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***Public Administration  
in  
Indonesia***

**By  
Rainer Rohdewohld**

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Public Administration in Indonesia

By Rainer Rohdewohld

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# Preface

from the  
Graduate School of Government  
Monash University, Melbourne, Australia

1995 is an important year for the Republic of Indonesia. It is the fiftieth year since the founding of the Republic, and marks the commencement of a key phase of development for one of the world's most populous and important countries. As an emerging 'Tiger' of economic growth in Asia, Indonesia is playing an increasingly important role on the world stage of economic and social change. It is striving to improve its internal systems and processes to meet this global challenge, whilst maintaining the ideals set out in the 1945 Constitution to create a just and prosperous society.

The challenges to the public sector in Indonesia are complex - in a period when most developed countries are seeking to reduce the size and importance of their governments, Indonesia has a need to maintain a strong and efficient public sector as a key part of growth and reform in the Asian economic region. A large population in a widely dispersed archipelago with great ethnic diversity place special demands on skills required for administration, communication and governance. There is a great need for managers and politicians competent in implementing public policy for social and economic objectives. This applies in central government, and to the regional governments and to the state-owned enterprises which form an important part of the Indonesian economy.

The Graduate School of Government at Monash University is pleased to continue its close association with Indonesian public sector managers through the publication of this book by Mr Rainer Rohdewohld. It is a most significant publication in this year because it provides an analysis of the current status of public administration in Indonesia, a historical perspective on how it has developed over the last 50 years from colonial beginnings, and finally reflections on the key reforms required for the future.

This publication will become essential reading for students seeking to understand the operation of the Indonesian public sector and economy, and the role and purpose of reforms being undertaken. By writing this book which describes the complex administration of Indonesia to the world, Mr Rohdewohld has made a

major scholarly contribution to international public administration literature. He has also provided valuable guidance to all persons interested in understanding the Republic of Indonesia.

Professor Bill Russell  
Director, Graduate School of Government  
Monash University

November 1995

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## Foreword

The present publication intends to provide the interested public in Indonesia as well as from abroad with a concise and up-to-date introduction to the system of public administration in Indonesia. It describes its structure and working mechanisms, highlights problems and efforts of reform, and gives the reader an insight into the political, cultural and economic environment of the public administration in Indonesia.

The publication makes intensive use of the two volumes of "Sistem Administrasi Negara Republik Indonesia" (SANRI) which are published by the National Agency for State Administration (Lembaga Administrasi Negara LAN) every five years, and which describe in great detail the structure, principles and regulations of the Indonesian public administration. It is the standard publication on public administration in the Indonesian language.<sup>(1)</sup>

As one starts to elaborate on indigenous terms and concepts of a public administration system in another language, their specific meanings sometimes tend to be blurred by the unavailability of synonymous terms in that other language, thus sometimes misleading the reader. One example is the term "regional government", for which there are two different concepts in the Indonesian language: *pemerintah daerah* for that part of regional and local government that is autonomous in the framework of decentralisation, and *wilayah* for that part of regional and local administration which deals with the implementation of central government functions at the local level. To circumvent such language ambiguities, I have opted to use as much as possible the original Indonesian terms and to provide a comprehensive explanation wherever the terms appear in the text for the first time. The glossary will provide the reader with an additional help.

The structure of the publication is as follows:

Chapter 1 outlines the constitutional and legal framework of the public administration system in Indonesia, and discusses the role of the official state ideology *Pancasila*. One of the intentions of this chapter is to show how the present system of public administration in Indonesia is rooted in traditional cultural values and concepts, and how it is based on the political concepts of the "New Order"-government under President Suharto. Chapter 2 describes the general structure of public administration in Indonesia, the institutional set-up of the central government and its main organisational unit, the department. The functions, instruments and some fundamental processes of public administration in Indonesia are also

analyzed here. Chapter 3 concentrates on the sub-national levels of government and administration: the autonomous regional governments, the so-called *wilayah*-administration, village government, the relationship between central and regional government, the financial situation of local government, and on the policy of decentralisation. Chapter 4 focuses on the Indonesian civil service (size, structure, working culture) and aspects of human resources development in the public administration. Chapter 5 describes the budget structures and the budgetary process. Chapter 6 summarizes some trends and ideas regarding the future development of public administration in Indonesia against the profound changes in the administration's environment. In the Annex I have collected some additional material which supplements the information already given in the text.

Publication of this text has been made possible with the support from the Graduate School of Government of Monash University (Victoria, Australia). I would like to thank its director, Bill Russell, and Graeme Macmillan, Senior Lecturer, for their assistance and encouragement in completing this challenging but rewarding project. Furthermore I would like to thank the chairman of LAN, Dr J.B. Kristiadi. Without his continuing assistance this publication would not have been possible.

The comments and conclusions, as well as any mistakes and misinterpretations which might be found in this text are the sole responsibility of the author. I would like to invite the reader not to hesitate to convey any comments and suggestion he or she might wish to make. This would assist in improving the publication for any future edition.

Jakarta, November 1995  
R. Rohdewohld

## Note

1. In the following, I will cite this publication as SANRI I and SANRI II.

## About the author

### Rainer Rohdewohld

Rainer Rohdewohld works in Indonesia as consultant in the field of public administration and management. Before coming to Indonesia he worked for the United Nations Development Programme (UNDP) in Nigeria, and as consultant for several German development institutions (like GTZ and DSE). He comes from Bonn (Germany), and holds a Master degree in Political Science from the Freie Universität (Free University) Berlin (Germany), and a Master degree in Public Administration from the Hochschule für Verwaltungswissenschaften (Post-Graduate School of Administrative Sciences), Speyer (Germany).



*Rainer Rohdewohld*

# The Graduate School of Government

Monash University

The Graduate School of Government (GSG), Monash University, offers specialist masters programs to international and domestic students in public policy management and practice. The major program of the school, the degree in Master of Public Policy and Management (MPPM), includes an inter-disciplinary range of subjects with a public sector emphasis. Subjects can be taken from the GSG syllabus and combined with the highly respected Masters in Business Administration at Monash University.

The MPPM aims to prepare students for positions of management and leadership in the multi-dimensional problems encountered in the public service, and to prepare students for positions in social research and public policy. The course equips public and not-for-profit managers with a range of skills and the conceptual framework needed to advance their careers and to benefit their organisations. It teaches students to examine policy goals and objectives, how to evaluate available data, to weigh economic impacts, to understand the political implications and to produce plans for action that are feasible.

A detailed schedule of programs and syllabus can be obtained by contacting the School Administrator at the address and numbers below.

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