakan Birokrasi: Mentransformasi Semangat Wirusaha ke dalam Sektor Publik* (Jakarta: Pustaka Binaman Pressindo, 1995), 20.

¹² Ibid.

¹³ Ibid.

¹⁴ David Osborne and Peter Plastrik, *Memangkas Birokrasi: Lima Strategi Menuju Pemerintahan Wirusaha* (Jakarta: Penerbit PPM, 2000).

to serve all citizens without exception. It is designed to not side with certain groups. It has to be neutral and objective, as suggested by the Weberian concept. It has to orient on public interests rather than market economy.

Nonetheless, both the entrepreneurial and Weberian concepts do not include the political dimensions, particularly democratization, which emphasize the involvement of the civil society in government. To avoid bureaucratism in state institutions through the involvement of public control, the concept of good governance became popular in the 1990s. Good governance leads to de-bureaucratization, albeit with wider coverage. In practice, it means the government should reduce its involvement in areas where the market functions well, to allow competition between domestic and international economic actors flourish.

The concept of good governance must be the guiding framework in government practices. World Bank proposed six indicators of governance:¹⁵ (1) political accountability, by assessing the level of public acceptance of the executive leadership through electoral system; (2) freedom to assemble and participate religious affairs, work associations, volunteer groups and media; (3) rule of law, which includes, for example equality before the law; (4) accountability of the bureaucracy; (5) availability and validity of information; (6) an effective and efficient management of the public sector. In good governance framework, it is the task of the government to provide a forum to reconcile competing interests, create and protect open public sphere, provide the needs of the people including security and collective welfare, regulate market according to the public interests, provide social security, support the development of human resources through education, and promote an effective judicial system.¹⁶

Good governance should have been a concept that occupied the discourse among the scholars and government officials during the New Order era. It was supposed to also have been socialized to most bureaucratic officials. However, bureaucratic reform was difficult to implement; in fact, the government tended to become more centra-

¹⁵ The list here is as used by J.S. Edralin, "The New Local Governance and Capacity Building: A Strategic Approach," in *Regional Development Studies* Vol. 3 (1997), 146-147.

¹⁶ Anthony Giddens, *Jalan Ketiga: Pembaruan Demokrasi Sosial* (Jakarta: Gramedia, 1999), 55.

lized. As mentioned, good governance requires democratization, and this requirement did not exist during the New Order era.

Reform Era: Changes at the Symbolic Level

After the reform era, whose beginning was marked by the fall of the New Order regime, power has been distributed among formal political institutions. Legislative institutions, both central and local, are no longer co-opted or subordinated. The roles of non-governmental organizations, mass media, religious groups and socio-cultural groups have increased, as they now have become pressure groups. Local governments have obtained their autonomies that cover a large variety of sectors.

Nonetheless, bureaucratic changes since the reform era have been limited to the cognitive level, as they have not touched upon the behaviour of the nation. They have been merely rhetoric, and pictured only at the symbolic level rather than in social practices. I argue that the current bureaucracy of the government is still far from being rational. For example, rather than creating efficiency by decreasing the form and size of officials, the government continues to annually recruit thousands of new employees. Meanwhile, their tasks are unclear without proper coordination. Its employment regulations are rigid and do not increase efficiency.¹⁷

Meanwhile, regional autonomy has yet to lead to de-bureaucratization. Local governments tend to complicate regulations and exploit socio-economic resources with claims to increase the regional income. This means that regional autonomy has not brought about better services for the public; rather, it has become a burden. Newly-established regencies, cities, and provinces have led to the creation of new bureaucratic measures, which require large funding. The bureaucracy of these new regional governments have only followed the old ways, which imitate bureaucratism models.

I argue that bureaucratism in the local governments must change, and the change has to be directly on the behavioural level rather than merely cognitive. Therefore, principles of good governance are imperative. The most important part of the implementation of good gover-

¹⁷ For more details on similar problems see Fred W. Riggs, *Administrasi Negara-negara Berkembang: Teori Masyarakat Prismatic* (Jakarta: Rajawali Pers, 1996).

nance are the fulfilment of the requirements, which include: (1) internal changes within the government; and (2) the involvement of civil society institutions in governance.

Internal changes within the government means that the structure has to be lead and simple, but still functional. Bureaucratic procedures have to be shortened to allow easier and faster decision making, which in turn decreases the operational costs. This also means rationalisation; reducing the number of employees to reduce cost while making maximum use of the capacity of the existing ones. The use of technology must also be improved so that the government no longer relies on manual work force; rather, the government must take advantage of the vast development of information technology to improve work.

The second requirement, which is the involvement of civil society institutions in governance, emphasizes on how an institution should be able to change and improve its image and work performance. To do so, it must have both the assistance and supervision from an external institution. This is where civil society institutions take their part. They should be able to assist the local governments in the learning process of how to implement good governance. They should act as consultant and pressure groups, not to mention supervisor of the practice of good governance. In this regard, regional autonomy opens more chance for more involvement of civil society. In essence, good governance refers to an equal position between the government and the people. The increasing role of civil society institutions reflect the process of democratization.¹⁸

Conclusion

Political conditions that are the requirements for good governance did not exist during the New Order era. Bureaucratism has been a burden for the people, particularly those among the poor as they have not been able to obtain proper services from the state. This should be a valuable learning experience for the post-Reform governments. Without democratization, regional autonomy would be merely a shift of authoritarian bureaucracy from the central to the regions.

* *Translated from the Indonesian language by the editorial team of The Indonesian Quarterly.*

¹⁸ Giddens, "Jalan Ketiga," 91.