Good Governance, International Organization and Policy Transfer: A Case of Indonesian Bureaucratic Reform Policy

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Abstract

In this paper we discuss the connection between the concept of good governance and bureaucratic reform policy. Improving bureaucracy performance can be achieved by implementing good governance. However, another argument posits the notion that bureaucratic reform can lead the way to achieving good governance. Therefore, this paper assesses the relationship between the concept of good governance and bureaucratic reform in Indonesia. The research was based on content analysis technique that analyzed the relevancy of good governance criteria and content of policy document, which were supplemented by interviews. Subsequently policy analysis was done using a policy transfer lens. Research findings showed that good governance influences Indonesian bureaucratic reform policy and international organizations have played significant part in influencing the Indonesian government to adopt good governance.

Keywords: bureaucratic reform, good governance, international organization, policy transfer
INTRODUCTION

Poor public service delivery remains a strong challenge for the Indonesian government. The situation is intractably related to Indonesian bureaucracy which plays the most important role in public services delivery. The question worth posing is why public service delivery in Indonesia is still plagued by poor performance. Doubtless, the conduct and behavior of government bureaucracy influences public service delivery. Thus, problems that beset the bureaucracy in Indonesia bear strongly on the performance of public service delivery. Problems facing bureaucracy are complex but can be categorized into two broad groups. First, problems that arise from internal factors, and second those with origins that can be traced to external factors. First, Indonesia has a bloated bureaucratic structure that performs poorly. Consequently, government bureaucracy is plagued by status quo mindset that hampers progress and quick response to changes in society (Zuhro, 2010). Secondly, bureaucracy suffers from limited adherence to meritocracy in recruiting and promoting its personnel (Kasim, 2013). Transparency rarely plays an important part in the process. Placement of civil servants often based on considerations of sharing spoils and patronymialism rather than career credentials of applicants. The situation is exacerbated by the unfair and uncompetitive compensation system (Kasim, 2013). Prevalent corruption in bureaucracy is another problem that undermines performance. Corruption reduces the quantity and quality of resources that are used in providing public services (Robinson, 1998). Corruption in Indonesia has become chronic and widespread, hence common in all government sectors. According to the Corruption Perception Index (CPI), Indonesia achieved a score of 37/100 (0 being the most corrupt and 100 is perceived as the least corrupt). The low score of CPI relegated Indonesia to 102 rank out of 180 countries included in the corruption survey for 2020 edition (Transparency International, 2020).

Therefore, Indonesia government has strong commitment to implement bureaucratic reforms. Bureaucratic reform refers to the efforts that aim to change and improve government bureaucracy. Various terms are used with respect to efforts towards changing bureaucracy performance from current state of underperformance to the new one, of expected and improved performance. Such terms include “change”, renewal, reform, restructuring, reorganization, rationalization, among others. Nonetheless, there is commonality in all the terms which is change from one unwanted state to a better one. In spite of that, closer examination shows that the substance of the terms used to describe change in bureaucracy have key differences especially during the implementation phase. Reforming bureaucracy has been a big challenge for the Indonesian government. Conducting bureaucracy reforms is imperative for without it establishing an accountable, transparent, rules based, responsive, inclusive, effective and efficient public services is not only difficult but impossible to achieve (Haning, 2018). One of the key precursors of bureaucratic reform policies in Indonesia was the issuing of Presidential Regulation No. 81/2010. The regulation contains provisions that relate to the grand design that should underpin policies that are geared toward implementing bureaucratic reforms in Indonesia. However, implementation of these various regulations has so far failed to generate improvement in the quality of performance of government civil servants. On the contrary, public service delivery continues to be rife with pathologies of corruption collusion and nepotism (Haning, 2018). Over the last 5 years, the performance of Indonesia on the Corruption Perception Index has not registered significant improvement as table 1 clearly shows.

Two other problems that plague Indonesian government bureaucracy are the mindset of bureaucrats and the commitment of leaders. The mindset of bureaucrats is to consider themselves as rulers rather than public servants, an attitude that undermines efforts to improve the quality of public service delivery. Consequently, such vices as the demand for illegal levies in return for service delivery remain common. Besides, the lack of professionalism among bureaucrats in carrying out their duties and obligations is another problem that continues to plague government bureaucracy. Manifesta-
tions of poor professionalisms include demand for bribes, engaging in collusion and nepotism. There is little doubt that characteristics of bureaucracy that include absence of comprehensive strategies adopted consistently by political leadership; proper and systematic policy synchronization and harmonization; putting in place merit based recruitment, promotion and employee performance evaluation system; limited efforts to implement an anti-corruption policy that had strong deterrents as were punitive measures for perpetrators of malfeasance (Kasim, 2013).

Bureaucratic reforms have been implemented other countries as well. China and Hong Kong are two examples of Asian countries that have had a reform agenda. China restructured its central government and local government organizations in order to create an efficient bureaucracy (UN, 1997). Due to its administrative reforms, China, has succeeded in enhancing the efficiency and effectiveness of its public service organizations. Reforms led to revitalization of public service organization functions, strengthening of macro planning and management functions. Meanwhile, Hong Kong in responding to the post-industrial economy challenge and the departure of Britain, the territory used its reforms agenda to enhance the administrative capacity of its bureaucracy through its administrative reforms. However, a study revealed that administrative reform in Hong Kong lacked comprehensiveness and inefficient (Wong, 2013). For that reason, the majority of people in Hong Kong remain dissatisfied with Hong Kong’s public services perceiving it as suffering from mismanagement, inefficiency, and bad governance. The problem may lie in the overemphasis of the reform efforts in Hong Kong on improving administration, while not paying attention to the need to address bureaucratic behavior.

Reform agendas in many countries more often geared toward improving governance and create conditions that are conducive for providing excellent public services. Thus, one of the underpinning thrusts of bureaucratic reforms is the need to implement and adopt good governance principles. Good governance in bureaucracy has been associated with improvement in social economic conditions that in turn increase public welfare. Besides, improving bureaucracy performance can be achieved through supporting and promoting innovations such as developing and deploying e-government in the delivery of public services (Purwanto, 2018). Grindle (2004) argues the need for adopting good governance as a means to improve the public sector performance through efficient and effective delivery of services. That said, achieving good governance often involves navigating the complex and intractable relationship between bureaucracy and politics (Ishak et al., 2020).

The concept of good governance is often used as guidance to evaluate and rate the performance countries and cities on aspects of governing. This is because governance fosters understanding of ideal and appropriate public policy process, transparency, deci-

Table 1. Corruption Perception Index, 2016-2020

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>Score</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2020</td>
<td>37</td>
<td>102</td>
</tr>
<tr>
<td>2</td>
<td>2019</td>
<td>40</td>
<td>85</td>
</tr>
<tr>
<td>3</td>
<td>2018</td>
<td>38</td>
<td>89</td>
</tr>
<tr>
<td>4</td>
<td>2017</td>
<td>37</td>
<td>96</td>
</tr>
<tr>
<td>5</td>
<td>2016</td>
<td>37</td>
<td>90</td>
</tr>
</tbody>
</table>

Source: Transparency International (2020)
The notion of governance came to the fore for the first time during a donor discourse in the late of 1980s. The concept was considered an antithesis of bad government which many blamed for the poor performance of development programs in many developing countries. Subsequently, donor agencies and other development organizations have designed and developed programs that adopted the criteria of 'good governance'. In addition, ‘governance’ entered into the discourse and incorporated into political science courses of

<table>
<thead>
<tr>
<th>No</th>
<th>Organization</th>
<th>Good Governance Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United Nations</td>
<td>Good governance advocates equity, participation, pluralism, transparency, accountability and the rule of law, in a manner that is effective, efficient and enduring. Corruption, violence and poverty, all of which undermine transparency, security, participation and fundamental freedoms are threat. Source: UN website, ‘Governance’</td>
</tr>
<tr>
<td>2</td>
<td>United Nations Development Programme (UNDP)</td>
<td>‘Good governance refers to governing systems which are capable, responsive, inclusive, and transparent. All countries, developed and developing, need to work continuously towards better governance. Source: Remarks by Helen Clark, Administrator of the United Nations Development Programme, Istanbul, 11 May 2011</td>
</tr>
<tr>
<td>3</td>
<td>World Bank</td>
<td>the combination of transparent and accountable institutions, strong skills and competence, and a fundamental willingness to do the right thing that enable a government to deliver services to its people efficiently’ Source: World Bank, Strengthening the World Bank Group Engagement on Governance and Anticorruption, 21 March 2007, p. 1</td>
</tr>
<tr>
<td>4</td>
<td>African Development Bank</td>
<td>Governance is “a process referring to the manner in which power is exercised in the management of the affairs of a nation, and its relations with other nations”. p. 2. The policy identifies the key elements of good governance as: accountability, transparency, participation, combating corruption, and the promotion of an enabling legal and judicial framework’. Source: AfDB, Governance Strategic Directions and Action Plan Gap 2008-2012 (2008), fn. 1, p. 15</td>
</tr>
<tr>
<td>5</td>
<td>Asian Development Bank (ADB)</td>
<td>Good governance is “the manner in which power is exercised in the management of a country’s economic and social resources for development”.4… has identified four basic elements of good governance: (i) accountability, (ii) participation, (iii) predictability, and (iv) transparency’. Source: ADB, Governance: Sound Economic Management (August 1995), pp. 3, 4, 8</td>
</tr>
<tr>
<td>6</td>
<td>International Monetary Fund (IMF)</td>
<td>Our approach is to concentrate on those aspects of good governance … most closely related to our surveillance over macroeconomic policies— namely, the transparency of government accounts, the effectiveness of public resource management, and the stability and transparency of the economic and regulatory environment for private sector activity’. (Michel Camdessus, IMF Managing Director, Address to the United Nations Economic and Social Council, 2 July 1997)</td>
</tr>
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Source: Gisselquist, 2012 p. 6-7
European and American universities. Over time, however, ‘good governance’ almost became synonymous with governing a country, or city or province. Good governance takes many and varied forms as table 2 demonstrates.

Accordingly, there is interdependence between good governance and bureaucratic reform. However, while there is substantial research on bureaucratic reform in Indonesia that focuses on strategy, implementation and challenges of bureaucratic reform in Indonesia, based on exhaustive review of previous research on good governance and bureaucratic reforms, there is yet no research on the relationship between the two concepts that specifically addresses Indonesia. Therefore, the objective of this research is to analyze the relationship between good governance and bureaucratic reform policy in Indonesia through the policy transfer lens. This refers to a ‘process by which knowledge about policies, administrative arrangements, institutions and ideas in one political system (past or present)’ is used in the development of the same features in another (Dolowitz & Marsh, 1996; D. P. Dolowitz & Marsh, 2000). Specifically for this case, the focus is on assessing the adoption and implementation ideas of good governance in bureaucratic reform policy.

An important component of bureaucratic reform in developing countries is the extent to which the process uses and adopts concepts and practices that have proved effective in other countries. This underscores the importance of policy transfer in bureaucratic reform design and implementation. Thus, policy transfer is crucial for policy-actors especially in the context of policy reform. Dolowitz & Marsh (2012) argue that no policy change can occur without learning. Defining a problem and developing a solution, requires policy makers to use past memory and knowledge about a specific, which is often limited policy. Policy transfer can be an ideological and a rational approach in dealing with dynamic circumstances (Hulme, 2005). There are several elements of a policy that are amenable to transfer including policy goals, content, instruments, programs, institutions, ideologies, ideas and attitudes and negative lessons (Dolowitz & Marsh, 1996; Dolowitz & Marsh, 2000). Besides policy transfer involves many policy actors including policy elected officials; political parties; bureaucrats/civil servants; pressure groups; policy entrepreneurs/experts; and supra-national institutions.

Terminology of policy transfer was introduced by Dolowitz and Marsh in 1996, which Rose in 1991 preferred to refer to as drawing lessons. Policy transfer can be either voluntary or coercive, depending on kind of interaction between source and recipient agents (Dolowitz & Marsh, 1996; Hulme, 2005). Coercive transfer occurs when a powerful state and or international organization impose their policies on recipients (Stone, 2012). Besides, Dolowitz & Marsh (2000) argue power relations between actors, advanced communication technology and competition between countries and regions influence the policy transfer process. However, Bulmer, developed additional categories of policy transfer, including semi-coercive transfer, conditionality transfer and obligated transfer (Bulmer et al., 2007). Meanwhile, Evans (2009, 2017) categorized policy transfer into voluntary or commonly known as lesson-drawing; a negotiated; and a direct coercive transfer. Voluntary policy transfer is influenced and depends mostly on policy-makers’ rationality, while the coercive policy transfer as its name suggests, involves coercion in the transfer process. Moreover, voluntary transfer mostly happens in developed countries while negotiated transfer could be found in European Union decision-making process.

Beside the type of policy transfers, the degree of transfer also varies. Various factors influence policy transfer including the availability/existing profesional networks presence; resourcing and time required available for policy development; political will; and individual or organizational resistance to policy transfer sources that are external to the organization (Stone, 2012). However, although many factors contribute to policy transfer process, policy-making process is mostly an issue that relates to and is influenced by the political process. For instance, politics can be the explanation as to why a country or city opts to adopt certain “best practices” over other available options.
This is well documented in Kingdon (Kingdon, 2011) policy change analysis that is based on a through multiple streams approach. Although all streams (problems, policy, and politics) are required in creating a policy window for policy change, politics streams are the most crucial element as they influence the ideas that are acceptable in agenda setting. In the case of bureaucracy reform policy in Indonesia, international organisations play a crucial role in promoting good governance, hence has wielded a lot of influence and impact on the policy design and implementation process.

Research on bureaucratic reform and good governance in Indonesia attempts to identify a relationship between the achievements of good governance through bureaucratic reform. Kasim (2013) shows that political leadership, harmonization of public policies (including rules and regulations), the use of a merit system in government agencies, and freedom from corruption are needed to achieve good governance. Ishak et al. (2020) tackles the influence of synergy of politics and bureaucracy on the success of good governance. Furthermore, other studies discuss the concept of e-government (Purwanto, 2018). Some previous studies compared bureaucratic reform in various countries. Haning (2018) conducted comparison of bureaucratic reform in the United States and Commonwealth African countries.

Therefore, this research proposes a different point of view that uses concept of policy transfer framework of good governance to Indonesia bureaucratic reform policy, as enjoined in the Presidential Regulation 81/2010. Policy transfer theory refers to the notion of the transfer of policy process of ideas from a place to others and during a certain period (D. P. Dolowitz & Marsh, 2000). Besides, policy transfer is an opportunity to obtain an in-depth understanding of the diffusion of policies both horizontally (countries and institutions at the same level of development, or region) and vertically (countries and institutions at different levels of development or regions) at the global level (Graham et al., 2013).

METHOD

This article attempts to find answers to the following questions: Does good governance influence bureaucratic reform in Indonesia? How does good governance influence bureaucratic reform in Indonesia? In order to achieve its objectives, the research uses content analysis approach which was complemented by interview. One of the advantages of the approach is that it enhances the opportunity for researchers to interpret meaning from the content of text data, in this case documents on reform policies on Indonesia bureaucracy. Specifically the paper investigates the relevancy of Presidential Regulation 81/2010 to good governance criteria. Phases of the content analysis encompassed, first, counting frequency of the phrase “good governance”; determination of the explanation and perception of the phrase, in the document. In addition, interviews were conducted to understand the perspective of the Ministry of Administrative and Bureaucratic Reform officials with respect to good governance in relation to bureaucracy policy reforms. To gain an in-depth of good governance and bureaucratic reform policy, this research employed policy transfer theory. The theory fosters an understanding of the relationship between the content of good governance on Indonesia bureaucratic reform. Specifically the theoretical framework is based on Dolowitz & Marsh, (2000) who established a framework on understanding the policy transfer process, based on actors, content and origin of the policy.

FINDINGS AND DISCUSSION

Bureaucratic reform in Indonesia has been associated with thousands of overlapping processes and government functions, involving multitudes of employees, and requires a large budget. According to the Minister for Administrative Reform and Bureaucratic Reform (Menpan RB) Tjahjo Kumolo, many government agencies were plagued by ineffectiveness and inefficiency, and pervasive duplication of functions in the existing agencies was rampant (antaranews.com, 2020). The government has so far dissolved many agencies that were considered to deliver overlapping functions. Consequently, in 2014 10 agencies were dissolved, followed
by two agencies in 2015 and 9 agencies in 2016. In 2017 2 agencies were dissolved, followed by 14 agencies in 2020.

Besides, bureaucratic reform also requires the restructuring of the bureaucratic system and process at all levels that aim at reducing red tape, change the paradigm from merely following routine to taking initiatives that are crucial to innovative practices and services. Thus, reforming the bureaucracy requires revising and developing various regulations, renewing various policies and management practices of the central government and local governments, and adjusting the duties and functions of government agencies. In 2014, the reforms were expected to have registered the following achievements:

a. good governance, clean, eradication of corruption, collusion, and nepotism;

b. increase in public services quality;

c. increase in the civil service apparatus performance, accountability and capacity;

d. Increase in civil service apparatus professionalism supported by merit-based recruitment system and competency-based and transparent, promotion, and enhanced mobility of civil service apparatus between regions, between centers, and between the center within regions, as well as obtaining commensurate salaries and decent social security.

Meanwhile, in 2019, the thrust of bureaucratic reforms includes improving good governance through strengthening efforts to eradicate corruption, collusion and nepotism; improve public service delivery to the level that is commensurate with public expectations. Besides, bureaucratic reforms are expected to increase the country’s competitiveness through enhanced capacity, accountability and performance of government bureaucracy increased professionalism in civil service apparatus, built on a new mindset and culture-set that upholds high integrity and excellent performance.

Based on results of a count of the frequency of the use of the phrase “good governance” (tata kelola yang baik) in the Presidential Regulation No.81/2010”. The phrase was mentioned thirteen times in the document. First, the grand design considers good governance as the key element to achieve better public services delivery. The government acknowledges the importance of adopting principles of clean government and good governance for better public services delivery. Ten out of thirteen times the phrase was used mention good governance as the aim of bureaucratic reform. For instance, one line noted that “to achieve good governance, it is deemed necessary to carry out bureaucratic reform” (Presidential Regulation 81/2010, page iii). Furthermore, the document explicitly states that “Grand Design of Bureaucratic

### Table 3. Areas of Change and Expected Results

<table>
<thead>
<tr>
<th>Area</th>
<th>Expected Results</th>
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</thead>
<tbody>
<tr>
<td>Organization</td>
<td>The right organization function and right size (right sizing).</td>
</tr>
<tr>
<td>Governance</td>
<td>Systems, clear processes and work procedures, effective, efficient, measurable and in accordance with the principles of good governance</td>
</tr>
<tr>
<td>Regulations</td>
<td>More orderly, non-overlapping and conducive regulations</td>
</tr>
<tr>
<td>Human Resources Apparatus</td>
<td>Apparatus with high integrity, neutral, competent, capable, professional, high performing and prosperous</td>
</tr>
<tr>
<td>Monitoring</td>
<td>Increasing clean governance and free of corruption, collusion and nepotism</td>
</tr>
<tr>
<td>Accountability</td>
<td>Increased capacity and accountability of bureaucratic performance</td>
</tr>
<tr>
<td>Public Services</td>
<td>Public service excellent service according to the needs and expectations of the community</td>
</tr>
<tr>
<td>Mind Set and Cultural Set</td>
<td>high integrity and excellent performance’s bureaucracy</td>
</tr>
</tbody>
</table>

*Source: Presidential Regulation 81/2010*
ic Reform 2010-2025 as referred to in Article 1 becomes the reference for Ministries / Institutions / Local Governments in carrying out bureaucratic reform tailored toward attaining good governance”. Thus, good governance in this context is perceived as the main goal of bureaucratic reforms. However, good governance in the document is also perceived as the basis for implementing governance. The documents state that systems, processes and work procedures should be effective, clear, measurable, efficient, and in accordance with good governance principles. Good governance is also considered as the basis for good bureaucracy management. Bureaucracy is expected to wholeheartedly serve people’s interests and have the ability to deliver excellent, transparent, accountable services; and free from corruption, collusion and nepotism. Furthermore, adopting good governance principles including effective and efficiency, rule of law, responsiveness, accountability, and transparency is considered to underpin the implementation of bureaucratic reforms. Table 3 shows the intersection of the stated goals of bureaucratic reform and compliance with governance principles.

Other aspects of the law that underpins the importance of adhering to good governance principles in the Presidential Regulation No.81/2010 includes outcomes oriented. All programs and activities carried out in in the context of implementing bureaucratic reforms must be able to achieve results that contribute to improving the quality of institutions, management, laws and regulations, civil service apparatus HR management, supervision, accountability, quality of public services, change of mindset and work culture of civil service apparatus. Achieving this is expected to enhance public trust and elevate governance Indonesia toward world-class government. Some of the indicators of performance of bureaucracy reforms are measurable; efficiency; effectiveness; realistic; consistency; synergy; innovativeness; obedience; and the extent to which both the process and output can be monitored.

Results from interviews corroborated content analysis findings with respect to the importance of good governance in the implementation of bureaucratic reforms. Informants acknowledged that creating clean government and good governance is the main purpose of the bureaucratic reforms. This is evident from the goals and objectives of the reform policy. The goal is to create a government bureaucracy that is professional with adaptive characteristics, integrity, high performance, clean and free of corruption, collusion and nepotism, able to serve the public, neutral, prosperous, dedicated, and uphold the basic values and code of ethics of the state apparatus. Meanwhile, reform policy objectives include the realization of a clean and free government of corruption, collusion and nepotism; increasing the quality of public services to the community; and

### Table 4. Indicators

<table>
<thead>
<tr>
<th>No</th>
<th>Objectives</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The realization of a clean and free government of corruption, collusion and nepotism;</td>
<td>Corruption Perception Index</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Indonesia Audit Board’s Opinion</td>
</tr>
<tr>
<td>2.</td>
<td>Increasing the quality of public services to the community; and</td>
<td>Public Service Integrity</td>
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<tr>
<td></td>
<td></td>
<td>Ease of Doing Business</td>
</tr>
<tr>
<td>3.</td>
<td>Increasing capacity and accountability of bureaucratic performance</td>
<td>Government Effectiveness Index</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Accountable Government Agencies</td>
</tr>
</tbody>
</table>

Source: Data Analysis
increasing capacity and accountability of bureaucratic performance.

Meanwhile, looking at indicators that were developed to help in measuring the progress and performance of the reform, evidence also shows strong focus on improving and instilling good governance principles in processes and institutions (Table 4).

Thus, bureaucratic reform in Indonesia is influenced by concept of good governance. The frequency at which the phrase good governance is used in the Presidential Regulation No.81/2010 attests to that improving good governance in Indonesian bureaucracy is considered to be the goal of bureaucratic reform policy. It underpins the bureaucracy governing process and management. Moreover, implementing bureaucratic reforms is based and informed by good governance principles. Another important aspect of bureaucratic reform policy in Indonesia is the role policy transfer has influenced the process. Policy transfer has largely come from international development organizations, through various channels including technical assistance, consultations and indirectly a vital source of reference for formulators and implementers of bureaucratic reform policy.

It can be seen on how good governance becomes first consideration of the policy. Moreover, the role of international organisation by producing report of Indonesia current situation in accordance of good governance principles which then urge issuing bureaucratic reform policy. It is stated in the background of the policy document. For instance, International Finance Corporation reports that in the nature of ease of doing business, Indonesia failed to deliver good services for investors and prospective investors in Indonesia. According to this data, Indonesia is ranked 122nd out of 181 for ease of doing business or 6th out of 9 ASEAN countries. In fact, Indonesia is one of the main markets for global investors. Moreover, based on World Bank effectiveness assessment, in relation to the capacity and accountability of employee performance, the community still complains about its condition. Meanwhile, from Transparency International data in 2009, Indonesia’s Corruption Perception Index (CPI) is still low (2.8 10) when compared to other Southeast Asian countries. This situation shows that International Organisation assessments influence on how Indonesia develops the policy. Even though there is no explicit situation that draw coercive process. However, the fact of those International Organization describing Indonesia situation force the adoption on bureaucratic reform policy. It is not distinct to the most common literature that International Organization perceived as super power organisation that force some policy to be implemented in less developed countries.

International Organization

According to Dolowitz (2006), international organizations have promoted and sometimes forced similar policies across nations. This is in line with Rose’s argument that is international organizations play crucial role in proposing exchange of ideas across countries (Rose, 1991). Majone (1991) cites the the IMF and the World Bank as two international organizations that play significant role in the transfer and adoption of western monetary policies in developing countries. The recipient countries are forced to adopt IMF or the World Bank’s particular policies as a pre-condition for financial and technical assistance. Dobbin, Simmons and Garret study also corroborate the argument by arguing that IMF and the European Union use conditionality in providing loans and aid support to recipients countries. (Dobbin et al., 2007). Thus, powerful countries play a vital role in setting conditions that developing countries must fulfill to qualify for both financial and technical assistance. This reflects disparity in power and influence between aid donores and recipients.

Anti-money laundering (AML) policy transfer process is another area where power-based transfer is evident. Sharman (2008, p.635) contends that the transfer process is entails a ‘discursively mediated exercise of power rather than reflective rational learning or brute material force’. The effectiveness of adopting AML policy in developing countries is still questionable. One of the major drawbacks that has affected the adoption of the policy is the practice of blacklisting
countries as “Non-Cooperative Countries and Territories” by FATF (Financial Action Task Force). Moreover, FATF has extraordinary authority in controlling movement and investment of capital as well as special access to multinational financial networks that fosters the coercive adoption of the policy (Sharman, 2008). Consequently, coercive implementation of the policy has various ramifications for those countries. Policy transfer in Indonesian case bears strong similarity with the AML situation. The only difference is that in this case, the focus relates to the adoption of good governance concept rather than a specific policy.

The policy transfer process in bureaucracy reform policy in Indonesia is intricately linked to vital role international organization play in policy transfer across countries. International agencies have the capacity, access, and means to spread ideas around the world. Through their conferences and reports, agencies are able to spread ideas at international level, thereby influence policy makers across the world (Dolowitz & Marsh, 2000). From the constructivism point of view, agencies are creating, constructing and developing ‘theory of action’ and ‘corresponding models of behaviour’ which is a crucial point for constructivists (Dobbin et al., 2007, p. 452). Such a pattern is evident in bureaucracy reform policy. Indonesian policy makers consider adopting good governance concepts that were conceived and applied in other country contexts, can be applied to Indonesian context to achieve similar or even better outcomes. In this case, the role of international organizations is to define knowledge or global norms. Berkovitch study on women’s rights is an example of the approach. Robinson & Berkovitch (2001), established that international organisations play a significant role in defining women’s rights as a crucial norm. Consequently, attention on the women’s rights increases in many countries. Moreover, countries opt to acknowledge and adopt international conventions on women’s rights if they involve in international and nongovernmental organisations.

A study by Bennet et al. (2015) gives another good example of the role international organizations play in policy transfer. Bennett et al., (2015) consider international organizations as key agents in cross country transfer of new global health policies (Bennett et al., 2015). ‘International actors use multiple synergistic channels to promote uptake of global health policies in low- and middle-income countries, and tailor strategies employed to country context’ (Bennett et al., 2015). Besides, international organizations also leverage their ability exert pressure and crises countries face to promote policy transfers. For instance, Organization for Economic Cooperation and Development (OECD) uses the demand to help countries achieve economic stability to ‘protect and expand their global relevance’ (Pal, 2014). Furthermore, the crisis situations countries face are used as opportunities for international organization to enter as prescribe policies that aim to provide quick solutions to problems affected countries face. Thus, during crises countries are more receptive to policy solutions that are promoted by international organizations such as OECD that have the capacity to provide mitigating solutions to face the problems. (Pal, 2014). It must be noted that policy transfer provides opportunities for policy transfer to the benefit of both the recipients and providers.

However, different international organizations influence policy transfer differently. In a research by Carrol (2014) on policy transfer process in the World Trade Organization, the European Union, and OECD, findings showed that policy transfer to large extent occur during ‘pre-accession and formal accession stages’ (Carroll, 2014). Determinants of policy transfer include:

1. Organizations’ mandate;
2. The degree of political and institutional homogeneity demonstrated by the candidates. The higher the degree of homogeneity, the lower the degree of transfer, and vice versa;
3. The range of derogations allowed by members of international organizations;
4. Government commitments and policy changes;
5. The extent to which international organizations have established an authoritative and effective mechanism to monitor, report and implement accession
agreements. Especially whether new members have undertaken the agreed scope and type of policy transfer;
6. Organizations or countries’ bargaining position;
7. Dynamic of international government organisation’ accession in political, economic and social context (Carroll, 2014).

In the case of Indonesian bureaucracy reform policy transfer, researcher can identify that the ability of international organizations on defining and shaping Indonesia situation has significant impact on policy adoption. Despite national demands on improvement of bureaucracy performance, international organizations’ reports and research are able to bring comparison between Indonesia bureaucratic problems to others’ countries, especially in the Southeast Asian region. It puts national government on weak position to not issue bureaucratic reform policy.

**Criticism of Policy Transfer**

Policy transfer to certain extent helps to enhance an understanding of policy mobility. However, Duncan (2009) levels criticism of policy transfer for its failure to provide an explanation about the policy production process and its mechanisms. Moreover, while it is well established that policy makers use policy transfer to design and develop good policies, it is not clear whether the policies that occur are good or otherwise. There is tendency to justify the relevancy of policy transfer on merely political grounds. In any case, as Anderson (1978) argues the definition of policy problems is sometimes subjective and political.

Moreover, policy transfer process is criticized for simplification what essentially is a complex process. Duncan (2009) argues that ‘the academic literature often oversimplifies complex process while governments’ documents tend to deficient on explanation of how new approaches to policy making might work in practice’. In fact, it is common knowledge that policy making is a very messy and unpredictable process. Even, the adoption of simple ideas requires deep analysis especially political aspects prior to receiving acceptance (Stone, 2012).

Furthermore, ‘policies and practices are often simply not transferable since they have grown out of the legal, educational and social systems of their host state’ and ‘are neither ideologically nor culturally proximate’ (Stone, 2012, p. 488). In addition, policy making process is not merely simply emulating and replication of policies without taking into consideration various contextual conditions in source and recipient countries (Peck & Theodore, 2010). This raises the question as to how policy transfer process affects policy. Policies are transferred incrementally and partially as well as evolve during the mobility process. During the policy transfer process policies undergo a (re)making of relational connections prior to reaching their destination locations (Peck & Theodore, 2010). For instance, in the case of bureaucratic reform policy, the concept of good governance while formed the foundation of the policy, not all good governance principles were adopted. Moreover, Duncan (2009) believes that policy transfer is more about policy triggers which relates to the notion that some ideas influence others in new contexts that influence the creation and development of new policy alternative. Thus, while good governance was main concept that underpin the building blocks of bureaucratic reform policy, its implementation on the ground was influenced by the extent to which the process induced changes in mindset and organizational culture, which are crucial for policy reform success.

Process of ideas receptivity and how to enhance the opportunity of a policy that could be implemented should become a concern for the future research. It considers distinct political, cultural and geographical condition, especially when it happens in the middle income and developing countries. It tends to face significant barriers during the implementation process. Indeed, incremental process of a policy adoption can be one of the solutions. However, different background of destination countries surely requires distinct treatment. Therefore further studies are required.

**CONCLUSION**

Technology and globalisation have had
marked influence on the interaction between global changes and structure. It has been the center of policy change which is an evolving policy-making process. Due to advances in technology and globalization, policy makers can draw policy lessons from new knowledge they acquire from other parts of the world. This is what in political and policy science, is referred to as policy transfer process. Policy transfer which is indebted to Dolowitz and Marsh, is mediated by voluntary and coercive learning for policy makers. This article has shown that international organisations have the ability to influence policymaker’s decision making in policy transfer destination countries. Nonetheless, the use of coercion in the policy transfer process attests to the detrimental effect of the process to national sovereignty. It also reflects the growing interdependence of policy making across countries and regions.

Policy analysis of Indonesian bureaucracy reform shows that there is a close relation between the policy and “good governance” concept. Good governance underpins as well as the goal of bureaucratic reform policy in Indonesia. Moreover, good governance, is considered to be the guidance and source of reference for it also is of the conduct and behavior of the bureaucracy. International organizations influence policy making by proposing and advocating for the adoption and incorporating of good governance in policies as justification for well-managed government. Besides, International organizations such as World Bank and Transparency International exert pressure for change by releasing regular reports that are tailored toward persuading and encouraging Indonesia to enhance its performance on good governance. The World Bank Ease of doing Business report is annual gauge of the country performance on various aspects of investment climate, which essentially measures achievement and progress on achieving good governance principles across various sectors and public administration. Meanwhile, the corruption perception index which is released annually serves as a barometer of the performance of government bureaucracy on transparency and clean government. Thus, good governance is considered a prerequisite to achieve quality public service delivery. Thus, not surprising that considering such pressure, Indonesian government regards implementing reforms of its bureaucracy based on policy transfer that is informed by good governance principles as imperative and necessary.

Nonetheless, analysis of policy formation through the policy transfer point of view although can help in understanding Indonesia context of bureaucratic reform policy, it provides incomplete picture of the reality of the chaotic and unpredictable circumstances that characterize the policymaking process. This theory simplifies a complicated process, that is incremental, evolving, and dynamic leading to major differences in expectations and goals and achievements. Policy content may be the same but the outcomes tend to vary in different countries.

REFERENCES


