

# Civil Service Reform in Indonesia: Neutrality and Professionalism



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# Introduction

- Why do we need civil service reform?
- What have we done in reforming civil service?
- What are the results, progress and challenges of civil service reform in Indonesia?

# Definition: what do we mean by civil service?



- Civil service: “work for civil as opposed to the military, ministerial or judicial arms of the state”.
- In Malaysia, civil service consists of “teachers, doctors, nurses, police, military officers, and administrators at the federal, state, and local governments” (Quah 2016: 33).
- In Indonesia, civil service: teachers, doctors, nurses, professors, administrators at the central, provincial and local governments



# Driving Force of Civil Service Reform





# Civil Service Reform: Goals

- In Newly Industrialized Countries (NICs,) civil service reform : (1) efficient and effective in delivery of services; (2) highly professional and capable; (3) operating according to merit-based principles, combined with sensitive management practice; (4) loyal in the execution of the policies of the government; (5) strongly committed to public interest; and [?][?][?][?] disciplined and intolerant of unproductive or unethical behavior; and (7) annual merit based incremental programme (Keuleers 2001).
- In South Korea, civil service reform covers: open and competitive recruitment; open job posting system with positions open to all applicants; systematic and mandatory senior civil service development programmes and certification.





# History of Civil Service Reform

- The idea of merit system can be traced back to the traditional Chinese Government. The members of the Chinese Government were selected by a very competitive examination. They had to stay in a locked room for 24-72 hours to write 8 essays on classical Confucianism and how to use it to solve government affairs
- *The Pendleton Civil Service Reform Act* in the United States of America were issued in 1883, emphasizing the position in the bureaucracy should be on “*the basis of merit instead of political affiliation*” (Hoogenboom 1959; Theriault 2003).
- Patronage/spoils system has been used since President George Washington but popularized by President Andrew Jackson (1829-1837). The assassination of President James A. Garfield by Charles Guiteau (1881) has been used to mobilize public opinion to force government to adopt merit system and to abolish spoils system. It was proposed by Senator George H. Pendleton of Ohio.



# Indonesian Civil Servants (1950-2014)

Year	Number of Civil Servants	Civil Servants per 1,000 population
1950	303,500	3.7
1960	393,000	4.1
1970	515,000	4.4
1980	2,047,000	13.9
1992	4,009,000	21.8
2011	4,646,351	19.4
2014	4,375,009	17.5

# Changes in Law on Civil Service: democratization of civil service



- Law No. 8/1974: issued during the political context of centralization and development trilogy: (political stability, economic development and economic equity) (under Soeharto in 1966-1998)
- Law No. 43/1999: issued during Habibie as a transitional president to respond to democratization and multi-party system which uphold neutral civil servants
- Law No. 5/2014: issued during SBY as a President to reconfirm the neutrality of bureaucracy and to strengthen civil service professionalism and establishing Civil Service Commission (KASN, Komisi Aparatur Sipil Negara)





# Several Changes in Law No. 5/2014

- To establish a neutral civil service (not used by political parties during election)
- To adopt a professional civil service (merit-based system)
- To introduce a new category of civil service
- To establish Civil Service Commission (Komisi Aparatur Sipil Negara, KASN) (to ensure the implementation of merit-based system in the bureaucracy)

# Old and New Types of Government Employee



## Former Types of Government Employee

- honoraria staff,
- contract workers,
- non-permanent staff,
- permanent non-civil servant staff,
- non-permanent employees (*PTT, Pegawai Tidak Tetap*),
- non-permanent teachers (*GTT, Guru Tidak Tetap*).

There are staff recruited by a head of a small unit (for example: a decree given by headmaster or health center head); some staff are recruited and given a decree made by the Head of Service Agency (*Kepala Dinas*); and there are also staff recruited and given a decree by the Regional Head (major or district head).

## New Types of Government Employee (based on Law No.5/2014)

- (1) ***Pegawai Negeri Sipil (PNS, civil servant)***: are civil servants that are appointed as permanent employees by National Personnel Board (*BKN, Badan Kepegawaian Negara*) and have employee national numbers nationally,
- (2) ***Pegawai Pemerintah dengan Perjanjian Kerja (PPPK, Contract-based Government Employees)*** are civil servants who are appointed as contracts-based civil servants in accordance with the needs of Government Agencies and the provisions of this Act (Article no. 6, Law No. 5/2014).



# Comparison: Indonesia and Korea

## Indonesia

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## Korea

- (1) Public officials in career service: public officials in general services and public officials in special service;
- (2) Public officials in a non-career service: public officials in political service and public officials in special administrative services;
- (3) Public servants of foreigners (Ministry of Personnel Management 2018).

# Civil Service Commission (Komisi Aparatur Sipil Negara)



- KASN has the function of supervising the implementation of basic norms, codes of ethics and code of conduct of ASN, as well as the application of the merit system in ASN policies and management to government agencies



# Organizational Structure of KASN

- **Sofian Effendi (Chair):** Retired Professor in Public Administration, Universitas Gadjah Mada and former Head of National Personnel Board
- **Irham Dilmy (Vice Chair):** former HRM officials in multinational companies
- **Prijono Tjiptoherijanto (member):** Retired Professor in Public Administration, Universitas Indonesia and former Head of National Personnel Board
- **Tasdik Kinanto (Member):** former Secretary of Minister in the Ministry of Administrative Reform
- **I Made Suwandi (Member):** former Director General in the Ministry of Home Affairs
- **Nuraida Mokhsen (Member):** former senior official in the Ministry of Administrative Reform and in the Office of the President
- **Waluyo (Member):** former senior official in state-owned companies and multinational companies

# Civil Service Commission: a Comparison



## Indonesia

- 1 chairperson and 6 members
- 10 assistants

## Philippine

- 1 chairperson + 2 members
- 2 assistants





# Transparent Recruitment Process

## Administrative requirements:

GPA, relevant subjects, etc.

## CAT (computer-Assisted Test)

**Basic competence test :**  
general intelligence,  
national insight, personality  
characteristics

**Interview & practice**  
**Field competence test:**  
depends on each sector  
(education, health,  
industry, trade, tourism  
etc)

**Computer-Assisted Test is used for basic competence test (transparent and accountable because everyone can monitor the result during the examination)**

# Computer-Assisted Test in Indonesia



# Good and Bad Practices in Recruitment



## Good things

- Online application makes the process more efficient
- CAT makes more transparent and accountable: people can monitor who pass and fail directly during and after examination

## Bad things

- Passing grade is too high
- Elimination model tends to eliminate good people for the next stage
- Those who are good at first stage are not necessarily good at next step
- Percentage of success is far below the number of civil servant needed
- The validity of the test may be questioned?

# Case: Magelang District



- Job vacancy: 259
- Candidates fulfilling administrative requirements: 3,030
- Passed basic competencies: 176 (5.8%)
- Passed field competencies: ??





# Case: Bengkulu Province

- Job vacancy: 2,650 (for 10 districts/cities and 1 provincial government)
- Candidates fulfilling administrative requirements: 5,433
- Passed basic competencies: 147 (2.7%)
- Passed field competencies: ??



# Open Promotion Process

- Formerly, conducted by a closed system determined by *Baperjakat* (*Badan Pertimbangan Jabatan dan Kepangkatan*, Position and Rank Consideration Body) led by Mayor or Governor or Minister. The process is under the Mayor's or Governor's or Minister's control and the result is in the hand of Mayor or Governor or Minister
- Now, involving independent panel members: senior bureaucrats, higher-level government bureaucrats, academicians, NGO activists). The panel members propose the best 3 candidates (among 5 or more candidates) who will finally be decided by Mayor or Governor or Minister. The role of Mayor, Governor or Minister has been limited to choose one person among the three candidates





# Good and Bad Practices in Promotion

## Good things

- A good chance to have a candidate based on merit system
- Has broken the patronage and spoils system
- Having independent selection panel (replacing the Baperjakat which was full of collusion)

## Bad things

- Very long and expensive process
- Don't know what happened with the process of selecting the proposed three candidates to one winner?
- Variety of local regulations: opening/closing a chance for candidates from other regions to apply
- Difficult to find candidate of minimum 3 people
- Limited number of staff in the KASN makes the process slow



# Problems in the Open Promotion

- First, there is still doubt among the candidates about the independence of the Independent Team. Many candidates still think that there has been a special message from the Regent/Governor or Minister to pass on certain candidates.
- Second, to get candidates in large numbers is relatively difficult. Ideally, for one position offered there are at least 5 candidates who register so that they can be eliminated into 3 candidates. In practice, there are often only 3 candidates who register so that all of them will definitely be declared to have passed.
- Third, how far top officials (mayor or governor) still use the opportunity to commit corruption through bribery when they have to choose one of the three candidates.



# Political Challenges

- Tug of war between politicians in the parliament and Ministry of Administrative Reform. Politicians want to change the current law to enable them:
  - To recruit honoraria staff (a political campaign strategy to get more votes)
  - To dissolve Civil Service Commission (KASN) because it has hindered political intervention
  - To abolish open promotion process
  - To promote the existing honoraria staffs to be permanent civil service automatically without selection process



# Closing Remarks

- Indonesia has been serious in conducting civil service reform by issuing Law No. 5/2014
- To make it work, it still needs more than 15 government regulations
- Political pressures are needed to prevent the law from being interfered by politicians
- Technical problems should be addressed to improve the implementation of the merit-based system



**Nusa Dua, Bali,  
14-15 March 2019**

**Thank you very much  
Terima kasih banyak**