Author/s:
Wulandari, Primatia Romana

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The Embeddedness of Policy Learning in Reform-Oriented Policy Change: The Case of Indonesian Public Administration Reform

Primatia Romana Wulandari
[0000-0001-7730-4078]
https://orcid.org/0000-0001-7730-4078

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Abstract

Governments around the world have undertaken extensive programs of public administration reform. While such reform is intended to achieve specific, practical outcomes, it may also involve policy learning. Scholars have investigated the conceptual relationship between reform and policy learning, but there is a lack of empirical research into the causal mechanisms that explain this relationship. This thesis seeks to contribute to the understanding of reform-oriented policy learning, drawing theoretical insights from the fields of politics, public policy, and public administration. Its central question is: *To what extent does policy learning facilitate policy change in shaping the trajectory of public administration reform?*

The thesis conducts an in-depth, comparative case analysis of two pieces of Indonesian legislation intended to reform public administration: the 2014 Civil Service Law (UU no. 5/2014) and the 2014 Government Administration Law (UU no. 30/2014). The ratification of these two laws marked a significant move away from the existing paradigms of Indonesian public administration, influenced by NPM and NPS paradigms layered on top of the old ways of public administration and patronage. This thesis compares the processes by which these two laws were proposed, negotiated and resolved in their ongoing processes of institutionalisation.

Drawing on this analysis, the thesis describes the dynamic relationship between structure, institution and agency in shaping the reform trajectory, and analyses the role of path dependence in explaining the reform sequence; the importance of antecedent conditions; and the role of cumulative causation in the interaction between structural persistence, reactive sequence and reform outcomes. The thesis argues that reform-oriented policy learning is inherently political and contextually dependent; and thus, that it can be best understood as a multi-level phenomenon, whereby structure, institution and agency interact simultaneously to shape the reform trajectory.

The thesis presents three key findings. The first is that policy learning involves distinct types and levels of learning. Thus, the thesis identifies the micro-foundations of learning, individual learning, collective learning and learning aggregation in the interdependent relationship between structure, institution and agency. The second is that policy learning is both an influence on, and a product of institutional change: policy learning is found in the mechanisms of change, which involve both exogenous and endogenous pressures for reform, the distinction between formal and informal change, and the feedback mechanisms that are produced by (and influence) change. The third is that policy learning is evident throughout the successive stages of the reform process; different aspects of policy learning shape the reform trajectory in different ways.

The analysis of the reform trajectory and policy learning presented in this thesis provides the foundations for new theoretical work that connects structure, institution and agency in a more dynamic relationship. The thesis develops a model for analysing how reform-oriented policy learning occurs during the reform process, and how it shapes the reform trajectory. The study makes a major contribution to the public administration literature and provides important lessons for governmental practice.

Keywords: Policy Learning, Policy Change, Causality, Reform Sequence, Public Administration Reform, Indonesia.

Declaration

This is to certify that:

1. The thesis comprises only my original work towards the PhD except where indicated in the preface,

2. Due acknowledgement has been made in the text to all other material used,

3. The thesis is fewer than 100,000 words in length, exclusive of tables, maps, bibliographies and appendices.

Signature:

Date: 12 October 2020

Preface

The entire research was conducted and completed by Primatia Romana Wulandari during the course of enrolment of her PhD (Arts) at the University of Melbourne, especially under the supervision of Prof. Janine O'Flynn (primary supervisor) and Dr Rachael Diprose (associate supervisor). The research conducted for this thesis was undertaken with the approval of the Human Research Ethics Committee of The University of Melbourne, particularly the Human Ethics Sub-Committees (HESC) on Humanities, Law and Social Sciences (HLSS). The University of Melbourne HESC – HLSS ID number approval is ID 1748679.

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This PhD thesis marks a journey that was not undertaken alone. There are many individuals and institutions who supported me and continued to inspire me throughout this endeavour. If I start using the vocabulary which runs through this work, during this four year journey they all have been a benchmark, an example, and/or a model from which I have had the privilege to continuously update my beliefs and knowledge. My encounters with these people and the experiences offered during the PhD study have been a rewarding journey of discovery and the least that I can do is to acknowledge the huge debt I owe them for sharing their time, knowledge, experience, friendship, and love with me.

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In the middle of the PhD journey a little angel, named Gabriella Kalyani Devereux, came to join me. Her arrival made things much more challenging and interesting, and helped me put the thesis and everything else in perspective. During the past 18 months, I have learned from Gabriella more than I ever thought I could learn from any one person. She is the source of inspiration – watching her grow, seeing her enthusiasm to learn new things and her determination in mastering new life skills have provided me with the strength to finish this thesis. There was of course a behind-the-scenes story of a new mum raising a baby girl during a PhD, which involved a messy, chaotic, and sometimes frustrating journey that upended life as I knew it. Luckily, I shared this challenge with my amazing husband, Thomas David Devereux. For the past 4 years, he has been my rock, my personal proof-reader and my best friend throughout my PhD journey who would put up with all my complaints and frustrations, and always be ready to put the kettle on and offer a warm cup of tea. There were times when I was so exhausted and just wanted to give up, juggling between taking care of a baby and writing the thesis, but Tom always helped me pull myself back on track. Especially during the lockdowns due to the Covid-19 pandemic, when he was juggling between his own full-time work, a needy toddler, and a rather grumpy and frustrated wife trying to finalise her thesis, but he still managed to offer hugs, limitless cups of tea, and allowed me time to write. For these and many other reasons, and for what I have learned and continue to learn from them, I dedicate this thesis to Gabriella and Tom, who are my most valuable and dearest sources of learning.

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List of Acronyms

AAKI	*Asosiasi Analis Kebijakan Indonesia* [The Indonesian Policy Analyst Association]
ACF	Advocacy Coalition Framework
AKMIL	*Akademi Militer* [The Military Academy (Indonesia)]
ANRI	*Arsip Nasional Republik Indonesia* [The National Archives of Indonesia]
APIP	*Aparat Pengawas Internal Pemerintah* [The Government Internal Audit Apparatus (Indonesia)]
APKINDO	*Asosiasi Panel Kayu Indonesia* [The Indonesian Wood Panel Association]
ASN	*Aparatur Sipil Negara* [The State Civil Apparatus (Indonesia)]
BABINSA	*Bintara Pembina Desa* [Village Development Non-Commissioned Officer (Indonesia)]
BKN	*Badan Kepegawaian Negara* [The National Civil Service Agency (Indonesia)]
BPK	*Badan Pemeriksa Keuangan* [The Supreme Audit Board (Indonesia)]
BPKP	*Badan Pengawasan Keuangan dan Pembangunan* [The State Finance and Development Surveillance Committee (Indonesia)]
CSIS	The Centre for Strategic and International Studies (Indonesia)
CSO	Civil Society Organisation
DFAT	Department of Foreign Affairs and Trade (Australia)
GDRBN	*Grand Desain Reformasi Birokrasi National* [The National Grand Design of Bureaucratic Reform (Indonesia)]
GIZ	*Gesellschaft für Internationale Zusammenarbeit* [The German Development Agency (Germany)]
GOLKAR	*Golongan Karya* [The Party of Functional Groups (Indonesia)]
GTZ	*Gesellschaft für Technische Zusammenarbeit* [The German Agency for Technical Cooperation (Germany)]
ICW	Indonesia Corruption Watch
IMF	International Monetary Fund

IPDN	*Institut Pemerintahan Dalam Negari* [The Institute of Home Affairs Governance (Indonesia)]
ITA	Institutional Theory Approaches
KASN	*Komisi Aparatur Sipil Negara* [The Civil Service Commission (Indonesia)]
Kemendagri	*Kementerian Dalam Negeri* [The Ministry of Home Affairs (Indonesia)]
Kemenkeu	*Kementerian Keuangan* [The Ministry of Finance (Indonesia)]
KemenPANRB	*Kementerian Pendayagunaan Aparatur Negara dan Reformasi Birokrasi* [The Ministry of Administrative Reform (Indonesia)]
Kemitraan	Partnership for Governance Reform (Indonesia)
KODAM	*Komando Daerah Militer* [Regional Military Command (Indonesia)]
KODIM	*Komando Distrik Militer* [District Military Command (Indonesia)]
KORAMIL	*Komando Rayon Militer* [Sub-District Military Command (Indonesia)]
KOREM	*Komando Resor Militer* [Sub-Regional Military Command (Indonesia)]
KORPRI	*Korps Pegawai Republik Indonesia* [The Indonesian Civil Service Corps]
KPK	*Komisi Pemberantasan Korupsi* [The Corruption Eradication Commission (Indonesia)]
KPPOD	*Komite Pemantauan Pelaksanaan Otonomi Daerah* [The Regional Autonomy Watch (Indonesia)]
KRHN	*Konsorsium Reformasi Hukum Nasional* [The National Legal Reformation Consortium (Indonesia)]
KSP	*Kantor Staf Presiden* [The Presidential Staff Office (Indonesia)]
LAN	*Lembaga Administrasi Negara* [The National Institute of Public Administration (Indonesia)]
LASA	*Landesagentur fuer Struktur und Arbeit* [The State Agency for Structural and Work Affairs (German)]
LBH	*Lembaga Bantuan Hukum* [Legal Aid Institute (Indonesia)]
MABES TNI	*Markas Besar Tentara Nasional Indonesia* [The Headquarters of the Indonesian National Armed Forces (Indonesia)]
MenPAN	*Menteri Pendayagunaan Aparatus Negara* [The Minister of Administrative Reform (Indonesia)]

MoAR	The Ministry of Administrative Reform (Indonesia)
MoF	The Ministry of Finance (Indonesia)
MoHA	The Ministry of Home Affairs (Indonesia)
MoLHR	The Ministry of Law and Human Rights (Indonesia)
MSF	Multiple Streams Framework
NCSA	The National Civil Service Agency (Indonesia)
NGO	Non-Government Organisation
NIPA	National Institute of Public Administration
NPG	New Public Governance
NPM	New Public Management
NPS	New Public Service
PA	Public Administration
PATTIRO	*Pusat Telaah dan Informasi Regional* [The Center for Regional Information and Studies (Indonesia)]
PDI	*Partai Demokrasi Indonesia* [The Indonesian Democratic Party]
PE	Punctuated Equilibrium
Pertamina	*Perusahaan Pertambangan Minyak dan Gas Bumi Negara [The State Oil and Natural Gas Mining Company (Indonesia)]*
PKI	*Partai Komunis Indonesia* [The Indonesian Communist Party (Indonesia)]
PM	Public Management
PPP	*Partai Persatuan Pembangunan* [The Islam-based United Development party (Indonesia)]
PSHK	*Pusat Studi Hukum dan Kebijakan* [Center for Indonesian Law and Policy (Indonesia)]
PVM	Public Value Management
SAP	Structural Adjustment Program
Sekjen DPR RI	*Sekretariat Jendral Dewan Perkawilan Rakyat Republik Indonesia* [The Secretarial General of The National House of Representatives (Indonesia)]

Seknas FITRA	*Sekretariat Nasional Forum Indonesia untuk Transparansi Anggaran* [The Indonesian Forum for Budget Transparency (Indonesia)]
TI Indonesia	Transparency International Indonesia
USAID	United States Agency for International Development
UU	*Undang-Undang* [Law/ Legislation (Indonesia)]
VOC	*Vereenigde Oost-Indische Compagnie* [The United East India Company (Dutch)]
YAPPIKA	*Yayasan Aliansi Masyarakat Sipil Untuk Demokrasi* [The Civil Society Alliance for Democracy (Indonesia)]

1 Chapter I

Introduction

1.1 Background

Public administration reform is shaped by many factors, but the role of policy change and policy learning remains highly contested. Central to the debate is the question of whether policy change for intended reform might bring unexpected outcomes, due to the multiple factors involved. Despite its challenges, public administration reform is often necessary due to "the malfunctioning of the natural processes of administrative change", backed up by the belief "that there is always a better alternative to the status quo" (Caiden 2017, p. 23, p. 65). Reform is sometimes triggered by changes in beliefs, which highlights the role of policy learning—the process of adjusting understanding and beliefs regarding public policy (Dunlop & Radaelli 2013). However, it has been argued that policy learning is ineffective for policy change, since it is difficult to know in advance, particularly during the policy-making process, whether policymakers will be guided by the wrong teachers, or pick up the wrong lessons, or apply the right lessons to the wrong institutional context, especially in the case of reform (Dunlop & Radaelli 2018).

Public administration reform involves learning new ways of doing things (O'Flynn, Blackman & Halligan. 2013), therefore the study of such reform offers an opportunity to understand policy learning. Policy learning is a deliberate attempt to adjust policy in response to past experience and new information (Hall 1993). In this regard, policy learning involves new ways of doing things and/ or to do some old things in new ways. Thus, there is an opportunity to study policy learning as an integral part of reform as it acknowledges various factors that may contribute to a different interpretation of 'past experience and new information' that shape the reform initiative.

However, one of the complications of studying policy learning is the fact that significant parts of it occur in the policy-making process (Moyson, Scholten & Weible 2017). Thus, in the context of reform, the study of policy learning must involve the study of policy change. By exploring the policy learning that occurs during policy change, we can gain insight into *what* the actors involved in policy making learn about, *how* they learn, and how they *use* learning to advance policy change (Bennett & Howlett 1992). When policymakers borrow ideas, they often believe that those ideas (1) have worked well in their original contexts, and (2) would—with some adaptation—work well in the policymakers' own countries (Robertson & Waltman 1993). Thus, research on public administration reform helps acquire unique insights into how policymakers advance policy change, by pursuing strategies such as "localizing" (Acharya 2004) and "imitating, translating, and editing" (Sahlin & Wedlin 2008) policies that seem to have succeeded in other countries. During this process, policymakers might also face the problems that affect policy-making processes in general: limited resources; lack of time and attention; and political/bureaucratic conflicts (Karch 2007; Robertson & Waltman 1983).

Policymakers can face different challenges depending on their political environment. In developing nations, public administration reform can tend to prioritise form over function, and show "bias toward formal institutions" (Andrews 2012, p. 8; see also Pritchett Woolcock & Andrews 2010). This bias is partly due to reform advocates and practitioners who often emphasise the importance of having legislation in place, at times going so far as considering legal reform an "objective in itself" (Verheijen 2000, p. 26). Of course, legislation is important. It is sometimes the case, especially in developed countries, that reform may proceed in advance of legislation. However, the situation is usually different in developing countries where there may be more obstacles to the functional adoption of reform. In this regard, even though legislation "does not automatically lead to the institutionalisation of merit" (Grindle 2010, p. 2) and "does not necessarily lead to the depoliticization of civil services" (Meyer-Sahling 2006, p. 693), focusing on form before function may enable agents to introduce functional changes incrementally, and to prepare their constituencies for change (Greif 2006). In short, functional change does not necessarily follow formal change—as policy entrepreneurs have learned through numerous setbacks and recoveries (Schnell 2015). Thus, it is important to note that, while such legislation may be seen necessary step for reform to happen, they are insufficient for reform in practice.

In light of the potential role of policy learning in reform, it becomes clear that policy learning is not a matter of copying, but rather a process whereby a particular country's policymakers confront issues in various areas: defining which practices are "best", and why; understanding how foreign "models" really work; determining their relevance for their own jurisdictions; and adapting borrowed policies to a new environment (Mossberger & Wolman 2003; Pollitt 2003; Vettoreto 2009; Wolman, Hill & Furdell 2004; Wolman & Page 2002). For example, while such policy-borrowing may serve as policy learning, it may at the same time represent isomorphic mimicry. Such mimicry highlights the tendency of governments to copy other governments' successes, replicating processes, systems, and even products of "best practice" examples (Andrews 2009; Andrews, Pritchett & Woolcock

2017). It has been argued that such reform results in failure when it does not fit with the context (ibid.).

Many scholars have studied how international organisations, “epistemic communities”, and agents have actively contributed to trends of isomorphic mimicry (DiMaggio & Powell 1983; Dimitrakopolous & Passas 2012; Sahlin-Andersson 2002; Pal 2012; Pal & Ireland 2009). Numerous studies of large-scale reform have shown that, in many cases, such reform does not incorporate lessons from previous local attempts but, rather, tends to involve the transplantation of reforms from other nations (Andrews & Woolcock 2013; Olsen 2006; Pollitt & Bouckaert, 2011; Schick 1998). Furthermore, Olsen (2006) has argued that, without careful consideration of the historical institutional context, reform tends to represent a fresh start, instead of building on previous reforms that offer scope for improvement. Thus, borrowing policies from foreign contexts may actually hinder learning, by blocking more appropriate incremental change (Deeg 1995). In the most extreme cases, this mimicry may result in “cross-national policy (mis)learning[1]” (Larsen 2002). This problem highlights the puzzle that, when the practical details of administrative reform are examined, the role and processes of policy learning are complicated and often unclear. For instance, when reform is attempted through a change of policy, it may be unclear how policy learning has influenced the choices made.

There is, of course, a wealth of experience that policy learning can make use of, which has been built up over decades and all around the world, during the evolution of public

[1] Lessons have been learned, but also mis-learned as international advisory bodies present policy solutions without much robust documentation (even in cases where such documentation can be found in official evaluations), national policy-makers have a clear interest in presenting their policy as best practice, and in general policy-makers act within the ‘bounded’ rationality of a given policy paradigm (Larsen 2002).

administration. In describing that evolution, scholars have used various labels, referring to a transition from traditional public administration to New Public Administration (NPA) (Frederickson 1980); from Public Management (PM) to New Public Management (NPM) (Pollitt & Bouckaert 2004), or to New Public Service (NPS) (Denhardt & Denhardt 2000), or to Public Value Management (PVM) (O'Flynn 2007). In more recent times, scholars have focused on New Public Governance (NPG) (Bovaird & Loeffler 2016). However, it is a common conception that in any evolutionary shift in theory or practice, the older is never completely swept aside by the newer, and the post-NPM reform agenda is no exception (De Vries & Nemec 2013). As a result, tensions have arisen, as the new approaches tend to overlay rather than displace previous approaches (O'Flynn 2016). Thus, the new approaches often clash with traditional public administration, which may remain firmly in place (ibid.).

Those evolutionary shifts mentioned above have taken place partly due to a continuous and inexorable process of modernisation in the sphere of public administration, which can lead to a convergence of public administrative systems across the globe (Hughes 1998; Kettl 2000; Lane 2000; Osborne & Gaebler 1992). This perspective is problematic, because the perceived convergence often positions *Western* public administration—Anglo-American public administration—as *global*, and thus globally applicable, public administration. (Cheung 2005; Hou, Ni & Poocharoen. 2011; Xue & Zhong 2012). An enduring question in the field of public administration, especially as it relates to public administration reform, is whether or not there has been convergence across the globe.

There are scholars who claim that NPM is the standard model for public administration reform (Gualmini 2008; Osborne & Gaebler 1992; Samaratunge, Alam & Teicher 2008;

Scott 2001; Pillay 2008). Many of these argue that there is, or should be, convergence on the NPM agenda, and their arguments feature four key themes (ibid.). These themes are (1) that there is a consensus on the measures that constitute the reform menu; (2) that there is a coherent policy paradigm; (3) that divergence with respect to implementation is caused by variations in policy leadership; and (4) that NPM will become a stable, dominant policy paradigm, as the reform agenda is advanced in an increasing number of contexts (Goldfinch & Wallis 2010). However, objections may be made to such claims of perceived convergence.

It has been noted, for instance, that the assessment of whether reform has succeeded or failed is often based largely on how completely and how quickly the country has adopted the Western Global PA (Public Administration) paradigm, and the associated reform agenda, such as NPM (Samaratunge, Alam & Teicher 2008; Sarker 2006;). Against these criteria, developing countries have often been portrayed as "reform laggards" (ibid.). Indeed, the notion of the "reform laggard" in the "convergence" hypothesis is problematic, because it seems to recognise only the standards of the Western PA approach. There are, however, alternative paradigms, such as Chinese PA and Islamic PA (Drechsler 2013). The existence of these alternative paradigms challenges the claim that Western PA can offer reforms that "suit for all", especially because reforms conducted in the countries with alternative paradigms are followed by impressive development trends demonstrated by "East Asian Miracle" and Islamic countries (ibid.). Thus, as Cheung (2013) argues, there is no "one size for all" approach to effective reform , and it is important to recognise the "cross-border, cross-cultural, and cross-institutional experiences" that offer rich diversity across jurisdictions (Cheung, 2012, p. 209).

Several scholars of administrative reform have argued that reform convergence has been considered a "useful myth" (Goldfinch & Wallis 2010; Pollitt 2001, 2002). However, the idea of a "useful myth" invites the question, "useful for whom?" Similarly, the implementation of 'good governance' in developing countries has provoked critics to ask, "good for whom?" They emphasise that "good governance" is something promoted by the international community, comprising here the World Bank, the IMF, UN organisations, etc. (Drechsler 2015; Grindle 2017). Hood (1991) also notes that such concepts serve the interests of those who seek to influence policy making, such as organisations and individuals who seek to provide technical assistance with toolkits of ready-made solutions. International entities and policy entrepreneurs are, indeed, prominent in the field of governance, and what has been disseminated globally is mostly reform "talk" and some "accounts of practice", rather than convergence (Sahlin-Andersson 2002, p. 54).

Pollitt (2001) similarly argues that convergence seems to be more about discourse and policy decisions, rather than practice and results. While different counties may have what seem to be similar reform ideas, policies, instruments, and tools, the results of *implementation* may be hugely divergent (Goldfinch & Wallis 2010). Thus, the idea of reform convergence, as associated with NPM and other post-NPM reform approaches, is often regarded with scepticism. If a reform idea, policy, instrument, or tool from a particular jurisdiction is transferred elsewhere, it will have to deal with the messiness of the real world, where divergence and contextual variation prevail (Goldfinch & Wallis 2010; Pollitt 2001; 2002). Indeed, researchers have noted how foreign reform ideas must undergo a process of adaptation, to suit the institutions of the local jurisdiction (Goldfinch 2006; Kuhlmann, Bogumil & Grohs 2008; March & Olsen 1996; Noordegraaf 2009).

The implication is that, even though globalisation creates possibilities for policy convergence, there is no such thing as "reform convergence", particularly with respect to practice and outcomes (Pollitt 2001, 2002). On the other hand, globalisation *has* resulted in the diffusion of ideas, and there *is* a tendency to adopt ideas that have worked well elsewhere. Thus, there *is* a global reform discourse, and policy makers often learn from "policy and political outcomes" (Gilardi 2010, p. 651; Gilardi, Füglister & Luyet. 2009).

Studies of reform across the world continue to indicate considerable diversity across jurisdictions (Butcher & Massey 2003; Goldfinch & Wallis 2009; Gualmini 2008; McCourt 2008; Pollitt, van Thiel & Homburg 2007; Samaratunge, Alam & Teicher 2008; Sarker 2006;). There are many national factors influencing trajectories of public administration, such as politics, the economy, culture, social structure, and history. All of these vary between countries, making it even more problematic to apply Western models of public administration and governance to non-Western contexts (Cheung 2013). Such diversity highlights the importance of the institutionalisation process, which often depends on a country's unique circumstances. Thus, while there are some aspects of reform that exhibit convergence—reform ideas, discourse, policies, tools, etc.—divergence in implementation shows that these aspects are filtered, constrained, and shaped by the differing institutions of different countries (Goldfinch 2006; Goldfinch & Wallis 2009; Hood 1998).

As convergence on reform ideas does not mean convergence on practices and outcomes, attention should be paid to how ideas can be constrained by the interplay of politics, institutional contexts, and interests in shaping policy initiatives (Hudson, Hwang & Kühner 2008; Kern 2011). Indeed, there are often various influences on how ideas or policy decisions are implemented in practice. Implementation may depend, for instance, on how the initiative is interpreted by agents; or on how it is shaped by institutional change and feedback mechanisms (Hood 1998). There is, therefore, considerable risk in transferring policy ideas from one jurisdiction to another. Even if a policy is established by legislation, it may be a policy merely "on paper"—policy abandonment is common, partly because of the resilience of existing institutions (Dolowitz & Marsh 2000). A key debate in the literature has been over how it is, then, that some reform ideas *have* risen above the discursive level, and *have* resulted in practical change, affecting the shape and operation of public organisations. In addition, there is also an ongoing question in the literature on the role of learning processes in such successes.

1.1.1 Policy Learning

Against the backdrop of this empirical puzzle, we can see a growing scholarly framework, intended to disentangle problems through policy learning. What is probably the earliest account of policy learning is found in Deutsch's (1963) work, where, in his relatively rationalist theory of government, he highlights learning in the study of politics and public policy. In his account, governments operate through constant processes of "feedback" and "steering" that depend on, and enhance, governmental "learning capacity" (ibid.). For instance, when a government attempts reform, there should be constant feedback and steering processes that constrain and/or enable further reforms. Such processes (and the reforms they constrain or enable) can be identified by looking at policy changes and their consequences— "one of the principal factors affecting policy at time-1 is policy at time-0" (Hall 1993, p. 277). In a similar vein, Pierson (1993) discusses the interpretative feedback effects generated by policy change—the group in power may recognise and interpret the beneficial effect of that change, then identify their interests in maintaining the policy path;

and subsequently act in accordance with those interests. Alternatively, the policy effect may be adverse to them, and so produce a negative reaction to, or counter-mobilisation against, the policy (ibid.). This thesis highlights the learning mechanisms generated by the policy process and its feedback mechanisms over time. These concepts are central to the theory of path dependence, to which this thesis also pays considerable attention.

Dunlop and Radaelli (2016) argue that analysing policy learning "seems a suitable way to theorize how constellations of actors manipulate the social construction of policy problems, exploit opportunities for entrepreneurship, and actively use institutions and decision-making" (pp. 107–108). In this view, policy learning deals with the roles of actors and institutions, and the understanding of the context of "social construction". Thus, in this thesis, the analysis of policy learning in public administration reform encompasses change at the structural, institutional and agency levels. Acknowledging the multiple factors involved, this thesis argues that reform-oriented policy learning is embedded in policy change, and thus that policy learning is not a neutral, disinterested, scientific, objective inquiry. Instead, reform-oriented policy is inherently political, contextually dependent and thus, can be best understood as a multi-level phenomenon where structure, institution, and agency interact simultaneously.

Policy learning was chosen as the focus of the study because, as the literature on policy learning remains highly theoretical, the relationship between policy learning and policy change has not yet been fully theorised, particularly with respect to the causal mechanisms that explain that relationship (Dunlop, Radaelli & Trein 2018). Moyson, Scholten & Weible (2017) point out that "we lack empirical variation in the degrees/types of policy change and in the degrees/types of policy learning processes in the literature" (p. 147). Various types of learning have been identified—the instrumental, the political, and the social (May 1992)—and various definitions have been provided. For example: “political learning” (Heclo 1974), “policy-oriented learning” (Sabatier 1987), “social learning” (Sabatier & Jenkins-Smith 1993), “policy transfer” (Dolowitz & Marsh 2000), “policy diffusion” (Marsh & Sharman 2009), “lesson-drawing” (Rose 1991), and “policy convergence” (Bennett 1991; Knill 2005).

Because it has been used in such various ways, “policy learning” is prone to conceptual stretching (Dunlop, Radaelli & Trein 2018). Some scholars provide typologies for systematising the existing concepts of policy learning, and try to advance beyond the definitional criteria, arguing that different types of learning are not mutually exclusive and should be treated as multi-level phenomena (Dunlop & Radaelli 2013; Witting & Moyson 2015). In its current state, the policy-learning literature seems to highlight the need to be more empirical, and to work towards building a systematic theory of how different types and modes of policy learning are linked to policy change. Thus, this thesis seeks to address that need, by providing empirical findings and analyses that throw light on how policy learning is embedded in reform-oriented policy change.

1.2 Research Question and Key Definitions

This section describes the scope of the thesis, presenting its overarching research question and the subsidiary questions that support it.

1.2.1 Key Concepts

Before proceeding to the details of the research questions, it is useful to define some key concepts. It is especially important to consider “public administration reform”, “policy change” and “policy learning”. The literature includes numerous definitions—as yet, no consensus exists. Those definitions vary in their details and in the aspect of public administration they focus on. Some accounts present the reform of public administration as a complex rebuilding project, while in other accounts, reform may be a more minor undertaking—part of a reorganisation, for instance, or a modernisation or improvement of public administration procedures (Caiden 2017; Dey 1971; Mosher 1965; Quah 1976).

Quah (1976) defines public administration reform as

> “a deliberate attempt to change both (a) the structure and procedures of the public bureaucracy (i.e. reorganization of the institutional aspect) and (b) the attitudes and behaviour of the public bureaucrats involved (i.e. the attitudinal aspect), in order to promote organisational effectiveness and attain national development goals” (p. 58).

In a similar vein, Pollitt and Bouckaert (2011) define reform as “deliberate changes to the structures and processes of public-sector organizations with the objective of getting them (in some sense) to run better” (p. 2). With this definition, reform may be regarded as a mechanism to change institutions of governance, a process that may or may not involve substantive policies. Changes to structure encompass merging or splitting public-sector organisations, whereas changes to process include the redesigning of systems involved in public service (ibid.). Such reform is perhaps an inevitable feature of public administration, which responds to “environmental conditions in a complex and changing society”, and is, in itself, a functioning social system (König 1996, p. 4). As Barzelay (2001) rightly notes, policy change associated with public administration reform refers to changes to institutional rules and organisational routines, in areas such as budgeting, audit and evaluation, organisation, and methods.

Policy learning refers to "relatively enduring alterations of thought or behavioural intentions which result from experience and which are concerned with the attainment (or revision) of policy objectives" (Heclo 1974, p. 306). In other words, policy learning involves adjusting understandings and beliefs related to public policy (Dunlop & Radaelli 2013). In this regard, policy learning is an important aspect of policy change, which often involves complex learning mechanisms. Policymakers not only have to overcome their own cognitive biases, but also need to deal with the social dynamic as they acquire, translate, and disseminate new information and knowledge. They must revise and strengthen their policy-related beliefs over time, in order to achieve their policy objectives (Moyson, Scholten & Weible 2017). Thus, public administration reform is compatible with policy learning—for policy learning is about "a deliberate attempt to adjust the goals or techniques of policy in response to past experience and new information" (Hall 1993, p. 278). This definition suggests that, with respect to its relationship with the policy process, policy learning has much in common with public administration reform—the course of action is deliberate, and serves policy or organisational goals, as defined by Quah (1976) and Pollitt and Bouckaert (2011).

1.2.2 Research Question

The importance of policy learning, and the relationship between policy learning and policy change, constitute two of the key themes of public administration reform. This thesis aims to explore the extent to which policy learning facilitates policy change, which, it is proposed, shapes the trajectory of public administration reform. This thesis analyses the different relationships and interactions between structure, institution, and agency, and, in doing so, it aims to address important gaps in the literature. The thesis explores the links between (1) the structural context in which policy change takes place; (2) the institutional arrangements for policy making and their influence on actors' interests and incentives for action; and, most importantly, (3) the different types of learning that are available and how they may lead to different trajectories of reform. Thus, in order to address the puzzle of policy learning as a multi-level phenomenon, the overarching question of this research is:

To what extent does policy learning facilitate policy change in shaping the trajectory of public administration reform?

In tackling this question, the thesis focuses on three aspects of reform-oriented policy learning. It seeks (1) to explore the distinct types of policy learning in policy change dynamic throughout the successive stages of the reform process; (2) to understand the role of policy learning in the mechanism of institutional change; and (3) to analyse the multi-dimensional aspect of policy learning, as a factor in the trajectory of reform.

In exploring the policy change dynamic in the reform process, the thesis undertakes an in-depth investigation of the policy making involved in two particular examples of reform-focused legislation in Indonesia. The reason why two cases were selected, and why Indonesia was chosen as the context will be further elaborated upon in Chapter III. This thesis also analyses the causal mechanisms that give rise to policy learning during the policy-making process. In seeking to understand the role of policy learning in the mechanism of institutional change, the thesis pays attention to the factors that contribute to institutional change, to how those factors shape individual political choices, and to how such choices are shaped by policy learning. Finally, in analysing multi-dimensional aspects of policy learning as factors in shaping the trajectory of reform, the thesis takes into account the dynamic structure–institution–agency relationship, and how policy learning is embedded in that relationship.

1.3 Structure of the Thesis

So far, this chapter has described the background, research questions and importance of the thesis. This section sets out its structure, which comprises three parts.

The first part (Chapters I–IV) situates the study within the existing literature, establishes the research question, sets out the analytical framework, describes the national context of the reforms under study, and explains the research method. The second part (Chapters V–X) elaborates upon the empirical findings of the research. The third part (Chapters XI and XII) provides a discussion, summary, and conclusion. The following paragraphs summarise each chapter in turn, including this present chapter.

This present chapter gives a general overview of the thesis. It has established the importance of research into how policy learning is involved in public administration reform and policy change, discussed the challenges of reform, and explored the notions of reform convergence and divergence. This chapter has also emphasised the risks of policy transfer—in particular, the risks inherent in Westernising models of public-sector reform. In addition, this chapter has highlighted policy learning as a phenomenon which may accompany reform-oriented policy change, and which may help to more fully explain a nation's unique circumstances, as part of the broader dynamic between structure, institution, and agency. Public administration reform was chosen as the focus of this thesis, as it is considered to be the most dynamic part of the modern state. The chapter has also provided definitions of key terms to delineate the scope of the study. Furthermore, it has described some scholars' views on the value of studying policy learning. Finally, it has outlined the thesis' research questions, its structure, and its contributions to the literature on public administration and policy learning.

Chapter II provides the analytical framework for the thesis, defining the key concepts and situating the research among existing literatures. The chapter initially presents an analysis of scholarship on key concepts in policy learning and identifies gaps in the existing literature. The chapter proceeds to discuss the structure–agency debate, mechanisms of change in historical institutionalism, key analytical elements in path dependence, and the complementary insights offered by the Advocacy Coalition Framework (ACF) and the Multiple Streams Framework (MSF). The ACF and the MSF help to fill gaps in path dependence and in the theory of policy learning. The framework developed in this chapter provides the means to explore the causal mechanisms linking reform-oriented policy change to policy learning. In so doing, the chapter establishes a theoretical foundation for the subsequent empirical chapters.

Chapter III discusses the research design and methods of the thesis. It first sets out the case study approach and explains how it is employed in exploring the phenomena of policy learning in reform-oriented policy change, then describes the data collection process. Finally, the chapter outlines the two case studies that were undertaken in Indonesia: one on the *2014 Civil Service Law*, the other on the *2014 Government Administration Law*, in sum providing a detailed explanation of the research design and methods.

Chapter IV presents the historical context of the study, with a specific focus on Indonesian public administration and the challenges of its contemporary reform. It describes the history of Indonesian public administration, during the traditional, colonial, post-colonial, and modern eras. In particular, the chapter discusses several of the bureaucracy's current and historical features that are especially relevant to public sector reform: how it grew, its neo-patrimonial profile, its close connections with the military, and how its history serves to illustrate the concepts of *bureaucratic capitalism* and the *bureaucratic polity*. Subsequently, the chapter discusses the choices that were made in the course of reforming Indonesian public administration, and thus demonstrates the importance of path dependence in shaping choices regarding public-sector reform.

The second part of the thesis (Chapters V–VIII) presents the empirical aspects of the research, reporting on the analysis undertaken and discussing the findings. Chapter V focuses specifically on the history of the *2014 Civil Service Law*, and Chapter VI is similarly devoted to the *2014 Government Administration Law*, these laws being the two cases of reform-in-practice that were studied for this thesis.

Chapter V provides a historical account of the 2014 Civil Service Law, which was part of the reforming legislation mandated in the 2010 *National Grand Design of Bureaucratic Reform*. This chapter uses the key analytical elements of Mahoney's path dependence framework—*antecedent conditions*, the *critical juncture*, *structural persistence*, *reactive sequence*, and *outcome*—to explore the dynamic of reform-oriented policy change. However, in order to analyse the empirical findings, an extended version of Mahoney's framework is developed. The chapter provides a detailed discussion of the policy-making process behind the Law and demonstrates that there were different outcomes for the different, individual strands of reform that comprised the overall package. Those outcomes show the extent to which Indonesian bureaucracy is path dependent. The chapter thus builds on the theoretical discussion in Chapter II and the historical discussion in Chapter IV.

Chapter VI builds on Chapters II and III and focuses on the 2014 Government Administration Law. For over ten years, reformers had tried to bring such a Law to the legislative stage. They finally succeeded when a new policy problem arose, providing an opportunity to bring these ideas to the political agenda. The Law sought to apply "good governance" principles to Indonesian public administration. In its structure, the chapter proceeds largely in the manner of the preceding chapter, providing a historical account and discussion. As in Chapter V, the discussion covers the antecedent conditions, critical juncture, structural persistence, reactive sequence and outcome. The Law's history shows how a degree of path dependence can reinforce a change at the institutional level, allowing policy change to happen—changes at the structural level or the agency level need not be of primary importance.

Chapter VII provides further analysis of the empirical findings, focusing on the role of policy learning in the mechanism of institutional change. The chapter provides a comparative analysis of the two cases of reform-in-practice, attending to the distinction between formal and informal institutional change, and to the feedback mechanisms that are produced by and influence change. It applies a theoretical framework that combines Helmke and Levitsky's (2004) typology of informal institutions; the concepts of exogenous and endogenous institutional change mechanisms; and an extended version of Ebbinghaus's (2005) framework on feedback mechanisms. This chapter presents empirical findings that highlight how policy learning is seen as an influence on, and a product of, institutional change as such change can lead to a search for a new compatibility between formal and informal rules.

Chapter VIII explores the multi-dimensional aspect of policy learning—its relationship with structure, institution and agency. By reviewing the previous chapters' discussions of the dialectical structure–institution–agency relationship, this chapter explores how learning at one level affects learning at the other levels. It combines the notion of multi-level policy learning developed by Witting and Moyson (2015), and the multi-level "Coleman's bathtub" framework on policy learning and policy change developed by Dunlop and Radaelli (2017). The chapter pays attention to four key aspects of policy learning: (1) individual learning, (2) collective learning, (3) learning aggregation, and (4) the micro-foundations of learning. Together, the key analytical elements situate policy learning as a phenomenon embedded in the structure-institution-agency relationship—a phenomenon that serves to explain the dynamics of policy change and reform in a particular national and historical context.

Finally, the third part of the thesis (Chapters IX and X) presents a discussion, a summary, and conclusions.

Chapter IX proposes an analytical model for explaining the causal mechanism linking reform-oriented policy change and policy learning. Drawing on the empirical findings, this chapter demonstrates how policy learning is embedded in reform-oriented policy change in the sphere of public administration. Using the insights provided by the theory of path dependence, this chapter discusses the challenges of policy change and reform, and the mechanisms of institutional change, extending our current understanding by showing how policy learning is present throughout the reform sequence. At the successive stages of the reform sequence, the mechanism of institutional change is investigated. In discussing the "critical juncture" stage, particular attention is paid to exogenous and endogenous pressures. At later stages, it is appropriate to focus on different matters. With respect to "structural persistence" and "reactive sequence", the discussion concentrates on the search for compatibility between formal and informal rules in the process of institutionalisation, and in the "outcome" stage, the focus is on positive and negative feedback mechanisms. While policy learning is evident throughout the reform sequence, the influence of each aspect of this learning varies from stage to stage. At each stage, some aspects are more influential than others.

In summary, through the analytical model developed in this thesis in chapter IX, a more nuanced understanding of policy learning is developed. This proposed analytical model pays attention to various aspects of policy learning; to its role in policy change and reform; and to its place in the dialectical structure-institution-agency relationship.

Chapter X presents the findings of the thesis and provides a conclusion. It presents answers to the research question and outlines the key findings from the empirical research. There are four key findings highlighted in this chapter, relating to (1) the structure–institution–agency interrelationship at the different stages of the reform sequence; (2) the four aspects of policy learning in the structure-institution-agency dynamic; (3) the ways in which policy learning occurs throughout the successive stages of the reform process; and (4) how policy learning is involved in the mechanism of institutional change, as an influence on it and as a product of it. Finally, after discussing the significance of the thesis, the chapter suggests further directions for research. Among other things, it presents a proposed model that can be used to further explore the links between reform-oriented policy change and policy learning in developing countries.

Drawing all this together the thesis makes two primary contributions to the public administration literature. The first is in the in-depth study of public administration reform dynamic in a developing country context, and the second in the field of administrative policy, where the relationship between policy learning and policy change is explored. The following sections discuss these research contributions.

1.4 Research Contribution

First, the thesis provides an in-depth study of the dynamics of public administration reform in a developing-country context and, in doing so, moves away from the Western-focused approach to public sector reform. With regard to Asian public administration, the Western-dominated public administration literature has created an intellectual parochialism, resulting in a theory–practice gap (Brillantes & Fernandez 2013; van Wart & Cayer 1990; Welch & Wong 1998). In addition, the epistemic dominance of Western-focused public administration has made it difficult for Asian scholars to develop their own models (Haque & Turner 2013). It has been argued that the dominant Western theories alone cannot fully explain what transpires in the non-Western administrative setting (Cheung 2005; Hou et al. 2011; Kim & Bell 1991; Xue & Zhong 2012; Zhang 1993). There is, in sum, a lack of cumulative knowledge regarding public administration in non-Western contexts. With its focus on Indonesia, this thesis is intended to make a contribution towards correcting that deficiency. In doing so, this thesis takes a novel approach in analysing policy learning phenomena, exploring the dynamic of structure, institution, and agency in order to highlight a particular country's unique circumstances.

Second, the thesis bridges the gap between theory and practice in the field of administrative policy. Administrative policy is one aspect of public administration, and can be conceptualised neatly within a public policy and political science paradigm. In so doing, this thesis attempts to reconcile different theoretical approaches to policy learning and policy change, by drawing on overarching conceptual, theoretical and methodological insights from other disciplines. The notion of policy learning can be found in the social sciences, politics, public policy and administration (Bakir 2017). Thus, the thesis contributes to the conceptual consolidation of policy learning, which is still under-theorised and fragmented (Dunlop, Radaelli & Trein 2018; Moyson, Scholten & Weible 2017). The thesis combines existing policy learning frameworks, drawing insights from path dependence, the structure–agency debate, new institutionalism, the Advocacy Coalition Framework (ACF), and the Multiple Streams Framework (MSF). Four aspects of policy learning are highlighted, with reference to institutional change mechanisms and interrelated multi-level theoretical approaches. These multi-level approaches involve structure, institution, and agency dynamics, and provide theoretical insights into how and to what extent policy learning is embedded in reform-oriented policy change. Finally, methodological insights are presented in a proposed model, which is suitable for exploring the relationship between policy learning and reform-oriented policy change in a path-dependent reform sequence.

1.5 Conclusion

This chapter has elaborated on the importance of research into the relationship between policy learning and reform-oriented policy change. It has also described the thesis's scope, its main research question, and its structure.

The thesis contributes to the public administration literature, but also makes a wider contribution as it draws on ideas from other fields too, such as public policy and political sociology. Chapter II provides a literature review, outlining how the thesis applies ideas from the structure–agency debate, institutional theory, policy learning, path dependence, the Advocacy Coalition Framework (ACF), and the Multiple Streams Framework (MSF).

2 Chapter II

Policy Learning and its Effect on Reform-oriented Policy Change: Developing a Theoretical Framework

2.1 Introduction

The previous chapter provided a background to the thesis and set out its main aims and the questions that it will address, focusing in particular on the challenge of demonstrating the causal mechanisms linking policy learning and reform-oriented policy change. Developing a framework that looks at combinative causalities in considering the influence of policy learning on reform-oriented policy change entails asking questions of the who and the what; investigating how and to what effect the influence occurs.

The thesis's main question is: *to what extent does policy learning facilitate policy change in shaping the trajectory of public administration reform*? In addressing this question, it is important to consider policy change as a *sequential* process. Understanding the policy development process as sequential is useful in analysing crucial temporal activities and relationships that should be examined in furthering the study of these questions. In this regard, it is helpful to analyse mechanisms of institutional change and policy learning at several *levels*—those of structure, institution, and agency.

This chapter lays out the theoretical foundations that are needed to address the thesis' main question. It argues that policy learning is dependent on local context, is inherently political, and is best understood as a multi-level phenomenon in which structure, institution, and agency interact simultaneously. As noted, existing literature has not adequately investigated the complex relationship between policy learning and reform-oriented policy change—it is "not yet fully theorized" (Dunlop, Radaelli & Trein 2018). In response to this deficiency, I argue for a framework which takes account of combinative causality between structure, institution, and agency—such a framework can provide an integrated approach to the afore-mentioned relationship, particularly in circumstances where policy change and reform are bound by path dependence.

In considering how to develop such a framework, this chapter presents key concepts from different literatures. The first section discusses the structure–agency debate and explains how institutions play a mediating role at both the macro and the micro levels of analysis. The second section discusses how theories of policy learning fit with the multi-level analysis of the policy-making process. The third section explores the notion of path dependence, and its role in the dynamic relationship between structure, institution and agency. As this thesis focuses on the policy-making process underpinning reform, the fourth section deals with two dominant theories of policy-making: the Advocacy Coalition Framework (ACF) and the Multiple Streams Framework (MSF). In this section, I discuss these theories' complementarities and interdependencies in the multi-level analysis of structure, institution and agency. The fifth and sixth sections draw together the chapter's findings and summarise the theoretical framework that will be used in the thesis.

2.2 The Structure–Agency Debate

Many political scientists suggest that the structure–agency theory should be recognised as central to the study of politics (Bulpitt 1996; Hay 1995; Marsh 1995). The theory is important in understanding the debates surrounding structure-based and agency-centred theories because it provides a framework for explaining the account of human agency and its relationship to social structures and political power. This is especially important in the analysis of policy learning as an actor's knowledge and understanding of the context (i.e. structural factors) within which actors form their interests and their strategy is "discursively mediated" and "institutionally reflected" (Hay 2002, p. 382). This is helpful for the present study as policymakers typically conceptualise the policy-making environment through the lens of a particular policy paradigm: The specific understanding of a context determines the set of alternatives from which actors choose their strategy. However, existing approaches are of limited application to the multi-level analysis of policy change and reform phenomena, which include dynamic factors that simultaneously exercise their influences. As this thesis focuses on reform through the legislative policy-making process—a process that is inherently political and multi-party driven—the argument will be made that the structure–agency approach must be adapted, in order to provide an analytical tool that is suitable for such an analysis.

From this perspective, structure refers to resources, social institutions, systems, or forces, generalised at a societal level, and manifest in recurring patterns of organisation and practices (King 2005). Agency is understood as "an actor's ability to have some effect on the social world—altering the rules, relational ties, or distribution of resources" (Scott 2008, p. 77). In this view, agency is the capacity to act upon situations, and as such is a key element understanding social processes in different contexts and situations (Giddens 1984), and it can be either individual or collective. According to Emirbayer and Mishe (1998), agency is

> the temporally constructed engagement by actors of different structural environments—the temporal-relational contexts of action—which, through the interplay of habit, imagination, and judgment, both reproduces and transforms those

> structures in interactive response to the problem posed by changing historical situations (p. 970).

While both structure-based theorists and agency-centred theorists use structures and agency in their analysis, they provide different answers to a key question in the field: "if the institutional structures are the product of human choices, how can they be said to influence those choices?" (Calvert 1995, p. 218). Agent-centred approaches maintain the a priori assumption that structures are to be viewed as the outcome of human agency and interactions, with structural factors playing a lesser role. This contrasts with structure-based theorists, who see structures as independent of the behaviour of the agents who inhabit them. The limitations of each perspective imply that adopting a purist approach would potentially hinder a full understanding. For example, adopting an agency-centred perspective provides only a limited understanding of social interaction and of the macro-social phenomena that shape such interaction (Thompson 1989). Likewise, adopting a purely structure-based perspective means dismissing the realm of contextuality and purposive agency, in which individual agency constitutes social interaction, and structure is continuously reproduced through it (ibid.).

In order to bridge this gap, Giddens (1984) offers a "theory of structuration" that treats structures as both the outcome and medium of human actions, being two sides of the same coin. The concept of social structure is broken down into, on the one hand, its material features (such as financial, natural and technical resources) and, on the other hand, its socially constructed rules, the result of human action. However, Giddens' structuration theory points to knowledgeability as a key component of agency, in which an actor's ability to engage with structure is shown by "tacit and discursively available knowledge" that they have (or believe) about the circumstances of their actions (ibid., p. 128). In this thesis, knowledgeability is a useful notion for understanding the mechanism of policy learning, as it is relevant to how actors update their beliefs during the policy-making process.

Hay (1995) and Jessop (1990) distinguish more clearly between structure and agency than does Giddens (1984), as they both treat structure and agency as two discrete phenomena, instead of as two sides of the same coin. Situating structure as a starting point, both argue that action only takes place within a pre-existing structure (context) which is “strategically selective”, as it favours certain strategies over others. Hay (1995) argues that structures are not level playing fields, but rather have sloping contours that are to the advantage of certain “players”. Other actors may seek to overcome the problems imposed by their strategic disadvantage, by formulating strategies on the basis of their partial knowledge of the structures (Hay 1995; Jessop 1990). Hay (1995) suggests, as an analogy, the Waldorf Hotel in New York—an institution that is structured in a way that privileges wealthy customers. The prices of the rooms, the rules, the informal arrangements—all suit only those with high disposable incomes, so it is not surprising that such people comprise the vast majority of the hotel’s clientele (ibid.). It is not impossible for the less wealthy to gain access, but the arrangements are strategically selective *against* such custom (ibid.). This perspective is useful in analysing policy change because it provides a means of understanding how the definition of formal and informal arrangements has implications for policy-making participation.

In line with the strategic-relational theory of Hay (1995) and Jessop (1990), Archer (1995) argues that structure and agency are two actually two distinct strands that intertwine with one another. Thus, unlike Giddens (1984), Archer (ibid.) emphasises the dialectical relationship between structure and agency, arguing that as structure and agency have unique properties, and their influences are irreducible to one another, they should be analysed in terms of how they relate to one another, over time. This idea is best captured in Archer's morphogenetic approach (1996), which links structure (or culture) and agency, offering a simple three-stage model of social change: conditioning (T1), interaction (T2-T3), and elaboration (T4).

In order to avoid conflating the *material* with the *ideational*, Archer (1995) draws a distinction between *structure* and *culture*. Archer (ibid.) sets out how the structural context differentiates between the material and the ideational. In this regard, material being structural conditions and the ideational being related to cultural conditions. Examples of material contexts include macro-economic structures, changes of government, and changes within government. Examples of ideational or cultural contexts, on the other hand, include policy traditions, political traditions, and socio-economic norms (Bakir 2017, p. 226). Because a distinction is made between the structural and cultural dimensions of the social context, there are two fundamental morphogenetic cycles that need to be considered in these dynamics: one between structure and agency, and one between culture and agency:

1) Structural conditioning (T1): refers to the context in which action takes place; important factors might be, for example, globalisation, the structure of political institutions, and social/economic conditions.

2) Social interaction (T2–T3): refers to how agents are strongly influenced by the structural conditions of T1, while having some degree of independent power to affect events. Agents engage in processes of conflict and/or negotiation with others, interacting through their skills, personalities and resources.

3) Structural elaboration or reproduction (T4): the result of the actions at T2–T3, which may change the structural conditions.

The above sequence refers to structure–agency interaction; with respect to culture–agency interaction, Archer (ibid.) proposes a similar cycle:

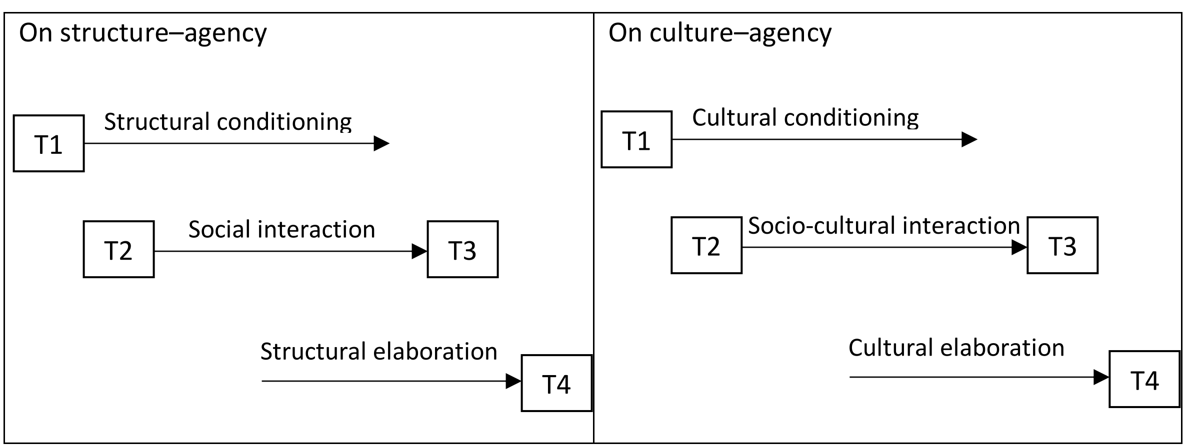
1) Cultural conditioning (T1): refers to the cultural context.

2) Socio-cultural interaction (T2–T3): refers to how agents are influenced by the cultural conditions, while retaining power to effect cultural change. Agents interact in groups or as individuals to challenge norms; those with different values will clash, in defending and promoting their own views.

3) Cultural elaboration (T4): the result of the actions at T2–T3, which modify or transform aspects of the cultural context.

Figure 2.1 summarises the two cycles:

Figure 2.1 The Morphogenetic Approach



Source: Adapted from Archer (1995)

In light of the distinction between structure and culture, this thesis follows Archer (1995)—the analysis of the structural context differentiates between the material (such as structural conditions—globalisation and in-country political structure) and the cultural as in the political and policy traditions (see Chapter VII).

2.2.1 Institutions: Towards a more Dialectical Structure–Agency Relationship

In light of the structure–agency debate discussed above, this thesis takes into account the dualism arising from the structure-based and agency-centred approaches, by following Jessop's (2001) argument that institutions serve to mediate between the two approaches. According to this argument, institutions create a connection between the wider societal structures and agency and, in doing so, they play a role in resolving the structure–agency dualism (Bathelt & Glückler 2011, pp. 45–62).

For the purposes of this thesis, these ideas are helpful for elucidating the relationship between global and local forces—in particular, between the global "good governance" reform movement and the local conditions in individual developing countries. This will help us to better understand the dynamics of public administration reform where rules, norms, and values are often shaped to a significant degree by multiple forces negotiated at the national level. At the same time, globalisation increasingly shapes processes of institutionalisation, and challenges the boundaries of the national state (see Clark 2005). Thus, while the same "good governance" concepts are institutionalised in many developing countries, different institutional arrangements and practices—both formal and informal—lead to different outcomes in different countries (Andrews 2012; Brinkerhoff & Brinkerhoff 2015; Grindle 2017).

The foregoing discussion has pointed to the role of institutions in understanding the globalised pressure for reform, and the diversity of practices and outcomes in individual countries. It is therefore important to define institutions, and to set out some important ideas from institutional theory. One of the most widely adopted definitions is provided by North (1994) who defined institutions as:

> …humanly devised constraints that structure human interaction. They are made up of formal constraints (e.g. rules, laws, and constitutions), informal constraints (e.g. norms of behaviour, conventions, self-imposed codes of conduct), and their enforcement characteristics. Together they define the incentive structure of society and specifically economies (North 1994, p. 360).

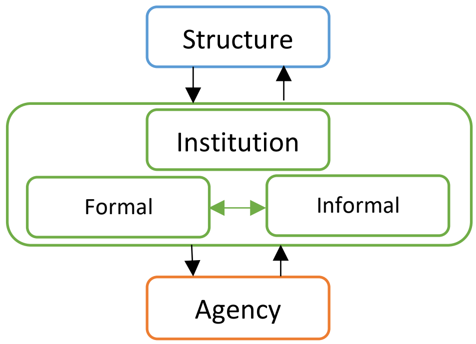
North's (1994) definition regards institutions as sets of incentives and disincentives, expressed through formal rules and/or informal arrangements, which channel human behaviour in a particular direction. Institutions thus create stable structures that provide order, by aligning the actions and expectations of individuals in a society.

While North (1994) asserts that institutions are "humanly devised constraints", Powell and DiMaggio (1991) take a different perspective. They argue that institutions are not human designs, but rather evolve out of the particularities of a given historical and cultural context. In a similar vein, Paul (1994) emphasises the role of institutions in helping to coordinate actions between heterogeneous actors. An institution provides a shared history, from which actors derive consistent expectations regarding, for instance, the boundaries of allowed behaviour. Pierson (2000a) refers to this historical aspect in his theory of path dependence, arguing that, as an institution persists over time, it derives more and more strength from its history. An important outcome of this is that, over time, change becomes more and more difficult, even when change—in the form of another institution, from a different context—may offer efficiency gains.

From this perspective, then, institutions are difficult to change, because they shape preferences and influence what people can imagine themselves doing, even when attempting to change them (Hall & Taylor 1996). Some scholars go further, arguing that institutions practically determine the actions of individuals, defining preferences, choices and power in society (Dimaggio & Powell 1991; Thelen & Steinmo 1992). Others have emphasised that, from a relational perspective, institutions provide the shared meanings and cognitive frames that shape how humans interpret the behaviour of others (Fligstein 2001; Hall & Taylor 1996). For the purposes of this study, the key point emerging from this discussion is that institutions guide social interaction: Actors are influenced by their expectations regarding others' responses to their actions and those expectations are generated by institutional knowledge—knowledge of habits, rules, conventions, norms, and laws (Bathelt & Depner 2003).

As the previous discussion demonstrates, institutions can be defined in various ways. However, despite this diversity there is one common element: rules. The study of institutions focuses on two different types of rules: formal rules and organisations (Streeck & Thelen 2005) and informal rules and norms (Marcussen 2000; Hall 1989). These can help to explain how institutions change over time and how they are shaped by the dynamic relationship between structures and agency. This relationship is illustrated in Figure 2.2.

Figure 2.2 The Structure–Institution–Agency Dynamic Relationship



Here we see how the influence of macro structures, for example liberalism and the capitalist system, is translated through institutions, which guide the agents' behaviour and political-economic choices in a process of downward causation (Hodgson 2003). Downward causation, whereby institutional change is a top-down process brought about via, for instance, the introduction of new rules or government policies, is seen in the state-centred approach developed by Skocpol (1979; see Hooghe & Marks 2003). Its opposite, the bottom-up process (upward causation) of institutional change can be seen in several frameworks: Thelen's (2003) approach to institutional conversion, Hall and Thelen's (2009) study of institutional shifts "from below", and Helmke and Levitsky's (2004) work on four types of informal institution. In her work on institutional conversion, Thelen (2003) demonstrates how institutions come to be used in ways that differ from the purposes they were originally built for. On institutional shifts "from below", Hall and Thelen (2009) provide several illustrative examples of the processes of defection[2] from and reinterpretation of institutions—"[c]hanges in rules often follow the accumulation of

[2] "Defection" refers to strategies that deviate from the behaviours associated with a cooperative outcome, such as are adopted by actors who, having previously followed the practices prescribed by an institution, stop doing so (Hall & Thelen 2009, pp. 18–19).

‘deviant’ behaviour, with a view to bringing formal rules or legal regimes back into alignment with behaviour” (Streeck & Thelen 2005; cited in Hall & Thelen 2009, p. 17). Defection occurs when institutions fail to serve the interests of the relevant actors. The phenomenon demonstrates that actors can achieve incremental change by mobilising other actors to get in line with such new, ‘deviant’ arrangements (Hall & Thelen 2009). Incremental changes happen through a process where, instead of defecting and dismantling rules, actors change their interpretation of those rules (ibid.). Thus, these bottom-up processes of institutional change illustrate how the dialectical relationship between actors and their institutions can push incremental change, and how such change can affect the macro structure over time.

By acknowledging both top-down and bottom-up processes of institutional change, this thesis takes account of structure, institution and agency in its multi-level analysis, which also considers the dynamic relationship between formal rules and informal arrangements. In accordance with this view of institutions, this thesis adopts a dialectical approach in which there are both downward and upward causations, involving the relationship between formal and informal rules and between structure, institution and agency. In developing the framework for analysis in this thesis, institutions are defined as the combination of formal rules, informal arrangements, and their enforcement characteristics (North 2005). In line with the structure–agency debate, this study does *not* regard them as serving primarily to constrain or limit individual action, but rather as providing agents with avenues to develop opportunity-generating capabilities. This perspective assumes, then, that even though institutions shape preferences and choices by emphasising how things should be done, they also define legitimate means whereby agents may accomplish their goals.

In the dynamic relationship between formal rules and informal arrangements, Helmke and Levitsky (2004) develop a typology of four patterns of formal–informal institutional interaction, all of which are evident in the search for institutional compatibility. In Helmke and Levitsky (2004) work, the search for institutional compatibility can be seen from four-types of formal–informal institutional interaction, in which informal institutions may play either a problem-solving role or a problem-creating role depending on the effectiveness of formal rules and the degree of compatibility between actors' goals. These four types—the *complementary*, *accommodating*, *competing*, and *substitutive*—are set out in Table 2.1 below. The typology is based on two dimensions. The first is concerned with whether the informal rules converge with (or diverge from) the formal rules, while the second deals with whether the formal institutions are effective (or ineffective). A *complementary* informal institution co-exists with the formal rules. It enhances those rules' efficiency by filling gaps in their implementation, through enforcing compliance (ibid.). An *accommodating* informal institution creates incentives for behaviour that modifies the effects of the formal rules, without violating them directly. Such an institution reinforces the stability of formal rules, by cushioning demands for change (ibid.). A *competing* informal institution structures its incentives in a manner that is incompatible with the formal rules—that is, in order to obey a particular informal rule, one has to violate a formal rule (ibid). Finally, a *substitutive* informal institution plays the role of a "gentlemen's agreement", existing in a context in which formal institutions are not routinely enforced (ibid). This typology is useful for explaining the roles of institutions in mediating structural effects and in constraining/enabling actors to pursue their goals.

Table 2.1 A Typology of Informal Institutions

Outcomes	Effective formal institutions	Ineffective formal institutions
Convergence	Complementary	Substitutive
Divergence	Accommodating	Competing

Source: Helmke & Levitsky 2004, p. 728.

As discussed above, mechanisms of institutional change involve ongoing actions and interactions of agents. This thesis is particularly interested in how individuals process information, learn, solve problems, and eventually trigger institutional change within a given structural context because this may help us to better understand about causal mechanisms linking policy learning and policy change. These processes highlight the potential of policy learning in policy change, as the complexity of the world and agents' cognitive limitations make learning an essential survival-strategy for political life, particularly for policy makers (Toens & Landwehr 2009).

The following sections will discuss the potential of policy learning in overcoming the challenges that emerge when investigating policy change and reform. The discussion considers existing approaches to policy learning, and how it is embedded in the structure-institution-agency relationship.

2.3 Existing approaches to policy learning

This section explains existing approaches to policy learning, classifying its various current definitions, before proceeding to discussing different types of policy learning with a view to highlighting gaps in the existing policy-learning literature. Current literature is focused on who learns, on what is learned to what effect, and on how learning occurs, but not on how learning interacts with other factors in shaping intended outcomes such as policy change, which is part of the focus of this study.

Policy learning was arguably first identified by Deutsch (1963). He emphasised learning in the study of politics and policy in his relatively rationalist theory of government, arguing that government learning capacity is enhanced through a process of feedback and steering (Deutsch 1963). Following Deutsch, Etheredge (1981) defines policy learning as "government learning", a "process by which governments increase their intelligence and sophistication and, in this manner, enhance effectiveness of their actions" (Etheredge 1981, pp. 77–78).

In some of its various definitions, policy learning is associated with other types of learning: political learning (Heclo 1974), policy-oriented learning (Sabatier 1987), lesson drawing (Rose 1991), social learning (Hall 1993) and government learning (Etheredge 1981). Heclo (1974) was arguably the first to define policy learning as "political learning", referring to a "relatively enduring alteration in behaviour that results from experience; usually this alteration is conceptualized as a change in response made in reaction to some perceived stimulus" (p. 306). Sabatier (1987, p. 672) bases his definition of policy learning on what he refers to as "policy-oriented learning"—"relatively enduring alterations of thought or behavioural intentions that result from experience and that are concerned with the attainment or revisions of the precepts of one's belief system".

Discussing how different types of policy-oriented learning take place in different belief systems, Sabatier and Jenkins-Smith (1993) place "social learning" in the deep core (normative belief or ideology), with a combination of "problem learning" and "social learning" found in the policy core (basic strategies for achieving core values). "Instrumental learning" happens in relation to secondary aspects of the belief system (instrumental decisions to implement the policy core) (ibid.). Sabatier and Jenkins-Smith (ibid.) argue that policy learning is contextually dependent, and thus that it is important to pay attention to local, country-specific influences on learning.

Hall (1988, p. 6) provides an alternative definition of policy learning: a “deliberate attempt to adjust the goals or techniques of policy in the light of the consequences of past policy and new information so as to better attain the ultimate objects of governance”. In such learning, policymakers make an attempt to understand why certain programs may have worked well while others have failed. Dunlop and Radaelli (2013) take a similar stance, defining policy learning as a process of updating beliefs concerning policy based on lived or witnessed experiences, analysis, or social interaction.

Reviewing the various definitions of policy learning, Bennett and Howlett (1992) differentiate between government learning, lesson-drawing, and social learning, demonstrating how each learning type can lead to organisational change, program change, or paradigm shifts in policies. Their discussion highlights the importance of policy learning as a multi-level phenomenon—a point relevant to this thesis, which also pays attention to the various other multi-level phenomenon associated with the dynamic relationship between structure, institution, and agency.

In considering the various definitions summarised above, two key points should be highlighted. First, these definitions imply that isolating the role of policy learning in policy change is difficult, and thus that policy learning should be regarded as an integral part of policy change. Second, they acknowledge that learning is contextually dependent—and thus that the influence other factors (such as structures, institutions, and agency) exert on policymaking should not be underestimated. The definitions are in line with the work of Jessop (1990) and Hay (1996), who, in their strategic-relational approach to the structure–

agency relationship, acknowledge the ability of agents to alter their structural conditions through strategic learning. Strategic learning happens as agents engage in an active learning process, as "agents are reflexive, capable of reformulating within limits their own identities and interests, and able to engage in strategic calculation about their current situation" (Hay 1996, p. 21). Relevant to such learning is the fact that, while the strategies adopted may yield the intended results, such as the passing of a law, they may also bring unintended consequences (ibid.).

Many studies of policy learning classify it into various categories (Freeman 2006; Dunlop & Radaelli 2013; Radaelli 2009; Zito & Schout 2009), building on the earlier work of Bennett and Howlett (1992) and May (1992). There are also categories of policy learning that express ways in which policymakers learn from the experiences of other countries in dealing with similar problems: "policy transfer" (Dolowitz & Marsh 2000), "policy diffusion" (Marsh & Sharman 2009), "lesson-drawing" (Rose 1991), and "policy convergence" (Bennett 1991; Knill 2005). In addition to this, Freeman (2006) examines the literature on convergence and diffusion between countries, distinguishing learning from other processes of development, and emphasising the role of comparison in the process of learning across space and time.

Radaelli (2009) discusses the literature on policy learning and suggests a framework for its measurement. Zito and Schout (2009) review different types of policy-learning theories, arguing that policy learning requires an understanding of the micro policy processes that learning seeks to address. Dunlop and Radaelli (2013) provide a typology in systematising the existing concepts of policy learning, and try to advance beyond the definitional criteria, indicating that different types of learning are not mutually exclusive. Biegelbauer (2015) has also described the interrelatedness of different forms of policy learning, with respect to policy-making regarding technology and innovation.

However, there is a need to advance beyond definitional criteria, sets of categories, and measurement, in order to find out how policy learning can be heuristically useful for policy change. Dunlop, Radaelli & Trein (2018, p. 16) point out the need for "more systematic theory-building on how different types and modes of learning are linked to policy change". Reflecting this concern, the following section will discuss the relationship between policy learning and policy change, as well as the embeddedness of policy learning in the interrelationship between structure, institution, and agency.

2.3.1 The Embeddedness of Policy Learning in the Dynamic Interrelationship Between Structure, Institution and Agency

As noted earlier, policy learning is indicated by a change in the beliefs and preferences of policy makers (Dunlop & Radaelli 2013; Heclo 1974; Sabatier 1988). In undertaking analysis of who is learning, and at what level, this thesis will use the micro, meso, and macro levels from Witting and Moyson's (2015) framework for analysing policy learning. At the micro level, the analysis focuses on the amount of learning that takes place in individuals in a process of belief change (Dunlop & Radaelli 2013; Witting & Moyson 2015). At the meso level, the analysis focuses on learning among groups or networks, or "collective learning". Collective learning is more than just the simple sum of individual learning, as it includes "information acquisition, translation, and dissemination among policymakers"—all collective processes which individual policy makers cannot control (Witting & Moyson 2015, p. 108). Take, for example, information translation, or information dissemination—the individual policy maker cannot control whether information will or will not be translated or used by others (ibid.). Thus, policy makers do not have control over collective learning in general. This is because it is influenced by collective rules and routines (“rules-in-use”)—what have been called the “collective structure” (ibid.). That collective structure is the focus of the macro-level analysis—that is, how it “determines who participates in collective processes, their function, tasks, responsibilities and how these are structured and interact” (ibid.).

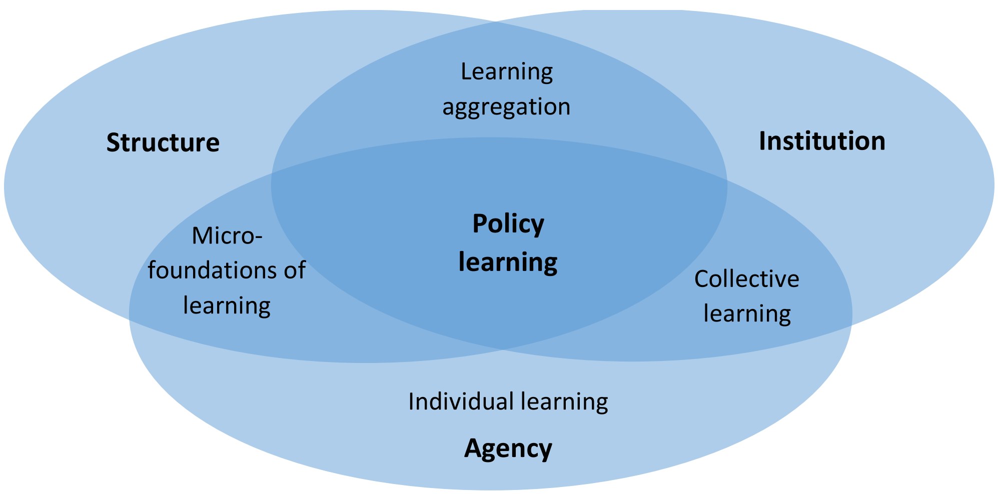
By definition, the collective structure is conceptually similar to the institution, as it involves “rules”. In the relationship between individual learning and collective learning, the degree of interconnectedness is determined by collective structures (Witting & Moyson 2015). Individual learning is something which conditions, and at the same time is influenced by, collective learning. However, the extent of learning, who learns, and the interactions between individuals, are all influenced by rules, norms, and routines that are the products of prior learning processes (ibid).

This thesis develops a proposed analytical framework, which is part of the analytical model developed in Chapter IX. As the chapter progresses towards theory building, this framework will join other frameworks adapted from other theories and build from empirical findings. As part of the proposed framework, this analytical model is suitable for analysing policy learning as something generated by the three-way interaction of structure, institution, and agency. The framework combines Witting and Moyson‘s (2015) framework of multi-level policy learning, and the “Coleman’s bathtub” framework developed by Dunlop and Radaelli (2017). Using the Coleman’s bathtub approach, Dunlop and Radaelli (2017) explain the logic of causality in policy learning, from the micro to the macro dimension. They identify three key relationships: (1) the *macro to micro* relationship, regarding the micro-foundations of action and learning; (2) the *micro to micro* relationship, regarding how individuals behave when they interact in groups; and (3) the *micro to macro* relationship, regarding how institutions not only shape, but also enable and/or constrain learning (ibid.).

The *micro to micro* analytical component explains learning at the individual level and in groups; similar to individual and collective learning concepts from Witting and Moyson's (2015). The *micro to macro* component involves learning aggregation—something that is "shaped by culture, memories, the social construction of nations and identities" (Dunlop & Radaelli 2017, p. 314). This concept is somewhat similar to collective structure, in that it involves institutions (Witting & Moyson 2015), and it serves to explain the relationship between institutions and structures (Dunlop & Radaelli 2017). The "Coleman's bathtub" framework is completed by the *macro to micro* component—the micro-foundations of learning. The framework as a whole is complementary to the idea of policy learning as a process in which structure, institution and agency are interdependent.

Drawing these ideas together, I propose a new analytical framework as illustrated in Figure 2.3 below, wherein policy learning is identified as a phenomenon embedded in the interdependence of agency, institution, and structure—a process that involves individual learning, collective learning, the micro-foundations of learning, and learning aggregation. At the intersection of structures and agents, micro-foundations play a role in "specifying macro-micro relationships, though [the concept] also recognizes that individuals and organizations have choices that create and shape the macro environment" (Barney & Felin 2013, p. 144). The concept, then, is similar to Heclo's (1974) idea that the social dimension of learning contains some of its own micro-foundations. Micro-foundations of learning serve as an explanation of individual behaviour that in turn provides a rationale for what is observed at the structural level, with the constraints and conjunctural opportunities that exist there (Dunlop & Radaelli 2017). Dunlop and Radaelli (ibid.) discuss the role of cognition, and the importance of heuristics, emotions, and surprises[3] for the policy learning that occurs on the basis of the micro-foundations of learning. As cognition deals with reasoning on evidence and making sense of things, policy actors are "boundedly rational[4] with cognitive filters and biases that influence how individuals acquire information and update beliefs" (Jenkins-Smith, Nohrstedt, Weible & Sabatier 2014 p. 488). Policy actors' abilities (and inabilities) to learn are influenced by their cognitive filters and biases.

Figure 2.3 Proposed Analytical Framework on Policy Learning and its Relationship with Structure, Institution and Agency



[3] A "surprise" describes conditions of surprise and uncertainty that can limit the extent of policy learning.

[4] The term "bounded rationality" is used to designate rational choice that takes into account the cognitive limitations of the decision-maker—limitations of both knowledge and computational capacity (Simon 1990). In this regards, Bounded rationality is the idea that we make decisions that are rational, but within the limits of the information available and mental capabilities of the actors.

In developing the proposed analytical framework for this thesis, "individual learning" and "collective learning" are defined as above—respectively, as an individual process of belief change that happens at the agency level; and as a process in which agents and institutions are interdependent. While individual learning happens at the agency level and is required for collective learning to happen, learning in groups is influenced by institutions, in which the process of learning is filtered, mediated, and shaped (Dunlop & Radaelli 2017; Witting & Moyson 2015).

At the intersection of structures and institutions, there is learning aggregation, which structures the learning process with its formal rules and informal arrangements (Dunlop & Radaelli 2017; Witting & Moyson 2015). Institutions not only shape, but also enable and constrain learning because they lock-in certain forms of bias (Immergut 1998). Institutional bias can be seen in how organisations choose to put one issue on the agenda but dismiss others; in how they define who should be involved in the collective processes, reflecting how structural power is granted to some agents or groups, while others are disempowered; and in how they decide whether to facilitate the processes of learning, or to hinder them via non-decisions (Dunlop & Radaelli 2017). In addition, institutional bias also influences who learns what, from whom, and from what type of evidence they prefer to learn (Dunlop & James 2007). As institutional bias refers to the preference patterns inherent in the way institutions are managed (Cox 2008), it is relevant to path dependence and to the associated self-reinforcing patterns. These are central concerns of this thesis, which focuses on policy learning in public administration reform—a path-dependent process, as "the objectives and concrete design of administrative reform mirror the historical, political, and societal roles of public administration as well as its internal culture" (Peters & Pierre 1998, p. 224). This points to the challenges of policy learning since path-dependent perspectives do not really prioritise learning, because learning supposes the ability (in a sense) to undo such highly determined pathways (Pierson 2000). Bearing this in mind, the following section explains how path-dependence theory is to be incorporated into the analytical framework.

2.4 Path Dependence in the Interrelationship between Structure, Institution and Agency

Path dependence is a concept that helps us to understand the impact of past decisions on future choices. It refers to “a social process grounded in a dynamic of increasing returns” (Pierson 2000, p. 251) since “what happened at an earlier point in time will affect the possible outcomes of a sequence of events occurring at a later point in time” (Pierson 2004, p. 20). To dominant parties, an existing path offers favourable returns on earlier investments in knowledge, power, and influence (North 1990; Peters, Pierre & King 2005; Pierson 2004). The value of such investments has implications for the analysis of public administration reform and, in particular, of the role of policy learning in such reform. Careful attention should be paid to how accumulated, useable knowledge may shape the preferences of actors, and thus their decisions in choosing and implementing reform.

In the process of institutional change, there are sometimes “increasing returns”. These help to maintain the existing path and exemplify the positive feedback associated with self-reinforcing processes, both recognised as classic phenomena of path dependence (Pierson 2000, pp. 251–253). Notably, increasing returns show how, in a path-dependent process, the costs of switching to an alternative path increase over time. They also underline the importance of timing, sequence, and formative events (ibid., p. 251) as when a path-dependent process provides increasing returns, early events matter more than later events (ibid., p. 253).

"Positive feedback" and "self-reinforcing behaviour" are associated with phenomena other than "increasing returns" (Pierson 2000; 2004). Four mechanisms for explaining positive feedback have been suggested (ibid.). First, collective action may play a role in shaping the winning strategy for pursuing intended reform—there may be a collective process of exploring what can be achieved together, what problems can be solved, what benefits may be earned, etc. (ibid.). And if the winning strategy is a truly collective choice, the collective action may serve also to *support* the strategy in the future, as there will be collective commitment to it (ibid.). Second, change may bring with it the risk of expensive failure. In such circumstances, the status quo would, as such, be attractive to a risk-averse institution (ibid.). Third, political authority can be used to create asymmetries of power, whereby there is a chance of the power structure becoming self-reinforcing (ibid.). Fourth, existing arrangements may be intrinsically complex and opaque—and the difficulty of explaining procedures can provide a shield against criticism (ibid.).

Path dependence can help us to understand the dynamics of public administration reform, as it recognises that there are limits to what can be done to influence a government's policies and decisions, and also helps us to understand some of the barriers to administrative reform in practice. The path dependence approach, however, has been criticised on several grounds. Some argue that it fails to consider the importance of "small, low, and gradual reform"—incremental change matters, and can play a role in changing the path (Kickert & van de Meer 2011; Peters, Pierre & King 2005). In addition, the argument that institutions are risk averse is perhaps undermined by the phenomenon of "retrospective rationality"—that is, a reluctance to recognise that failure has occurred. Such reluctance means that failure is hidden, so the risk-taking that led to it is hidden too (Peters, Pierre &

King 2005). Path dependence has also been criticised for not properly accounting for political conflict, and therefore may be inadequate for explaining political and policy change (ibid.). Similarly, Raadschelders (1998) criticises path dependence for failing to pinpoint the mechanisms that drive social change. Kay (2005) is one of those who argue that path-dependence-based analysis cannot deal with policy change; he also argues that path dependence does not have a "clear normative focus", and that it lacks a convincing account of decision-making (p. 554). However, Kay (ibid.) also acknowledges that the existing criticisms of path dependence are not "fatal to the validity or utility of the concept of path dependency" in policy studies (ibid., p. 569). While agreeing with its critics, Torfing (2009) similarly acknowledges that path dependence continues to be helpful in explaining "the limits to intentional reform which are due to the presence of institutional inertia" (p. 81).

With respect to public administration reform, Pollitt and Bouckaert (2011) have argued that path dependence has power in explaining the costs of change and the heavy disincentives for reform, as new methods of operation, new network arrangements, and new patterns of authority need to be established, following the creation of new laws, rules, and institutions.

Thus, taking into account the strengths and limitations of path dependence, this research will use the approach to gain some insights into the constraints on public administrative reform—existing rules and institutions often make it difficult to achieve reform, since they seem to create a rigid environment for innovation and change.

2.4.1 Critical Juncture

Another important concept from path dependence theory is the *critical juncture*. A critical juncture occurs when

> an event or a series of events, typically exogenous to the institution of interest, lead to a phase of political uncertainty in which different options for radical institutional change are viable; antecedent conditions define the range of institutional alternatives available to decision makers but do not determine the alternative chosen; one of these options is selected; and its selection generates a long-lasting institutional legacy. (Mahoney & Thelen 2015, p. 151)

Acemoglu and Robinson (2012, p. 431) define instances of critical juncture as “major events that disrupt the existing political and economic balance in one or many societies”. Critical juncture is a concept that has been imported from institutional economics to political science (North 1990) and is part of the path-dependence approach. The key idea is that political development is often punctuated by critical moments (also known as junctures), which shape the political arena (Collier & Collier 1991). However, critical junctures are not always linked to major events. “Small and contingent events” can also play a crucial role at the beginning of an institutional path (David 1985). It is important to take into account these small and contingent events, both for analysing the institutional path taken after the critical juncture, and also for considering the paths that plausibly *could have been* taken but were not. In other words, critical junctures place “institutional arrangements on paths or trajectories, which are then very difficult to alter” (Pierson 2004, p. 135).

From the policy-making perspective, critical juncture has some connection to Kingdon’s idea of the “policy window” (Koppenjan & Klijn 2004, p. 54). The notion of a policy window can help to explain why some issues get attention in the policy-making process, whereas others do not. In order to increase the likelihood that an issue will receive serious attention or be placed on the policy agenda, at least two "streams" need to converge at critical moments or "policy windows" (Kingdon 1995, p. 19). Kingdon (ibid.) identifies three such streams in the policy system: (1) the *problem stream*, where problems are defined for policy makers; (2) the *policy stream*, where ideas are generated to address problems; and (3) the *political* stream, where interest groups and advocates are influenced, and officials win and lose elections. The matching of the three streams results in a "window of opportunity", which is the "critical moment" in the words of Burch et al. (2003).

Burch et al. (2003) distinguish critical juncture from *critical moment* by referring to the latter as "a perceived opportunity [that] arises from significant change" and, if such opportunities are realised, this marks the emergence of a *critical juncture* that serves as "a clear departure from previously established patterns" (Burch et al. 2003, p. 8). Both concepts—the critical moment produced by policy window and the critical juncture that marks a departure toward institutional change—emphasise the importance of preceding incremental changes that may play an important role because they may have created fertile ground for greater acceptance of the introduction of far reaching reform. Using them as a tool for analysing the policy-making process will empower the study to pay particular attention to any incremental developments that could potentially lead to intensification of the ongoing institutional changes which shape the path toward substantial reform.

In the ongoing institutional changes, agents are key actors in steering its development and contingency and must be considered in "the study of what happened in the context of what could have happened" (Berlin, cited in Mahoney & Thelen 2015, p. 158). Studying agents' behaviour is helpful for explaining how political choices and decision-making may lead to different trajectories of reform. It is argued that, during critical junctures, key actors are freer and more influential in steering institutional development, than they are during settled times (ibid.). It is helpful for explaining the dynamics of particular policy changes that occur in "relatively short periods of time" and are then accepted as institutional solutions; as such, each change "triggers a path dependence process that constrains future choices" (Capoccia & Kelemen 2007, p. 348).

With regard to the context of public administration reform, this approach is useful for understanding the role of policy actors and policy entrepreneurship, when there is any juncture that advances the reform initiative. Whether or not certain critical junctures have occurred is a question that may be relevant to explaining how limited change may take place. Such questions may also be useful for problematising the issue of reform and continuity. The concept of the critical juncture will be used to examine how policy options are selected from proposed multiple alternatives, with particular attention paid to reform, continuity, and constraints on change.

2.4.2 Punctuated Equilibrium Theory (PET)

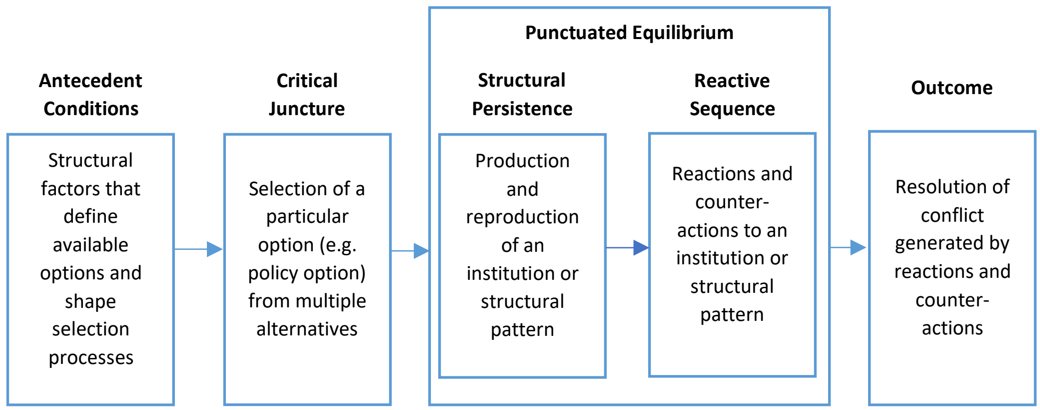
Like the critical juncture, "punctuated equilibrium" is an analytic component of the path-dependence framework (Mahoney 2001) and serves to describe the policy-making process. Punctuated equilibrium involves both stability and change—there are often long periods of stability, but with the ever-present potential for sudden instability (Baumgartner & Jones 2009). Mahoney (2001) argues that punctuated equilibrium consists of two components: (1) structural persistence or "institutional reproduction", characterised by "self-reinforcing and positive feedback processes"; and (2) "reactive sequences" that are "characterized by transformative and backlash processes in which there is movement toward reversing previous patterns" (Mahoney 2001, p. 115). Thus, punctuated equilibrium is useful in explaining trajectories of policy development that are infrequently "punctuated by critical periods in which relatively small or contingent events have a profound influence on subsequent events and patterns of change" (Mahoney 2001, p. 111), causing a shift towards a new "equilibrium" (True, Jones & Baumgartner 1999). In this view, punctuated equilibrium is important for understanding how positive feedback and reinforcing sequences on the one hand, and trajectory reversals on the other, are all expected patterns in the dynamics of policy change (Mahoney 2001).

As a theory of government information processing (Workman, Jones & Jochim 2009), punctuated equilibrium theory (PET) is suitable for explaining the processes and structural factors in public administration reform and policy change, as well as for theorising about the cognitive limitations faced by policymakers. The cognitive limitations faced by policymakers—an aspect of policy learning, a key focus of this thesis—mean that policy makers are boundedly rational. They are bombarded with information, but as they cannot consider all issues at all times, it has been argued that they ignore most of them and promote the relatively few issues that fit with their own priorities, preferences, biases, and political interests (Dunlop & Radaelli 2018). Indeed, PET attributes policy changes to the tendency of policymakers and policy-making institutions/organisations to react disproportionately to new information (Jones 2001). PET also attributes great importance to "institutional friction", which arises from various causes: Centralisation, veto players, organisation size, and bicameralism have all been shown to affect the rate of policy change, by creating varying amounts of friction within the policy-making process (Baumgartner et al. 2009; Breunig 2006; Jones, Datta & Jones 2009). "Friction" here simply means difficulty in the process of making policy changes (Jones & Baumgartner, 2005). In sum, then, it is the interaction of these two factors—disproportionate reaction to new information, and institutional friction—that govern how "equilibria" are punctuated, and thus how policy changes may occur through punctuated equilibria. Policy actors have various psychological biases, such as the "certainty effect" (Leach, Bilali & Pagliaro 2014), which causes them to privilege what they believe, rather than accept information that might challenge those beliefs. This thesis pays attention, on the one hand, to the importance of having access to new information and knowledge; and, on the other, to the fact that policy actors are not able to be perfectly rational when processing new information.

2.4.3 Path Dependence Revisited

This section draws on the foregoing discussions of critical juncture and punctuated equilibrium theory to show how path dependence theory may be useful in analysing the sequence of public administration reform. According to Mahoney (2001), the study of path dependence involves a five-step sequence; this is depicted in Figure 2.4. The first step involves the "antecedent conditions", characterised by historical events that determine available policy options and shape selection processes. The second step refers to the "critical juncture", which explains the choice of a particular policy option over any of its alternatives. The third and fourth steps concern the two aspects of "punctuated equilibrium", and capture how the process of institutional stability is disrupted by new, critical events. "Structural persistence" uncovers the institutional production and reproduction of the selected policy, whereas "reactive sequence" describes the disruptive event(s) that may affect lock-in of the selected option. The fifth and final step involves the "outcome", explaining the extent to which an institution is adopted as a consequence of path dependence.

Figure 2.4 Path-Dependent Explanations of the Reform Sequence



Source: Adapted from Mahoney (2001)

Considerable work has been done to develop the concept of path dependence, by Mahoney (2001) and others[5]. However, the concept has attracted various criticisms, which must be considered when using path dependence for political analysis. Some critics have noted a lack of agreement on the concept's definition, an issue that was addressed at the beginning of this section, and to consequent inconsistencies in how it is used by different researchers (Goldstone 1998; Gorges 2001). Two particularly important criticisms refer to the role of ideas, and to how change occurs. It has been argued that path dependence does not treat ideas in a systematic and coherent way (Blyth 1997). With regard to how change occurs, criticism has focused particularly on the issue of how to explain critical junctures. Hall and Taylor (1996, p. 942) admit that "many do not have a well-developed response to this question" and in the path-dependence model, change is treated more as an exogenous factor

[5] There are other scholars develop the concept of path dependence, such as Alexander (2001), Arrow (2000), Berman (1998), Bruggeman (2002), Garud & Karnøe (2001), Greener (2002), Hansen (2002), Hedlund (2000), Holzinger & Knill (2002), O'Brien (1996), Pierson (2000), Scott (2001), Sterman & Wittenberg (1999), Torfing (1999, 2001) and Wilsford (1994).

than as an endogenous feature. In an attempt to address the various criticisms made of path dependence, this thesis has turned to the complementarities offered by the Advocacy Coalition Framework (ACF) and the Multiple Streams Framework (MSF), as discussed in the following section. In light of the deficiencies in path dependence theory, there are still pieces missing that are needed, such as the relationship between ideas and history, and how can they combine to create continuity and resist forces for change in the past. Thus, the ACF that can explain multiple factor shaping policy process and the MSF that focuses on policy-making and reform process can help cover the complexity and fill the gaps in path dependence theory.

2.5 Frameworks for Explaining Public Administration Reform

Both the Advocacy Coalition Framework (ACF) and the Multiple Streams Framework (MSF) originated in political science, where they are among the predominant frameworks for explaining public sector reform. This thesis argues that they complement—and make up for the above-mentioned limitations of—historical institutionalism's path dependence framework. Together the three can provide a powerful framework for analysing the dynamics of public administration reform in practice.

2.5.1 The Advocacy Coalition Framework

Path dependence theory is limited is its capacity to describe the adoption and translation of an idea into instrument of reform, e.g. a law. Therefore, fully understanding the dynamics of public administration requires supplementation with the Advocacy Coalition Framework.

According to the Advocacy Coalition Framework (ACF), the factors shaping policy processes fall into four broad categories: (1) relatively stable external parameters (e.g. the constitutional structure, sociocultural values, the social structure, basic attributes of the problem area, the distribution of natural resources); (2) external subsystem events (e.g. changes in socio-economic conditions, in public opinion, in the systemic governing coalition, in other policy subsystems, etc.); (3) the political opportunity structure, which delineates the possibilities for legitimate and effective action by major players in a given political system (e.g. that of Indonesia); and (4) a given policy subsystem (e.g. civil service law) characterised by different coalitions (Jenkins-Smith et al. 2014; Sabatier 1988; Sabatier & Jenkins-Smith 1993; Sabatier & Weible 2007). Coalition members can include politicians, bureaucrats, interest-group members and/or practitioners, who build advocacy coalitions because of their shared beliefs (ibid).

The ACF recognises three tiers of beliefs. (Jenkins-Smith et al. 2014; Sabatier 1988; Sabatier & Jenkins-Smith 1993; Sabatier & Weible 2007). The first tier comprises the deep core beliefs, which are ontological and normative: beliefs regarding the importance of human rights, of democracy, of good governance, for instance (ibid.). The second tier comprises the policy core beliefs: beliefs about the particular policy domain, such as civil service reform. A policy core belief might be, for instance, that the goal of such reform be to improve service delivery. The third and final tier comprises beliefs about instrumental matters, relating to policy implementation (ibid.), such as the provision of merit-based civil service law. As policy-oriented learning involves adapting one’s beliefs in response to new facts and persuasion, learning is expected to affect second- and third-tier beliefs, and thus create incremental rather than radical change (ibid.).

Besides the three tiers of beliefs, there are four fundamental paths for policy change in ACF: (1) external perturbations or shocks, which are from outside the policy sub-system, and have effects on the coalitions; (2) policy-oriented learning, which is internal to the policy subsystem; (3) internal shocks, which occur within the subsystem, and lead to a change in core beliefs; and (4) negotiated agreements, involving at least two coalitions (Sabatier & Weible 2007). The paths differ with respect to the depth of policy change that they permit. Incremental change, for example, would result from policy-oriented learning given the stability of deep core beliefs (ibid.), whereas more radical change might require external shocks (ibid.). Internal shocks serve to increase doubt within the dominant coalition, and when combined with external shocks can redistribute critical political resources, such as public support and financial support (ibid.). In a case where external and internal shocks are absent, negotiated agreements, involving policy core changes, can happen between at least two warring coalitions (ibid.). As policy-oriented learning involves "relatively enduring alterations of thoughts or behavioural intentions" that relate to cognitive factors, it explains change as the outcome of processes internal to the policy subsystem (ibid.). In this view, policy-oriented learning plays a role in the latter three paths for policy change, all of which involve change-mechanisms that are internal to the policy subsystem.

The ACF's key strengths—its focus on changing the belief-system, on the need for advocacy coalitions who work together in support of ideas, on the redistribution of political resources as a result of internal and external shocks, and on the question of alignment with the political system—provide complementary insights to the path-dependence framework.

2.5.2 The Multiple Streams Framework

The Multiple Streams Framework (MSF) was initially developed to explain agenda-setting processes in the United States, but has more recently been extended for the analysis of policy-making and reform phenomena in general (Barzelay & Gallego 2006; Kingdon 1995; John 2003). There are three relatively independent streams in unpredictable policy-making processes: the emergence of the problem (the problem stream), the development of policy alternatives (the policy stream), and ongoing political events (the political stream) (Kingdon 1995).

Kingdon's (1995) main argument is that, in order for policy change to happen, at least two of the three independent streams must converge within a policy window—and policy windows "open infrequently, and do not stay open long" (Kingdon 1995, p. 166). In this regard, the policy window explains the causal structure behind the maxim "ideas have their time", which means that "the skilled advocacy of a policy idea, or skilled brokering" is needed to push for reform in a particular political and temporal context (Ackrill & Kay 2011, p. 76). Kingdon (1995) highlights the role of policy entrepreneurs in the coupling of multiple streams during the lifetime of the policy window, which can be unpredictable in its timing and duration. Skilled policy entrepreneurs are required to make use of the opportunities presented by policy windows—they must create policy proposals that are not only timely, but also fulfil several other criteria (Kingdon 1995). Namely, policy proposals should be technically and financially feasible, they should fit with the dominant value system of policy makers, and they should gain acceptance from the parliament and the wider public (ibid.).

The role of policy entrepreneurs in pushing for policy change, by facilitating the opening and use of policy windows, is of paramount importance (Kingdon 1995). For if a window closes before reform occurs, it can be a long time before another opportunity arises (Howlett 1998; Kingdon 1995). Policy entrepreneurs have to be able to use their ideas to strengthen their favoured interests, build coalitions, and tilt power resources to their favour, in order to achieve their policy objectives (Mintrom & Norman 2009; Mintrom & Vergari 1996). This conception of the "entrepreneur" provides useful insights for the study of policy processes and public administration reform which form the focus of this study. Thus, combining this framework with institutional theory will help to resolve the former's shortcomings, as the role of policy entrepreneurs are shaped by institutions and contextual factors (structures).

2.5.3 The Complementary Insights from the ACF and the MSF for the Path Dependence Framework

In combination, the key insights from the path-dependence framework, the ACF, and the MSF permit a better understanding of the pivotal role of agency—an understanding that does not over-emphasise that role, but which is not excessively structuralist either. It is important to acknowledge the openness, randomness and unpredictability of the policy-making process, or what Heclo refers to as "a form of collective puzzlement" (1974, p. 305).

In summary, as presented in Table 2.2 below, the path-dependence framework, the ACF, and the MSF provide complementary insights into public administration reform and the policy process—all are of use in a multi-level analysis that seeks to explain those phenomena. The three frameworks complement each other with respect to the role of ideas, the triggers for change, the mechanisms of change, and the role of agents—processes that are important in developing an understanding of public administration reform in practice.

Table 2.2 The Complementary Insights of Path Dependence, the Advocacy Coalition Framework and the Multiple Streams Framework

Multi-level analysis explaining reform	**Path Dependence**	**Advocacy Coalition Framework**	**Multiple Streams Framework**
The role of ideas	Uptake of ideas depends on structural and institutional conditions, in which ideas emerge, survive and spread.	Uptake of ideas influenced by support from actor coalitions.	Uptake of ideas depends on the coupling of multiple streams and on the agency of policy entrepreneurs.
Triggers for change	Stresses political, economic and social triggers (critical junctures) that lead to the decline of dominant structures (exogenous factors).	Emphasises both external shocks (such as economic crises) and endogenous pressure (through policy-oriented learning) that trigger reform, bringing new actor coalitions, shifts in public opinion, policy changes, etc. (exogenous and endogenous factors)	Focuses on developments in the problem stream, the political stream, and the policy stream (which open policy windows), as triggers for reform (endogenous factors).
Mechanisms of change	Adjustment of "rules", based on production and reproduction of institutions, followed by reaction and counter-action to change.	Acceptance of new ideas (among other alternatives), and the methods whereby advocacy groups and coalitions are organised.	Practical feasibility, and how reform proposals fit with dominant values of the political élite.
The role of agents/ policy entrepreneurs	Agents make choices within institutional environments that structure their behaviour (bounded rationality).	Agents play a role in building influence and support through coalitions, and by translating ideas into policy programs.	Agents, as policy entrepreneurs, make use of opportunities presented to them, and act as drivers of change.

With regard to the *role of ideas*, the path-dependence framework presents the uptake of ideas as being dependent on structural and institutional conditions, in which ideas emerge, survive and spread. This approach is complemented by the ACF and the MSF at the agency level. The MSF explains the uptake of ideas by reference to the coupling of multiple streams, and to the agency of the policy entrepreneurs involved. The ACF, on the other hand, links the uptake of ideas to the support of dominant coalitions.

With regard to the *triggers of change*, the path-dependence framework focuses on the exogenous factors that trigger reform, while the MSF complements that framework by paying attention to the role of endogenous factors related to the policy process. The ACF acknowledges both exogenous and endogenous pressures, demonstrating how change can involve the redistribution of political resources.

With regard to the *mechanisms of change*, in the view of the path-dependence framework these often involve the adjustment of formal and informal rules. The ACF and the MSF, on the other hand, offer alternative explanations. The ACF refers to the acceptance of new ideas, and to the methods whereby coalitions are organised; whereas the MSF refers to how reform proposals can fit with the dominant values of the political elite, and to the practical feasibility of reform proposals.

Finally, with regard to the *role of agents*, the path-dependence framework sees agents as constrained by their institutional environments—they manoeuvre within boundaries. The ACF and the MSF, on the other hand, see agents as policy entrepreneurs who can play a role in gaining influence and support through coalitions, and by translating ideas into policy programs (according to the ACF); or who make use of opportunities presented to them, and act as drivers of change (according to the MSF).

In sum, insights from the ACF and the MSF usefully complement the path-dependence framework, at the structural, institutional and agency levels. Thus, drawing these together provides a powerful framework which is highly suitable for the multi-level analysis that this thesis will undertake.

2.6 Theoretical Framework for the Study

This section draws together key concepts from the previous discussion—on the structure–agency debate; institutional theory; path dependence; the complementary insights from the Advocacy Coalition Framework (ACF) and the Multiple Streams Framework (MSF); and the idea that policy learning is embedded in policy change. The theories discussed in this chapter offer guidance on data collection and analysis and facilitate the development of an analytical framework that has the potential to address some important gaps in the public administration and policy learning literature.

The structure–agency debate has exposed weaknesses in the dualism between structure-based and agency-centred approaches. To address those weaknesses, the thesis' framework pays attention to the role of institutions in mediating between wider societal structures and agency. Institutions are thus regarded as part of the dynamic relationship between structure and agency. In this thesis, structure is understood to be resources, systems, forces, or cultural aspects, which are generalised at a societal level, and are manifest in recurring patterns of formal and informal rules, or institutions. Agency is regarded as the capacity to create change.

In acknowledging the dialectical relationship between structure, institution and agency, attention needs to be given to the possibility of both upward and downward causation. By reference to these two types of causation, it is possible to explain how structural change affects institution and agency; how institutional change mediates structural effects and, at the same time, constrains and enables agents in pursuing their policy objectives; and how agents act upon structural situations and navigate through institutional boundaries.

While agents may aim for reform, they are often interested in only limited change. Indeed, one of the attractions of the path dependence framework is that it helps to explain why institutions in political life do not change as much as might be expected. Policymakers work with cognitive limitations, frequently fail to learn from past-experience or to update their beliefs in the light of new information and knowledge, and are cautious in their decision-making processes. Such cognitive challenges can, however, give rise to reform-oriented policy learning, which may be embedded in policy change through public administration reform, the focus of this study.

2.7 Conclusion

This chapter has elaborated upon the analytical framework for the thesis. That framework is rooted in the structure–agency debate and draws on theories of institutions that consider the dynamic relationship between structure, institution, and agency. Policy learning is also a multi-level phenomenon, and the gap in the existing literature indicates a need to explore it at all levels. The proposed analytical model is designed to explore the embeddedness of policy learning in policy change, and refers to four key aspects of such learning, all of which are found at the intersection between structure, institution, and agency.

Simply identifying the key aspects of policy learning will not adequately dissect the relationship between policy learning and reform-oriented policy change. As the existing literature has shown, public administration reform is in many respects a path-dependent process, so it is necessary to apply path dependence theory when analysing the reform sequence. However, because of the gaps in path dependence theory, it is critical to develop an analytical framework that also incorporates complementary insights from the Advocacy Coalition Framework (ACF) and the Multiple Streams Framework (MSF). This provides a means of exploring the complexities of the role of ideas, triggers for change, mechanisms of change and the role of agents.

In order to investigate policy processes and policy learning in greater depth, the next chapter will discuss methodological matters, focusing on the use of case studies.

3 Chapter III

Investigating Policy Processes and Policy Learning: Indonesia's 2014 Civil Service Law and 2014 Government Administration Law

3.1 Introduction

The previous chapter discussed the theoretical framework of the thesis. That framework is not restricted to a single school of thought in public administration science. Instead, it integrates several approaches that are suitable for explaining the actions of governments and the policy-making process, particularly in making reform happen. This thesis pays particular attention to the dialectical relationship between structure, institution, and agency, using the complementary insights provided by institutional theory, path dependence, the Advocacy Coalition Framework (ACF) and the Multiple Streams Framework (MSF), in investigating how policy learning is embedded in reform. Applying these theories, this thesis points out a new theoretical development to explore the relationship between reform-oriented policy change and policy learning.

Whereas Chapter II discussed the theory of how policy learning occurs in reform through policy change, this chapter discusses research design and methods to investigate the research questions for this thesis. It begins by describing the case-study approach which underpins the research design, and the particular cases of public administration reform that were investigated. It then explains the specific data generation methods that were applied in this study.

3.2 Case-Study Research

The case study is defined as "a methodology, a type of design in qualitative research, an object of study and a product of the inquiry" (Creswell et al. 2007, p. 245). Case-study research is consistently described in the literature as a versatile form of qualitative inquiry, most suitable for comprehensive, holistic, and in-depth investigations of complex issues or phenomena in context, where the boundary between the context and the issues is unclear and contains many variables (Creswell 2014; Flyvbjerg 2011; Merriam 2009; Simons 2009; Stake 2006; Yin 2014). Case study research does not lend itself to investigations of the scale at which a phenomenon occurs, but instead to deep investigations of the complexity in the ways a particular phenomenon occurs and develops over time and space (ibid.). In case study research, the use of multiple methods to collect and analyse data is encouraged, to provide a more synergistic and comprehensive view of the issue being studied (ibid.). Such data can be triangulated to establish a stronger, holistic picture of the dynamics that have taken place (ibid.). Thus, the analysis of case studies can identify the key features of the dynamics of the particular phenomena under investigation, and trace the processes that have occurred within these phenomena.

The case study approach is used to illuminate understanding of complex phenomena (Merriam 2009; Stake 2006; Stewart 2014; Yin 2014). Reform-oriented policy learning and policy change are connected via a dynamic and multi-dimensional interplay of structure, institution, and agency, and as the present research seeks to investigate this complex relationship, the case study provides a suitable methodological tool. This research focuses on a complex phenomenon in a real-life setting, the research question involves 'how' and ‘why’, making case study is the most suitable approach (Flyvbjerg 2011; Merriam 2009; Stake 2006; Stewart 2014; Yin 2014).

A comparative case study methodology has been selected to investigate the pathways by which public administrative reform has taken place in post-authoritarian Indonesia and the ways in which policy learning has contributed in shaping the reform trajectory. Understanding policy learning and policy change in administrative reform requires analysis of policy process. Case study research is helpful for such analysis because it facilitates an understanding of the causal links and pathways involved in a new policy initiative (Yin 2014). It is relevant to this thesis as the research also seeks to establish whether the causal processes identified in the case study chosen are unique, or whether there are patterns—similar or different—across multiple cases of reform efforts in Indonesia. It has been argued that the reform “path” taken can explain the main features of an individual country’s institutional dynamics; and that it is structural features that determine the “path” followed, in a gradual adaptation to exogenous and endogenous pressures (Krasner 1988; March & Olsen 1989). The analysis on causal mechanism in reform path fits well with this thesis’s multidisciplinary approach, that draws on work in public administration, public policy, and political sociology.

There are three philosophical variations in choosing methodological position in case study research, namely realist (postpositivist) (Yin 2014), pragmatic constructivist (Merriam 2009), and relativist (constructivist/interpretivist) (Stake 2006). Realist qualitative researchers conduct research that embraces the ideals of objectivity and the generalisability of results (Ellingson, 2011). In the pragmatic constructivist approach, when working on qualitative case studies, methods are aimed at generating inductive reasoning rather than testing a hypothesis (Merriam 2009). In comparison, the relativist (also known as constructivist/interpretivist) approach is underpinned by a strong motivation for discovering meaning and understanding of experiences in context and the case is selected because it is interesting in itself or can facilitate the understanding of something else; it is instrumental in providing insight on an issue (Stake 2006). Acknowledging the philosophical variation in case study approach, this study takes an interpretivist approach, as it enables the researcher to usefully draw on a critical, reflective perspective to take into account the wider social and political environment that has shaped the case (Doolin 2016).

The interpretivist approach is useful for this research as it allows a thorough exploration of the structural features that define the range of policy options; of the institutional arrangements constraining and enabling the selection of a particular policy option; and of the agent-to-agent relations among the policy actors involved. In addition, this approach allows the researcher to pay close attention to the circumstances of power and control, which create limits and thereby influence political behaviour (Blakie 1993; Doolin 2016; Howcroft & Trauth 2005).

Thus, within an Indonesian context, two case studies were undertaken to compile data sufficient for gaining a comprehension of three essential aspects of policy learning and reform: (1) the underlying structural features that constrain and/or enable reform (and thus learning); (2) the institutional arrangements (formal and informal rules) surrounding the policy-making process; and (3) the agency of the policy actors who influenced policy and advanced reform proposals.

It is important to note that the cases selected in case study research may not yield findings that are broadly generalisable, but they may allow researchers to develop logical generalisations from the rich evidence produced when studying the cases in depth (ibid.). The following section discusses about the case study selection and the why the two cases are selected for the study: the 2014 Civil Service Law and the 2014 Government Administration Law.

3.3 Investigating the 2014 Civil Service Law and the 2014 Government Administration Law through Case Study Research

Indonesia is an example of the hybrid model of contemporary public administration (Turner, Prasojo & Sumarwono 2019). Its hybrid model features patronage and old public administration practices embedded in contemporary administrative arrangements inspired by New Public Management (NPM) and New Public Service (NPS) reform approaches. However, aspects of patronage and old public administration—inherited from the Dutch colonial bureaucracy, and maintained until the New Order era—remain deeply influential (ibid.). The hybrid model that characterises Indonesian bureaucracy provides an opportunity to investigate the phenomenon of path-dependence, which suggests that the study of reform should adopt a long-term perspective. As causal mechanism can be more easily addressed through case study research (George and Bennett 2001), it is useful for the study because a long-term approach is important for the study since administrative reform confronts the older, inherited style of public administration, which “exerts its influence in the face of pressures for change” (Painter & Peters 2010, p. 13). In addition, in the Indonesian context, legislation is considered “a strategy for change” (Vel, Zakaria & Bedner 2017), even though many scholars argue that legal reform need not come first, and that it does not guarantee reform in practice (Grindle 2010; Lapuente & Nistotskaya 2009; Meyer-Sahling 2006; Schuster 2017). With regard to the laws under study, it is particularly important to ask how they were passed—that is, how such revolutionary laws, which went against so many vested interests at high levels in the state hierarchy, could have been adopted by the government and parliament. Besides the domestic factors involved, as noted in the previous chapter, the study also pays attention to other contextual variables, such as globalisation and dominant paradigms in public administration. In case study research, context is significant to understanding the case and Indonesia provides an opportunity to conduct an in-depth analysis of a complex phenomenon of reform-oriented policy learning and policy change in a non-Western context.

Two cases that depict the process of advocating for, enacting, and implementing public administration reform in Indonesia were chosen for analysis: the 2014 Civil Service Law and the 2014 Government Administration Law. Applying purposive sampling technique, the process of case selection applied critical case sampling, which is applied to cases that are likely to "yield the most information and have the greatest impact on the development of knowledge" (Patton 2002, p. 236). What makes the cases selected critical is that both laws signify a move away from previous policy path since the 2014 Civil Service Law (Law no. 5/2014) marks the adoption of a merit law, while the 2014 Government Administration Law (Law no. 30/2014) represents the adoption of "good governance" in Indonesian public administration.

It may be important to note that the 2014 Civil Service Law and the 2014 Government Administration Law have similarities with other legislation intended to guide public administration reform in Indonesia. The 2014 Civil Service Law have rather similar histories with other Laws in respect to their policy "journey" and relationships with existing legislation. The 2014 Civil Service Law was the successor of the 1999 Basic Law on Civil

Service—another early product of the post-authoritarian Soeharto era as a product of the early years of the *Reformasi* era, and part of the immediate response to demands to reinvent government through "big bang" decentralisation. The 1999 Basic Law on Civil Service was a response to demands for government free from corruption, collusion and nepotism, and to the need for adjustments to suit decentralised administrative arrangements in the bureaucracy.[6]

The 2014 Government Administration Law has something in common with other laws that were novel in post-authoritarian era or also known as *Reformasi* period. However, the 2014 Government Administration Law is rather different to other laws, as it does not make clear how it should be implemented—no agency or ministry is specified, nor does it establish any new auxiliary body for the purpose. In contrast, the 2014 Civil Service Law specifies the Ministry of Administrative Reform (KemenPANRB), the National Institute of Public Administration (LAN), and the National Civil Service Agency (BKN)—the law empowers those organisations to guide its implementation, and to establish the Civil Service Commission (KASN) to monitor merit-based civil service reform. Similar laws in the public administration sector, the 2008 Public Service Law and the 2014 Local Government Law give implementing mandates to the Indonesian Ombudsman and to the Ministry of Home Affairs, respectively. In this regard, it is interesting to analyse whether the institutionalisation process of the 2014 Government Administration Law is affected with the absence of organisation(s) responsible to guide or monitor the implementation of the law.

[6] The 1999 Basic Law on Civil Service was, however, rather weak—the policy-making process resulted not in an entirely new law, but rather in an amended version of the 1974 Basic Law on Civil Service.

Both the 2014 Civil Service Law and the 2014 Government Administration Law, were major tools for public administration reform, being focused on civil service reform and "good governance", respectively. These two cases are purposively selected to explore the phenomenon of reform-oriented policy learning and policy change, particularly with regard to how they are initiated, ratified, and implemented in a non-Western context like in Indonesia. These two laws are not the only examples of such legislation—others include the 2014 Local Government Law (Law no. 23/2014) and the 2009 Public Service Law (Law no. 25/2009) mentioned above. The 2014 Civil Service Law and the 2014 Government Administration Law are, however, especially worthy of study, as they were part of the main agenda for administrative reform from 2010–2014, as laid down by the government through, for instance, Presidential Regulation no. 81/2010 (on the *National Grand Design of Bureaucratic Reform 2010–2012*); and Minister of State Apparatus Empowerment and Administrative Reform Regulation no. 20/2010 (on the *Road Map of Administrative Reform 2010–2014*).

3.4 Research Methods

The study employed a multi-method approach to collecting data, encompassing non-participant observation, document analysis, and semi-structured interviews with triangulation of methods and data (Merriam 2009; Stake 2006; Yin 2014). Applying the multi-method approach, this thesis seeks to generate an analytical framework that explains the interaction between policy learning and policy change through multi-level phenomena that involve structure, institution and agency.

Empirical information was collected in the form of qualitative interview data. Field research was conducted in Indonesia from 13 March 2017 to 14 June 2017. As the research focused on national-level processes—that is, the policy-making processes of two national laws—data collection was restricted to the metropolitan areas of Jakarta. The following sections provide detailed descriptions of the specific data generation processes that were undertaken— the semi-structured interviews, the document analysis, and the non-participant observation are considered in turn. Each section discusses the use of data, the process of data collection, and the process of data analysis.

3.4.1 Semi-structured Interviews

The semi-structured interview employs a blend of closed- and open-ended questions, often accompanied by follow-up why or how questions, in which the interviewer follows the guiding questions, but is able to follow topical trajectories in the conversation that may stray from the guide when he or she feels this is appropriate (Adams 2015; Cohen & Crabtree 2006). The benefit of using semi-structured interviews is the flexibility they offer by combining structured questions with unstructured exploration that allows participants the freedom to express their views in their own terms (ibid.). In addition, questions can be prepared ahead of time to allow the interviewer to be prepared and sound competent during the interview (ibid.). A disadvantage of the semi-structured interview is that it requires interviewer sophistication, as the interviewer needs to be sensitive, poised, and nimble, as well as knowledgeable about the relevant substantive issues (ibid.)

In each semi-structured interview, the researcher prepared a list of questions and key themes, tailored specifically for that interviewee (Kallio et al. 2016). For each interviewee, an interview guide was used to make sure that the interview covered the relevant questions (ibid.). However, it also allowed flexibility, so that the researcher could prompt, probe, and ask more questions, depending on the direction the interview took (ibid.). All questions were open-ended, clear, neutral[7], and free from leading language. The researcher worded the questions in a spontaneous manner but stayed focused on the predetermined subjects; these varied from interviewee to interviewee. The questions were flexibly adapted to the dynamics of the interview, in order to create “a conversational style” (Patton 2002, p. 343) and to allow a natural flow of information. Whenever a new topic of interest emerged, one which not been thought about before, the researcher pursued the matter, and added questions about it to the interview guides for relevant interviewees. At the end of the interview, the researcher gave the interviewee the chance to ask questions, or to add anything else that they believed the researcher should know. The aim was to end the interview on a positive note.

With regard to policy learning and policy change—a key focus of the study—the questions addressed to participants were theory informed. That is, they were derived from analytical elements of the various theories from which the theoretical framework was built (see Chapter II). The questions addressed different aspects of the various issues, such as constraints, challenges and conflicts that happened between different actors during the policy making process and how they updated their beliefs and knowledge as reform options were discussed, negotiated and selected. For instance, some addressed aspects of “who”: “who introduced the concepts of merit-based reform embodied in the law?” (policy learning); “who were the policy entrepreneurs?” (multiple streams theory); “who were the members of the coalitions lobbying for and against the 2014 Civil Service Law?” (advocacy coalition framework); and so on. Other questions addressed aspects of “how”:

[7] A neutral question is a question posed to a participant during data collection and stated by the investigator in a way that does not direct or bias the answer provided by the participant (Given 2008).

"how can the 'problem' (e.g. the illicit practice of selling bureaucratic positions) be addressed through policy (e.g. civil service legislation) in a politically favourable environment?" (multiple streams theory); "how powerful was this actor in influencing policy change?" (institutional theory); and so on. There were also questions addressing aspects of "what"; "what strategies were applied in advancing the reform proposal?" (policy learning); "what are the shared interests that motivate the opposing advocacy coalitions?" (advocacy coalition framework); and so on. Finally, there were questions addressing aspects of "when", such as "when did the policy proposal receive the president's attention?" (multiple streams theory); "when did the policymakers involved start to change their minds in favour of the Law?" (policy learning).

Each of those sample question incorporates ontological and epistemological assumptions about the nature of policy learning and policy-making that are aligned with the thesis' research questions and with the theoretical framework. The interviews were intended to capture the richness and complexity of the policy-making processes of the two laws under study, and to gain enough evidence to support convincing conclusions.

3.4.1.1 The sampling strategy

Interviewees were selected through the purposive sampling strategy (Bryman 2012; Hesse-Biber & Leavy 2011; Patton 2002). Purposive sampling entails the deliberate selection of specific individuals, events, or settings, on account of the crucial information that they can provide, and that cannot be obtained so easily through other channels (Carpenter & Suto 2008). As the thesis is concerned with how policy learning may influence policy change, the purposive sampling strategy required the researcher to locate participants who had been involved in the policy-making processes behind the two laws under study, the 2014 Civil

Service Law and the 2014 Government Administration Law. Simply selecting politicians and senior bureaucrats at random (Padgett 2008) would not have guaranteed this requirement be met.

Patton (2002, p. 230) argues that “the logic and power of purposive sampling lie in selecting information-rich cases for study in depth”—the goal being in-depth understanding and insights, rather than empirical generalisations. These strengths align with the aim to build an in-depth understanding of the role of policy learning in reform through policy change, in a specific context, rather than to provide empirical generalisations regarding the phenomena under study.

With the purposive sampling strategy for qualitative research, no set formula is rigidly applied to determine the sample size, as is the case in quantitative research (Morse 1998; Patton 2002; Padgett 2008). The sampling process is flexible, and the exact number of participants to be recruited is not known in advance of the fieldwork. Todres (2005, pp. 109–110) maintains that sampling should be about “quality”, not “size”. Of course, the recruitment of research participants should not proceed and come to an end at random—the process must be governed by some rationale. Thus, during the data-collection process, the researcher paid close attention to the question of *data saturation,* proceeding until data saturation was achieved. Further discussion of data saturation is provided in a later section (see 3.4.1.6).

3.4.1.2 Making an initial contact with the potential interviewee

In the initial sampling process, intended interviewees were selected from individuals mentioned in documents and reports published by the government, NGOs, and newspapers. These documents and reports had been obtained prior to field research. It is not common in

Indonesia to contact interviewees well in advance; this is especially in the case of prominent figures, whose schedules often change. Therefore, the researcher contacted interviewees only after she had arrived in Jakarta and kept in touch with them on a day-to-day basis. The most convenient means of communication was the WhatsApp messaging service, as it allowed her to introduce herself and her research project by attaching an official letter requesting a formal interview. In addition to that letter, the researcher provided a plain language statement (PLS), a consent form, and a recommendation letter from her research supervisor. Phone calls were also quite effective: For a researcher, an individual's phone number (and WhatsApp details) can be a means of becoming part of that individual's personal network. In the Indonesian context, other methods such as email were not quite as effective; it was assumed that some intended interviewees were not familiar with this method of communication, were not checking their email regularly, or that another party, such as a personal assistant, might be managing their email.

3.4.1.3 Accessing the potential interviewee

In the course of the fieldwork, the researcher built connections and gained access to respondents and documents that would be helpful for answering the research questions. During the fieldwork, the researcher also took a consultancy job with Knowledge Sector Indonesia, a DFAT8-funded development program in Indonesia which happened to be providing assistance to some of the projects implemented by the Coalition for Bureaucratic Reform. The researcher was also invited to be part of the Coalition for Bureaucratic Reform, as she had previous work experience in assisting the Bureaucratic Reform project in Indonesia. The Coalition for Bureaucratic Reform included numerous actors working on

[8] The Australian Government Department of Foreign Affairs and Trade.

bureaucratic reform, including representatives of various organisations—the Presidential Secretariat Office; the Civil Service Commission; PATTIRO ("Synergy for Change"—a local NGO); the Policy Analyst Association; KPPOD (the Monitoring Committee for the Implementation of Regional Autonomy); Seknas FITRA (the Indonesian Forum for Budget Transparency); YAPPIKA (the Civil Society Alliance for Democracy); and CSIS (the Centre for Strategic and International Studies). By attending meetings and less formal meet-ups with members of the Coalition for Bureaucratic Reform, the researcher was able to build useful relationships for establishing contact with interviewees. These people were very helpful, as they shared updates on the progress of bureaucratic reform programs in Indonesia, and helped to establish contacts with politicians, senior bureaucrats, renowned experts, members of the media, and other key stakeholders interested in relevant issues.

3.4.1.4 The research participants

The research participants of this thesis can be grouped into three broad categories. Table 3.1 (below) shows the distribution of respondents among the respondent groups. The first comprises the politicians involved in the policymaking behind the two laws, particularly those who sat on Commission II, which held responsibility for internal affairs, the state secretariat, and general elections. The second category comprises Indonesian government officials, including senior bureaucrats within echelons 1 and 2. Some were involved in the deliberation processes for the two laws, through their associations with KORPRI (the Civil Service Corps), KemenPANRB (the Ministry of Administrative Reform), LAN (the National Institute for Public Administration), BKN (the National Civil Service Agency), or KASN (the Civil Service Commission). The third category comprises members of various interest groups: senior academics involved in drafting the two laws; journalists involved in reporting the policy-making processes; and other key actors in universities, think tanks, civil sector organisations (CSOs), NGOs, and the private sector. More detailed information on respondents can be found in Appendix A.

Table 3.1 Respondent Groups

Respondent Groups		Respondents
Politicians	Politicians in Commission II	10[9]
Senior Bureaucrats	Senior bureaucrats (echelons 1 & 2)	16 (5)[10]
	Senior bureaucrats (employed on ongoing, fixed-term contracts)	3
Interest Groups	Academics (working only in universities)	3
	International non-state actors	2
	Civil society representatives	10
	Media representatives	6
Total Respondents		50

3.4.1.5 The data-collection process

As discussed above, access to personal networks was needed to establish contact with politicians and senior level bureaucrats (echelons 1 and 2), in order to arrange formal interviews. Such people have several contact numbers, but only one phone that they carry with them, the others usually handled by their personal assistants. Contacting a personal assistant was less likely to result in access for a formal interview—in fact, some personal assistants simply used delaying tactics, for the whole time that the researcher was in the country. In order to gain direct access to politicians, the researcher obtained contact details from a journalist and her colleagues in the DPR (House of Representatives) newsroom. Spending time in the DPR newsroom had other benefits, as it provided an opportunity to

[9] Two of the senior politicians interviewed had formerly served as Minister of Administrative Reform.
[10] Five of the senior bureaucrats are also academics.

gain knowledge from journalists on recent political issues, and on the intended interviewees' political views and interests.

Most of the people who were contacted responded well to the request for a formal interview. This willingness to engage with the research was due to a wide range of reasons—a personal interest in the issue; curiosity about current developments regarding the two laws under study; a wish to assist a young researcher; or (in some cases) simply the fact that the researcher's referees were well known to the interviewee. Several individuals were both willing to be interviewed, and also to suggest further interviewees to the researcher. This "snowball technique" was particularly helpful in gaining access to intended interviewees, as it meant that there was no problem in obtaining suitable references (Richards 1996).

Gaining individuals' formal consent for interviews was not an issue, as each interview was preceded by 5–15 minutes of preliminary talk, or informal meetings when required. Preliminary talks were helpful in gaining the trust of several of the respondents, who then did not hesitate to share information on such sensitive matters as the trading of government jobs, the political motivations behind the proposed re-deliberation of the 2014 Civil Service Law, and the rival coalition networks supporting and opposing bureaucratic reform.

When the interviewee was ready, the researcher proceeded to explain the purpose of the research and to describe what would happen to the interview material. As was stated in the consent form and plain language statement provided to the interviewee, the researcher promised confidentiality of data—i.e. that quotes from interviews would not be attributed to identifiable individuals, unless the interviewee stated their willingness to be identified. Several actors, including politicians and senior bureaucrats, stated on record that they did not mind being identified, since their perspectives on the issues were already widely known through the media and government reports. Interviewees who *did not* give such consent were informed that, if they were quoted in the research, they would be described only in terms of group characteristics to maintain confidentiality. Prior to the interviews, informed consent was obtained in writing using a consent form, or via a verbal mechanism recorded on audiotape.

With the consent of the interviewees, all interviews were recorded with a voice recorder. One interviewee wished to speak off the record about a sensitive issue at the end of their interview. Although the interviewee did not consent to being quoted, even anonymously, the interviewee was willing to offer useful advice on locating other sources of information about the issue. In most cases, however, the presence of the recording device was quickly forgotten, and both parties were able to focus on the interview. The recording device helped to capture the interviewee's opinions as stated—there was no danger of them being mixed with the researcher's interpretations, as may be the case when notes are taken during the interview (Cohen and Crabtree 2006).

3.4.1.6 Data saturation

In obtaining additional data, the researcher relied on the "snowball technique", whereby further participants are recruited according to the recommendations (or mere references) of existing participants, until the narrative can be generated (Richards 1996). When saturation is achieved, the collection process yields little new data (Bowen 2008; Bryman 2012; Padgett 2008). Thus the researcher paid close attention to the amount of useful information gained from each participant (or item of secondary data)—useful, that is, for (1) building a detailed account of the narrative of the policy-making processes behind each of the two laws under study, and (2) answering the research questions (regarding the broader topic of policy learning).

As Bryman's (2012) study points out, "data saturation" is often claimed even when there is little evidence that saturation really has been employed as a criterion for deciding when to stop sampling. In order to guard against falling into such error, the researcher utilised data triangulation to ensure that "the emerging themes [had] been efficiently and effectively saturated with optimal quality data" (Carpenter & Suto 2008, p. 152), and that "sufficient data to account for all aspects of the phenomenon [had] been obtained" (Morse et al. 2002, p. 12). It was therefore possible to develop narratives of the policy-making processes.

3.4.1.7 The preliminary data processing process

The audiotape recording was transcribed verbatim, with some pragmatic exceptions. Thus, in order to mitigate the danger of misinterpretation, some items were omitted from the transcription—fillers, filled pauses, comments on matters outside the field of research, and a few sentences which were unclear, due to poor audio quality. After finishing the transcriptions, the researcher transferred them to NVivo 12, which has a built-in coding mechanism. Both qualitative content analysis and thematic analysis were conducted, which will be described more in the coming section on data analysis.

3.4.2 Document Analysis

Document analysis is a qualitative research method which involves the examination and interpretation of documents that have been created without any input from the researcher (Bowen 2009). The documents are treated as "social facts", which are produced, shared, and used in socially organised ways. In research, they are used to elicit meaning, gain understanding, and develop empirical knowledge (Atkinson & Coffey 1997, p. 47; Bowen 2009; Corbin & Strauss 2008; Rapley 2007).

3.4.2.1 The use of generated data

Various government reports, academic materials and newspaper articles provided helpful data on the context within which research participants operate. Verbatim minutes of meetings held throughout legislative deliberation processes were more specifically useful. First, they provided a means of tracking the development of the two laws under study. Second, many of the individuals interviewed by the researcher were participants in the deliberation processes that were documented in the minutes. Thus, the minutes were useful when formulating interview-questions. Third, the minutes were also of use in verifying findings, in corroborating evidence from interviews, and in suggesting suitable occasions for non-participant observation (see Bowen 2009).

3.4.2.2 The data-collection process

The secondary data consist largely of (1) the verbatim minutes of meetings held throughout the deliberation processes for the 2014 Civil Service Law (1131 pages, single-spaced, Times New Roman 12pt) and for the 2014 Government Administration Law (808 pages single-spaced, Times New Roman 12pt); (2) various government reports from the Ministry of Administrative Reform, the National Civil Service Agency, and the Civil Service Commission; (3) constitutional legal texts on the 2014 Civil Service Law and the 2014 Government Administration Law; (4) newspaper articles, consisting of news stories, features, opinion columns, and editorials on issues surrounding Indonesian bureaucratic reform; and (5) academic materials relating to policy learning, policy making etc, especially such research that also refers specifically to Indonesia..

In order to access some documents for analysis it was necessary to submit a formal request in writing. Often, these requests needed to be followed up with the help of insiders from the House of Representatives and of a former colleague in *Kemitraan* (the Partnership for Governance Reform), an NGO working on governance reform issues in Indonesia. Through the researcher's personal network, it was possible to gain access to several insiders in the Secretariat General of the House of Representatives. The researcher followed-up these contacts with informal talks over coffee and lunch. This approach allowed the researcher to have contact with researchers at the Secretariat General of the House of Representatives, with the head of documentation of the House of Representatives, and with the head of the Legislative Office Secretariat. Through these contacts, it was possible to gain access to important documents, and to make contact with politicians for in-depth interviews. The researcher also received the verbatim minutes of meetings held during the deliberation process of the 2009 Public Service Law (987 pages), which were offered as additional material by an insider in the House of Representatives.

3.4.2.3 The data-analysis process

Analysis of the documentary materials involved skimming (superficial examination), reading (thorough examination), and interpretation. Some sources were systematically biased, for example, such as government reports on the government's own performance in public administration reform. When dealing with such sources, the researcher paid close attention to alternative sources—sources that were deemed more reliable and consistent, such as newspaper articles and verbatim minutes of meetings. Both qualitative content analysis and thematic analysis were applied to the documentary materials, which will be described in Section 3.5.

3.4.3 Non-participant Observation

Non-participation observation is a qualitative data collection strategy used for gathering primary data without interacting directly with its generators (Liu & Maitlis 2010). It is used to gain understanding of a phenomenon in its natural context by observing events, activities and interactions (ibid.). Non-participant observation nevertheless carries a risk of creating the Hawthorne effect, in which a person modifies their behaviour while under observation. In order to reduce the likelihood of influencing the observed proceedings, the researcher viewed the policy deliberation processes from a viewing platform alongside a group of journalists.

3.4.3.1 The use of generated data

Data generated from non-participant observation were used as contextual data. That data from observing the parliamentary sitting provided information on the formal and informal arrangements of the policy deliberation processes of the laws under study. The data also threw light on underlying meanings, which would have been hard to grasp through other methods—observation, conducted over an extended period of time, was the best approach in this respect (Bowen 2009; Liu & Maitlis 2010). In addition, non-participant observation was useful in providing an overall picture of the documentary materials being reviewed, and a more nuanced and dynamic appreciation of the political context (ibid.).

During the non-participant observation, the researcher also took opportunities to collect documents. Those opportunities were valuable, as gaining access to documents was not always a straightforward process. For example, in order to access the verbatim minutes of legislative deliberation meetings, the researcher had to know which department of the

Secretariat General of the House of Representatives had archived the documents. Furthermore, formal requests for such documents were often left unanswered.

3.4.3.2 The data-collection process

During the fieldwork, the researcher was also able to gain access, as an observer, to several meetings held discussing the intention to change the 2014 Civil Service Law and the legislative policy-deliberation process for the 2017 General Election Law. This experience helped in developing a more detailed understanding of the policy-making process and in keep updated on the emerging issues pertaining to attempts to reverse the 2014 Civil Service Law, which is one of the cases studied. During the data-collection process, the researcher documented the process observed through parliamentary sittings by writing field notes.

3.4.3.3 The data-analysis process

Data analysis was based on the field notes that were taken during non-participant observation of parliamentary sittings attended by the researcher. The analysis involved both content analysis and thematic analysis.

3.5 Data Analysis

The data analysis was applied to all of the textual data—to the transcripts of the semi-structured interviews, the field notes from non-participant observation, and to the documentary materials. In analysing the data, processes such as thematic and content analysis, and triangulation are significant in ensuring the quality of a study, therefore, methods of data collection and analysis need to be organised and systematised with a detailed chain of evidence (Merriam, 2009).

3.5.1 Data Triangulation

Data triangulation entails the more complete analysis of an event, concept, or variable by combining observations taken from several different angles or perspectives (Marks 2007; King, Keohane & Verba 1995). The researcher used five sources for data triangulation: (1) in-depth interviews; (2) verbatim minutes of meetings held in course of the formal policy-deliberation processes for the two laws under study; (3) constitutional-legal texts; (4) news in printed and online media; and (5) various reports from the government. The researcher applied the aggregation strategies of Estabrooks, Field & Morse (1994), whereby the quality of the source is weighted to provide more accurate results. During the triangulation of data, threats to trustworthiness—such as reactivity, researcher bias, and respondent bias—were assessed and mitigated through a "thick" description of phenomena (Bowen 2009).

3.5.2 Qualitative Content Analysis

Qualitative content analysis was applied to the data, because it is considered to be "the most prevalent approach to the qualitative analysis of documents", and because it meets the requirements of a case study that involves "a searching-out of underlying themes in the materials being analysed" (Bryman 2004, p. 392). The *deductive* type of qualitative content analysis was applied—the analytical approach was theoretically derived beforehand, then brought into connection with the text. During the analysis, the researcher translated all direct quotes from Bahasa Indonesia into English.

The qualitative content analysis followed the analytical procedures suggested by Mayring (2003, pp. 42–99). The first stage of analysis involved formulating a criterion of category-definition, derived from the theoretical background and the research question. This criterion determined which aspects of the textual material were to be considered. The textual data are categorised into three categories related to (1) policy-change dynamic throughout the successive stages of the reform process; (2) identification of policy learning in the mechanism of institutional change; and (3) the multi-dimensional aspect of policy learning in structure–institution–agency relationship.

The second stage of analysis involved a data conceptualisation process through the identification of variables to be included in the study and conceptual definitions of them derived from theory, past research, and possible emergent variables from an inductive examination of the textual data. Under the first category in policy-change dynamic, the data was classified by five themes: (1) antecedent conditions, (2) critical juncture, (3) structural persistence, (4) reactive sequence, and (5) reform outcome, in accordance with path-dependence theory.

The third stage involved establishing coding scheme, by setting up coding rules for the defined categories and themes. During this process, meaningful and relevant passages of text or other data were identified and categorised based on variables set earlier. NVivo 12 was used for all three stages of analysis. After the coding, the material was analysed through summary, explication, and structuring.

In qualitative content analysis, the researcher categorised the data using predefined codes, relating to (for instance) the types of actors, the formal mechanisms of policy deliberation, informal arrangements in the policy-making processes, and so on. However, in qualitative content analysis, there is a danger of missing the context merely because the frequency of codes is counted to find significant meanings in the text (Morgan 1993). In this regard, focusing on the frequency and the recurrence of codes can potentially neglect rare or absent elements that could impact on findings. In light of this limitation, the researcher combined the content analysis with thematic analysis.

3.5.3 Thematic Analysis

Brough, O'Driscoll, and Biggs (2009) provide an example of a hybrid approach to content analysis and thematic analysis in which an initial, a priori content analysis coding scheme based on theoretical and practical considerations was supplemented by additional codes derived in an iterative, emergent process of thematic analysis. Thus, the researcher follows the same principles in combining both data analysis strategies.

Coding and analysis were iterative processes, continuing throughout the study. While the coding was conducted with predefined categories, the researcher was also flexible, adding (and verifying) extra categories as they emerged during analysis. During this process, thematic analysis that involves a closer look at the data, through re-reading and careful review, was applied and followed by categorisation to supplement the pre-defined codes generated from content analysis (ibid.).

3.5.4 Coding Mechanism Using NVivo 12

After all the textual data had been gathered, the researcher transferred them to NVivo 12, which has a built-in coding mechanism. There are three stages involved in coding. First, in the pre-coding stage, the researcher familiarised herself with the data through query commands, and by reference to word cloud and individual words. She thereby learned more how particular words were used, and the context in which they were used. Second, in the coding stage, as explained earlier, the researcher developed a specific coding mechanism consistent with the research question to create labels for the nodes. During the iterative coding process, the researcher maintained consistency of relationship between codes and nodes to help explore underlying ideas and meanings among them. Lastly, the final stage is presenting the findings through interpretation of results in order to answer the research question. The coding schemes and what codes were used in NVivo 12 can be seen in Appendix C.

3.6 Conclusion

This thesis uses the case study approach to explore policy learning as a phenomenon associated with public administration reform through policy change. Within the context of Indonesia, the thesis undertakes two case studies, both focused on laws designed for public administration reform: the 2014 Civil Service Law and the 2014 Government Administration Law.

The case studies rely on multiple data-collection methods including non-participant observation, document analysis, and semi-structured interviews. Data were coded and interpreted using qualitative content analysis and thematic analysis. Using qualitative content analysis and thematic analysis, the data was coded and interpreted, so that it could yield answers to the central research question. Ultimately, this thesis is empirically based, supported by the research methods described in this chapter. Thus, it is able to provide a thorough understanding of how policy learning has been involved in recent Indonesian public administration reform.

The next chapter will use contextual data to describe the history of public administration in Indonesia, from the traditional, pre-colonial bureaucracy to contemporary arrangements. That history provides the antecedent conditions for the reforms under study.

4 Chapter IV

The Antecedents of Reform: The Persistence of Neo-Patrimonialism and Patronage Politics in Indonesian Public Administration

As discussed in the previous chapter, an investigation on the phenomenon of reform-oriented policy learning must be specific to a particular context. This need for context-specificity is particularly obvious when considering the extent of path dependence, or how far "history matters", and when analysing how particular institutions, through their formal and informal rules, influence the political behaviour of policy makers. Acknowledging the need to be context-specific, this chapter provides a historical, cultural, and political background, thereby identifying the antecedent conditions of both cases under study.

A deep examination of the history of the Indonesian Civil Service provides insights into the key influences that have shaped the country's contemporary public administration. In this thesis, special attention will be paid to the dynamic between politics and public administration, in order to uncover how the persistence of path dependence has shaped the choices of reform in contemporary Indonesian public administration. In undertaking this historical analysis, this chapter provides an introduction to the antecedent conditions for the specific cases of reforms under discussion. In subsequent chapters, the analysis of the reform sequence takes account of those antecedent conditions. This chapter argues that key historical-cultural aspects of Indonesia—neo-patrimonialism and patronage politics—remain important in shaping public administration reform, and that this patronage-based system is layered on top of the traditional public administration brought by colonialism.

These factors create powerful dynamics of path dependence in contemporary Indonesian civil service, which are to certain extent influenced by NPM and NPS due to globalisation. All these factors shape the hybrid form of Indonesian contemporary public administration.

This chapter proceeds chronologically through three critical eras in Indonesian history: the pre-colonial, colonial, and post-Independence eras. These three eras mark the journey of administrative traditions and paradigms to examine how the contemporary administrative systems in Indonesia are shaped throughout the period. Particularly important is how these administrative traditions are layered on top of each other, which shapes the hybrid forms of Indonesian public administration. The post-Independence era is then separated into three distinct periods: the early period, under President Soekarno; the development period, under President Soeharto; and the *Reformasi* period. These periods mark the development of a contemporary Indonesian public administration that continues to bear the legacy of colonial rule and postcolonial modernisation influenced by a Western public administration paradigm.

4.1 The Pre-colonial Era: The Patronage-based System in Indonesian Traditional Administration

The pre-colonial era stretches from 375 to 1595 CE and is a period when the Indonesian civil service was characterised by the traditional patrimonial system and a patronage-based paradigm. The patrimonial system, according to Weber's classic definition is defined as a form of traditional domination:

> The object of obedience is the personal authority of the individual, which he enjoys by virtue of his traditional status. The organised group exercising authority is, in the simplest case, primarily based on relations of personal loyalty, cultivated through a

> common process of education. The person exercising authority is not a "superior", but a "personal" chief. His administrative staff does not consist primarily of officials, but of personal retainers… What determines the relations of the administrative staff to the chief is not impersonal obligations of office, but personal loyalties to the chief. (Weber 1978, p. 341)

A good example of traditional patrimonial system is the pre-colonial Javanese bureaucracy. There were several influential kingdoms in the Indonesian archipelago during the pre-colonial era, such as Kutai, Srivijaya, Mataram, and Majapahit (see further Reid 1988,1993; Ricklefs 1993). The latter two were centred in Java, making the Javanese traditional administration be recognised over time as the most culturally and politically dominant in Indonesia (ibid.).

Anderson (1990) observes that, in the contemporary Indonesian civil service, the prevalent form of patrimonial, political domination is due to the persistence of traditional Javanese perspectives on power. According to the traditional Javanese perspectives, there are central roles for an individual who holds power; for a hierarchical political structure; and for personalised networks competing on behalf of powerholders, which all work to maintain the powerholders' positions (ibid.). In Javanese culture, the king was associated with the father in a family (*bapak*) (ibid.). He had the authority to make laws and to position himself at the centre of society (regarded as a family) (ibid.). This concept of kingship influenced the Javanese view of the nature of the patron's power, and that view influenced the behaviour of bureaucrats in contexts where they functioned as clients. The patron–client relationship was hierarchical and personalised. The patron (as father figure) was highly respected, and was to be followed for material and spiritual purposes:

> Because of God-given high status and wealth, the patron must lead, educate, and care for the material and spiritual needs of a large group of clients. Great satisfaction and psychological security are derived from the act of giving deference and respect to persons of higher rank in the social hierarchy and from receiving deference from those below. (Jackson 1978, p. 35)

Indeed, hierarchy was of great importance in the Javanese kingdoms. With the development of organised bureaucracy in the seventh-century kingdoms, the stratification of social classes corresponded with the layers of the bureaucratic hierarchy (Kartodirdjo 1973). Social class position was defined by the principle of nobility, which was linked to blood relationships with the rulers and with positions in the bureaucratic hierarchy (ibid.). At the top was the ruling aristocratic class, in the middle the administrative elite, and at the bottom the masses (such as peasants) (Crouch 1979; Robison 1981). The rulers and the administrative elite were connected by personal, mutually beneficial relationships (ibid.).

The administrative elite consisted of high-ranking court officials, from various spheres—military, civil, religious, and judicial (Kartodirdjo 1973). The rulers relied on the allegiance of key sections of the administrative elite to sustain their power and influence (ibid.). They secured that allegiance by granting privileges, mainly in the form of material benefits such as land and fiefdoms (Anderson 1983). In return for privileges, the administrative elite pledged their own loyalty as the rulers' agents, and helped to obtain for them the loyalty of the (mostly poor) masses (ibid.).

Thus, what holds together a system of traditional patrimonial government, such as existed in the Javanese kingdoms, is the personal bond between the leader and the influential people he appoints to positions of power. In the modern Indonesian civil service, this personal bond remains central and is manifested in pervasive patron-client relationships, which are sustained by cultural values of *bapakism*, based on the relationship between father (*bapak*) and children (*anak buah*) (Anderson 1990). It has been argued that the traditional Javanese bureaucracy is the most influential type among the regional varieties, because Java has long been the centre of socio-political and socio-economic activities—during the Hindu-Buddhist period, the Islamic period, the colonial period and the post-Independence period (Kartodirdjo 1973). Feudal-aristocratic values have been maintained throughout the successive cultural phases and have tended to shape Indonesian civil service (Benda 1966; Kartodirdjo 1973). Analysing from a path dependence perspective, the long-lasting resilience of traditional structures in contemporary Indonesian public administration can be attributed to the way in which Dutch colonial rule used the same structures for the exercise of power.

4.2 Colonial Administration

The colonial administration period can be traced back to as early as 1605, when the Dutch established their colonial base, and continued until 1949 when the Dutch finally transferred their sovereignty to Indonesia (Reid 1988,1993; Ricklefs 1993). In the context of Dutch colonial expansion, the Javanese aristocracy was transformed into a bureaucratic elite and co-opted into the colonial state apparatus (Kartodirdjo 1973). Thus, the colonial period highlights how the local patrimonial power structure of the traditional kingdoms is layered on top of the traditional public administration paradigm.

The Dutch made their first expedition to Banten in the island of Java in 1595 (Ricklefs & Nugraha 2008). Subsequent expeditions were made by various Dutch companies, each seeking a share of the spice trade (ibid.). There was initially considerable rivalry between the companies, but when their expeditions proved hugely profitable, the Dutch parliament ruled that they should join forces. Thus, on 20 March 1602, the United East India Company (*Vereenigde Oost-Indische Compagnie (VOC*)) was founded (ibid.). The colonisation of Indonesia began in 1605, when the VOC established their first base in the country (ibid.).

In the following centuries, the Dutch expanded their power in Indonesia through transactional alliances and treaties with local powers, and through the use of military force (Lindblad 1989). They ruled indirectly, depending on the local kings and sultans to represent their commercial interests and to extract resources from the land and the people (Dick 2002). Thus, the VOC adapted itself to existing political structures, placing itself at the top of the political hierarchy (Kartodirdjo 1973).

The Dutch colonial system worked well with the Javanese culture, which by its nature is centralised and hierarchical (Palmier 1962). Dutch officials were not interested in transferring the institutions of their home country to the colonial territories, as their interests centred more on resource extraction, commercial trading, and political control than on the spreading of Western concepts and ideas (Ricklefs 2001). The colonial power therefore left indigenous politics undisturbed, as long as its commercial interests were not hindered (ibid.).

During the nineteenth century, from the 1830s onwards, the colonial administration was gradually organised in accordance with Western notions of government (Evers 1987; Kartodirdjo 1973). This represented a specific program of policy transfer that highlights the exogenous formation of administrative systems in Indonesia. The adoption of Western notions of government is accompanied by a form of traditional public administration associated with Weberian bureaucracy and “modern officialdom” that describes a bureaucracy that functions: (1) on the basis of the principle of fixed and official jurisdictional areas ordered by rules; (2) on the basis of the principle of hierarchy and levels of graded authority, where the lower offices are supervised by higher ones; and (3) through management of the office based on written documents (files) and staff who have thorough knowledge of the rules and are experts in their field (Weber 1948).

The colonial government operated a two-tier system, with the “first-level” Dutch administration, *Binnenlands Bestuur* (Department of Internal Affairs Administration), controlling the Indonesian people via the “second-level” indigenous administration, *Inheems Bestuur* (Department of Indigenous Administration). The latter consisted of Indonesian civil servants, many of whom belonged to the traditional Javanese upper class, the *priyayi*, and to the royal family (Rohdewohld 1995, pp. 2–4).

In pre-colonial times, the *priyayi* (meaning “younger brothers of the king”) commonly served in the traditional bureaucracy. They comprised the governing aristocracy and the royal administrators, and included nobles, officials, court-based administrators, local chiefs, and so on. (Sutherland 1975, pp. 57–58). Near the end of the colonial period (1901–1930), when the civil service was modernised and education became a requirement for recruitment, civil servants were called the *Pangreh Praja* (“rulers of the realm”) and were referred to as the people who administered the state. In this period, as part of the modernisation process, the traditional privileges of the *Pangreh Praja* were replaced, over time, with civil-servant salaries (Sutherland 1979). However, a centralised and hierarchical structure remained, as did the *priyayi* mindset, together with the traditional social privileges of the *priyayi* in Javanese culture (ibid.). All these shaped attitudes and traditions within the Indonesian civil service (ibid.).

The lack of meritocratic practices and the continued use of patronage traditions can be attributed to the aspect that the Dutch did not pass on merit-based public administration model and did little for training Indonesian civil servants on managing the bureaucracy (Warwick 1978, p. 3). The Dutch colonial legacy was a bureaucratic culture that positioned Indonesian bureaucrats as superior to the public, since many of them had been recruited from the aristocracy (ibid.). As the Dutch preferred to recruit by hereditary succession, no tradition of meritocracy developed in Indonesia during this era (Quah 2011, p. 361). The absence of a meritocratic tradition would become evident after Independence—patronage was important in the recruitment and promotion of civil servants under both Soekarno and Soeharto, the first two presidents (ibid.). It has also made the civil service vulnerable to corruption and undermined its capacity to implement policies effectively and to serve the public interest in general (Quah 2011, p. 363). Thus, in accordance with the path-dependence model, the institutions and practices of colonial-era bureaucracy have shaped present-day public administration (Acemoglu & Robinson 2001; La Porta et al. 1999).

4.3 From Traditional Post-colonial to Modern Public Administration

In the immediate aftermath of independence (1945) and the Dutch transfer of sovereignty[11] (1949), Indonesia needed to undertake nation-building which involved the construction of a civil and political order. Over the decades (1920–2020), there was considerable growth in the size of the Indonesian civil service, as shown in Figure 4.1 (below). This growth featured three distinct phases of acceleration. The first phase followed Independence in 1945 under the Soekarno administration. During this phase, the government transformed

[11] Indonesia ceased being a colony on 17 August 1945 when Soekarno and Hatta proclaimed independence, although full independence was acknowledged by the Netherlands only after four years of violent conflict, on 27 December 1949.

the civil service into a massive job-creation machine, rewarding with civil-servant status those who had engaged in the armed struggle of 1945–1949 (van Klinken 2009, p. 885). The second phase followed Soeharto's appointment as president in 1966, after an alleged coup attempt in 1965. After Soeharto rose to power, following an attempted coup in 1965, he turned Indonesia into a developmental state (Evers 1987), and expanded the civil service. Thus, as had happened twenty years before, political unrest triggered a spurt in bureaucratisation, as a new leader tried to secure his control over the civil service. The third phase followed President Soeharto's fall in May 1998, and accompanied the transition from his authoritarian New Order era to the *Reformasi* period. Thus, in key historical phases, the Indonesian Civil Service has grown through politically motivated recruitment with civil service appointments used to gain political support and to acquire control over state resources (Berenschot 2018).

Figure 4.1 The Growth of Indonesian Civil Service

Source: Evers 1987; Sacks & Pierskalla 2018; BKN 2019.

As can be observed in Figure 4.1, the civil service grew almost continuously. The data shows that by 1920, there were around 81,500 civil servants in Indonesia (Evers 1987). The number soared to around 303,500 soon after Independence, as President Soekarno and Vice President Hatta allowed many ex-Independence fighters—those who engaged in armed struggle for Independence against the Dutch between 1945-1949—to enter the civil service (ibid.). Before the establishment of Indonesia as a unitary state in 1950, the Dutch pre-federal civil service had approximately 80,000 employees; it was subsequently fused with the civil service of the Republic of Indonesia to form a single, huge organisation (Feith 1962).

The following subsections provide a detailed a discussion of the Indonesian Civil Service in the post-Independence era. The following sub-sections are organised into three periods: the Indonesian civil service under Soekarno (1945–1965), under Soeharto (1965–1998), and the *Reformasi* period (1998 onwards). It is important to look at these distinct periods when analysing Indonesian civil service, because the change of political regimes involves the ways the bureaucracy is controlled as an important political institution, rather than as the neutral implementer of political decisions. The analysis considers not merely the growth in the size of the civil service, but also other aspects that influence the hybridisation of Indonesian contemporary civil service. Those aspects include the influence of traditional patrimonial political structures, the legacy of colonial rule, and exogenous formation of administrative systems influenced by the Western nations, including this age of globalised New Public Management (NPM)—New Public Service (NPS).

4.3.1 *Indonesian Civil Service under President Soekarno*

The Indonesian civil service under Soekarno faced various challenges in nation building. On top of a slow recovery from the Great Depression, it met with political instability brought on by the Japanese occupation (1942–1945) and then by the Indonesian War of Independence (1945–1949). After Japan surrendered in the Second World War, the Indonesian nationalists immediately seized the opportunity to proclaim an independent state, on 17 August 1945 (ibid.). However, the Dutch government refused to acknowledge Indonesia's independence, and moved to re-establish their colonial government (ibid.). Equipped with Japanese weapons, the Indonesian nationalists waged an armed struggle during 1945–1949 against the Dutch, who were motivated by powerful economic reasons to retain control of Indonesia (ibid.). However, under international pressure, the Dutch acknowledged Indonesian independence on 2 November 1949. During this period, civil servants faced multiple demands for their loyalty. They were expected to work for the colonial administration (before 1942); for the Japanese occupiers (1942–1945); and for either the Dutch or the nationalists, during the struggle for independence (1945–1949) (Evers 1987).

In 1949, following the transfer of sovereignty, the new Indonesian government replaced the two-tier system of administration with a single civil service system (Sutherland 1979). The exclusive, aristocratic character of the civil service was replaced with that of the *pegawai negeri* (government employee), part of a white-collar-worker social class (ibid.). "There was a gross and administratively unwarranted expansion of the government services, as politicians strove to provide jobs, reward clients and obtain a following" (Sutherland 1979, p. 155). Political leaders made use of "patronage possibilities for maximum political advantage" (ibid., p. 82). At the Declaration of Independence in 1945, the civil servicecomprised around 100,000 staff; when Soekarno's regime fell in 1967, it comprised around 420,000 (Evers 1987).

In the course of Indonesia's post-Independence nation-building, attempts were made to establish parliamentary democracy (Ricklefs 2001). The hesitant start of democracy was characterised by a power struggle between the president, the army, the communist party and other political groups (ibid.). Indonesia saw its first free and fair general elections in 1955, but the parliamentary democracy of the 1950s was characterised by instability (ibid.). This instability had various causes. On the one hand, there was disagreement regarding the country's ideological basis. Muslim representatives insisted Indonesia become an Islamic state ruled by shariah law, while others demanded a nationalist or communist ideological basis (ibid.). This situation was reflected in the first election that resulted in no workable majority for any party,[12] which meant it was only possible to govern by coalition (ibid.). Opposition existed between several influential political groups: the Indonesian army, the nationalists (Indonesian National Party (PNI)), the Muslims (The Masyumi Party and Nahdlatul Ulama), and the communists (The Indonesian Communist Party (PKI) (ibid.).

On the other hand, there were regional rebellions—the consequence of local chauvinism, wariness that Indonesia would be dominated by Java-centrism, and dissatisfaction with Indonesia's orientation as a secular nation-state, rather than Islamic state (Nordholt 2011). In 1957, the instability resulted in the suspension of the parliamentary system. Its replacement—Guided Democracy—stipulated a strong, indeed authoritarian president,

[12] The two big Muslim parties Masyumi and Nahdlatul Ulama (the latter split from the former in 1952) received 20.9 and 18.4 percent respectively. The nationalist PNI received 20.3 percent of the votes, while the communist PKI obtained 16.4 percent.

equipped with sufficient power to realise his ideals (Ricklefs 2001). The army was initially unhappy with the new arrangements, but by 1958 Soekarno had acknowledged the army as a "functional group" and given them a larger role in politics and the economy (Crouch 1979).

It is important to note that the Indonesian military has had a strong influence within the government, ever since the early days of nation-building in 1945–1949 (Simatupang 1972). During the guerrilla war for independence (1945–1949), a military government was formed, which subsequently served as a model for civil–military relations (ibid.). That model was characterised by military needs: territorial control, and the ability to resist as an independent state (ibid.). No matter how difficult the circumstances of war became, the public administration would have to continue (ibid.). It would have to work hand-in-hand with the military to mobilise and organise fighting forces, and to secure local resources for the resistance (ibid.). This context is the basis for understanding the development of the army's territorial apparatus, as a structure existing in parallel with the civilian government, from the national level to the village level. Those parallel structures are depicted in Figure 4.2. This system, first used during the guerrilla war, was reintroduced in the late 1950s, to quash local rebellions and to help Soekarno secure political control during the period of martial law (1957–1959). It was during this period that the era of Guided Democracy began (Simatupang 1972). The local rebellions had been suppressed by the early 1960s, and the civil-military relationship grew stronger (ibid.). The military became even more influential, even more securely entrenched in the political sphere (ibid.). It used its territorial apparatus to compete with the Indonesian Communist Party (*Partai Komunis Indonesia*; PKI), which also became powerful during the Guided Democracy era. Indeed, Soekarno relied on the

PKI’s support to counterbalance the army's power (Said 1987). By the end of the Guided Democracy era, the PKI had outmanoeuvred the other political parties (ibid.). Soekarno was perceived by many as being very sympathetic to the communists—he knew that his position would be in danger if the army became too strong (Roosa 2006). In these circumstances, the Muslim leaders became wary of the communists, and joined the nationalists and the army in opposition to them (ibid.).

As a patrimonial leader, Soekarno not only tried to play factions against one another, but also granted benefits to the political elites of the various factions (Crouch 1979). The consequence was large-scale, high-level corruption. Civil servants, on the other hand, were given very low salaries (King 2000). Furthermore, the economy was struggling, as attempts to annex West Papua and the confrontation with Malaysia resulted in a soaring inflation rate (ibid.). By 1962, there were strong demands for Soekarno’s resignation (ibid.).

Figure 4.2 Parallel Military Command and Civil Bureaucracy Structures

National Level	MABES TNI (Indonesian National Army)	*Pemerintah Pusat* (National Government)
Province Level	KODAM (Regional Military Commander)	*Pemerintah Provinsi* (Provincial Government)
Residency Level	KOREM (Sub-Regional Military Commander)	[Sub-Regional Government—only in the colonial era]
District Level	KODIM (District Military Commander)	*Pemerintah Daerah* (Local Government)
Sub-District Level	KORAMIL (Sub-District Military Commander)	*Kecamatan* (Sub-District Government)
Village Level	BABINSA (Non-Commissioned Officer)	*Pemerintah Desa* (Village Government)

Source: Adapted from Simatupang (1972)

The political landscape changed in 1965, after the alleged coup attempt, led by Lt. Col. Untung and, allegedly, the PKI (Roosa 2006). This event gave the army the pretext that they needed to deal a fatal blow to the large, well-organised and increasingly influential PKI (ibid.). It was at this point that Soeharto, a major general, emerged as leader—he orchestrated the destruction of the PKI, involving a genocide of 500,000–2,000,000 followers (Anderson & McVey 1971; Cribb 1990; Roosa 2006). This physical devastation of the PKI also opened the way for further consolidation of political power in the hands of the army and of Soeharto himself. Within six months of the attempted “coup", Soeharto had effectively sidelined Soekarno as a political force (ibid.). Subsequently Soeharto further strengthened his grip (ibid.). Those he saw as potential adversaries—such as politicians allied to Soekarno, and others perceived to be loyal to him—were weeded out, kicked out, sidelined, or posted to insignificant positions (Crouch 1978, p. 236). Thousands of bureaucrats were dismissed from their posts during 1965–1967 (Emmerson 1978, p. 91). Particularly hard hit were the bureaucrats of the Department of Agriculture, since the PKI had been influential in that sector of the economy (ibid.).

As discussed above, the political instability, political unrest, and slow economic growth that happened during the Soekarno regime led to authoritarianism, as in the period of Guided Democracy. As such, Soekarno exercised patrimonial leadership during his time in power as he needed to retain the backing of the bureaucrats for his regime. The approach demonstrates that Indonesian leaders tend to maintain the structure and traditions of the pre-colonial Javanese political culture, as frameworks of support for their authoritarianism (ibid.). The collapse of Soekarno’s regime can also shed light on the recurring patterns of patrimonialism becoming a tool for gaining political control in the consequent regime.

4.3.2 Indonesian Civil Service under President Soeharto

In the early years of his regime, Soeharto's priority was to lift Indonesia out of economic crisis. His military-dominated ruling circle worked with Western-educated technocrats, and together they managed to generate substantial and sustained economic growth, with the support of foreign aid and foreign investment were much increased under Soeharto. Such foreign input had supported Indonesia's development since 1966, particularly in infrastructure, mining, and agriculture (Lindbald 2015; Simpson 2008).

With growing demands on government, the civil serviceincreased rapidly during this developmental period, as can be seen in Figure 4.1 (above). Bureaucrats worked with the military to carry out development programs through the parallel military and bureaucratic command structures depicted in Figure 4.2 (above) (Simatupang 1972). In addition to these programs, Soeharto developed an alliance with the Chinese Indonesian community for economic diversification, in order to reduce dependence on natural resources (Robison & Hadiz 2004). The Chinese community was economically powerful but politically weak as its members did not have the same citizenship rights as the indigenous Indonesians, so it could not oppose Soeharto (ibid.). Indeed, this community contributed a great deal to the Indonesian economic boom: While some economic growth was attributable to foreign capital, Indonesian domestic private capital contributed between 50 and 70 percent of the country's GDP (Hill 1990).

With regard to economic development, Soeharto delegated responsibility to technocrats, who designed policies that allowed the state to benefit from the oil boom of the 1970s, and thereby to finance Indonesian development programs (Bresnan 1993; Hill 1996). The technocrats were dominated by high-flying university graduates—some from the University of Indonesia, others from American universities (hence their nickname: "the Berkeley mafia") (Kuntjoro-Jakti 1988). They were used to develop policy, while the military was used to secure the political realm, and the bureaucrats were used to implement policy (ibid.). To gain political control, the regime weakened civil society by replacing independent organisations with social groups that had corporatist purposes, and in which government officials were encouraged to serve as board members (ibid.).

Soeharto realised that he could not rely solely on rent-collecting bureaucrats for the survival of his regime (MacIntyre 1994; Robison & Hadiz 2004). He was aware that most of Soekarno's cronies failed to hold on to their fortunes and disappeared politically after his own rise to power (Robison & Hadiz 2004). Thus, he took action to secure even greater control over the civil service.

As part of his efforts to tame the civil service, Soeharto began placing military officers in the civil service. He thereby legitimised the military *dwi fungsi* (dual function) doctrine, which allowed the military to have both socio-political and security-related roles (Crouch 1972). During the early period of his rule, he put many military officers in the sub-cabinet level of the civil service, in order to help control policy implementation (ibid.). Crouch (ibid., p. 213) remarks that by 1968, 68 percent of the regional governors were military officers. Emmerson (1978, p. 103) similarly notes that by the 1970s, civilian governors had become a minority among the regime's top emissaries at the local government level.

The militarisation of the civil service was also implemented horizontally, at the local government level (ibid.). For this purpose, the institutions that trained civil service personnel, such as IPDN (Institute of Local Government in Indonesia) adopted a military-style approach to education—their approach was similar to that of AKMIL (Military

Academy) (Britton 1983). In the above discussion of the colonial administration, attention was paid to the influence of Javanese culture over the civil service. In the post-Independence era, the educational institutions serving the civil service and the military have promoted aristocratic Javanese cultural values as the fundamental ideals of professionalism (ibid.). Those values have been inculcated in cadets to create a collective personality or identity (ibid.). As a result, there has developed a sense of elitism among the civil service, which might become a lasting threat to its professionalism (ibid.).

The military-created Functional Party (*Golongan Karya* (Golkar)) provided a further mechanism for controlling the civil service (Jackson & Pye 1978). Consisting of the staff of the civil service, the army and the police forces (who were all obliged to vote for it), Golkar was given political power and could use state resources at its discretion, whereas the other two parties were suppressed (ibid.). After the elimination of the PKI (the strongest party on the left), the nationalists and the Islamists were sidelined and suppressed, as Soeharto tried to mitigate the threat of ideological struggle between the two groups (Crouch 1979). The danger was clear from the struggle between the PKI and the military during the Soekarno period (ibid.). The nationalists and the Islamists were forced into coalitions with the Indonesian Democrat Party (*Partai Demokrat Indonesia*, PDI) and with the Indonesian Unity Party (*Partai Persatuan Indonesia*, PPP), respectively (ibid.). They were kept in existence merely to provide a facade of democracy (ibid.). These arrangements were meant to ensure that Soeharto won every election via Golkar and so remain in power (ibid.).

Further control of the civil service was accomplished through the implementation of corporatist strategies (Emmerson 1978). Civil servants were organised under a single government-controlled union, the Indonesian Civil Service Corps, (*Korps Pegawai*

Republik Indonesia, KORPRI) (ibid.). It was top-down and hierarchical in structure and was designed "to control and cultivate an utterly reliable civilian apparatus" (ibid., p. 108). The union was tightly controlled in the interests of Soeharto's political supporters, principally Golkar and partisan state officers (ibid.). As a result of the controls imposed, the Indonesian civil service was a centralised, hierarchical body which favoured the ruling elite, and was unable to be neutral, professional, efficient, effective, or accountable (Hermawan 2013; Prasojo 2007; Thoha 2002). It was also heavily staffed, rule-bound and inward-looking, oriented towards its own formal procedures, rather than towards serving the public and the economical use of public resources (ibid.).

By placing military officers within both the administrative bureaucracy and state-owned enterprises, Soeharto built twin pillars of economic growth (Crouch 1978). The officers were able to arrange business deals and engage in joint ventures with domestic big business and foreign investors (ibid.). And because of their status as senior bureaucrats and as members of the armed forces, they were able to secure protection, concessions, and other privileges for their business partners, often through brutal repression of civilians (ibid.). Soeharto allowed those officers to use their bureaucratic positions to generate illicit income for themselves, for example, by demanding commissions from suppliers and contractors, and to divert resources to the army (ibid.). In return, the officers provided Soeharto with off-budget funds, for distribution among his cronies and for political spending (Winters 1996). For example, Gen. Ibnu Sutowo, a Soeharto loyalist, was appointed head of Pertamina (*Perusahaan Pertambangan Minyak dan Gas Bumi Negara*, lit. "State Oil and Natural Gas Mining Company"), so that he could arrange business deals with private companies on Soeharto's behalf (Winters 1996). As a state-owned enterprise, Pertamina could provide excellent collateral, so foreign banks were happy to lend to it. However, the loans were used not only for Pertamina's development, but also to finance the personal expenses and businesses of Soeharto's cronies (ibid.).

With his extensive power, Soeharto was able to use the civil service to generate rents that could be harvested by favoured entities, which included conglomerates, family firms, large foreign firms, and enterprises managed by his cronies (Bresnan 1993). Soeharto's cronies belonged to various spheres: the army, the political elite, the traditional ruling elite, his immediate and extended family, and his family's business partners (ibid.). Robison (1978) referred to this phenomenon as "bureaucratic capitalism"—behaviour that emerges as "a product of patrimonial bureaucratic authority in which demarcation between public service and private interest is at best blurred" (p. 24). Soeharto also encouraged the civil service to extort money from particular tax-targets, such as firms that did not belong to his cronies. Commercial monopolies were granted to Soeharto's family and cronies, as a way to retain their loyalty and co-operation (ibid.). Such privileges also allowed these individuals to survive after the 1997 Asian financial crisis—during the period of market liberalisation, they alone had enough money to buy assets from the government (Robison & Hadiz 2004).

The Indonesian economy developed impressively during the Soeharto period. Between 1966 and 1997, real GDP per capita grew at 5.03% per year (World Bank 2000). By 1997, real GDP per capita, which had been roughly equal to that of India and China in 1966 (USD 960 in India, USD 815 in China, and USD 804 in Indonesia), was 1.6 times that of India (USD 4,114 vs USD 2,360) and 1.3 times that of fast-growing China (USD 3,058) (World Bank 2000). Less than a handful of countries grew as fast or faster over this period (ibid.). Rapid growth went hand-in-hand with substantial diversification of production, employment, and exports (ibid.). Although it never quite achieved the status of a "tiger" economy as was the case for Hong Kong, South Korea, Singapore and Taiwan, Indonesia was one of the eight "high-performing Asian economies"[13] that formed the nucleus of the so-called "East Asian Miracle" (World Bank 1993). In other respects, however, Soeharto's regime was economically expensive—authoritarian governance, accompanied by massive, systemic and endemic rent-seeking and corruption, resulted in a high-cost economy (King 2000; Robertson-Snape 1999).

One trigger of Soeharto's downfall was the Asian Financial Crisis, which had begun to affect Indonesia by mid-1997. As corruption, nepotism, and collusion had been rife, the crisis cost the government its performance legitimacy and credibility in the eyes of the people (Beerkens 2008; Chalmers & Hadiz 1997; Webber 2006). As he had done in the past, Soeharto turned to his technocrats to solve economic problems, but this time Indonesia had to make a formal request for IMF support (Lane et al. 1999). While initially reluctant to accept the 81 conditions imposed by the IMF, Soeharto agreed to the first loan of USD 43 billion, made on 31 October 1997 (Lane at al. 1999; Kapur & Webb 2000). In fulfilment of the IMF's conditions, Soeharto implemented various reforms, but they failed to bring the hoped-for economic benefits. Thus, on 15 January 1998, Indonesia negotiated a second IMF loan, which was conditional on the removal of subsidies for food and energy (ibid). As a result, petrol prices increased by 70% and electricity rates by 60%, and it was partly over these increases that protestors took to the streets (ibid.). After months of turmoil, Soeharto's allies and cronies started to lose confidence in him, and the military

[13] The eight highest-performing Asian economies were the four tiger economies, together with four emerging economies: Japan, Indonesia, Malaysia, and Thailand (World Bank 1993).

signalled their inability to quell the growing unrest. Soeharto was thus abandoned by his supporters among the political elite within the state apparatus. He was also beleaguered by massive student-led demonstrations in Jakarta and many major cities throughout the country, as well as by uncontrolled rioting. He was finally forced to resign on 21 May 1998, after 32 years in power, paving the way for a democratic transition (ibid.; Aspinall 2005).

As has been noted, under Soeharto's authoritarian rule, the civil service was configured to serve the interests of the ruling elite, rather than the general public (ibid.). That service extended beyond the national administrative structures—the civil service also provided arm's-length support via the dominant political party GOLKAR and the regional government (at both the provincial and district levels) (Hermawan 2013; Prasojo 2007; Thoha 2002). The idea that "civil servants constitute state apparatus, which must serve the state" was evident in the 1974 Basic Law on Civil Service, a piece of legislation issued at the stipulation of Soeharto (Hermawan 2013). In addition to this, civil servants had to swear allegiance to the principle of *monoloyalitas* "which calls upon all civil servants to support the government" over the public good (Pompe 2005, p. 129). The civil service thus became simply part of a bureaucratic polity (Emmerson 1983; Jackson & Pye 1978; King 1982; Osborne & Gaebler 1992), and a central participant in a traditionally patrimonial form of domination (Anderson 1983; Crouch 1979; Robison 1981; Weber 1978).

The bureaucratic polity in Indonesia bore several notable characteristics: the rise of patrimonialism (also called "neo-patrimonialism") within the bureaucratic culture (Crouch 1979); the involvement of technocrats in political decisions (King 1982); the rise of the politics of order, marked by the stringent role of the military in politics, in administrative roles, and in technical services (Berger 1997); and the institutionalisation of the doctrine that state officers and the state corps were the "servants of the state". Together these constitute a part of the conditions antecedent to reform, and will be discussed across subsequent chapters.

As Soeharto maintained his powerbase over 32 years of authoritarian leadership by showering his cronies with favours and political appointments, patrimonialism and patronage politics became imprinted on the civil service (Aditjondro 2002; Bresnan 1993; Kingsbury 1998; Robison & Hadiz 2004). Taking these structural features into account, the next section considers the challenges faced by those who have sought to reform the civil service in the contemporary, post-authoritarian era, and the extent to which the structural features of the New Order have been maintained or undermined.

4.3.3 Contemporary Indonesian Public Administration: Challenges for Bureaucratic Reform in the Post-authoritarian Era

After Soeharto's resignation in May 1998, the *Reformasi* movement was able to alter the distribution of power within the Indonesian civil service. As the military's grip on state institutions weakened, new political elites emerged (Mietzner 2011), but gaining control of the reform agenda proved challenging for these newcomers (Aspinall 2005). There were efforts by pro-democracy activists, reformist civil society figures and union leaders to follow in the footsteps of the pioneering reformists and enter mainstream politics (Mietzner 2013).

The first election of the *Reformasi* era was held on 7 June 1999 under interim President B. J. Habibie (formerly Soeharto's vice president). This first *Reformasi* election, also the first free election since 1955, was a competitive process involving forty-eight political parties, rather than the three that had been established during the Soeharto era (Slater 2004). The elections resulted in the appointment of Abdurrahman Wahid as Indonesia's fourth president, with Megawati as the vice president. However, as Slater (ibid.) has argued, the political parties re-established patronage politics, as they co-operated to "share power far more than they [fought] over it" (p. 62). The political parties treated cabinet posts as "a gilded bridge between parliament and the presidency, providing a fortunate few with access to the bounteous patronage resources of the state executives" (ibid., p. 66). It was during this time that political posts at the head of ministries were first referred to as either "*basah*" ("wet")—executive positions privileged with greater patronage opportunities—or "*kering*" ("dry")—those positions which came with lesser patronage opportunities (ibid.).

Realising that this method of power sharing did not lead to the change and improvements needed for the national economy, and that it hobbled his ability to govern, President Wahid conducted a cabinet reshuffle, replacing 26 of his 35 cabinet members, bringing in his own people—people who he saw as fit for the positions (Slater 2004). From this point, an escalating conflict between political elites developed, which led to President Wahid's impeachment on 21 July 2001 (ibid.). The power-sharing formula, with "wet" and "dry" positions in the cabinet for the political parties involved, has since become entrenched, and has become known as "*bagi-bagi kursi*" ("distributing the posts") (ibid.). In this case, the structural factors and informal institutional arrangements of patronage politics—as inherited from the authoritarian era—have become self-reinforcing, and thus serve as a lesson on the consequences, with respect to path dependence, of patronage politics. Particularly important here are the antecedent conditions wherein structural factors dictate that by sharing some of the wealth with other parties in the government, the ruler could maintain his power and prevent political turmoil and disintegration of the country.

Aspinall (2010) argues that since the reform-resistant elites were not starved out but were instead given a slice of the democratic pie during this transition period, they were empowered to undermine the quality of reform. They also persisted in patronage and corruption, which provided informal ways of bringing their allies back into the system (ibid.). Many scholars of Indonesian politics have argued along similar lines, providing details of how various reform initiatives, processes and outcomes were “hijacked” by “predatory” actors within the post-1998 institutions, in order to advance their own agendas. The new elites thus failed to gain enough influence to put their reform agenda into practice (Bodreau 2009; Hadiz 2010; Robison & Hadiz 2004; Slater 2004). Indeed, the reformers involved in the early democratisation period were not able to sustain momentum. According to Hadiz and Robison,

> [d]espite the starkness of the “lessons” of the financial crisis and the huge leverage of the IMF and other agencies in pressing for specific reforms in policy and governance, oligarchy and its major players were ultimately able to survive. The key to this “success” was the resilience of the networks of political authority and economic interest that underpinned and defined oligarchy and permeated the institutions of the state itself. (Hadiz & Robison 2013, p. 50)

With democratisation, Soeharto’s monopoly control of corruption networks has fragmented them into a much larger number of competing corruption networks spread across in the legislature (Athukorala 2002, p. 143; Pangestu & Goeltom 2001, p. 299), in the conglomerates (Dick 2001, p. 13), in subnational governments (Blunt, Turner & Lindroth 2012b), and in several important government agencies, such as the judiciary (Malley 2003, pp. 143–144), the central bank (Athukorala 2002, pp. 143–144), and the customs office (Athukorola 2002, p. 144). As part of the legacy of authoritarianism, there remain strong incentives for politicians to use bureaucratic appointments as a means to obtain campaign support and to develop control over state resources (Berenschot 2018). It is therefore unsurprising that the economic crisis was not enough to dismantle the structural features that dominate Indonesian civil service.

In any case, the fact is that patronage systems have survived within the civil service and can be seen in the widespread use of illegal payments. Such payments have a distorting influence on entrance exam results; on recruitment practices and candidate-selections; and on processes for allocating placements, promotions, and transfers (Blunt, Turner & Lindroth 2012b). A study conducted by Kristiansen and Ramli (2006) revealed that in the civil service, "the amount needed to buy a position is [...] approximately two-and-half years' full salary and investments are in most cases based on loans from family and close friends" (p. 221). Such illicit practices can be traced back to the Soeharto era—in order to ensure strong loyalty and to minimise internal opposition, Soeharto institutionalised a system in which the government was under-funded—its budget did not even cover normal, legitimate costs (McLeod 2008). Consequently, official salaries were very low, and bureaucrats had no choice but to engage in illicit activities to generate cash (ibid.). Bureaucrats thus became dependent on corruption. On the other hand, the civil service remained attractive, as it offered lifelong job security (ibid.).

According to the 2017 national anti-corruption survey conducted by Polling Centre, Indonesia Business Links (IBL), and Indonesia Corruption Watch (ICW), which involved 2,235 respondents across 34 provinces, civil service recruitment remained the most corrupt sector (ICW 2017). This situation remains a problem even after two decades. The 1999 Public Official Survey, conducted by the World Bank in Indonesia, revealed that 94% of respondents (all public officials, drawn from 15 sampled organisations) reported that vacancies in positions like theirs were not advertised (Manning 2000). The officials surveyed in that study also revealed that they were recruited on the strength of their (degree-level) education, and after passing an examination process (ibid.). However, connections and gifts also played a role in obtaining civil-service jobs (ibid.). For some of those who did not have connections, securing a position entailed a significant investment in the form of bribes—there was the only way to access a secure income (ibid.).

It is not surprising that, despite the structural changes that gave rise to the new elites of the *Reformasi* period, progress on bureaucratic reform has been patchy. Several factors—a lack of pressure groups, especially from outside the civil service; a lack of politicians willing to push forward reform; and the "accommodation of spoilers and established elites" (Aspinall 2010, p. 32)—have together meant that while various reforms have been implemented, there has been a need for compromise. Consequently, the reforms have not worked well in practice. However, it is important to note that the *Reformasi* period brought significant change to the Indonesian political landscape. This change is especially evident in the relatively free elections of 1999 (Deuster 2002, p. 6), in the subsequent series of constitutional reforms. These culminated in two major outcomes. Firstly, provisions for the direct election of the president and vice president, and for the creation of a bicameral legislature (Malley 2003, pp. 137–138). Secondly, in the creation of new institutions of democratic governance, together with the 'big bang' decentralisation, which radically transformed the power relationship between provincial governments and the central government (Robison & Hadiz 2004; Aspinall 2005).

Within Indonesian civil service, by mid-2002, the central government had successfully transferred two million central government employees to local government (Athukorala 2002, p. 146). In the early 1990s, Indonesian officials had rejected reforms inspired by the New Public Management (NPM) approach. In the aftermath of the economic crisis, such reforms were reintroduced and, although they were treated with caution, eventually gained acceptance (Minogue 2001; Turner 2002). This acceptance allowed change to happen. At first, during the 1998–2003 period, change was slow and sporadic. However, there *was* progress (ibid.). Reform initiatives were focused mostly on reducing subsidies, on privatisation, and on the implementation of public–private partnerships (Turner, Prasojo & Sumarwono 2019).

Subsequently, during 2003–2010, targeted reforms were implemented within central government—the Ministry of Finance, the Supreme Audit Board and the Corruption Eradication Commission, for instance—and within local government. Most of these reforms were heavily dependent on local leadership and initiative, and focused on human resource management, organisational restructuring, performance management, and various experiments aimed at improving service delivery (ibid.).

The years from 2010 onwards have been a period of bureaucratic reform. Since then reform has been high on the political agenda, and reform initiatives have been implemented nationwide. These initiatives involved the entire bureaucratic apparatus and as such were different from earlier reforms. The prominence of bureaucratic reform can be seen, for instance, in President Yudhoyono's *National Grand Design of Bureaucratic Reform*

(2010), and in the ensuing implementation roadmap. The reforms prescribed by the design were inspired by the NPM and NPS (New Public Service) approaches to public administration (ibid.). Multiple reform initiatives were launched, such as a temporary moratorium on civil-service recruitment, and a computer-aided testing system for future recruitment; organisational restructuring in several ministries; the abolition of under-performing non-structural organisations;[14] and the introduction of performance-based bonuses (ibid.). Those initiatives, together with further proposals for system-wide reform in human resources management, were incorporated into the 2014 Civil Service Law (also known as Law no. 5/2014 on State Civil Service Apparatus), which is one of the case studies undertaken in this thesis (ibid.). Another case study this thesis undertakes—the 2014 Government Administration Law (also known as Law no. 30/2014 on Government Administration)—marked the adoption of "good governance" in Indonesian public administration.

Institutional and political forces have worked strongly against administrative reform in Indonesia. In-depth understanding of these forces is important in investigating how structural factors—in combination with the institutional arrangements (effected by previous reforms) and the agency of policy actors—define the available reform options and shape the process whereby a particular reform option is selected.

[14] Non-structural organisation is often established in the form of independent and auxiliary bodies to guide, monitor and enforce reforms set out in legislation (Prasojo & Holidin 2018). By 2017, the democratic era had seen 127 auxiliary bodies or non-structural agencies established to guide the process of reform (ibid.). Some of the auxiliary bodies—such as the Corruption Eradication Commission—proved to be notably effective, but many others that do not seem to perform well in their tasks need to be dissolved to bring budget efficiency.

As was noted above, public administration reform came relatively late in the *Reformasi* period—its limited success only came years after the achievement of reform in other sectors of the public sphere. Several factors have contributed to this delay. As I will highlight in chapter V and VI, one factor was the reluctance of the political and bureaucratic elites, who fear that reformist ideas threaten their power. The elites realise too well that the globalised approach to reform, such as NPM, is contrary to their interests, so they have deliberately resisted its introduction, to some extent with the tolerance of key international bodies (Blunt, Turner & Lindroth 2012a). Foreign donors have sought to drive the introduction of merit-based arrangements in the civil service, by imposing funding conditions and by providing technical assistance (ibid.). At the same time, however, they seem to have turned a blind eye to the persistence of patronage and other illicit practices (ibid.). Rather than confront such problems, foreign donors have persevered with standard technocratic methods, apparently in the hope of achieving incremental progress (ibid.).

Public administration reform has also been delayed by the pervasiveness of patronage politics in Indonesian democracy. Recruitment and promotion are still used to reward political support, to enable politicians to gain control over state resources, and to facilitate campaigning activities in future elections (Berenschot 2018). Discretionary powers still provide strong incentives for politicians to value bureaucrats' loyalty over their qualifications (ibid.). Merit-based reform does not suit the interests of the politicians or of the bureaucratic elite. Furthermore, the disadvantages of borrowed reform models are not merely a matter of incompatibility with local conditions (Haque & Turner 2013). In Indonesian civil service, there has developed a tendency for vested interests to *abuse* the idea of reform. Foreign methods and models of administration are, of course, inherently unfamiliar to local eyes, so they can easily be used as pretext for illicit (or at least self-serving) behaviour (ibid.). There is evidence that members of the Indonesian political elite have abused the idea of reform to cover up, legitimise, and generally bolster their own methods of governance—including patrimonialism and patronage politics (Choi 2011; Choi & Fukuoka 2015).

A lack of public pressure also helps to explain the relatively slow progress of bureaucratic reform. In other reform areas, public pressure was able to help to structure reform, and to facilitate the reorganisation of power during the early democratisation period (Aspinall 2005). In the case of civil-service reform, however, public pressure can only play a limited role. The interdependencies and complexity of the civil service can place the interests of powerholders and stakeholders in opposition, and combined with the sensitivity of proposed changes, a lack of consensus on what should be the most important objectives of the civil service, and the absence of a theoretical model to guide practitioners in how to approach and monitor reform (Evans 2008; Scott 2011), the usefulness of public pressure is limited. In addition, as Diprose, McRae & Hadiz (2019) note, "without the entrenchment of early democratisation reforms, once power structures have been reorganised it is more difficult to tackle endemic problems, especially in areas where vested interests (in this case, located in the apparatus of the state itself) have much to lose" (p. 695). In short, bureaucratic reform can be especially challenging in the absence of crisis, as power structures create lock-in effects that are difficult to overcome absent an external justification. Thus, as incumbents come to value the status quo and existing power distribution, they become more resistant to institutional change.

4.4 Conclusion

Indonesian public administration has been shaped by the history of bureaucratisation in the pre-colonial, colonial, and post-Independence periods. In the pre-colonial kingdoms, patrimonialism was rooted in the relationship between the king and his followers. Power was exercised through a patrimonial bureaucracy, in which the higher ranks enjoyed great discretion in their use of resources, and their subordinates volunteered their loyalty in return for protection and assistance. This traditional patrimonialism was later used by colonial authorities to secure control through the distribution of official posts to aristocrats and royalty. In colonial state-building, the authorities transferred only the forms of Western bureaucracy and institutions, paying little attention to attitudinal dimensions. They were focused on extracting resources, rather than on the public good, and saw patrimonialism as a minimum-cost way of maintaining order. It was politically expedient to recruit aristocrats and to rely on the system of patronage, so little was done to promote professionalism or meritocracy. Such antecedent condition highlights that the colonial administration with traditional public administration paradigm was layered on top of the local patrimonial structures with the patronage-based paradigm. After Independence, Indonesia modelled its bureaucracy and rules of government on the colonial-era arrangements. In the nation-building process, Soekarno had to revive patrimonial practices in order to secure political power. Such practices persisted under Soeharto, who, like Soekarno, used them to support his regime. Soeharto favoured arrangements that were politically expedient: the dominance of military influence within the civil service; a strong grip over the single (government-controlled) civil-service union; an insistence that civil servants follow Soeharto's Golkar party; and other patrimonial-bureaucratic arrangements in public administration. As a result, patrimonial practices and patronage politics have been re-institutionalised in the modern bureaucracy.

As neo-patrimonialism has been self-reinforcing, the political elite enjoy the freedom to exploit state resources, and the bureaucratic elite remain happy to prioritise their own patron–client relationships over the public good. Reforms have been undertaken, but this does not mean that the bureaucratic elite has departed from its traditional spirit. In fact, those reforms have been influenced by that traditional spirit—one of the country's structural features. Thus, as the traditional public administration of the colonial period was layered on top of Indonesia's patrimonial and patronage-based system, so Indonesia's contemporary public administration was lain over that. Along with the influence of the NPM and NPS paradigms brought by globalisation, these antecedent factors shaped the hybrid form of the system Indonesia sees today.

The next two chapters pay close attention to how these structural features contribute to the hybrid form on Indonesian public administration, particularly since reforms under study are influenced by NPM-NPS approaches. They focus on the role of path dependence in the policy processes of two particular reforms: the 2014 Civil Service Law (Chapter V) and the 2014 Government Administration Law (Chapter VI).

5 Chapter V

Overcoming or Reinforcing Path Dependence in Civil Service Reform? The Policy-making History of Indonesia’s 2014 Civil Service Law

5.1 Introduction

The previous chapters have situated the thesis within its conceptual context, described its research design, and provided relevant historical information. As explained in Chapter IV, in the Indonesian context, laws have been used as the primary tool for effecting reform. The case study will focus on the process of new laws pertaining to civil service reform, to analyse how this reform happens. This and the following chapters will present the empirical findings.

This chapter presents findings from the first of the two in-depth case studies, focusing on a particular piece of Indonesian reform legislation: the 2014 Civil Service Law. This chapter explores, in a detailed historical account, the relationship between (a) institutional arrangements and (b) the role of policy actors. This approach reflects the concept of policy learning as a mediated process, in which policy making is inherently political—what is “learned” and what is “remembered” must always be seen in the context of political interests and political power (Bennet & Howlett 1992; Marsh & Evans 2012). As Cheung (2013) rightly notes, the *historical* process is as important as the *horizontal* process of policy learning. Accordingly, this chapter will provide a detailed discussion of the historical events, as part of the analysis of policy learning, drawing on the case study’s findings.

Exploring the case study through an application of Mahoney's (2001) path-dependence framework, this chapter seeks to uncover the set of key historical processes which explain the diverging paths that were taken during the drafting of the 2014 Civil Service Law. This chapter argues that policy learning occurs throughout the successive stages of the reform process, and can reveal the strength of several sometimes-conflicting influences, especially in responses to reform—that is, in structural persistence and reactive sequence. On the one hand, the process of policy learning can show the strength of structural forces and institutional arrangements, in constraining the agents involved in the policy-making process. On the other hand, it can also show the capacity of strategically reflexive policy actors to find ways to subvert or modify institutional constraints and opportunities, through shifts in strategy, tactics, and alliances. These findings are in line with the overarching argument that policy learning is inherently political and context dependent, as actors are capable of learning and reflecting to different degrees on the constraints and opportunities presented by their political environment.

The first section of the chapter sets out a detailed account of the 2014 Civil Service Law providing an in-depth analysis of policy change and policy learning in a reform sequence. This is followed by sections that focuses on specific stages of the reform process, as per the path dependence framework: (1) the antecedent conditions, (2) the critical juncture, (3) punctuated equilibrium (structural persistence and the reactive sequence) and (4) the outcome. Thus, the chapter provides an analysis of the path-dependence framework in a reform sequence.

5.2 The 2014 Civil Service Law and Merit-based Reform in Indonesia

The 2014 Civil Service Law was a devised as a tool for addressing a range of problems in the Indonesian civil service. Many studies describe the Indonesian Civil Service as a career system in which promotion depends on seniority rather than performance; in which recruitment processes are based on education, rather than competency; and in which base pay is too low (McLeod 2005; Palmier 1985; Rohdewohld 1995; Synnerstrom 2007). It has been argued that this has resulted in in the normalisation of illicit informal practices (ibid.). Before the passing of the 2014 Civil Service Law, those who held political office were allowed to directly appoint their subordinates, and many heads of district exploited their discretionary powers to recoup their campaign expenditure, treating their subordinates as lucrative sources of revenue (Berenschot 2018). The discretionary power granted to political actors can be traced back to the 1974 Basic Law on Civil Service, which created the basis for the Indonesian civil service.

The 1974 Basic Law on Civil Service that created the initial legal basis for the civil service signified a move away from the politicised civil service of Soekarno's Guided Democracy era, towards a civil service under military-style management (Rohdewohld 1995). Then in 1999, the government amended the 1974 Basic Law on Civil Service (Law no. 8/1974), creating the 1999 Basic Law on Civil Service (Law no. 43/1999), signifying a move away from Soeharto's authoritarian era (Manning 2000). It was one of many reformist laws prepared and passed during the first year of democracy, with the objective of transforming the New Order system of government into a democratic system (ibid.). The 1999 Law was designed to fit with the demand for decentralisation, and furthermore included the expectation that civil servants should be free from corruption, collusion, and nepotism (ibid.). However, the Law left secondary legislation untouched, for example almost all the Implementing Regulations in the 1974 Law remained intact in the 1999 Basic Law on Civil Service. Thus, a whole body of unreformed, New-Order-era Implementing Regulations remained in place.

In order to address some of the above-mentioned shortcomings in its civil service, the Indonesian government has endorsed meritocratic approaches since 2014, when the 2014 Civil Service Law was passed. The Law established the principles of merit in open recruitment, neutral competence[15], bureaucratic accountability with result-based focus, and the values of professionalism, which mirrored key aspects of reform approaches inspired by the New Public Management (NPM), New Public Service (NPS), and NPM–NPS hybrid models (Gaus, Sultan & Basri 2017; Turner, Prasojo & Sumarwono 2019).

The 2014 Civil Service Law seems, at first glance, to have provided a means to reform the civil service. It marks a move towards NPM–NPS-style reform approaches, as it contains a major overhaul of system-wide human resource management (HRM), aimed at creating a merit-based system (Turner, Prasojo & Sumarwono 2019). The reform agenda attached to the Law aimed to create a system where civil servant would be recruited, appointed, and promoted according to their merits. The aim was to create a civil service with highly qualified, results-oriented and innovative officials, who are able to work collaboratively, thereby optimising organisational capabilities (ibid.). NPM-inspired, private-sector-style management and HRM practices are evident in several elements of the 2014 Law, such as

[15] Heclo (1975) describes neutral competence as "the best independent judgment of the issues" (p. 97) and as a "fine disregard for the political bearing of who believes what at a given time" (p. 82). On the other hand, he also describes it as "partisanship that shifts with the changing partisans" (p. 81).

the agencification[16] of the Civil Service Commission, performance-based assessment, organisational restructuring/downsizing, decentralisation of administrative authority, and professionalisation. The NPS approach is evident in the Law's vision of a service-oriented civil service guided by law, values, professional norms, and citizen interests.

As shown in Table 5.1 below, several elements of the 2014 Law were oriented towards reforming the civil service in line with experience in other countries. The Law:

- mandates open recruitment for high officials;
- mandates a Civil Service Commission, as a body monitoring the implementation of the merit system;
- makes the Civil Service Corps a politically neutral professional association;
- changes the career system from one of *echelons* to one of job grades, and categorises positions in the civil service as either *administrative*, *functional*, or *managerial*;
- permits the hiring of contracted non-permanent employees for non-supervisory positions.

The new law thus sought a number of major changes for the civil service career-system.

- a move away from recruitment according to quotas assigned to organisational units, towards recruitment according to needs and vacancies;
- a move away from the privilege of career-long employment, towards performance management with sanctions for non-performance;
- a move away from seniority-based promotion towards performance-based promotion;

[16] Agencification occurs when the government disaggregates its system into more or less autonomous operative agencies (Pollitt et al. 2004).

- a move away from closed-system appointment of internal candidates, towards open recruitment;
- a move away from a rank-based career system, towards a more profession-based system;
- a move away from a system of career civil servants, towards a system in which fixed-term contractors/consultants are routinely employed; and
- other changes pertaining to benefits, pensions, capacity-building, ethics, and disciplinary procedures.

The new law also provided the basis for substantial change by mandating a new, independent Civil Service Commission (*Komisi Aparatur Sipil Negara* (KASN)[17]); and by redefining the Civil Service Corps (Korps ASN) as a professional association, rather than an official organisation subordinate to the government and thus prone to politicisation. Table 5.1 shows that change across a range of areas of the civil service was built into laws over time in an attempt to reform the Indonesian civil service.

[17] An unfortunate abbreviation—the Civil Service Commission (KASN) is of course entirely different from the reinvented civil service corps (Korps ASN), also mandated by the 2014 law.

Table 5.1 Comparison between the (New Order era) 1974 Basic Law on Civil Service, the (*Reformasi* era) 1999 Basic Law on Civil Service, and the (contemporary era) 2014 Civil Service Law

Affected aspect of the civil service	Law no. 8/1974	Law no. 43/1999 (amended version of law no. 8/1974)	Law no. 5/2014
Distribution of authority	Centralised	Decentralised	Decentralised
Political affiliation	Partisan (GOLKAR-affiliated)	Democratic (non-partisan)	Democratic (non-partisan)
Recruitment rate	Determined by quotas assigned to organisational units	Determined by quotas assigned to organisational units	Determined by needs and vacancies
Performance management	Salary based on position; career-long employment	Salary based on position; career-long employment	Salary based on position and performance; Sanctions for non-performance
Career system	Seniority-based	Seniority-based	Meritocratic, performance-based
	Closed system (appointment of internal candidates)	Closed system (appointment of internal candidates)	Open system (open recruitment)
	Rank-based	Rank-based	Profession-based
Compensation and benefits	Based on role and workload	Based on role and workload	Based on role, workload, performance, and occupational hazards
Staff entitlement to capacity-building mechanisms	Not mentioned	Not mentioned	Detailed definition of capacity-building mechanisms; employees entitled to them by right
Ethics & disciplinary procedures	General code of conduct (no risk of dismissal)	General code of conduct (no risk of dismissal)	Detailed code of conduct; risk of sanctions, including dismissal
Pension scheme	Pay-as-you-go	Pay-as-you-go	Fully funded
Staffing	Career civil servants	Career civil servants	Career civil servants and fixed-term contractors
Oversight by independent commission	No independent commission	Independent commission to safeguard reform (mandated, but never established)	Independent commission to uphold standards (established, but with only limited authority)
Civil service associations	Civil Service Corps (KORPRI): an official organisation subordinate to the government	Civil Service Corps (KORPRI): an official organisation subordinate to the government	Civil Service Corps (Korps ASN): a professional association (undefined status)

The 2014 Civil Service Law incorporated radical reform propositions and provided the framework for substantial institutional change. In the following sections of this chapter, the trajectory of this merit-based reform will be analysed from an institutional perspective with particular attention to local context. The analysis is divided into four parts: the first examines the antecedent conditions for merit-based reform (before 2005); the second identifies the critical juncture for the re-introduction of merit-based reform through policy making (2005–2013); the third illustrates structural persistence and the reactive sequence after merit-based reform became law in 2014; and the fourth provides an assessment of the outcome of this merit-based reform.

5.3 The Antecedent Conditions for the Policy-making of the 2014 Civil Service Law

As was discussed in Chapter IV, antecedent conditions are the structural factors that (1) define the available options and (2) shape the process of selecting an option (Mahoney 2001). As discussed in Chapter IV, understanding antecedent conditions plays a critical role in programs of public administration reform because it provides analysis on how the patronage-based system, the old public administration, and reform approaches influenced by NPM and NPS paradigms are layered on top of each other, shaping the hybrid form of Indonesian public administration. This section provides an analysis of antecedent conditions of the 2014 Civil Service Law, and identifies the structural factors critical to its creation.

Three main themes emerge from the data when we apply the path dependence approach. The first theme is *the exogenous pressure for reform*. This pressure resulted from the 1997 Asian Financial Crisis, which created an avenue for intervention by powerful, multilateral financial organisations such as the World Bank and the IMF. The second theme captures *the in-country political structure*. Indonesia's political structure demonstrates the legacy of the pre-democratic regime within the Indonesian civil service. The third theme centres on *the pragmatic political and policy traditions*. These represent cultural artefacts which have arisen out of pragmatism, and which inform institutional arrangements and the behaviour of various agents. These three themes are considered sequentially in the following analysis, which explores the effects of structural change, and its relationship to institutions and agents.

5.3.1 Exogenous Pressures for Reform

The first theme focuses on exogenous pressures for reform and provides an analysis of how such pressure can develop, and how it can facilitate change. The Asian Financial Crisis created a shock to the political system and forced the underlying patrimonial and patronage-based structures in Indonesian politics to reorganise their power (Robison and Hadiz, 2004). During such a critical time, the World Bank and IMF brought with them the global movements for a New Public Management style and for "good governance" reform agenda (ibid.). Good governance is perceived as a normative principle of administrative law, which promotes the principles of participation, consensus, accountability, transparency, responsiveness, effectiveness and efficiency, equity and inclusiveness, and rule of law (Grindle 2010; 2017). It is therefore a principle that is largely associated with statecraft, which emphasises the values of being responsive to public demands, being transparent in the allocation of resources and being equitable in the distribution of goods (ibid.).

For a long time, meritocracy has been promoted through donor-supported governance reform in "patronage states" of the developing world; indeed, the drive for meritocratic reform has become a global trend in and of itself (Andrews & Woolcock 2013; Pritchett et al. 2010). The “good governance” paradigm has become prominent in Indonesian politics, and analysis of the data suggests that this can be attributed ultimately to exogenous pressure for merit-based bureaucratic reform. Merit-based approaches are also a component in NPM-inspired reform, such as the open recruitment system, the value of merit-pay or pay-for-performance, and the carrot-and-stick techniques in human resource management to remove poor performers that hinder performance and create morale problems (Brewer & Walker 2013).

Levi-Flaur and Klijn (2012) argue that even though “good governance” and NPM originated from two different sets of concerns, and are quite different theoretically, the two perspectives have incorporated each other's ideas. For example, the “good governance” literature has embraced the idea of performance indicators, while NPM literature has adopted more horizontal steering mechanisms (ibid.). NPM is more or less hybrid in character (Christensen & Lægreid 2002), rather than a unified set of ideas that has yielded agreeable tools (van Thiel, Steijn & Allix 2007), and it may be that elements of “good governance” have been inspired by elements of NPM.

In Indonesia, the implementation of “good governance” has been facilitated by international donors, especially the World Bank and the IMF, since the 1990s (Abonyi 2005). During the New Order era, for instance, “good governance” was promoted through poverty reduction programs, in accordance with the government’s developmental agenda (Pollock et al. 2015). The programs supported the Presidential Instruction on Disadvantaged Villages (*Inpres Desa Tertinggal* (IDT)).

With the Asian Financial Crisis of 1997–1998 and the transition from authoritarian rule to the democratic era, "good governance" received considerable attention in Indonesia (Kristiansen et al. 2009). Post-crisis attempts to reform the civil service, supported by international donors such as the World Bank and the IMF, were carried out as pilot projects at the institutional level, such as in the Ministry of Finance (ibid.). A choice was made to establish or re-establish effective institutions, capable of facilitating a market economy and of ensuring political order (Hadiz 2005). This choice of reform was widely accepted, as it was required by the donors who supported the country in overcoming the financial crisis (ibid.). Since then, "good governance" has become central in Indonesian political discourse (ibid.).

With regard to the administrative reform agenda in Indonesia, "good governance" remains prominent, even after two decades of reform. The phrase can be found in *the National Grand Design of Bureaucratic Reform* (the GDRBN) for 2010–2025 (Presidential Decree no. 81/2010); in the *Road Map of Administrative Reform* for 2010–2014 (Administrative Reform Regulation no. 20/2010); and in a number of other complementary policies. It seems, indeed, that a dominant paradigm, embraced in response to exogenous pressures for reform, has restricted the range of reform options. Indonesian administrative reform has been a matter of "choos[ing] items from the menu" (Turner 2002).

5.3.2 In-country Political Structure

The second theme pertains to Indonesia's in-country political structure, which was also examined at length in Chapter IV. The discussion established the pervasiveness of patrimonialism and patronage politics in Indonesian bureaucracy, analysed how power was exercised within the bureaucracy, and examined how state administration allowed the political domination of the bureaucracy to persist over time.

The 2014 Civil Service Law promoted merit-based reform, and thereby contrasted strongly with the antecedent conditions—or more precisely, with the pervasive patrimonial logic of the Indonesian bureaucracy, a logic that encourages clientelism and corruption. As discussed in Chapter IV, illegal payments are made in connection with entrance exam results, with processes for recruitment and candidate-selection, and with the allocation of placements, promotions, and transfers (Blunt, Turner & Lindroth 2012b; Kristiansen & Ramli 2006). Through the interviews conducted for this thesis, it became clear that at least two types of such illicit "commerce" are embedded in the civil service. In the case of the first type, the incumbent of a political office sells nominations for positions beneath them, either to bureaucrats or to allies, in order to recoup expenditure incurred during the campaign and election process:

> Transactional … in the case of Klaten regency, the Head of Regency decides just how much the position will cost. [The position is bought upfront] [The transaction] is not based on [the Head of Regency] thinking, "which resources can I get from which positions" [throughout the duration of the tenures]. This is a different approach [to that of the Banten corruption case]. (Interview participant DP02 16.05.2017, translated)

In the case of the second type, the position is available for those who are loyal and willing to cooperate with the incumbent. The incumbent is interested not in *immediate* private gain, but rather in opportunities to generate private gain throughout their tenure. In this case, the nominees serve as cash cows for the incumbent who usually obtains funds by demanding kickbacks for approving budgets and projects:

> …if we refer to the case of Banten, clearly the Head of the Health Department, when appointed [to that office], had already signed a written contract, stating his agreement to be loyal to Atut as governor. This indeed shows that the decisions of who has the high-level bureaucratic positions in the district are indeed based on a strategy to exploit economic resources in those places. (Interview participant DP02 16.05.2017, translated)

The cost of doing politics in Indonesia is a problem for the parties. Political parties receive negligible public funding,[18] and membership dues are low or non-existent. In such a context, and with the need to meet the high costs of campaigns and day-to-day operations, parties are incentivised to constantly and illicitly generate income from off-the-books fundraising (Ufen & Mietzner 2015). A senior Golkar politician, who has held his current office for six terms, emphasised that this dysfunctional political system affected the practice of public administration:

> In the end, the outcome is not effective governance. [It is] Governance characterised by impunity by consensus. The problem here is in the high cost of doing politics. This is why. Because it needs financing, [politicians] sign many things and commit corruption. Because there are a lot of deals that need to be made. (Interview participant P01 20.04.2017, translated)

The high cost of doing politics is not simply a party-level matter, for politicians need to obtain large amounts of funding to maintain power and networks *within* their political parties, through mass organisations and other political nodes. Thus, having achieved office, politicians engage in illicit practices to recoup their campaign expenditure, and therefore treat their subordinates as a lucrative source of revenue. This creates a context where many

[18] Donations from individuals and corporations are legal, but only up to certain annual limits—the 2011 Party Law set these at IDR 1bn (AUD 100,000) per individual and IDR 7.5bn (AUD 750,000) per corporation (Interview participant P01 20.04.2017).

civil servants are involved in cases of corruption, since the politicians need the support of loyal civil servants to commit such practices.

Indonesian political structure poses considerable challenges for merit-based civil service reform, with current practices contrasting strongly with the idea that civil service positions should be allocated according to competence. This finding regarding the antecedent conditions highlights the depth of their influence in Indonesian political structure: deeply rooted in the patrimonial and patronage-based system that serve as underlying structural factors against the proposed reform elements brought by the 2014 Civil Service Law.

5.3.3 Pragmatic Political and Policy Traditions

The third theme relates to pragmatic political and policy traditions. In discussing these findings, it is important to note the difference between shared expectations and shared values. While shared expectations are perhaps best regarded as parts of institutions, shared values, which are rooted in culture and traditions, belong to structures. In this view, culture may *indirectly* help to shape informal institutions, since the shared expectations may be rooted in broader societal values (North 1990). Political and policy traditions are an aspect of culture, and, as such, may play a role in that relationship (Archer 1996). Equally, they may reflect the dynamics of change between structure and institutions, as existing norms, behaviour patterns, and traditions (all products of historical development) may reinforce or undermine informal rules in institutions (Helmke & Levitsky 2004). This section reports the findings that relate to the theme of political and policy traditions.

As discussed in Chapter IV, the ideological self-perception of Indonesian bureaucrats is rooted in historical legacies—the same legacies that shape the values of the civil service.

And as noted above, the patrimonial logic of the Indonesian bureaucracy encourages clientelism and corruption. Hence bureaucrats do not merely engage in various forms of rent-seeking and corruption: they also tend to rationalise their corrupt behaviour, by citing their low civil service salaries, poor accountability, and corrupt leadership at senior levels of government (Budiman, Roan & Callan 2013). This behaviour is further justified as corruption is normalised as a "collectivistic cultural norm", or excused as serving the organisation or ingroup, rather than the individual (ibid., p. 146).

The findings showed how the normalisation of corrupt practices in the Indonesian civil service is evident in the civil service workplace ethos. The most obvious examples are in such expressions as "*jujur ajur*" (translated from Indonesian: "you are damned if you are honest"), "*ora edan ora keduman*" (translated from Javanese: "if you are not crazy, you will not get anything") (Interview participant SB13 08.05.2017). These expressions are in common usage among civil servants, as are several other sayings that reflect how the incentive structure adversely affects bureaucratic performance, such as "*pintar goblok pendapatan sama*" ("whether you are smart or stupid, we receive the same salary anyway") (ibid.). Similarly, "RMPS" (*Rajin Malas Pendapatan Sama*—the hard-working and the lazy receive exactly the same salary) has also been part of the expression in normalising non-performing behaviour (Turner, Imbaruddin & Sutiyono 2009).

Other common expressions refer to the idea of the father figure, and to the deeply-rooted patrimonialist traditions of the Indonesian bureaucracy—for example, "*asal bapak senang*" ("[I will do anything] as long as the father [boss] is pleased") (ibid.). The administrative traditions inherited from the colonial and authoritarian eras are deeply embedded, and still exert influence on public administration—the practices of the past are reflected in what scholars call the "neo-patrimonialism" of contemporary Indonesia (Erdmann & Engel 2007). Blunt, Turner & Lindroth (2012b) have argued that neo-patrimonialism is no longer dominant in the post-authoritarian, post-Soeharto era, but the empirical findings of this thesis provide little support for that position, rather showing that, as a means of domination, neo-patrimonialism has devolved from macro-politics to micro-politics—that is, to the sphere of office politics, and the exercise of bureaucratic power by senior bureaucrats over their junior staff.

Indonesian civil servants enjoy a high degree of career security, so long as they can please and demonstrate loyalty to their superiors. Thus, internal politicking has become a necessary skill: career advancement may depend more on politicking than on job performance. Civil servants have such expressions as "*IP: bukan indeks prestasi, tetapi ilmu pendekata*" (translated from Indonesian: "'PI' is not the performance index, but rather personal politicking skill") (Interview participant SB13 08.05.2017). Corruption, nepotism, and clientelism are usually recognised as violations of formal rules. However, when it is informal rules that determine norms, such violations of formal rules simply become strategies for everyday survival (Uslaner 2002). Thus, Indonesian bureaucrats see various types of malpractice—corruption, the prioritisation of loyalty over accountability, and of internal politicking over performance—as informal norms or methods of survival. Such practices are not only a way to generate cash sufficient for expenses. In fact, they have a more important role: they are a means whereby bureaucrats can adapt to the values of their workplace, as defined by its institutionalised arrangements. Thus, historical inertia has meant that corrupt habits and a non-performing work ethos have crystallised over time, leading to the normalisation of illicit practices within the Indonesian bureaucracy. Such antecedent conditions highlight that civil service reform will have to deal with neo-patrimonialism and patronage politics, where the bureaucracy is rife with corruption, nepotism, and collusion.

5.3.4 Antecedent Conditions: Factors that Define Available Reform Options and Shape Selection Processes

The discussion above has highlighted the role of exogenous pressures in defining available reform options. However, it is also important to note that, while the World Bank, the IMF and other international organisations have promoted NPM–NPS reform approaches in Indonesia, it does not follow that the country's policymakers have fully embraced these approaches. Turner rightly notes that "politics has a great bearing on the selection of items from the menu" (2002, p. 1508). Indeed, the empirical findings highlight the importance of in-country political structures and pragmatic political and policy traditions. These factors play an important role in shaping the processes whereby reform options are selected.

Political and policy traditions that normalise corrupt and non-performing behaviours also tend to deter the adoption of merit-based civil service reform. Indeed, the empirical findings show how, in the Indonesian bureaucracy, existing institutional arrangements typically prioritise political-personal criteria over professional-legal criteria. Thus, merit-based reform initiatives have clashed with pervasive patronage politics and patrimonialism. Exogenous pressures were influential in defining the reform menu. However, as the findings here show that this menu clashed with many vested interests at higher levels of the state hierarchy, with the result that the choice of a particular reform option was considerably delayed. Reform in other sectors began much earlier in the *Reformasi* period;

but merit-based civil service reform was not initiated until more than 15 years after Soeharto's fall.

To understand how the 2014 Civil Service Law emerged from these circumstances, we need to examine the policy-making process, and the causal mechanisms linking that process to the eventual outcome. This section has considered the antecedent conditions of that process; the next section considers the following stage: the critical juncture.

5.4 The Critical Juncture for the Re-introduction of Merit-based Reform Through Policy-making

As discussed in Chapter II, in the path-dependence framework the critical juncture is defined as the sequence of events that results in the selection of a particular option from multiple alternatives (Mahoney 2001). As the previous section has shown, the findings of this research identified exogenous pressures, in-country political structure, and pragmatic political and policy traditions as factors that shaped the possible options. In this section, the analysis moves to the sequence of reform, with particular attention paid to the critical juncture that marks the point of departure of the trajectory of reform through the 2014 Civil Service Law. Thus, this section begins by identifying when the critical juncture occurred.

During his tenure as Minister of Administrative Reform (2004–2009), Taufiq Effendi approached President Yudhoyono in 2005 with a proposal to change the 1999 Basic Law on Civil Service (Interview participant P04 08.05.2017). He argued that it could not accommodate the reform that was needed to make the civil service capable of meeting the demands of globalisation (ibid.). He also argued for new legislation to define the civil service as a profession, noting that there already existed such laws for the military (Law no.

34/2004) and for the police (Law no. 2/2002)[19] (ibid.). These proposals did not attract the political support they needed, because President Yudhoyono provided no clear endorsement.

A critical moment appeared in 2010, early in Yudhoyono's second term as president (2009–2014). He had made bureaucratic reform the top priority of his re-election campaign, expressing concern about slow progress there during his first term (Interview participant P04 08.05.2017). To reinforce this political message, Yudhoyono published his *National Grand Design of Bureaucratic Reform* (the GDRBN) for 2010–2025 (Presidential Decree no. 81/2010). He also gave Vice President Boediono a central role in the initiative, by appointing him chairman of the steering committee responsible for overseeing the implementation of public administration reform (Interview participant A01 12.05.2017). Yudhoyono's actions were a confirmation of his political will, and created an institutional environment that was much more receptive to bureaucratic reform. These interventions in the "political stream" helped to facilitate the opening of the policy window.

At that time, Taufiq Effendi was no longer minister of administrative reform, but he held a position in Commission II in the House of Representatives. He decided to revive his proposal to change the 1999 Basic Law on Civil Service, launching an initiative in the national parliament (Interview participant P04 08.05.2017). At first, Effendi assigned the task of preparing the draft bill to a team led by Asmawi Rewansyah, head of the National Institute of Public Administration (NIPA) (Interview participant SB14 06.06.2017). However, the NIPA draft did not receive institutional support, as there was no general

[19] These two laws did not apply to civil servants working within military or police institutions.

feeling that such a law was urgently required (ibid.). Effendi knew that it would be challenging to obtain a new draft from within the government (Interview participant P04 08.05.2017), so he recruited external experts from the University of Indonesia (Prof. Prijono Tjiptoherijanto and Prof. Eko Prasojo) and from the University of Gadjah Mada (Prof. Sofian Effendi and Prof. Miftah Thoha) (ibid.). All of them had been educated abroad, receiving their PhD degrees from universities in the United States of America (Effendi, Thoha and Tjiptoherijanto) or Germany (Prasojo).

For their first contribution, these experts provided an academic draft: the required prerequisite document for any legislation, without which a bill may not be proposed for deliberation in parliament (Interview participant P04 08.05.2017). At Taufiq Effendi's request, they subsequently prepared a draft bill, containing their own proposals for reform (ibid.). The draft bill included, for example, the concept of open recruitment for senior executives—a reform that was intended to help to eradicate corruption within the civil service:

> This is a very important aspect, because those positions are the entry-point for corruption, incompetence, all kinds [of bad practice], into the bureaucracy. So I proposed open recruitment and promotion—it is, indeed, my proposal—because I saw Korea, then also Japan [taking that approach]. (Interview participant A01 12.05.2017, translated)

This is an example of how, in the Indonesian context, particular policies were being adopted from abroad. This phenomenon is known as "cross-national transfer" (Dolowitz & Marsh 1996) and is common in policy making across the world. Such policy transfers are often done under the assumption that, if a policy has worked well in one country, it will also work well in other countries.

Besides open recruitment for senior executives (that is, at echelon I and echelon II), the academic team also recommended the establishment of a Civil Service Commission to guide reform. Sofian Effendi had been involved in the drafting of the 1999 Basic Law on Civil Service, which had originally mandated such a commission, and so it was he who took the opportunity to revive the idea (Interview participant A01 12.05.2017). The commission's role would be "to ensure the implementation of meritocratic principles in recruitment, hiring, placement, and promotion within the public administration, at the national and local government levels" (Interview participant SB01 06.04.2017, *translated*). Its role would therefore be somewhat similar to that of the Merit Protection Board, which oversees the US public administration (ibid.). Thus, in this respect, too, the draft bill illustrates the practice of policy borrowing.

The empirical findings identify the accumulation of critical moments that lead to critical juncture. As such, the critical moment occurred when President Yudhoyono elevated public administration reform to the top of his agenda (political stream), facilitating the opening of what Kingdon (1995) referred to as a "policy window". Within the policy stream, policy entrepreneurs then seized the opportunity to push for reform (ibid.). Working as a team, they brought forward their ideas, and selected a hybrid "NPM–NPS-style" reform option (see Turner, Prasojo & Sumarwono 2019). In so doing, they were influenced by their Western-dominated education, but they also tried to couple their ideas with the problems faced by Indonesian bureaucracy, such as corruption and favouritism—an example of Kingdon's (1995) problem stream. This sensitivity to local conditions helped gain acceptance for the bill. This example thus demonstrates the importance of "localizing" (Acharya 2004) when "imitating, translating, and editing" (Sahlin & Wedlin 2008) policies that seem to have succeeded in other countries. Thus, critical moments that lead to critical juncture show that efforts to push the bill into legislation mark a departure from the existing policy path to the intended reform trajectory, as particular merit-based civil service reform was now selected and pursued among other alternatives.

5.5 Structural Persistence and Reactive Sequence

This section discusses the dynamic that exists between structural persistence and reactive sequence. In this section, structural persistence is analysed as forces and power relationships that describe the prevailing phenomena (e.g. corruption, patrimonialism, patronage democracy, etc). In other words, structural persistence is production and reproduction of structural and institutional patterns (Mahoney 2000) that have been discussed at length in the antecedent conditions, but specifically manifested in the policy change dynamic in the 2014 Civil Service Law. Reactive sequence refers to the efforts that show reactions and counteractions to the structural and institutional pattern that emerge during policy change with regard to the law under study.

After the academic team had completed their academic draft and their draft bill, the House of Representatives decided to put forward the draft bill as a parliamentary initiative for policy change on 23 November 2010 (Interview participant P04 08.05.2017). At the president's request, the Ministries of Administrative Reform (MoAR), Finance (MoF), and Home Affairs (MoHA) represented the government in the subsequent legislative policy-deliberation phase (ibid.). The government made use of delaying tactics, and took almost a year to issue its initial response, a rejection of the proposition. It proposed instead only minor revisions or amendments to the 1999 Basic Law on Civil Service (Minutes of DPR Meeting, 22 September 2011). In subsequent meetings, the government persisted in its opposition to the bill.

The situation changed after Eko Prasojo was made Deputy Minister in the MoAR, on 19 October 2011 (Interview participant A01 12.05.2017). At the same time, Azwar Abubakar was appointed to lead the ministry, replacing E. E. Mangindaan (ibid.). These changes resulted in a softening of the government's stance against the draft bill (Interview participant DP01 12.05.2017). There were internal debates within the government, as the MoAR (represented by Prasojo and Abubakar) was more inclined to support the draft bill, whereas the MoF and the MoHA were reluctant to move away from their initial decision to reject its many reform propositions (ibid.).

During this period, Diah Anggraeni, the secretary-general of the MoHA and the head of the Civil Service Corps, mobilised opposition to the substance of the draft bill (Interview participant A01 12.05.2017). She gained support from the Association of Heads of Provincial Government, the Association of Heads of District Government, and the Association of Heads of City Councils. Representatives of these organisations joined the policy-deliberation session held on 29 February 2012, to express their opposition to the bill (Minutes of DPR Meeting, 29 February 2012). These interventions served to warn parliament against being too hopeful about the government's willingness to implement or even accept the draft bill. (Interview participant A01 12.05.2017.). As a result of the division within the government, and of the associations' opposition, the policy-deliberation process fell into deadlock (ibid.). The deadlock caused Vice President Boediono to intervene, and to become chairman of the internal government meetings (Interview participant SB04 21.03.2017). Several meetings were held, but the MoAR, the MoF, and the MoHA could not reach a consensus (ibid.). It has been suggested that, during this time, Diah Anggraeni marshalled her aides to create pressure against several points of the draft bill (ibid.).

There were several elements of the draft bill that made it difficult for the government to reach internal agreement. Particularly problematic were the articles relating to the establishment of the Civil Service Commission, open recruitment to senior executive positions, the Civil Service Corps, civil service contract staff for short-term and temporary appointments, and rearrangement of jobs and ranks within the civil service hierarchy (Minutes of DPR Meeting, 17 January 2013). In light of the discussion of the antecedent conditions above, it is clear that such reforms would disrupt the patronage system. The proposed reforms, and the obstacles confronting them, will be discussed in more detail in subsequent sections.

In response to the deadlock, the vice president suggested opening up discussion of the draft bill, so that it could be evaluated in the light of feedback from relevant ministries and government bodies (Interview participant SB04 21.03.2017). This was a strategy to soften the effect of the veto powers of the MoHA and the MoF, which still opposed the bill. Through the new discussions, agreement was reached on several crucial points, including a watered-down, less reformist version of the original draft (Interview participant A01 12.05.2017).

Some members of parliament were critical of the main changes in the watered-down version of the draft, and were afraid that there would be further substantial amendment, following the president's meeting with his cabinet. They feared also that the deliberation process might not have finished before the end of their tenures—the next general election was to be held in 2014 (Minutes of DPR Meeting, 7 February 2013).

While the meeting between the president and relevant ministers was expected to occur on 15 February 2013, the president in fact sent out no invitations (Interview participant A01 12.05.2017). In this uncertain situation, in which there was not only deadlock, but also a lack of decisiveness from the president, Sofian Effendi wrote a critical article for national newspaper *Kompas*, published on 13 May 2013. The article was entitled "Godot and Bureaucratic Reform", and insinuated doubts about the president's rhetorical commitment to bureaucratic reform (Effendi 2013). Effendi had decided to apply this pressure via the media after receiving an SMS from Prijono Tjiptoherijanto (Interview participant SB01 06.04.2017). The SMS stated that the staff of the president's state secretariat (where the minister in charge was a relative of Diah Anggraeni) planned to "dump our draft into the ocean" (Interview participant SB02 11.04.2017, *translated*):

> It seems that resistance to the bill is very strong, so it is possible that the government will not concede, and will dump it into the sea"—sent by Mr Pri [Prijono Tjiptoherijanto] via SMS to me. This was stated by Dipo Alam[20] about the civil service bill—that they will throw it into the sea. Well I was so irritated … finally it came out as "Bureaucratic Reform—Waiting for Godot", and there I deliberately insinuated in the last [part] that hopefully President SBY (Susilo Bambang Yudhoyono) is unlike Godot, who at the end of the play did not show up. (Interview participant SB01 06.04.2017, *translated*)

Effendi's public intervention forced the bill back to the president's attention. On 14 May 2013, the day following publication of Effendi's article, Yudhoyono invited the relevant

[20] Dipo Alam was the Cabinet Secretary in Yudhoyono's administration. In this context, his involvement was part of the opposition move mobilised by Diah Anggraeni, who happens to be his relative (Interview participant SB02 11.04.2017)

ministers to discuss the bill (Interview participant P02 06.04.2017). It is not clear why he had not been aware of the deadlock impeding the bill before this time—whether it was deliberately hidden from him by those planning to "dump [the bill] into the sea", or whether he was just preoccupied with other priorities. As Azwar Abubakar explained:

> Well, apparently after reading the article "Waiting for Godot", he was moved, yes, and I can see that this [reform bill] was what Mr President could create as his legacy for this country. I know from his aide, Colonel Agus, that he read it. Colonel Agus came to the MoAR [my office] and immediately questioned me. "After reading Mr Sofian's writings, Mr SBY asked me to find the draft, the draft of this bill. Why did the draft of the bill not reach the president's table?" He told this colonel to look for it. (Interview participant P02 06.04.2017, translated)

At the meeting arranged by the president, Yudhoyono responded favourably to several propositions of the draft bill: propositions relating to a new set of job categories, the use of contract-based employees instead of just permanent staff, a fully-funded pension scheme, making the Civil Service Corps a professional association, and new codes of conduct (Interview participant A01 12.05.2017). However, several propositions were still challenged by the ministers at the MoF and the MoHA.

Yudhoyono took account of the opposition to the bill. He preferred to adopt the role of moderator, because he thought that it was important to build a sense of "ownership" among the relevant ministries, lest the law become a "dead letter" (Interview participant P05 24.05.2017). By discussing each article of the bill over a series of cabinet meetings from 14 May 2013 onwards, the president gave the impression that he was in support of the bill, and this support helped the government to come to a consensus on it (Interview participant P02 06.04.2017). Although Azwar Abubakar and Eko Prasojo had reservations about the watered-down version of the bill, the government eventually agreed to approve it at the third cabinet meeting held to discuss it, on 14 July 2013 (ibid.). On 21 August 2013, Azwar Abubakar (from the MoAR) reported to parliament on the agreed-upon version of the bill:

> The president has directly led the cabinet meetings three times to discuss the concept and the details of the draft bill, so I think it's extraordinary, sir, that there is a law discussed this way by the president. Then the President sees the bill as a very strategic and critical bill for bureaucratic reform and agrees with the concept of changes in human resource management as proposed by the House of Representatives in the draft bill. (Minutes of DPR Meeting, 21 August 2013, *translated*)

There were thirteen policy-deliberation meetings between parliament and the government after the last of the president's intra-governmental meetings (that is, the third cabinet meeting, held on 14 July 2013) before the bill was eventually finalised on 16 December 2013 (Minutes of DPR Meeting, 2013). The parliament then officially passed the bill on 19 December 2013 (ibid.). The president signed the bill on 19 January 2014 and it officially came into effect as the 2014 Civil Service Law (Law no. 5/2014).

The empirical findings demonstrate that structural persistence has caused deadlock and prolonged discussion during policy deliberation. There were powerful elites, both in political positions and bureaucracy, moving against the reform elements brought by the bill and even trying to prevent the bill being passed as the new Law in order to secure their interests. However, the findings show that the reactive sequence that countered the initiative to "dump the bill" was able to ensure passage, even though some of the reform elements had to be diluted.

In the Indonesian context, law is a critical tool for enacting reform and the 2014 Civil Service Law contains multiple reform elements. The following subsections consider the effect of structural persistence and reactive sequence in turn, with respect to each of these reform elements. It will look into details on the dynamic of structural persistence and reactive sequence in each of the reform elements brought by the bill. The discussion demonstrates how institutional arrangements can change as a consequence of the introduction of multi-faceted reform ideas.

5.5.1 Open Recruitment and Promotion: Structural Persistence and Reactive Sequence

During the bill's policy-deliberation process, the open recruitment system was piloted by central government and by the Jakarta provincial government (Interview participant A01 12.05.2017). The Jakarta provincial government was implemented based on the top-leadership initiative, rather than planned by the MoAR. At the central government level, the pilot projects were undertaken in the MoAR, the National Institute of Public Administration (NIPA), and the National Civil Service Agency (NCSA). However, it was when Jakarta[21] implemented the system—becoming the first local government to do so—that it really gained momentum and popularity. In 2013, 311 local government positions (44 sub-district headships and 267 village headships) were filled by open recruitment (Sendhikasari 2013). The incumbents were asked to reapply for their own positions, and told that if they did not, they would be regarded as having resigned (ibid.).

[21] The Jakarta province, formerly (until 1949) Batavia or (1949–72) Djakarta, largest city and capital of Indonesia. As a historically important trading hub and the heart of Indonesian politics, culture and economics, Jakarta has gained "special capital region" status. Thus, Jakarta has long been a major financial and commercial centre, an important industrial city and a centre for education in Indonesia. Reform in the Jakarta government has often been considered as setting the standard for the sub-national government to follow suit.

Facing a lack of regulatory guidance for open recruitment at the district level, Jakarta province Governor Joko Widodo and Deputy Governor Basuki Tjahaja Purnama developed their own regulation, in which they justified their reform action by referring to several existing regulations (Sendhikasari 2013). In response, around eighty senior bureaucrats of the Jakarta provincial government planned to file a lawsuit (Liputan6 2013). Several politicians and legal experts defended the senior bureaucrats, arguing that the existing regulations were insufficient to justify open recruitment, and contained a loophole that could be exploited by lawsuits (Beritasatu 2013). Governor Widodo and Deputy Governor Purnama handled these threats well, and by this time they had gained public support, because of the transparency of the open recruitment system (Sendhikasari 2013). Responding to the alleged risk of lawsuits, Deputy Governor Purnama told the media that he was not afraid, as open recruitment had been part of the reform program in the proposed new Civil Service Law and thus, by the time any lawsuit reached court, he and Governor Widodo would have the new law to justify their action:

> Who drafted the new Civil Service Law, including the idea of having the auction of the office position? ... one of them was me during my tenure at Commission II of the House of Representatives. That is in the Civil Service Law. Just go ahead then [and file a lawsuit]. (Liputan6 2013, *translated*)

During policy deliberation for the 2014 Civil Service Law, Minister Azwar Abubakar referred to the pilot programs in arguing that open recruitment was feasible. He also said that the policy had gained momentum within the government, as it was becoming popular among the public:

> … we have selected the head of the National Civil Service Agency, the head of the National Institute of Public Administration and now our four new deputies and many other deputies have been selected through open promotion … Pak Jokowi and our friend Pak Ahok, Pak Basuki [Tjahaja Purnama] also helped to popularise it with the name "auction of office positions". I think it has been a movement. (Minutes of DPR Meeting, 21 August 2013, *translated*)

There was clear public support for open recruitment. One sign of this was the nationwide media coverage that it attracted, despite the lack of secondary legislation (i.e. implementing regulations) to guide its implementation (Interview participant A01 12.05.2017). As a result, many political appointees adopted it, in order to help them gain public trust (Thoha 2016). There was substantial media coverage every time a political appointee decided to implement open recruitment, as it was assumed that when positions are "auctioned" to the public, the process is transparent and fair (ibid.).

While open recruitment still has wide public support in Indonesia, it has not been entirely successful. Miftah Thoha, one of those who drafted the 2014 Civil Service Law, has warned that the system cannot work without political neutrality. The law, he argued, can be misused by political appointees, as a means of replacing their existing top-level bureaucrats with their own aides (Thoha 2016). Indeed, such misuse can be seen in Table 5.2 below—in the two years following the introduction of open recruitment, the Civil Service Commission cancelled 82 appointments. In these cases, it was found that incumbents manipulated the meritocratic examinations in order to favour their preferred candidates (Interview participant SB04 21.03.2017). In addition to those cancellations, the Civil Service Commission also ordered some readjustments, in cases where they found some indications of manipulation (ibid.).

Table 5.2 Open Recruitment: Implementation Monitoring, Conducted by Civil Service Commission (KASN), 2015–2016

No	Government Agencies	Total Open Recruitment		Approved Recruitment		Readjustment		Cancellation	
		2015	2016	2015	2016	2015	2016	2015	2016
1	Ministries / Central Government Agencies	181	195	117	127	64	64	-	4
2	Provincial Government	53	54	34	39	17	11	2	4
3	District Government	365	482	233	355	108	79	24	48
Total		**599**	**731**	**384**	**521**	**189**	**154**	**26**	**56**

(Source: KASN 2017)

This manipulation of meritocratic recruitment is an indicator of structural persistence, in opposition to reform. Incumbents persisted with patrimonialism and patronage behind a facade of meritocracy, attempting to sabotage the implementation of the new policy. Reactive sequence was, of course, strong enough to put open recruitment into law. In this respect, the successful pilot projects played an important role, as did public support for the policy. However, the structural persistence of the old, corrupt practices shows the strength of path dependence.

5.5.2 The Establishment of the Civil Service Commission: Structural Persistence and Reactive Sequence

Another important aspect of the 2014 Civil Service Law was the establishment of the Civil Service Commission. The 1999 Basic Law on Civil Service mandated such a commission, as an independent body to guide reform, which is an example of "agencification", which was a popular tool for reform under associated with NPM.

The establishment of an independent, politically neutral, auxiliary state body is considered an essential step in the process of administrative reform, since it is believed that, without such a commission, the civil service is prone to politicisation, patronage, and nepotism (Tjiptoherijanto 2008; Prasojo & Holidin 2018). In Indonesia, the absence of such a commission has meant that reform efforts across the various ministries have remained uncoordinated and quite fragmented. There are three national agencies managing the civil service, in co-operation with the Office of the President, the Ministry of Finance and the Ministry of Home Affairs (Rohdewohld 1995; Turner, Prasojo & Sumarwono 2009; Tjiptoherijanto 2008). The three national agencies that share responsibility for leading civil service reform are the Ministry of Administrative Reform (*Kementerian Negara Pendayagunaan Aparatur Negara*, MenPAN); the National Civil Service Agency (*Badan Kepegawaian Negara*, BKN); and the National Institute for Public Administration (*Lembaga Administrasi Negara* LAN). Table 5.3 below provides further details. Because the lines of authority are not clear, the division of responsibility hampers reform—the five institutions all try to exert their influence over the civil service, but without co-ordinating their efforts (ibid.).

Table 5.3 Institutions Responsible for the Management of the Indonesian Civil Service

Agency	Function
Office of the President (State Secretariat and Cabinet Secretariat)	Overall government policies, including civil service policies.
Ministry of Finance	Civil service remuneration and pensions (state-owned enterprises are responsible for their own pay and pensions under the supervision of the Ministry for State-Owned Companies).
Ministry of Home Affairs	Civil Service management at local government level.
Ministry of Administrative Reform	Supervision, coordination, monitoring, and evaluation of all civil service matters, including supervision and coordination of the National Civil Service Agency and the National Institute of Public Administration.
National Civil Service Agency	Appointments, promotions (except at the highest levels, which are managed by a team chosen by the president), and transfers.
National Institute of Public Administration	Education, training, and organisational design.

Source: adapted from Rohdewohld 1995; Turner, Prasojo & Sumarwono 2009; Tjiptoherijanto 2008.

The Civil Service Commission, as proposed by the 1999 law, was designed to be the highest policymaking and monitoring authority, however the government did not proceed with its establishment:

> The establishment of the Commission was expected to help build public servants who are professional and neutral, and who serve as the unifying agents for the country. I think we all know that Law 43/1999 has ordered the establishment of this commission, but we have never carried out the establishment of the commission even though it has been ordered by the Law. (Taufiq Effendi; in Minutes of DPR Meeting, 22 September 2011, *translated*)

An interviewee described the political context of Effendi's statement during policy deliberation. A key problem was that the bureaucracy was still dominated by the status quo elite, who were not in favour of institutional change:

> The Minister of MoAR was angry because [the 1999 Basic Law on Civil Service stated that] the chairman of the Civil Service Commission [rather than the MoAR] was to be the head of the State Personnel Agency, even though policy making is considered the domain of the MoAR. So, we want to replace the [1999] law to allow the establishment [of the Civil Service Commission], because it is too late [to revive its establishment] due to that one article.[22] (Interview participant SB02 11.04.2017, *translated*)

Thus, structural persistence manifested itself in firm resistance to the proposal for a Civil Service Commission (CSC). In the end, the government would accept only its own,

[22] Article 13 of the 1999 Basic Law on Civil Service includes the following (where the Civil Service Commission is referred to as the "State Personnel Commission"):
(5) The Chairman and Secretary of the State Personnel Commission […] shall ex officio serve as the Head and Deputy Head of the State Personnel Agency.

watered-down version. The policy actor who drafted the bill stated that, as initially designed, the KASN would have been a strong institution—as strong as the Corruption Eradication Commission (KPK) (Interview participant SB01 04.05.2017). The initial proposal was that, just as the KPK deals with corruption issues, so the KASN would deal with collusion and nepotism (ibid.). One politician who supported this "strong" KASN was critical of the watered-down version, arguing that it would not be able to guide and push forward the intended reforms:

> In our approved formulation, which was submitted to the Working Party [by both sides], the CSC is an Independent State Institution, which coordinates with the minister with respect to its tasks and its authority. [We can] agree on what the government initially proposed—to have additional coordination with the minister—but [the CSC] should not also become a Non-structural Institution [as the government now wants]. There is no such thing as an independent Non-structural Institution—it does not exist. Non-structural Institutions are government institutions. They are different from independent state institutions, [as] independence in this case means in their decision-making authority. Thus, the CSC should not be interfered with by any party, the government, or any other state institution. This is essential. (Minutes of DPR Meeting, 7 February 2013, *translated*)

However, despite efforts to preserve the original draft bill, many of its propositions were diluted, and the authority of the KASN was limited to that of a monitoring body, without the power to impose sanctions (ibid.). As the 2014 Civil Service Law states:

> Article 33 paragraph (1): Based on the case where there is non-follow-up action to the supervision as referred to in Article 32 paragraph (3), <u>KASN provide recommendations to the President</u> to impose sanctions to the Officer-in-Charge and Authorised Officers who violate the principles of the Merit System and the laws and regulations. (2014 Civil Service Law, *translated*)

The efforts to weaken the Civil Service Commission continued after the 2014 Civil Service Law was passed, and even after the commission itself was established. Towards the end of 2016, two politicians from the PDI-P (the winner of the preceding elections in 2014) submitted a proposition to revise the 2014 law (Interview participant P09 03.05.2017). The proposed changes included the abolition of the KASN (ibid.). The declared rationale for the KASN's abolition was, in essence, that it was considered ineffective and inefficient in performing its allocated tasks (ibid.). Even after the KASN had helped the KPK uncover the trading of government positions in Klaten district and another eleven districts outside the island of Java (Detiknews 2017), the KASN was still labelled as "under-performing", and its abolition was still on the agenda. In the Indonesian context, fighting corruption and bringing some measure of accountability in civil service remains very challenging and thus, KASN should be considered effective in their work in implementing merit-based reform. Of course, the actual problem was its growing influence, which meant that it was considered a looming threat to the status quo (Interview participant DP05 10.04.2017).

Around this time, several NGOs coalesced to form the Civil Society Coalition for Bureaucratic Reform, which acted in support of the KASN by intervening in the public discourse through, for example, opinion pieces for various newspapers (Interview participant DP05 10.04.2017). One observer, a development practitioner who had been advocating bureaucratic reform, assumed there was a political motive behind the proposals for abolishing the KASN:

> The practice of buying and selling positions—as occurred in Klaten, Central Java, and many other areas, with a transaction value of IDR 35 trillion—was to be perpetuated. As is widely known, where the bureaucracy is involved in political contests, and civil servants are aligned to certain political candidates, then as the election approaches,

> [political behaviour] can become unconstrained, if there is no independent institutional control. [There has been] rhetoric suggesting (without any clear reasons) that the KASN has not been effective, [but the fact is that] all such [illicit] practices are difficult to do openly, if the alarm can still be sounded by the KASN (including disclosure of cases to the KPK). (Interview participant DP06 20.04.2017, *translated*)

Parliament submitted to the government on 25 January 2017 its proposition to revise the 2014 Civil Service Law (Parliament Letter no. LG/01350/DPR RI/I/2017). Following this proposition, the government discussed the responses internally, but at the time of writing had not yet proceeded with policy deliberation. At the time of writing (early 2020), the initiative to revise the 2014 Civil Service Law has not yet resurfaced. Thus, it seems that, with respect to the KASN, structural persistence, which is represented by those who would abolish the KASN and restore the status quo, has been overcome by the reactive sequence, represented by the reform actors and their coalitions, who have actively campaigned for the KASN.

5.5.3 The Civil Service Corps: Structural Persistence and Reactive Sequence

As has been noted, the 2014 Civil Service Law was initially drafted with the help of several senior academics. During that drafting process, one of those academics, Miftah Thoha, proposed the establishment of a new civil service corps—an organisation that would be independent, professional, and free from political pressure, and that would depart from the existing institutional arrangements (Interview participant A01 12.05.2017).

Thoha's proposal was largely motivated by historical context—KORPRI (Corps of Civil Servants of the Republic of Indonesia) had been tightly controlled in the interests of Soeharto's political supporters—principally Golkar and partisan state officers—during the New Order era (Hermawan 2013; Prasojo 2007; Thoha 2002). Even though such practices had been formally and rhetorically rejected in the *Reformasi* era, they persisted through informal arrangements (Interview participant A03 30.03.2017). Still organised under KORPRI, the Indonesian bureaucracy still lacked neutrality and still favoured the ruling elite (ibid.). It also remained a centralised, hierarchical body, lacking professionalism, efficiency, effectiveness, and accountability (Thoha 2002).

The policy entrepreneurs behind the 2014 Civil Service Law aimed to break KORPRI's party-political ties, and to redefine it as an independent and profession-based association (Interview participant A03 30.03.2017). In line with Thoha's proposition, a senior bureaucrat argued that an independent civil service corps was a requisite in protecting the rights of civil servants:

> Our assumptions, with our view at that time, were that KORPRI would be like a true labour union, which is not under government orders, but is self-supporting so, an independent union, which will help us civil servants to fight [for our rights], to argue with the government. (Interview participant SB14 06.06.2017, *translated*)

However, several proposals and actions regarding KORPRI were deliberately put on hold during the policy-deliberation process for the 2014 Civil Service Law. Consequently, there were protracted debates during the formulation of the relevant Implementing Regulation (ibid.). During the policy-deliberation process, Minister Azwar Abubakar suggested that KORPRI's organisational status be a matter for the Implementing Regulations, on the grounds that there was no current consensus:

> Regarding KORPRI, so if we cannot agree we need to move sir. So, I want to be honest, let us define it in PP [Implementing Regulations] if possible. Because whether or not we agree on the phrase "inside the official government system", you

> [parliament] interpret [that phrase] one way, and the government interprets it another way. So we need to consolidate [these differences]. (Minutes of DPR Meeting, 21 August 2013, *translated*)

In the end, the 2014 Civil Service Law mandated that KORPRI be reformed and reinvented, as the Korps ASN. However, the Law did not define important aspects of the reformed corps—most notably, its organisational status and its funding arrangements. Table 5.4 below compares some of the main aspects of KORPRI and the Korps ASN.

Table 5.4 The Civil Service Corps: the Old Form (KORPRI) and the New Form (the Korps ASN)

Area of difference	**KORPRI (Corps of Civil Servants of the Republic of Indonesia)**	**Korps ASN (Corps of State Civil Apparatus)**
Regulatory basis	Presidential Decision No. 82/1971	Civil Service Law no. 5/2014
Organisational status	Inside the official government system	Undefined
Source of funding	Government funding	Undefined
Membership	Civil Servants Employees of government-owned companies Officers in village governments	Civil Servants Contract-based government employees
Membership status	New Order era: Compulsory membership; Allegiance to GOLKAR. *Reformasi* era: Non-compulsory membership; No party-political allegiance.	Non-compulsory membership No party-political allegiance

Source: Presidential Decision No. 82/1971; the 2014 Civil Service Law (Law no. 5/2014).

The MoAR and NIPA have both advocated that, as an organisation outside the official government system, the corps should be independent, self-funded, and therefore (theoretically) free from political pressure (Interview participant SB14 06.06.2017). This approach has faced vociferous opposition (ibid.). KORPRI was a pillar of support for the Golkar party during the New Order era, and has continued to play a strong supporting role in politics during the *Reformasi* period, due both to its allegiance to the principle of *monoloyalitas*, and to its historic role as a powerful tool for the Indonesian government

(Pompe 2005, p. 129). Thus, it is not surprising that the head of KORPRI worked against the 2014 law: Many others on its leadership committee have benefited from “allowances” and enjoyed managerial authority over the association nationwide (Interview participant A03 30.03.2017). Partly because of such powerful opposition, and partly because of the 2014 law’s vagueness regarding the Korps ASN, the finalisation of the relevant Implementing Regulation has been very challenging. Consequently, the Civil Service Corps has remained substantially unreformed.

This situation of the Civil Service Corps highlights the strength of path dependence, that explains its structural persistence. Because of the strength of the reactive sequence in favour of reform, structural persistence could not block the legislation—the 2014 law mandated the reform of the corps. However, structural persistence has been able to impede the implementation of such reform, in the interests of the established systems of patronage and patrimonialism.

5.5.4 Structural Persistence and Reactive Sequence: The Implementing Regulations of the 2014 Civil Service Law

The Implementing Regulations of the 2014 Civil Service Law provide a further illustration of how reform initiatives can be undermined. More than six years after the Law was signed, only four out of the eight Implementing Regulations have been passed. Table 5.5 below indicates the status of the Implementing Regulations in early 2020, more than six years after the Law was passed.

Table 5.5 The Status of the Implementing Regulations of the 2014 Civil Service Law, as of Early 2020

No	Implementing Regulations	Status	Additional Note
1	Work Accident Insurance (JKK) and Life Insurance (JKM) for Civil Servants	Passed on 17 September 2015 (Government Regulation (PP) No. 70/2015 on JKK and JKM for Civil Servants)	Completed
2	Civil Service Management	Passed on 7 April 2017 (Government Regulation (PP) No. 11/2017 on Civil Service Management)	Completed
3	Management of Contract-based Government Employees	Passed on 22 November 2018 (Government Regulation (PP) No. 49/2018 on the Management of Contract-based Government Employees)	Completed
4	Civil Servant Work Performance	Passed on 26 April 2019 (Government Regulation (PP) No. 30/2019 on the Civil Servant Performance Assessment)	Completed
5	Salary and Allowance	Law harmonisation completed	Awaiting further review by the MoF
6	Disciplinary Procedures for Civil Servants	Law harmonisation process is ongoing	Awaiting further review
7	Civil Service Corps	Law harmonisation process is ongoing	Awaiting further review by the MoHA
8	Pension and Annuities	Law harmonisation process is ongoing	Dependent on the passing of the “Salary and Allowance” regulation

The Implementing Regulations are needed to provide authoritative references for the implementation of the law. According to a senior bureaucrat involved in the formulation of those regulations, the process was hampered by seemingly never-ending intra-government debates:

> Whereas the Civil Service Law mandated that those Implementing Regulations be completed within two years, this is not the case. It is already more than two years, but we are still struggling with arguments and discussions that end up with no results … I am sure the Implementing Regulations will continue to stall if there is no willingness or special command from the authorised person to reach a decision, if we still allow room for discussion, room in which the two poles pull firmly, the two forces that pull hard [in different directions]. (Interview participant SB14 06.06.2017, *translated*)

This senior bureaucrat also identified several concepts that were deliberately left unclear during the policy-deliberation process, and argued that this lack of clarity resulted in continuous intra-government debates during the formulation of the Implementing Regulations:

> … in the case of the Civil Service Law, there are a lot of compromises along the way, but I also think if compromise had not been made, the Law could not have been passed … there are some articles left unclear. (Interview participant SB14 06.06.2017, *translated*)

Indeed, the empirical findings show that the 2014 Civil Service Law left many issues undecided. For example, with regard to reforming remuneration and pensions, the 2014 Law focused on performance-related pay and on a fully funded pension system. The progress of these reforms was substantially delayed for two reasons, both connected to controversies that arose during the policy-making process. First, it was felt that the pay-related reforms would interfere with separate reforms that had already been implemented by the Ministry of Finance (Interview participant SB18 21.05.2017). The second objection was that financial constraints meant that the state could not accommodate these reforms:

> Regarding the pension system, the payroll system, it has to do with the state treasury, we never really interfere with the "money" to finance it, so our wording in the new law is not so clear, but just directs [what is to happen, not how it is to happen]. [And there were problems] Because the Minister of Finance somehow objected to, for example, raising the basic element of salaries, because that will remodel the arrangements, so many challenges in doing so—including pension schemes, which will all be changed too. So that's a very, very challenging discussion. (Interview participant A01 12.05.2017, *translated*)

Delays also arose from financial concerns regarding the hiring of contract-based government employees, and from protracted discussions about working arrangements between them and their permanent counterparts (Interview participant SB18 21.05.2017).

5.5.5 Structural Persistence and Reactive Sequence: A Summary

As the findings have clearly demonstrated, several elements of the 2014 Civil Service Law have faced obstacles at the implementation stage, and those obstacles show the strength of structural persistence against the reactive sequence. In some cases, the reactive sequence has not been able to overcome structural persistence. Thus, to some extent, the Law illustrates a type of failure that often occurs in the context of reform—a failure at the stage of implementation, the reform being either "blocked outright or put into effect only in tokenistic, half-hearted fashion" (Polidano 2001, p. 346).

This section has examined in detail the effects of structural persistence and reactive sequence on the various reforming elements of the 2014 Civil Service Law. What the findings demonstrated is that critical actors tried to maintain their own interests, prioritising those interests over particular elements of reform. However, there was also a mismatch between (a) expectations for reform, (b) the actual capacity of the prevailing administrative systems to implement reform, and (c) the structural factors, such as neo-patrimonialist institutional arrangements, which have a strong influence over incentives and power relations. That mismatch partly explains why, with respect to some of the Law's reforming elements, structural persistence was stronger than the reactive sequence, and the status quo remained. This findings from this case also show that legislation alone cannot generate enough positive feedback to sustain a reform—there must also be institutional capacity to support the process.

The empirical findings demonstrate the simultaneous impact of structural persistence and reactive sequence is too strong. Legislation alone is insufficient for effective reform. The history of the 2014 Civil Service Law illustrates that insufficiency—several elements of reform were enthusiastically embraced during the formulation of the Law, but were modified or undermined during its implementation. Because of the strength of antecedent conditions, such as patrimonialism and the patronage system, the law is *de facto* optional for those who are sufficiently powerful—such incumbents may impede or interfere with the application of the law. Indeed, the structural factors are so strong that they undermine the rule of law in general. However, the example of Jakarta's implementation of open recruitment shows that, if it is the *reformers* who have power, then reform can be achieved before the relevant legislation is completed. Thus, what this case demonstrates is that, in an institutional setting in which the rule of law is weak, incumbents may either advance reform or frustrate it, according to their own interests. This shows that even though structural factors and institutions shape policymaking in ways that favour status quo over reform, the agency of policy actors involved can play a role in pushing the reform to happen through manoeuvring within institutional boundaries.

5.6 Outcomes of the 2014 Civil Service Law

From the foregoing analysis of structural persistence and the reactive sequence, it is possible to identify several outcomes of the 2014 Civil Service Law—different outcomes for the various, individual strands of reform that comprised the overall package. The analysis has shown that the various outcomes resulted from the dynamic interactions between policy actors and their institutions, through the processes of structural persistence and reactive sequence. (Table 5.6 below provides a summary). For example, the open recruitment system was implemented, but it has been shown that this was misused and provided a way to hide favouritism behind a facade of meritocracy. The Civil Service Commission was eventually established, but it was given little authority—and with more authority, it might have been more effective. Other elements of reform have simply been blocked by delays to the completion of their Implementing Regulations.

Table 5.6 The Outcome of the Reforming Elements of the 2014 Civil Service Law

	Reform ideas	**Structural persistence**	**Reactive sequence**	**Outcome**
1	Open recruitment system	• Because of the novelty of the reform ideas, some policy actors hesitated to accept them.	• Reform actors advanced implementation, despite the lack of regulations (the case of Jakarta). • Strong media coverage about violations of the new system.	• Settled by the 2014 law; an exception was made for the MoF, at its insistence. • Reform implemented nationwide.
2	A Civil Service Commission to guide the merit system	• Resistance from status quo elite against the new institutional arrangements. • An initiative to revise the 2014 Law, so as to abolish the commission.	• Reform actors persisted in pursuing the establishment of the commission. • Support from the media and civil society.	• Accommodated in the 2014 Law, but given little authority. • The commission was established. • The commission is operative, but its powers and existence are under threat.
3	A reinvented civil service corps	• Veto: MoHA and various incumbents are still in favour of the old institutional arrangements, and have prevented decisions necessary to establish the new corps.	• MoAR and NIPA proposed that the new corps be an independent organisation, free from party-political ties.	• Accommodated in the 2014 law, but only in a vague form. • No Implementing Regulation has been produced.
4	Management of contract-based government employees	• Veto: MoF argued that the state is unable to finance such reform propositions.	• The reform propositions serve to provide directions.	• Accommodated in the Law, but might not be implemented, as the Implementing Regulations have not been completed.
5	Remuneration and allowances			
6	Pension scheme			

Structural persistence is due, in part, to the strength of neo-patrimonialism and the patronage system. Such structural factors are manifest in the prevalence of informal institutions, which tend to produce outcomes that modify or undermine the formal rules surrounding reform initiatives. What is less obvious, however, is how the reactive sequence to the 2014 Civil Service Law caused incremental changes in the intended direction of reform. The empirical findings show that agents—policy entrepreneurs and reformers—had an important role in that process. As strategically reflexive actors, agents were able to navigate through institutional constraints, and to subvert or modify the institutions through loopholes. Agents could therefore promote reform even when there existed little legislative basis.

The empirical findings also suggest that, if reform is introduced via legislation before it has been established in practice, there are likely to be challenges in operationalising that reform. The findings highlight, therefore, the importance of implementing pilot projects and bricolage, especially if the reform ideas have been adopted from elsewhere, and thus need to be tested and contextualised. Pilot projects and bricolage provide policy learning, whereby policy actors can update their beliefs and knowledge. Such learning may lead policy actors to become supporters of reform initiatives.

Some of the strands of the 2014 Civil Service Law demonstrate that, with reform, the process of institutionalisation can begin before a law is actually passed. In fact, the institutionalisation process arises from the interaction of structural persistence and the reactive sequence. However, while the legal aspects of reform need not come first, in this case legislative proposals were important in setting the direction-of-travel, towards the enforcement of meritocracy. Indeed, the mere existence of the proposed law was used by the reformers to advance meritocracy in practice.

There were two main reasons why the reactive sequence shifted the reform path towards the intended trajectory. Firstly, elite policy actors advanced the reforms, despite the absence of formal regulations. Indeed, this case study provides an illustration of how reformers may advance merit in practice, even when they lack formal powers to expedite relevant legislation. As discussed above, in an institutional environment where the rule of law tends to be undermined, incumbents are free to promote or block reform according to their political interests. However, it is important to note that policy change is necessary for marking a paradigm change. Policy change establishes a strategy for future change, which may cement reform trajectory. Secondly, the reform actors strongly and persistently advocated the importance of merit-based reform. NPM–NPS-style reform models were at the centre of a global reform movement, and, within Indonesia, there had been growing interest in such reform since the early *Reformasi* period (Turner, Prasojo & Sumarwono 2019). Reform in the 1998–2003 period has been described as “slow and sporadic”, but it seems that the initiatives of those years paved the way for further reform along similar lines (Turner 2002, p. 1505). Subsequently, Indonesia made progress in implementing merit-based reform in the Ministry of Finance, the Supreme Audit Board, the Corruption Eradication Commission (KPK) and local government. This progress was accomplished not so much through national legislation, as through the initiatives of individual leaders (Turner, Prasojo & Sumarwono 2019). It has been argued that, since 2010, Indonesia has become more receptive to NPM–NPS-style reform models (ibid.). Although in earlier years such reform was implemented mainly at a small-scale or local level, more recently it has been mandated more extensively at the national level (ibid.). Thus, there is an accumulation of reform experience, which can provide policy learning. As the analysis of the case of the 2014 Civil Service Law shows, such learning is useful for policy change.

5.7 Conclusion

The history of the 2014 Civil Service Law indicates the strength of three structural forces. The first force is the in-county political structure: Patrimonialism and patronage politics are long-established forces in Indonesia, and still shape its bureaucracy. The second force comprises pragmatic political and policy traditions: Patrimonialism and patronage politics have devolved from macro-politics to micro-politics, so that civil servants have internalised a work ethos that normalises corrupt and non-performing behaviours. The third force is the exogenous pressure for reform: In general, exogenous pressures have defined the *range* of available reform options, whereas structural factors have determined the choice to go with a *particular* option.

The moment of critical juncture occurred in 2010, when President Yudhoyono made public administration reform his highest political priority (political stream). The president thereby facilitated the opening of the policy window for a new civil service law, providing an opportunity for policy entrepreneurs (policy stream). Those entrepreneurs linked the policy and political streams with the problem stream by focusing on a particular problem confronting the Indonesian Civil Service: the pervasiveness of corruption and political clientelism. They used their opportunity to promote various reformist ideas, including merit-based human resource management, the establishment of a civil service commission, and the transformation of the Civil Service Corps from a single government-controlled union into an independent professional association.

Analysis of the passage and implementation of the 2014 Civil Service Law elucidated the dynamic between structural persistence and the reactive sequence. First, the empirical findings show that, while legislation is necessary, a reform's institutionalisation process may start before the relevant law is passed. It may start, for instance, through pilot projects launched during the policy-deliberation phase. A second point is that pilot projects, and similar initiatives, can give rise to learning effects—policymakers might, for instance, be able to combine the lessons learned from them with past experiences of similar reforms, and with new reform ideas adopted from elsewhere. A third point is that policy actors are capable of exerting considerable influence by modifying institutional constraints, and by making use of opportunities presented by their political environment.

In a patronage state where the rule of law tends to be undermined, legislation is not necessarily very powerful—for instance, it does not necessarily restrict an incumbent's opportunities for patronage, or force an incumbent to put meritocracy into practice. However, legislation can be a way of advancing reform initiatives, and thus an effective strategy for bringing about real change. Legislation may mark the beginning of the reform trajectory.

In considering the outcome of the 2014 Civil Service Law, it became clear that controversies regarding reform are not necessarily settled by legislation—the dynamic between structural persistence and the reactive sequence may continue afterwards. Furthermore, that dynamic may involve considerable back-and-forth—events may move first in one direction, then in another. The next chapter will consider the second case, the

2014 Government Administration Law. While it shared the same antecedent conditions as thee 2014 Civil Service Law, a comparative analysis of the histories and outcomes show substantial differences in their institutionalisation process that influence its reform trajectory.

6 Chapter VI

Overcoming or Reinforcing Path Dependence in Public Administration Reform? The Policy-Making History of Indonesia's 2014 Government Administration Law

6.1 Introduction

The previous chapter analysed the policy-making behind the 2014 Civil Service Law, described the political and economic framework in which the reforms took place, and identified the organised interests that were involved. In accordance with the comparative approach, this chapter provides a similar analysis of the 2014 Government Administration Law. While the 2014 Civil Service Law was intended to provide a legal framework for merit-based reform in the civil service, the 2014 Government Administration Law serves to provide a legal framework for reforms promoting "good governance" in public administration.

The previous chapter employed an adapted version of Mahoney's (2001) path dependence framework. The analysis here will employ the same framework, emphasising the importance of political mechanisms throughout the reform sequence: first in the emergence of the critical juncture from the antecedent conditions, then during the phase of structural persistence and reactive sequence, until the final outcome. As discussed in Chapter IV, the histories of the two laws have much in common: the same structural factors (antecedent conditions), which strongly influence the selection of reform options; the same institutions; and even (more or less) the same cast of policy actors.

This chapter argues that, while the two laws emerged from the same antecedent conditions, they differ notably with respect to their outcomes, and how those outcomes were determined. Policy transfer features prominently in the history of the 2014 Government Administration Law. While policy transfer can be successful, its application in this case seems, in certain respects, to have led to difficulties—the Law has generated substantial, self-reinforcing resistance to change. The history of the Law thus highlights the risks associated with policy transfer, and the importance of particular aspects of policy learning.

The first section of this chapter provides an overview of the 2014 Government Administration Law and good governance agenda in Indonesia. The second section discusses the antecedent conditions that examines the challenges to bring the Bill into the legislation. The third section analyses how the critical juncture arose, allowing legislation to proceed and pass the Law. The fourth section discusses the dynamic of structural persistence and the reactive sequence. The analysis pays attention to the competing interests of the actors involved, and to how those interests affected the dynamics of policy making. The analysis also considers what those dynamics reveal about the institutional arrangements of the Indonesian bureaucracy. And finally, the last section presents analysis on the outcome of the whole process.

6.2 The 2014 Government Administration Law: An Introduction

Governance reform has proliferated since the 1990s, being one of the items on the global "good governance" agenda. Together with the rule of law and a merit-based civil service, the 2014 Government Administration Law has been prescribed as essential for "good governance" reform (UI-CSGAR 2017). The prescription applies especially in patronage states, such as Indonesia, where political and interpersonal criteria largely determine bureaucratic recruitment and careers (Dahlström, Lapuente & Teorell 2012).

The 2014 Government Administration Law is intended to guide the implementation of "good governance", especially in the process of policy making. One of the Law's aims was to provide legal protection for officials, so that they could use their discretionary powers without fear of prosecution. On the other hand, the Law was also intended to ensure that citizens' rights were protected in any decision issued by government officials (UI-CSGAR 2017).

The 2014 Government Administration Law has five reform elements (UI-CSGAR 2017), the first of which concerns the principles of "good governance", which are clearly articulated in the Law. Indeed, the Law illustrates the phenomenon of policy diffusion—in this case, the diffusion of the "good governance" agenda to Indonesia (ibid.). The Law's second reform element expresses a paradigm shift in how government officials deal with citizens' requests. In Indonesia, a citizen may ask an official to issue a particular administrative decision. Before the Law, the arrangement was "negative fictitious"—if a citizen's request received no answer, then it was judged to have been rejected. The Law instead insists on the "positive fictitious" principle, whereby unanswered applications are judged to have been *accepted*. The principle thus encourages officials to be more responsive when dealing with the public (ibid.). The Law's third reform element promotes transparency and accountability in decision-making processes. The Law stipulates that the government should explain its decisions—that is, it should communicate the juridical, sociological, and philosophical reasoning behind them (ibid.). In addition, the Law gives citizens the right to submit administrative enquiries, if they are not satisfied with decisions made by government agencies (ibid.). The Law's fourth reform element concerns conflicts of interest, and thus corruption—the Law insists that conflicted officials must be excluded from the relevant decision-making processes. The Law's fifth and final reforming element concerns officials' use of their discretionary powers—the Law provides details on objectives, procedures, and possible consequences (ibid.).

Some of the Law's five reform elements had already been implemented, on a small scale, before the Law was passed—they had been incorporated in regulations of relatively limited scope, and applied in several government agencies. However, such progress had been achieved largely through local leadership (Interview participant A02 10.05.2017). The 2014 Government Administration Law was intended to stimulate the implementation of such reform nationwide. In this respect, it was like the 2014 Civil Service Law, which was intended to be similarly inspiring.

The 2014 Government Administration Law has a long history—it grew out of a policy option proposed in 2004, which was intended to guide the implementation of "good governance" in Indonesian public administration (UI-CSGAR 2017). The proposed law was discussed within the government over a period of nine years and nine months, between 2004 and 2014 (ibid.). It was not until 2014, following the passing of the 2014 Civil Service Law on 15 January, that parliament became involved in the discussions (Interview participant A01 30.05.2017). One of the participants pointed out that "without the passing of the [2014] Civil Service Law, we would not have thought to complete [the 2014 Government Administration Law]" (Interview participant P05 24.05.2017). This comment indicates how incremental change can have a "contagion" effect—the existence of the 2014

Civil Service Law meant that there was a greater willingness to accept the proposed Government Administration Law.

6.3 The Antecedent Conditions for the 2014 Government Administration Law as a Policy Option (pre-2004)

The antecedent conditions for the 2014 Government Administration Law were the same as those for the 2014 Civil Service Law. Thus, the structural factors discussed in Chapter V—the in-country political structure, the pragmatic political and policy traditions, and the exogenous pressure for reform—are all relevant here. It was argued in Chapter V that exogenous pressure limits the range of reform options, whereas the in-country political structure and the political and policy traditions shape the choice to go with a particular reform option. That argument is also relevant here. However, while the two laws are both essentially expressions of "good governance" reform, they emphasise different aspects of such reform. The 2014 Government Administration Law focuses on internal directives, guidance and norms, through which agencies can allocate discretionary powers to officials while safeguarding accountability. Thus, this section will discuss how such concepts travelled to Indonesia, gained acceptance, and finally reached the mainstream in the form of legislation.

As discussed in Chapter IV, an opportunity to re-introduce "good governance" and NPM-style reform appeared in the late 1990s, when Indonesia was transitioning away from authoritarian rule and towards democracy (Hadiz 2005). The transition allowed international donors to widen their influence, by assisting in administrative decentralisation and promoting particular approaches to bureaucratic reform. Presuming that such measures would have a positive impact,[23] many donors were convinced that their contributions would facilitate Indonesia's transition to democracy (Choi & Fukuoka 2015). Indeed, numerous donors, including some that had not previously been particularly interested in Indonesia, entered the country and started to assist with governance reforms (ibid.). Thus, "good governance" has become a buzzword for development programs in Indonesia, and, as an ideology, has received much attention from Indonesian policymakers (Hadiz 2004).

The prominence of "good governance" in Indonesian political discourse is due, in part, to the availability of international aid. This aid has been used by local elites as a new instrument in the old practice of patronage politics, which— besides politics and violence—previously involved local money (Choi & Fukuoka 2015). Thus, it is important to note that, in government circles and among policy makers of Indonesia, "good governance" has been accepted not merely on account of its presumed positive influence on the process of democratisation. It is also politically useful. Policy elites can use it to acquire extra power (in the form of support from international donors), which they can use to raise their profiles as "reformists" (ibid.). International aid can also be useful for political elites in consolidating their power—through skilful manoeuvring, a politician might be able to take credit for the success of an internationally-funded local development program (ibid.). Thus, in Indonesia, "good governance" serves the "triangles of accommodation" among bureaucrats, politicians, and military strongmen. It is not, therefore, surprising that "good governance" has become such a norm, and such a must-have buzzword in political communications —a necessity for building political credibility. Such abuse of "good

[23] It has been claimed that decentralisation, for instance, tends to empower civil society, thereby encouraging popular participation in policy making (Choi & Fukuoka 2015).

governance" lends support to Haque and Turner's (2013) argument that foreign models can be used in a spirit of mere mimicry, as a pretext "in order to cover up, legitimize, and continue with bad governance" (p. 247).

Concepts associated with "good governance" can be found in legislation from the early *Reformasi* period onwards. Relevant examples include the 1999 Implementing a State that is Clean and Free from Corruption, Collusion and Nepotism Law (Law no. 28/1999); the 2004 State Administrative Court Law (Law no. 9/2004, amended version of Law no. 5/1986); the 2009 Public Service Law (Law no. 25/2009); and the 2014 Government Administration Law (Law no. 30/2014) (Zamroni 2019). Table 6.1 (below) provides further details.

The prominence of "good governance" in legislation is due, in part, to the involvement of international donors. In the democratic era, it has become common for donor agencies to provide considerable assistance to Indonesia's central and local governments, through training, technical support, and advice on policy-making and service delivery (Aspinall 2010). Another likely factor is the growing acceptance of "good governance", if not yet on its principle, at least as a useful buzzword, among Indonesian policymakers.

Table 6.1 Examples of "Good Governance" Principles in Indonesian Legislation

The 1999 Implementing a State that is Clean and Free from Corruption, Collusion and Nepotism Law (Law no. 28/1999)	The 2004 State Administrative Court Law (Law no. 9/2004, amended version of Law no. 5/1986)	The 2009 Public Service Law (Law no. 25/2009)	The 2014 Government Administration Law (Law no. 30/2014)
1. The principle of legal certainty; 2. The principle of good conduct in state implementation; 3. The principle of public interest; 4. The principle of openness; 5. The principle of proportionality; 6. The principle of professionalism; 7. The principle of accountability.	1. The principle of legal certainty; 2. The principle of orderliness in state institutions; 3. The principle of openness; 4. The principle of proportionality; 5. The principle of professionalism; 6. The principle of accountability.	1. The principle of public interest; 2. The principle of legal certainty; 3. The principle of equal rights; 4. The principle of the balance of rights and obligations; 5. The principle of professionalism; 6. The principle of public participation; 7. The principle of equality and non-discriminatory treatment; 8. The principle of openness; 9. The principle of accountability; 10. The principle of special facilities for, and treatment of, vulnerable groups; 11. The principle of timeliness; 12. The principle of prompt, convenient, and affordable service.	1. The principle of legal certainty; 2. The principle of making good use of resources; 3. The principle of impartiality; 4. The principle of accuracy; 5. The principle of non-abuse of authority; 6. The principle of openness; 7. The principle of public interest; 8. The principle of good service.

Source: Article 3 of Law no. 28/1999; Article 53, Paragraph 2, Letter b of Law no. 9/2004; Article 4 of Law no. 25/2009; Article 10 of Law no. 30/2014.

The 2014 Government Administration Law explicitly refers to "the principles of good governance" (*asas-asas umum pemerintahan yang baik*) (in Article 10; *translated*). It was in 2004 that the bill was first considered, as a way to promote "good governance" in Indonesian public administration, but efforts to campaign for such a law had begun as early as 2003 (Interview participant DP11 08.05.2017). At that time, the GTZ (*Gesellschaft für*

Technische Zusammenarbeit—German Agency for Technical Cooperation)[24] was providing technical assistance to the Ministry of Administrative Reform (MoAR), in a project titled "Support for Good Governance" (ibid.). The GTZ suggested that an Administrative Procedure Law—an Indonesian equivalent of Germany's *Verwaltungsverfahrensgesetz*—was needed to fill a policy gap (ibid.). Such a law would guide governance of administrative processes and procedures in the public service and was thus considered to be a potential pillar of "good governance" in Indonesia (ibid.).

At this time, Eko Prasojo[25] had just returned from his doctoral studies in Germany, and was invited to participate in the GTZ's project, on account of his expertise in public administration (Interview participant A01 30.05.2017). The GTZ first contacted Prasojo in April 2003, to ask him to work with Peter Rimele (a member of their staff) in preparing an Indonesian translation of the *Verwaltungsverfahrensgesetz* (ibid.). The translation was meant to serve as a basis for discussions about introducing an Administrative Procedure Law, as a policy proposition (ibid.).

In 2004, Indonesia held its first presidential election, which was regarded as a sign that the country was moving towards a more democratic era (Interview participant DP11 08.05.2017). As public administrative reform remained on the government agenda, the GTZ continued to advocate for an Administrative Procedure Law, and offered to extend the scope and duration of support it was providing through the "Support for Good Governance" program (ibid.).

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[24] In 2011, the GTZ was merged with two other organisations to produce the GIZ (*Gesellschaft für Internationale Zusammenarbeit*—German Development Agency).
[25] Eko Prasojo later became a prominent Indonesian academic. As mentioned in Chapter V, he was one of the policy entrepreneurs behind the 2014 Civil Service Law, and served as Deputy Minister of MoAR (2011–2014).

In early 2004, Jusuf Hariri, Assistant Deputy at the MoAR, agreed to support the GTZ initiative, and brought in experts to discuss it (Interview participant SB10 01.05.2017). The idea then received the approval of the minister, Taufiq Effendi, who at the same time was seeking an opportunity for policy change on the proposed new Civil Service Law (ibid.; see Chapter V). In order to catalyse policy change, Effendi published a Ministerial Decision Letter on 5 October 2004, regarding general guidelines for good government administration (ibid.).

The MoAR also assigned an expert team[26] to prepare the academic draft for the proposed law (Interview participant SB10 01.05.2017). After the formulation of the academic draft, Taufiq Effendi assigned a larger expert team[27] to formulate the draft bill between January and March 2005 (ibid.). On 6 February 2006, Taufiq Effendi submitted the draft bill to the Ministry of Law and Human Rights (MoLHR), to begin the process of harmonising it with existing laws and regulations (KemenPANRB 2005). The MoLHR submitted the draft bill to the House of Representatives, so that it could be included in the 2006 deliberation process (ibid.). However, on 24 March, the head of the legislative body at the House of Representatives replied with an official letter to the MoLHR, to inform them that the bill could not be considered for deliberation in 2006, unless it was a matter of national urgency (ibid.). On 24 April, the MoLHR passed this message on to MoAR, and expressed little hope for the bill's inclusion in the deliberation process (ibid.). In response, Effendi asked

[26] The expert team consisted of Prof. Dr Bhenyamin Hoessein, S.H., Dr Eko Prasojo, Dr Safri Nugraha (all from University of Indonesia), Peter Rimele (the GTZ), Dr Asmawi Rewansyah (National Institute of Public Administration—NIPA), and Jusuf Hariri (MoAR) (ibid.).

[27] This team included most of the team responsible for the academic draft, consisting of (a) high officials (echelon I) in the MoAR, NIPA, the National Civil Service Agency (BKN), the State Finance and Development Surveillance Committee (BPKP), and the National Archives of Indonesia (ANRI); (b) senior academics from the University of Indonesia (Prof. Dr Sunaryati Hartono, Prof. Dr Talizudhuhu Ndraha, Prof. Dr Buchari Zaenun, Dr T Gayus Lumbuun, Dr Safri Nugraha, and Dr Eko Prasojo); (c) a technical expert from the GTZ (Peter Rimele); and (d) the coordinators of the initiative, who provided managerial assistance (Asmawi Rewansyah and Jusuf Hariri, both from the MoAR) (ibid.).

the expert team to make the case that, for the purposes of public administrative reform, the bill was indeed of urgent national importance (ibid.). Thus, in order to create a "window of opportunity" for the bill, policy entrepreneurs were encouraged to draw attention to administrative problems that were "public", in the sense that government action was needed to resolve them (Kingdon 1984).

It was understood that, in order to create a sense of urgency that would push the bill up the political agenda, it was necessary to gain the attention of the public and of the policymakers (Interview participant SB10 01.05.2017). There was therefore a sustained media drive, emphasising the importance of the bill for the implementation of public administrative reform (Interview participant A01 12.05.2017). Furthermore, the MoAR held a series of discussions, in order to generate public enthusiasm for the draft bill throughout the country (Interview participant SB10 01.05.2017). There were more than thirty workshops, held in 2006 and 2007, to gain input from local government, politicians, the media, academics, and NGOs. There was also a pilot test and review in the administrative courts (ibid.). A coalition of civil society groups and NGOs was created, to push for the bill's legislative progress (Interview participant DP08 04.04.2017). Eventually, the House of Representatives put the proposed Government Administration Bill on its agenda, including it in the 2007 National Legislative Program (*Prolegnas*) (Interview participant SB10 01.05.2017).

As part of the intra-governmental deliberation process, the bill was presented to the president during a cabinet meeting (UI-CSGAR 2017). The meeting was held on 5 July 2007 and was attended also by the relevant ministers (ibid.). During this meeting, only one minister, Sri Mulyani Indrawati,[28] supported the idea that the bill be put forward as a policy proposition (Interview participant A01 30.05.2017). The others did not consider the bill to be of urgent importance (ibid.). At that time, Sri Mulyani Indrawati was conducting administrative reform in her ministry, and she argued that the bill would serve to support the implementation of her reforms (ibid.). Following input from the president and from the other ministers and heads of agencies involved in the cabinet meeting, Effendi and the academic team made revisions to the draft. There followed a back-and-forth intra-governmental deliberation process (UI-CSGAR 2017), but then in 2009 Effendi left the MoAR to be replaced by E. E. Mangindaan, who served as minister until 2011. This change brought about a reduced willingness to proceed with the bill—a shift in the political "stream". The initiative was therefore weakened, and the bill did not become law.

There was another reason the proposed Government Administration Bill was the subject of such prolonged debate: It was proposed as an umbrella law, encompassing several different laws related to administrative arrangements in the executive, legislative, and judicative orders (Interview participant SB08 27.04.2017). According to an administrative law expert within the government, it was a widely held view that the existing regulations were sufficient, and this belief in the status quo led to lengthy debates:

> So this draft bill was designed as an umbrella law, so that in the future, the other sectoral laws have to adjust to this law. So that this law aims to synchronise other existing laws. The existing laws are sector based, where each agency can create its rules. This law will affect sectoral regulations (executive, legislative, judicative), both for the rules and regulations that presently exist and those that will be formulated in the future. So this is why the draft bill was heavily debated, because many people say

[28] As finance minister from 2005 to 2010, Sri Mulyani Indrawati was known as a tough reformist (Colebatch 2008).

> everything has already been regulated in the other laws. (Interview participant SB08 27.04.2017, *translated*)

The problem here was not simply that the proposed Government Administration Bill affected sectoral laws, but this coupled with the fact the sectoral laws had already been revised in response to demands for reform. The State Administrative Court Law (Law no. 5/1986) had been revised twice—first in 2004 (Law no. 9/2004), then in 2009 (Law no. 51/2009). The Law on the Supreme Court (Law no. 14/1985) had also been revised twice—in 2004 (Law no. 5/2004) and in 2009 (Law no. 3/2009). The Law on Judicial Powers had been passed in 2009 (Law no. 48/2009), like the Law on the Anti-Corruption Court (Law no. 46/2009). The Anti-Corruption Court (Pengadilan Tipikor) had originally been established in 2002, in accordance with the Law on the Corruption Eradication Commission (Law no. 30/2002). Thus, with these new laws in place at the sectoral level, it made little sense that an umbrella law—such as the proposed Government Administration Bill—was urgently required (Interview participant A02 10.05.2017). None of the sectors had identified any gaps in their existing regulations that could be covered by an umbrella law (ibid.). On the other hand, an umbrella law would necessitate a harmonisation process, so the sectors were reluctant to support any such law (ibid.). Thus, the bill's supporters had a difficult task—a problem-solving bill is unlikely to be attractive to policy makers if they do not recognise the "problem" that is to be solved (Kingdon 1984).

Of course, the proposed Government Administration Bill eventually did reach the stage of formal parliamentary deliberation, but by that time the proposal had been in existence for some ten years. A senior bureaucrat, who is also an expert in administrative law, pointed out the novelty of the bill, which made policy makers cautious:

> In my opinion, the problem was the psychology of public officials. This bill makes officials feel regulated. This is what then created never-ending debates. When public officials are regulated (actions, decisions, and authorities), of course they want to know what the rules are, what would be the policy formulation, and what the impact will be. Therefore, they need a long explanation. So, this team has to be able to give an explanation. What would be the implication? What about other statutory provisions and so on? This is actually about psychological state. Because everything must be rehearsed, where all the articles go through case simulation. Thus, we conducted simulation and socialisation across thirty-four provinces. (Interview participant SB07 25.04.2017, *translated*)

Thus, the empirical findings demonstrate that, for a period of ten years, there was no window of opportunity for the bill—the policy stream (the policy proposal) offered by the policy entrepreneurs was not yet aligned with the problem stream or with the political stream (Kingdon 1984). Neither the socialisation process, the building of coalitions, nor the policy actors' efforts to couple the proposed law with the policy problem were sufficient for legislative progress. One of the reformists' strategies was to argue that the bill was of national importance, and it is interesting that this strategy did not achieve its intended outcome. Of course, the bill eventually did receive considerable attention from policy makers. The next section will pay careful attention to the reasons for that turnaround in the bill's fortunes.

6.4 The Critical Juncture for the 2014 Government Administration Law

During a critical juncture, antecedent conditions allow contingent choices, which set a specific trajectory of institutional development and consolidation—a trajectory that is difficult to reverse (Cappoccia & Kelemen 2007; Collier & Collier 1991; Mahoney 2001). In the case of the 2014 Government Administration Law, policy entrepreneurship was the major force behind the push to bring the draft bill forward for deliberation. However, the bill did not progress as expected, as the policy entrepreneurs could not couple the policy stream (the bill) with the political and problem streams. They could not persuade enough policy makers that the bill was of urgent importance. Thus, the policy problem received little recognition, and the initiative did not align well with the political agenda.

A new opportunity appeared in 2010 for supporters of the proposed Government Administration Bill, when the President Yudhoyono put public administration reform at the top of his agenda, publishing his *National Grand Design for Bureaucratic Reform 2010–2025*. The outlook for the law—as for the proposed Civil Service Law—was now brighter. The outlook improved further on 19 October 2011, when Azwar Abubakar and Eko Prasojo were appointed minister and deputy minister at MoAR (Interview participant DP01 12.05.2017). Eko Prasojo had been involved in the development of the bill since 2003, and his policy entrepreneurship could be seen in his newspaper articles—he had been asked to write these in order to raise the bill's public profile (Interview participant A01 30.05.2017). However, it took time for Prasojo to convince Abubakar of the bill's importance (ibid.).

In 2012, the bill was discussed again by a small team of experts: Prof. Guntur Hamzah, Prof. Zudan Arif Fakrulloh, Prof. Eko Prasojo, Dr Santer Sitorus, and Jusuf Hariri (Interview participant SB10 01.05.2017). There was further work on the bill, so that it could be proposed for inclusion in the National Legislative Program (Interview participant A01 30.05.2017). Later in 2012, Prasojo and Abubakar publicised their initiative, in an effort to revive the public campaign for the bill (ibid.). However, criticism resurfaced, from civil society organisations and from the Corruption Eradication Commission (ibid.).

On 12 December 2012, during commemorations for Anti-Corruption Day and Human Rights Day, President Yudhoyono expressed concern to his cabinet members and heads of agencies, regarding cases where policy makers had been criminalised on account of their decision-making:

> The state is obliged to save those who have no intention of committing corruption, but make mistakes when carrying out their duties. Sometimes, speed is needed in decision-making, a quick policy [decision] is required. Don't let them be found guilty of corruption. (Kompas 2012, *translated*)

Such concerns had been reported throughout the national media. In light of the president's concern, Abubakar liaised with him to arrange an internal cabinet meeting to discuss the bill (Interview participant P02 06.04.2017). On 10 January 2013, the president invited Abubakar and Prasojo to present the bill (UI-CSGAR 2017).

This was the critical moment for the bill, as Eko Prasojo saw the opportunity: the bill could be coupled to a problem that was causing anxiety throughout the country, and at the highest level.

> The most important momentum that needs to be noted is the criminalisation of policy-making. There were more than 250 heads of districts or mayors, public officials including parliament members at local and national levels, who were accused of corruption, which were also labelled as the cases of criminalisation for policy-making. This is a momentum that in my opinion is the strongest to push the urgency of the Government Administration Bill. In a cabinet meeting the president asked [me], could this law protect honest public officials? [To which I answered], "It is possible, sir. This law can reduce the criminalisation of policy-making, so that public officials can use their authority properly. So, to mitigate accusations of corruption, officials must use their authority properly, so there we need to regulate it, including the use of discretion. (Interview participant A01 30.05.2017, *translated*)

The narrative promoting the importance of the bill had previously been tailored to emphasise the benefits of “good governance”. At that moment, however, Eko Prasojo and his fellow policy entrepreneurs had modified the narrative in order to address a pressing matter in political circles: the criminalisation of policy making. As Kingdon (1984) has argued, conditions do not automatically translate into tangible “problems”; that translation occurs when previously ignored aspects of a complex situation become salient. Policymakers can facilitate that process by intervening skilfully in public debates. This is how the bill came to the attention of President Yudhoyono (Interview participant P02 06.04.2017).

President Yudhoyono’s interest was due to a growing concern at the slow pace of development programs nationwide, and a feeling that the problem lay in an aversion to risk-taking and to innovation among the heads of agencies and the heads of districts (Interview participant SB07 25.04.2017). This aversion was reasonable, being a reaction to actual events. There had been several cases in which officials had, it seemed, criminalised themselves by doing their jobs—that is, they had been convicted of criminal offences, on account of decisions they had made in the course of their work (ibid.). A senior bureaucrat from the Supreme Court noted two cases that did much to establish the urgency of the bill. One of those cases involved Minister Abubakar himself:

> There were two cases that triggered a sense of urgency about the bill. First, Rohmin Dahuri, Minister of Maritime Affairs and Fisheries (2001–2004), who was known as a clean public official; but because he was so transparent, he documented all the receipts, all monies he received and when he gave [monies] to someone else, he also documented it. But his records meant that he was regarded as involved in corruption. And eventually he was convicted, even though he didn’t use the money at all, let alone

> for personal gain. Secondly, Azwar Abubakar, at the time of drafting, Mr Azwar complained: “with the current rules, I would have been accused of corruption. When I was the governor of Aceh, at the moment of the tsunami, my policy-making was aimed at saving as many people as possible, but [because of my policies], if judged by the recorded size of donations received and transactions, I can be accused of corruption. Even though my priority was to help the people affected by the disaster at that time”. (Interview participant SB07 25.04.2017, *translated*)

The bill was expected to be part of the solution to such problems—it would set clear boundaries, so that officials could justify any use of their discretion and authority (Interview participant SB07 25.04.2017). In light of the potential investigation into Minister Abubakar’s record, his support for the bill seems to fit with his personal interest in securing his position.

The 2014 Civil Service Law was passed on 15 January 2014. The passing of the 2014 Civil Service Law served as another critical moment for the 2014 Government Administration Law, which made policy makers more receptive to further “good governance” reform. Furthermore, as discussed earlier, some of the Law’s reforming elements had been implemented in advance of the Law itself—there were small-scale projects, driven by individual leadership in certain ministries.

Following the passing of the 2014 Civil Service Law, on 17 January, the president mandated the finalisation of the Government Administration Bill by sending an official letter regarding the relevant discussions, to be held between parliament and the government (UI-CSGAR 2017). In the letter, he assigned the task of representing the government to the Ministry of Administrative Reform, the Ministry of Finance, the Ministry of Home Affairs, and the Ministry of Law and Human Rights (Minutes of DPR Meeting, 2014).

Thus, in the history of the 2014 Government Administration Law, the critical moments bring to mind Kingdon's (2003) emphasis on the potential importance of policy entrepreneurs in policy change. As noted in Chapter II, a critical *moment* is not the same as a critical *juncture*.[29] In the case of the 2014 Government Administration Law, policy entrepreneurs facilitated the emergence of critical moments, as their efforts to promote the bill shaped the political discourse. In 2014, the policy proposal made it to the parliamentary deliberation process, because, when an opportunity arrived, policy entrepreneurs seized it to push for legislation. On this occasion (unlike in 2007–2009), the entrepreneurs' strategy achieved the intended outcome, as all three streams converged—not only the policy stream (i.e. the policy expressed in the bill) and the problem stream (i.e. the fact that politicians and officials were underperforming, being constrained by their reasonable fear of self-criminalisation), but also the political stream (i.e. the president and other politicians were motivated to act, in order to protect themselves and achieve their political goals).

So, over a period of ten years, there was a series of critical moments, and eventually a critical juncture. The initiative to pass the Government Administration Bill through parliament did indeed constitute a critical juncture, as the Bill marked a clear departure from the norm, in favour of the adoption of "good governance" principles in public administration. However, in order to understand the strength of path dependence in shaping the policy direction, it is also necessary to pay attention to what came after the critical juncture—the phase of structural persistence and reactive sequence.

[29] A critical moment occurs when "a perceived opportunity arises from significant change". A critical moment can lead to critical juncture, which is "a clear departure from previously established patterns" (Burch et al. 2003, p. 8).

6.5 Structural Persistence and Reactive Sequence

In the history of the 2014 Civil Service Law, the phase of structural persistence and reactive sequence showed how institutional arrangements can change as a consequence of the introduction of multi-faceted reform ideas. The history of the 2014 Government Administration Law presents a similar picture. In this section, the analysis of structural persistence and reactive sequence begins by looking at parliamentary discussion of the Bill. In those deliberations, the arguments and entrepreneurship of policy actors played an important role.

In February 2014, Azwar Abubakar, minister at the MoAR, presented the government administrative bill to parliament. He was accompanied by Eko Prasojo (deputy minister at the MoAR) and high officials from the Ministry of Finance, the Ministry of Home Affairs, and the Ministry of Law and Human Rights (Minutes of DPR Meeting, 25 February 2014). On 20 May 2014, ten different political parties reviewed the bill, and all returned affirmative responses (ibid.). All parties had the same concerns. They wanted to solve the problem of self-criminalisation through decision-making—a problem often faced by colleagues who served as heads of districts and heads of agencies (ibid.).

6.5.1 The Importance of Timing

Over the course of several meetings, Minister Abubakar and Deputy Minister Prasojo together explained the bill's history: how it had been discussed internally by the government since 2004, but had not, before that time, been formally presented to parliament for deliberation (Minutes of DPR Meeting, 25 February 2014). When members of parliament asked why it had taken ten years to reach this stage, Azwar Abubakar explained:

> First, because it was not handled by [the MPs from] Commission II, but someone else at that time. Second, we like to think up the ideal [solution to the problem]. But the point is that, while public officials should not be arbitrary and not make decisions outside their authority, when they make policies for the benefit of the community, then they shouldn't be criminalised. That's just the point. (Minutes of DPR Meeting, 25 February 2014, *translated*)

In his explanation, Abubakar indicated that it was only thanks to auspicious timing that the bill had finally made it to parliament for formal deliberation (Interview participant P02 06.04.2017). There had been many cases in which agency and district heads were prosecuted on account of their decision-making (ibid.). In these cases, administrative rules and regulations had often been overlooked, and since there was no justification for the act, whether it is for public interest or designed for private gain, corruption was assumed to exist (ibid.). Over time, public officials, including politicians and bureaucrats, had become understandably worried. They feared making decisions that would put them at risk—purely on account of the appearance of administrative irregularity —of being accused of corruption (ibid.).

The timing was right in another way—Commission II was handling the draft bill. Commission II included Taufiq Effendi; this chapter has already described his role in leading the previous campaign for the bill during his tenure as Minister for Administrative Reform (Interview participant SB13 08.05.2017). Other MPs on Commission II had also supported that campaign (Interview participant P02 06.04.2017), giving it therefore a high degree of agency to advocate for the passage of the bill. What's more, President Yudhoyono wished to see progress before his term finished in October 2014 (Interview participant P05 24.05.2017). He had therefore mandated the MP representing the

Democratic Party on Commission II to finalise the bill by then (ibid.). This, it was hoped, would show the public how committed the president was to bureaucratic reform:

> So indeed, there are two important factors. First, the president has instructed Commission II of the national parliament to discuss the law to finish it [before his term finished]. There are many laws that are not completed because the commission that discusses the laws does not aim for their completion. I think that was the key factor ... at that time the chairperson of our party, Mr Anas Urbaningrum, told the chairman of Commission II that there was an instruction from the president to finish the deliberation of the law and that our party members should also play an active role in completing this draft bill. It was only verbal, and we did not receive written instruction directly from the president, but [we know] the chairperson talked to the president at that time. (Interview participant P05 24.05.2017, *translated*)

With regard to “right timing”, it is clear from the empirical findings, as described above, that the policy actors were aware of its importance. It was not purely by chance that a widely recognised problem was coupled with a ready-made solution, in the form of the government administrative bill. In short, the “right timing” was partly engineered, as policy actors selected a particular policy choice (i.e. the bill) and carefully promoted it.

6.5.2 Debates Surrounding the Bill’s Reform Elements

This section analyses several issues that emerged when the government administration bill was formally discussed in parliament, and will summarise how parliamentary discussions then proceeded. Some of these had already arisen during intra-governmental deliberations: the scope of the bill; the proper limits of officials’ discretionary powers; the extension of the authority of the State Administrative Court; and the question of how well the proposed law—which was largely a product of policy transfer—would fit the Indonesian context.

Following the president's mandate, parliament held a discussion on 28 May 2014 with three of the experts who had been involved in intra-governmental deliberations (Minutes of DPR Meeting, 2014). Parliament had raised a long list of discussion points, so between June and September 2014, ten intensive deliberation processes were held to finalise the bill, as mentioned by a senior politician from the Democrat Party:

> To streamline the discussion and to ensure efficient use of time, the committee was assigned the task of discussing in depth the material on the draft bill on Government Administration, there being a total number of 595 issues to be discussed, with 103 points related to substance, 441 points on editorial revision, and 29 points remaining as-is in the draft bill … In the 103 points regarding the substance of the bill, the working committee have discussed and agreed on several things, which influenced changes in the draft law covering 14 chapters and 89 Articles. (Minutes of DPR Meeting, 24 September 2014, *translated*)

There were several controversies which arose during the previous intra-governmental deliberations, but remained critical issues (UI-CSGAR 2017). The first concerned the title of the bill, as this would influence the scope of the law (ibid.). Several alternatives were proposed and discussed, including (among others) the "Administrative Law" and the "Governance of Government Administration, Government Administrative Procedure, and State Administrative Law" (ibid.). However, since the scope of the Law was to regulate the administrative aspects of the executive, legislative and judicative systems of the government, the title "Government Administration Law" was considered fit for purpose (ibid.).

Another difficult issue pertained to the exercise of discretion by officials. In May 2006, Vice President Jusuf Kalla had launched an initiative to protect public officials from being criminalised on account of their decision-making (Hukumonline 2006). He had done so through "Government Regulation in Lieu of Acts" (*Perppu*), on the grounds that there was no existing law that offered guidance and protection to officials who wished to innovate in their areas of authority (ibid.). However, this initiative faced strong criticism from civil society organisations such as LBH Jakarta, Seknas FITRA, ICW, KRHN, TI Indonesia, Formappi, and PSHK (ibid.). They accused the government of planning to divert cases of corrupt decision-making away from the realm of criminal law, by categorising them as merely administrative violations (ibid.). These suspicions had been somewhat understandable, since when two well-known politicians, Akbar Tanjung and Said Agil Husin Al Munawar, were accused of corruption, they attempted to avoid punishment by arguing that their cases were matters of administrative accountability, rather than of criminal liability (ibid.).

In any case, there had been controversy over the issue in 2006, and it resurfaced in 2014, during the policy-deliberation process for the government administration bill (Interview participant DP08 04.04.2017). With respect to the use of discretion, the protective force of the proposed law was strengthened by Article 21 (1), which can be interpreted as protection for public officials from criminalisation and declares that it is the State Administrative Court which determines whether abuse of authority has occurred (Interview participant SB08 27.04.2017). Article 21 was criticised by civil society organisations, as they felt that it would prolong corruption cases, and that it could be misused to protect the corrupt. They feared that a suspect might use Article 21 to argue that their case was an administrative issue, and as such could proceed only through an administrative court, and not through a corruption court:

> So at that time, it was emphasised that the internal solution should be prioritised as the solution to administrative issues. This was seen as an initiative to weaken the Corruption Eradication Commission (KPK), even though the intention really was to give public officials the chance to settle administrative matters. However, there might be a possibility that '*mens rea*' (intention to commit an offence) is mixed up with such matters, and that [intention] should belong to criminal law, since it is indicated by fraud, conflict of interest, and illegality. There was a long debate surrounding this issue. (Interview participant SB08 27.04.2017, *translated*)

According to the Law, investigators from the Corruption Eradication Commission would not be able to arrest a suspect until the State Administrative Court had decided that suspect had indeed committed a criminal, rather than an administrative, violation (ibid.).

Besides prioritising internal solutions for administrative issues, the Law assigned particular responsibilities to the Government Internal Audit Apparatus (*Aparat Pengawasan Internal Pemerintah* (APIP)), the internal unit for monitoring and evaluation (UI-CSGAR 2017). The unit was given the task of providing recommendations and reports to the State Administrative Court, in cases where public officials were suspected of committing offences involving corruption, conflicts of interest, causing a loss to the state budget, etc. (ibid.). However, this mechanism attracted further criticism from the Corruption Eradication Commission, on the grounds that the current institutional arrangements placed APIP under the heads of government agencies (Tribunnews 2016). This fact would influence the unit's ability to work independently, as power relationships—involving intimidation, collusion, and so on—might develop between the monitoring staff and the public officials that they should be reporting on (ibid.).

In the preceding intra-governmental deliberation process, a civil society activist was involved as an expert assigned by the GTZ, having worked in Germany as a civil servant at

LASA Brandenburg (the Brandenburg State Agency for Structure and Labour) (Interview participant DP10 04.04.2017). At that time, he had warned that the regulations regarding discretion should be clear and detailed, and that the internal monitoring mechanism should be strong and independent (ibid.). He noted that, while many of the articles in the 2014 Government Administration Law were adopted from Germany's Administrative Procedure Law (the *Verwaltungsverfahrensgesetz*), the articles regarding discretion were not as detailed as their German equivalents, and carried a risk of misuse (ibid.). This risk lay not just in the lack of detail, but also in the power relationships within the Indonesian bureaucracy. With regard to bureaucracy, the Indonesian and German laws applied to very different contexts:

> The German Administrative Procedure Law consists of 103 articles. Many more than the (Indonesian) Government Administration Law, because it regulates various considerations and conditions for making discretionary decisions—decisions that have not been arranged elsewhere. Discretion is possible but with strict conditions, so it is not easily misused by public officials. This is not regulated by our Law. In addition, the Administrative Procedure Law in Germany uses the philosophy that civil servants in Germany are not subject to the Government, but are subject to the Law. Civil servants in Germany have the right to refuse orders from superiors, if their superiors seem to violate public interests. While in Indonesia, civil servants are government tools! (Interview participant DP10 04.04.2017, *translated*)

The idea of regulating discretionary power within government decision-making, as stipulated in the 2014 Government Administration Law, amounts to setting a boundary for the "rule of discretion". The idea is thus in line with the rule of law, a key theme of "good governance". It is important to note that, without the "rule of discretion", government officials have less personal influence, being less able to distribute resources in a clientelistic manner (Lev 1978, pp. 59–60).

The 2014 Government Administration Law may reasonably be regarded as ill-suited to the Indonesian context.[30] Of key importance here is the principle of *monoloyalitas*, "which calls upon all civil servants to support the government", and which has been a powerful tool for the executive in controlling the bureaucracy (Pompe 2005, p. 129). As discussed in Chapter IV, the Indonesian civil service is known for its allegiance to this principle, and as the previous interviewee suggests, this alone might impair the Law's effectiveness. However, the problem is further exacerbated by the informal arrangements of the Indonesian bureaucracy, whereby it is dominated by patronage and clientelism. Its human resource management practices have long been exploited for corrupt purposes (Blunt, Turner & Lindroth 2012b; McLeod 2008;). Appointments, promotions, and transfers are arranged when politicians or public officials wish to circumvent or ignore formal procedures in distributing state benefits, and need loyal bureaucrats to help them do so (Berenschot 2018; Blunt, Turner & Lindroth 2012b).

Thus, while the law may be seen as a solution to a problem—something that provides legal protection to public officials against the danger of self-criminalisation through decision-making—the picture becomes less clear when the Indonesian context is taken into account. In light of the informal arrangements and political complications of the Indonesian bureaucracy, it seems that the law might not bring the same benefits to Indonesia that the *Verwaltungsverfahrensgesetz* has brought to Germany.

[30] It is nonetheless possible that the Law will be more successful in the future—an optimist might consider it "ahead of its time".

6.5.3 The Risks of Policy Transfer

It is important to note that it was the GTZ who first introduced the *Verwaltungsverfahrensgesetz* to Indonesian policy makers. As stated, the GTZ hired Eko Prasojo as a consultant to translate the *Verwaltungsverfahrensgesetz* and to facilitate its introduction to the MoAR (Interview participant A01 30.05.2017). Eko Prasojo was actively involved in the drafting of the Government Administration Bill, and he has stated that around fifty per cent of it was adopted from the *Verwaltungsverfahrensgesetz*:

> Maybe about half, so the articles of that law [the *Verwaltungsverfahrensgesetz*] were up to 145, we only adopted around 87 articles, and that was because we adjusted it to the actual context of Indonesia. (Interview participant A01 30.05.2017, *translated*)

Furthermore, a senior bureaucrat who was involved in the drafting process noted that he introduced the Dutch General Administrative Law (*Algemene wet bestuursrecht*, Awb), while other experts introduced similar laws from the USA, Spain, and South Korea (Interview participant SB07 25.04.2017). As they approached the task with different paradigms in mind, there were debates among legal experts and public administration experts during the intra-governmental deliberations:

> There are those who have [an educational] background with reference to Dutch Law, those who prefer Germany, the United States, Spain, etc. People [law experts] who study a lot of Dutch law, just want to copy it from the Dutch, right? While the person studying from Germany, such as Professor Eko Prasojo, wanted to copy from German law. But he is not a law expert, but a public administration expert. For example, when speaking of discretion, the concept [in German law] is very different from the discretion in Dutch Law. This is what we are trying to get right. So at the beginning, several experts, including senior professors, opposed this [the German approach]. (Interview participant SB07 25.04.2017, *translated*)

It is not surprising that the law experts preferred the idea of basing the draft bill on Dutch law. The 350 years of Dutch occupation had left a strong legacy of Dutch colonial law, which is reflected in the Indonesian Civil Code, the Indonesian Commercial Code, the Indonesian Criminal Code and other legal procedures (Lindsey 2008).

In the case of the 2014 Government Administration Law, the process of policy diffusion did *not* involve coercion or conditionality, which have had a role in many programs funded by international donors. The GTZ and local policy entrepreneurs instead relied on persuasion (Interview participant A01 30.05.2017). However, it was not due solely to their efforts that the policy came to be deliberated in parliament—the policy also accommodated policy elites' interests. In this instance—as in many others—"good governance" could be used as a pretext to continue with corrupt practices. At the same time, there was genuine concern among policymakers regarding the need to protect public officials against self-criminalisation through decision-making. Indeed, that concern was sufficient to outweigh fears about the novelty of the law, and about whether it constituted an appropriate application of "policy transfer" (see Dolowitz 2000).

It is important to note that, while the law involved policy transfer, the policy entrepreneurs did try to recontextualise the imported policy to the local context. During the ten years of intra-governmental deliberation, the GTZ facilitated several workshops and internships at LASA Brandenburg and other German institutions (Interview participant DP10 04.04.2017). These served to affirm (in the participants' minds) the suitability of the original concept—that is, a law based on Germany's Administrative Procedure Law (Interview participant A01 30.05.2017). However, the efforts that were made to contextualise the imported policy do not, in hindsight, seem to have been sufficient to safeguard against the risks involved in policy transfer.

In the case of the 2014 Government Administration Law, three risks of policy transfer are especially evident. The first is the risk of "uninformed transfer", where policy makers fail to investigate all aspects of the policy, including problems that might arise during implementation (Dolowitz & Marsh 2000). This risk is evident in the overlapping mandates between the State Administrative Court and the Anti-Corruption Court, and in the novelty of the law, which has hampered the development of Implementing Regulations.

The second risk is that of "incomplete transfer", which occurs when policy makers fail to import aspects of the policy that are essential for its success. In this case, it was a value structure that was missing—as was pointed out by one of interviewees (above), the Indonesian civil service would have to absorb the values prevalent in the German bureaucracy in order for the law to be effective. In Germany, great importance is attached to the idea of serving the common good, rather than partisan or sectional interests; and to the idea that a civil servant should always adhere to the law, when serving the executive and elected representatives (Interview participant DP10 04.04.2017). In the Indonesian bureaucracy, on the other hand, such democratic values[31] are much less well established. Indeed, under Soeharto's 32-year rule, the civil service was entirely subject to the executive, and all civil servants had to swear allegiance to the government, rather than to the public good.

[31] Pollitt (2003, p. 135) defines democratic values as serving the common good, rather than sectional interests; promoting public accountability; supporting elected representatives; and always observing the law.

The third risk is that of “inappropriate transfer”, which occurs when policy makers overlook the fact that the policy is designed to fit a different political and economic system (Dolowitz & Marsh 2000). In this case, the mismatch was evident in the fact that, in the eyes of some of the Indonesian elite, the 2014 Government Administration Law was something that could be abused, to facilitate the old malpractices. In Germany, the *Verwaltungsverfahrensgesetz* is very much more respected; but Germany and Indonesia are, of course, very different countries. Blunt, Turner & Lindroth (2012b) have discussed the problems that can arise when policy makers turn a blind eye to inconvenient political and economic issues, focusing instead on standard technocratic methods. This flawed approach to policy-making has, they argue, contributed to the persistence of patronage and other illicit practices in Indonesian bureaucracy during the post-Soeharto era.

Despite its critics, the Government Administration Bill was passed and signed by the president on 17 October 2014. Subsequently two Implementing Regulations were designed for the law. However, five years after the primary legislation, only one of those Implementing Regulations had been finalised—the Government Regulation on Procedures for Imposing Administrative Sanctions on Government Officials (PP 48/2016), which was signed by President Joko Widodo on 31 October 2016. The other Implementing Regulation—regarding the procedure for refunding money to the state coffers—is still in the law harmonisation process (Hukumonline 2017). At the time of writing (2020), this regulation remains incomplete. The delay is due in part to an ongoing debate regarding decisions that cause losses to the state budget—the issue is whether or not such a decision should be considered an instance of corruption (ibid.). On account of the incompleteness of the Implementing Regulations, the Supreme Court has published two regulations in connection with the primary legislation, both on guideline procedures. One procedure is for assessing whether an element of conduct constitutes abuse of authority (PERMA no. 4/2015). The other provides guidance on how government officials should handle requests for decisions or for actions (PERMA no. 5/2015).

In summary, the history of the 2014 Government Administration Law provides a good illustration of the dynamics that can exist between structural persistence and the reactive sequence. In this case, the reactive sequence brought progress—the bill passed into law, thus giving legislative weight to “good governance” within Indonesian public administration. However, the reactive sequence came into conflict with strong forces of structural persistence, in the form of pervasive, systemic corruption and patronage politics, which brought the risk of legislative capture. The next section describes the outcome that emerged from that conflict.

6.6 Outcomes of the 2014 Government Administration Law

The 2014 Government Administration Law was intended to complement the 2014 Civil Service Law, with both laws being intended to improve Indonesian governance. The relationship between the two laws was described by Zudan Arif Fakrulloh, secretary-general of the Ministry of Home Affairs, at a national seminar of the Indonesian Judges Association:

> Based on its objective, Law No. 30 of 2014, concerning Government Administration, is downstream, and the Civil Service Law [Law No. 5 of 2014] is upstream, and the aim is to implement good governance. The Law on Government Administration has only four focuses, namely: action, decision, authority assigned, and assigning authority. If we look at the concept of actions and/or decisions of government officials in both the government administration and the civil service laws, actually a new

> paradigm in law is being built, linking the approaches of prevention, action, and restorative justice, all carried out simultaneously. (Fakrulloh 2015, *translated*)

In 2017, during an evaluation of the progress made in implementing the law, Mahfud MD, Chair of the State Administrative Law Lecturers Association, made positive remarks on the contributions of the 2014 Government Administration Law. He noted that it strengthened the role of the State Administrative Court; clarified the right to object to and appeal against controversial decisions by public officials; and provided clear regulation regarding the rights of the community in filing lawsuits (Hukumonline 2017).

In response to such praise, other experts in administrative law have expressed different views on the 2014 Government Administration Law's implications. Prof. Philipus Hadjon has criticised the expansion of the role of the State Administrative Court, whereby it now covers the executive, legislative, and judicative orders. He argues that the court is institutionally designed to handle only the executive, administrative aspects of cases—the legislative and judicative sectors have their own mechanisms (UGM 2017). Similarly, Zaenal Arifin Mochtar, a law lecturer at Gadjah Mada University, has criticised the approach that was taken in implementing the 2014 Government Administration Law (ibid.). He argues that the approach was confused in its implications as, during the policy-making stage, the drafting process was dominated by experts in public administration, rather than experts in administrative law (ibid.). Mochtar's argument has been affirmed, to some extent, by one of the policy actors involved in drafting the 2014 Government Administration Law. When interviewed, the policy actor acknowledged that there had been a lack of experts in administrative law during the deliberation process, and that there had been little time to discuss the Government Administration Bill with parliament:

> After receiving the president's letter, we sped up the deliberation with Commission II, so the discussion was very short, until October, maybe only three weeks, but it was intensive, at the national parliament's villa in Cikopo. During the deliberation, I remembered the members of the council were still not that enthusiastic. First, they doubted whether we would have enough time to discuss this before the end of the government's term of office, and most of them did not understand the legal substance. The problem is most MPs do not have a law degree, while this law is directed towards state administrative law, thus, it should be discussed by the people who have expertise in state law administration. This is also our weakness on the side of our organisation, because we do not have a state administrative law unit. (Interview participant A01 30.05.2017, *translated*)

In short, then, there was insufficient expertise during the Bill's policy-deliberation process. By implication, it is likely that there was also a failure to anticipate institutional challenges, such as those which have emerged during the Law's implementation.

Institutional challenges do not, however, entirely explain the difficulties experienced in implementing the 2014 Government Administration Law. The findings here show that there has also been a lack of leadership. No agency has been given any special responsibility to guide the implementation of the Law, or to push forward the finalisation of the remaining Implementing Regulation. In this respect, the 2014 Government Administration Law contrasts with the 2014 Civil Service Law, which established a Civil Service Commission (the KASN) to guide its implementation (see Chapter V). The Ministry of Administrative Reform may be capable of performing this function for the 2014 Government Administration Law, but special arrangements might have been helpful. The evidence shows that, in the absence of a clear mandate, it has often been possible for individuals and agencies to avoid accepting responsibility for implementing the Law (Interview participant

DP04 31.05.2017). A strong policy network might have served to uphold the Law and to guide its implementation, but no such network emerged (ibid.).

The 2014 Government Administration Law added to the authority and workload of the State Administrative Court, but some expert critics were sceptical that this change would help in solving the policy problem. They argued that the court had not proven itself to be effective in executing its decisions, and that it would, in fact, be misused to extend the administrative process in the settlement of corruption cases (Hukumonline 2017). The Anti-Corruption Court (*Pengadilan Tipikor*), in contrast, is considered to have been quite successful—despite institutional weaknesses—in prosecuting those suspected of engaging in corruption. It had been established because pre-existing law enforcement agencies had "not yet been effective and efficient" in addressing corruption (Butt & Schütte 2014). The court was established simultaneously with the Corruption Eradication Commission in 2002, in accordance with one of the key demands of the *Reformasi* movement (ibid.). The pre-existing law enforcement agencies—the police, the public prosecutors, and the courts—were (and are) the main stumbling blocks to effective reform. These agencies are themselves widely considered to be corrupt, and in any case lack the capacity to effectively investigate, prosecute, and try complex corruption cases (ibid.).

Thus, as the 2014 Government Administration Law took a mandate away from an agency that already performed effectively—that is, the Anti-Corruption Court—and gave it to the less well-regarded State Administrative Court, criticism of the Law intensified. Critics feared that it was, in fact, an attempt to weaken efforts to prosecute corruption, and that the new arrangements—supposedly promoting "good governance"—would be used as a pretext to continue with existing patronage-based governance. Indeed, a likely consequence of the

Law is that the Anti-Corruption Court will be sidelined as the State Administrative Court tries to secure convictions itself. The 2014 Government Administration Law risks faltering in the pursuit of another component of "good governance": the eradication of corruption.

Given that the Law has only been in place for five years, and that its Implementing Regulations are still incomplete, it is too early to attempt a definitive evaluation of its effectiveness in promoting "good governance". However, several experts in administrative law have suggested that some of the Law's articles might require amendment if it is to serve effectively as an "umbrella" law for Indonesian public administration (Hukumonline 2017; UGM 2017).

6.6.1 Perverse Outcomes

As discussed above, there has been a tendency to misuse the 2014 Government Administration Law, as a pretext for malpractice—for instance, as a way to extend the process of prosecuting and convicting corrupt government officials. This outcome stems from the manner in which the Law transferred authority away from the Anti-Corruption Court to the State Administrative Court. Not only did this arouse suspicion, it also created real, practical difficulties, as the Law's vagueness blurred the boundary between the two courts. Consequently, there have been legal cases that seemed to belong to both courts, and that seemed to belong to neither.

Historical accounts have shown that, during the authoritarian era, judges who could not further their careers in general courts often switched to the State Administrative Court (Bedner 2001). Thus, there is reason to believe that, with respect to the quality of its staff, the court compares badly with the Anti-Corruption Court. Furthermore, judges, like many other civil servants, are underpaid. The consequence, it has been argued, is a certain amount of persistent corruption—judges accept bribes in order to maintain the kind of lifestyle that they expect and/ or have come to expect (ibid.). In the early *Reformasi* period, parliament passed Law No. 43/1999 to change the status of lower court judges from "civil servant" to "government official". However, despite the politicians' rhetoric, the law made no difference, and judges remained part of the civil service (Assegaf 2007). Law No. 8/2004 on the Courts of General Jurisdiction and Law No. 9/2004 on the Administrative Courts, both passed under President Megawati, reconfirmed the "civil servant status of judges in such courts" (Law No. 9/2004, Article 14(2)). Having studied several cases handled by the State Administrative Court, Bedner (2001) argues that the administrative courts have failed in their duty to protect citizens against arbitrary rule, and in their duty to provide judgments that are supported by consistent legal reasoning.

Despite the Anti-Corruption Court's better reputation, by the terms of the 2014 Government Administration Law it was the State Administrative Court which received extended powers. The Law also blurred the boundary between the two courts, with respect to the handling of cases of abuse of authority or discretion. The Law is thus open to abuse, especially in the service of patronage politics and elite interests in general. In addition, only one of the two Implementing Regulations has been completed. Of course, a law is effective only if it is implemented and enforced. The Law's institutionalisation has so far provided only weak support to anti-corruption efforts.

Risks associated with policy transfer, as discussed above, are a root cause of the Law's current troubles. It is possible that some policy makers saw an opportunity in those risks to accommodate corruption for the sake of elite interests.

6.7 Conclusion

In this chapter, the empirical findings demonstrate how a reform's progress can be influenced by existing structural features, and by the manner and timing of the reform's institutionalisation process. In the history of the 2014 Government Administration Law, critical moments occurred over the course of ten years, from 2004 onwards. The proposed Government Administration Bill was discussed within government as early as 2004, but not until 2014 was it the subject of formal parliamentary deliberation. However, due to several critical moments a critical juncture eventually occurred. One critical moment was when the president prioritised public administration reform, and thus, policy makers became more receptive to the proposed Bill. Another critical moment was the widespread recognition of a common danger facing public officials: the danger of self-criminalisation through honest decision-making. This high-profile policy problem created a window of opportunity for policy entrepreneurs, who were able to present the proposed Bill as a ready-made solution. A third critical moment was the passing of the 2014 Civil Service Law. This seems to have had a "contagion" effect, boosting the credibility of the Government Administration Bill, which had similarly reformist aims.

Following the critical juncture that brought the government administration bill to parliament, the reactive sequence facilitated its legislative progress, as political developments shifted the balance of power in its favour. However, structural persistence—in the form of pervasive corruption and patronage politics—have resulted in legislative capture. Since 2014, the Law has attracted criticism that it assists public officials who are suspected of corruption. It is possible that the Law will, in time, achieve its intended outcome. Alternatively, it may serve to illustrate how, in patronage democracies, such efforts at public administrative reform are at risk of being undermined; and how the prevalent incentive structures may mean that resistance to reform is self-reinforcing.

The history of the 2014 Government Administration Law demonstrates the structural importance of Indonesia's long-standing patronage politics, which have created considerable problems for the Law's implementation. Patronage politics are not, however, the sole cause of those problems. During the policy-deliberation phase, there was very little progress made in institutionalising the Law. Thus, in the years since 2014, there seems to have been a loss of momentum. For instance, there has been a lack of agency in implementing the Law—there has been no clear assignment of responsibilities, no clear mandate.

The 2014 Government Administration Law also highlights some of the risks associated with policy transfer—especially the risks of uninformed transfer, incomplete transfer, and inappropriate transfer. Policy transfer was uninformed, insofar as the policy entrepreneurs did not have access to sufficient expertise in administrative law. Policy transfer was incomplete, insofar as it mainly involved formal aspects of the German Administrative Procedure Law—it did not take sufficient account of the informal rules that underpin the effectiveness of that law. Policy transfer was inappropriate, insofar as, in the Indonesian context, the Law is open to abuse, as a way of facilitating corruption.

The following chapter explores the phenomena of policy learning in the mechanism of institutional change. In so doing, it will provide an in-depth discussion of the possible patterns of interactions between formal and informal rules.

7 Chapter VII

Policy Learning in the Mechanism of Institutional Change

The preceding two chapters discussed the dynamics of structure, institution and agency, using the path-dependence framework. That framework is useful for explaining not just systemic continuity, but also how the process of policy change and reform can give rise to policy-learning effects. In this thesis, policy learning is argued to be a contextually dependent and inherently political process. In the previous two chapters, we saw that when explaining policy change, it can be helpful to begin not with structure, but rather with institutions and institutional change. Structural change often serves as a shock to the system, thereby allowing policy change to happen and providing an opportunity for agents to influence institutional change. In other words, institutions mediate structural effects, thereby empowering agents to shape the further evolution of the institutions themselves.

This chapter seeks to complement the discussions of the previous two chapters by considering the mechanism of institutional change itself, paying particular attention to the role of policy learning among agents and their networks. Policy learning can directly influence policy change as, for example, equipped with new learning, agents may press for a new policy. However, policy learning can also be more indirectly involved in policy change, through its role in institutional change. Institutions involve formal and informal arrangements, which are compatible in times of stability. When institutional change occurs, it may introduce incompatibility. Thus, change may trigger feedback, as agents search for ways to reconcile the formal and the informal, in order to restore stability. Thus, this chapter argues that policy learning is likely to be involved in that institutional change process—both as an influence on it, and as a product of it.

The next first of this chapter provides an overview of the typology of informal institutional framework used for analysis, already introduced in the course of the broader theoretical discussions of Chapter II. Subsequent sections apply the framework to the empirical findings regarding the 2014 Civil Service Law and the 2014 Government Administration Law. The chapter then proposes an analytical model for understanding the mechanism of institutional change, which allows a central role for policy learning, as a response to exogenous or endogenous pressures for change.

7.1 A Typology of Informal Institutions

Institutions can be defined in various ways, but are commonly referred as the combination of formal rules, informal arrangements, and their enforcement characteristics (North 2005). As discussed in Chapter II, formal rules are consciously designed by humans and often codified in written form, such as regulation, policy, law, and constitution (North 1995). Informal rules evolve often spontaneously and unintentionally over time through human interaction, and take the form of unwritten conventions, routines, and behavioural norms (ibid.). The relationship between formal and informal rules is interesting to analyse as they are functionally interrelated (see Chapter II).

Helmke and Levitsky's (2004) typology of informal institutions uses a two-dimensional classification to analyse the interrelationship between formal and informal rules. The first dimension is the extent to which the informal institution and the associated formal institution *converge* or *diverge*—that is, whether following the informal rules produces outcomes that are substantively similar to or different from what's expected (ibid.). The second dimension is the degree to which the formal institution can effectively constrain or enable an actor's political choices—in other words, whether the actors believe that the formal rules and regulations are effective or ineffective, judging by the expected cost of violation (ibid.). Using these two dimensions, informal institutions can be classified into four types:

Table 2 Typology of Informal Institutions

Outcomes	**Effective formal institutions**	**Ineffective formal institutions**
Convergent	Complementary	Substitutive
Divergent	Accommodating	Competing

Source: Adapted from Helmke & Levitsky (2004).

Complementary and *substitutive* informal institutions are in harmony with their associated formal institutions, working *with* and *on behalf* of them, respectively. The *accommodating* and the *competing*, on the other hand, do not support their formal counterparts, working *alongside* and *against* them, respectively. Helmke and Levitsky's typology of informal institutions will be used to divide the following discussion into four sections, corresponding to the four types. In each of the four sections, the 2014 Civil Service Law and the 2014 Government Administration Law are considered in turn, and attention is paid to the influence of both formal and informal institutions on agents and structures.

7.2 Complementary Relationships Between Formal and Informal Institutions

Complementary informal institutions work to increase the effectiveness of formal rules and regulations, by helping to create or strengthen incentives for compliance with them (Helmke & Levitsky 2004). The findings reported in chapters V and VI demonstrate how actors can use informal institutions to work against path dependence. Actors pushed for reform ideas to be implemented in advance of the formal institutions, during the policy-deliberation process, in order to gain acceptance and legitimacy for those ideas.

7.2.1 The Case of the 2014 Civil Service Law

In the case of the 2014 Civil Service Law, the findings indicate the involvement of several complementary informal institutions. During the Law's policy-deliberation process, there was growing scepticism about whether the reform ideas could really be implemented, but policy entrepreneurs were able to bring forward the implementation in pilot projects, in order to demonstrate that a nationwide implementation would probably succeed. For example, open recruitment was introduced for appointing high officials, and the position of "policy analyst" was established within the National Institute of Public Administration (NIPA). Such pilot projects show how informal institutions can serve as a foundation for more formal arrangements.

Chapter V discussed that open recruitment of high officials was considered a threat to the existing promotion system, which was based on seniority within a closed-career system. It was therefore rejected by the "veto" players—the Ministry of Home Affairs (MoHA) and the Ministry of Finance (MoF). Resistance from the MoHA came as no surprise, as they favoured the status quo. At the local government level, open recruitment would have taken away some of the ministry's power in civil service management—power which was often expressed through patronage and clientelism. The MoF had been comparatively more advanced in the implementation of bureaucratic reform. However, their mechanism for senior-level promotions still operated within a closed-career system.

> Many instances of resistance for almost three years have been encountered in the policy deliberation … there were many debates, let alone facing Mr Agus Martowardoyo, [the Minister of Finance] a microeconomic banker, i.e. "how could this reform be carried out because we already have a talent pool in the Ministry of Finance, why should we go through an open selection? Does it mean that other people who

> don't have the competence can enter our system?" (Interview participant A01 12.05.2017, *translated*)

Resistance from the MoF was fuelled also by past experience of reform, initiated from within the ministry. In 2005, Sri Mulyani Indrawati (Minister of Finance 2005–2010) implemented administrative reform in the ministry. The Ministry of Administrative Reform (MoAR; also known as "MenPAN") was involved, but was not considered to have been supportive of the reforming efforts—"MenPAN was often a hindrance to reform" (LaForge 2016, p. 11). In fact, in order to implement reform, Minister Indrawati found it necessary to devise workarounds to circumvent MoAR's non-cooperation (ibid.). Her approach provides an example of what Streeck and Thelen (2005, p. 23) refer to as "institutional layering", whereby actors "work around those elements of an institution that have become unchangeable" by adding new elements, which relieve the bottlenecks. At the MoF, Minister Indrawati's reforms were successful. Indeed, having reformed itself independently, the ministry had little enthusiasm for the proposed new civil service law, and was reluctant to support its recommendations regarding open recruitment.

Resistance from the "veto" players was just one aspect of the challenge to win parliamentary support for open recruitment. Another problem was the absence of examples to show that open recruitment could be successfully implemented within the Indonesian context. This problem would disappear, however, as a consequence of pioneering action in Jakarta Province. Even though the relevant regulations were not yet in place, the province's governor and deputy governor, Joko Widodo and Basuki Tjahaja Purnama,[32] decided to

[32] Both politicians were already known as reformers. Deputy Governor Purnama had been a member of the National House of Representatives from 2009 to 2012 and, sitting on Commission II, had been a supporter of the civil service bill. Governor Widodo had achieved fame as city mayor of Solo (2005–2012). He then became the Governor of Jakarta from 2012 to 2014, and then ran for President

implement open recruitment. Their decision provoked considerable resistance and threats of legal action, but Purnama was confident in his strategy. He explained to the media that the open recruitment process—what he called "the auction of the office position" (*lelang jabatan*)—was one of the important elements of the bill to reform the civil service, and that it was just a matter of time before his reform actions would be justifiable under the new law (Liputan 6, 2013). The efforts of Governor Widodo and Deputy Governor Purnama produced a quick win for civil service reform, as the open recruitment of 44 heads of sub-districts and 267 heads of villages made the approach popular nationwide, and led to it being accepted as best practice (Sendhikasari 2013). The Jakarta reforms provide another example of "institutional layering" (Streeck & Thelen 2005). They show how change can initially be implemented by patching up the existing arrangements; and how such change can generate feedback that, over time, eventually renders the unchangeable elements obsolete (ibid.).

As noted by Eko Prasojo, as many as 39 government organisations reported to the MoAR on their plans to follow suit at the national and local government levels (SindoNews 2013). These reports—that is, the fact of their existence—emphasised the urgency of finalising the draft bill (ibid.). There was even appreciation from the Indonesian World Record Museum, which recognised the Jakarta projects as pioneering—the first-time open recruitment had been used in the civil service (Berita Satu 2013). Furthermore, President Yudhoyono himself praised Governor Widodo and Deputy Governor Purnama (Kompas 2013).

in 2014. As he achieved national prominence, Joko Widodo won the general election and became the President for two consecutive periods (2014–2019 and 2019–2024).

All this recognition served as positive feedback and, as support for open recruitment grew, discussion of the proposed new civil service law became easier (Minutes of DPR Meetings, 20 May 2013, 21 August 2013). Some politicians still opposed open recruitment, but they had to face the facts: the system had attracted popular support and had been recognised by the president as an innovative approach to civil service reform. Thus, "institutional layering" and incremental adaptation had proved successful. In circumstances where it is not easy to revamp or replace the existing institutions, such a "resilience-oriented" approach to policy making can be effective (Howlett & Rayner 2013).

In addition to these provisions for open recruitment, the 2014 Civil Service Law also included a new categorisation of jobs. The implementation of this policy, too, shows how informal institutions can complement formal rules.

The Law defined three types of job: (1) those of high officials, who had managerial responsibilities; (2) functional positions, for the skills-based professions; and (3) administrative positions, involving back-office support (Law no. 5/2014). Before the 2014 Civil Service Law, civil service jobs were categorised according to the 1999 Basic Law on Civil Service (Law no. 43/1999; an amended version of Law no. 8/1974), which defined only *structural* and *functional* positions (Synnerstrom 2007). The structural positions dealt with management, and were classified hierarchically into four echelons, whereas the functional positions were non-managerial and associated with specific professions—teachers, doctors, technicians, etc. (ibid.). Career development was largely restricted to those in structural positions, and the functional positions were treated as second-class jobs (ibid.).

However, the growing importance of career development for those in functional positions was recognised in the *National Grand Design for Bureaucratic Reform* (2010) and the *Roadmap of Bureaucratic Reform* (2010). These programs set the trajectory of reform, mandating that change management be conducted in such a way as to make the bureaucracy fit for its purpose of providing quality service to the public (Dwiyanto 2011). They proposed a decrease in the number of structural positions and an increase in the number of functional positions, in order to promote professionalism and to improve public service quality (ibid.). In 2012, NIPA implemented organisational rightsizing,[33] in order to set an example of how such reform could be conducted; its chairman, Prof. Agus Dwiyanto, had just been appointed through an open recruitment process (Sanusi 2014).

NIPA's organisational rightsizing initiative was consistent with the policy design of the 2014 Civil Service Law (Sanusi 2014). Change management consisted of abolishing units that were, in view of the organisation's vision and mission, irrelevant or non-functional; merging units to avoid duplication of function and reduce operational costs; and creating new units to meet the growing and changing service needs of the public (Muis & Prasetyo 2015). Two strategies were implemented. First, NIPA downsized the structural positions, especially echelons 3 and 4, increased the functional positions, and facilitated staff transfer from structural positions to functional positions (Sanusi 2014). Second, NIPA created a new functional position, that of "policy analyst", in order to build a knowledge-based institution for the civil service (ibid.). That institution was intended to help to create a more

[33] Organisational rightsizing is one of the eight strategies stated in the National Grand Design of Bureaucratic Reform 2010–2025. Rightsizing is defined as a proactive approach to downsizing and restructuring organizations on a continuous basis, which involves a plan to downsize the number and restructure composition of structural and functional positions in the government organisations.

outward-looking public service, and in general to render the organisation fit for purpose (ibid.).

The reforms at NIPA therefore created an informal institution which complemented the 2014 Civil Service Law or, more precisely, which complemented the formal processes which eventually resulted in the passing of that law. The informal institution was managed by policy entrepreneurs, such as Prof. Agus Dwiyanto. Dwiyanto used his discretionary powers as chairman of NIPA to implement reform, despite the lack of formal rules and regulations, in order to contribute to the goal of establishing merit-based reform through legislation.

7.2.2 The Case of the 2014 Government Administration Law

The 2014 Government Administration Law was designed to provide legal frameworks and assurances for several purposes: to prevent the abuse of authority; to ensure accountability; and to provide legal protection both to government officials in carrying out their duties, and to citizens impacted by any abuse of government power (Interview participant SB07 25.04.2017; see Chapter VI). According to this law, it is the State Administrative Court that handles cases regarding legal protection for government officials. The jurisdiction of the State Administrative Court was already regulated by Law No. 9/2004, which restricts it to cases of administrative malpractice. However, the 2014 Government Administration Law expanded its jurisdiction, so that it could handle cases of governmental action, be it by the executive, judicial, or legislative branch. It thus became competent to give judgments on whether an action constituted an abuse of authority. The situation is further complicated by the fact that some types of abuse of authority had become associated with corruption.

Consequently, cases of those types had usually been handled by the Anti-Corruption Court, as regulated by Law No. 46/2009.

There were thus three overlapping laws, and the harmonisation process was insufficient. Since the passing of the Government Administration Bill in 2014, there have been no amendments to Law no. 9/2004 on Administrative Courts or to Law no. 46/2009 on Anti-Corruption Courts. As legal experts have noted, the result has been the creation of ambiguities in the implementation of all three laws.

Helmke and Levitsky (2004) provide an example of complementarity between formal and informal institutions in which a set of shared beliefs and expectations contributes to the efficiency of the formal rules. In the case of the 2014 Government Administration Law, the formal rules have been met with criticism from legal experts, who complain about the overlapping functions of the Anti-Corruption Court and the State Administrative Court, regarding corruption cases that involve abuse of power. However, the problem might be solved by applying the legal norms for settling instances of antinomy (Sahlan 2016). In cases of legal disharmonisation and antinomy, there are three norms that are applicable in both domestic and international legal contexts (Mertokusumo 1986). The first is the principle of *lex superiori derogat legi inferiori*, which dictates that, in a case of antinomy, the law which is higher in the hierarchy overrides the lower one (ibid.). The second principle, *lex specialis derogat legi generali*, dictates that, if two laws govern the same factual situation, the law which applies more specifically to the subject matter (*lex specialis*) overrides the law applying more generally (*lex generalis*) (ibid.). The third and final principle, *lex posteriori derogat legi priori*, dictates that the newer law overrides the older law (ibid.). Thus, according to the principle of *lex posteriori derogat legi priori*, the

2014 Government Administration Law should become the reference in cases of antinomy with the two older laws, namely Law no. 9/2004 on Administrative Courts and Law no. 46/2009 on Anti-Corruption Courts. Thus, legal norms, by providing common priority standards for laws, may serve as a complementary informal institution for the 2014 Government Administration Law, a means of bolstering its effectiveness.

7.2.3 The Two Laws: Overall Findings

The empirical findings demonstrate that complementary informal institutions were important in several areas: the open-recruitment system for high officials; organisational restructuring at NIPA; and the establishment of the functional position of "policy analyst" at NIPA. These were measures whereby proponents of the 2014 Civil Service Law brought forward the implementation of reform, in order to facilitate the creation of the formal rules. These measures created complementary institutions, as they helped to build a foundation for the Law's effectiveness, especially by serving as examples for its implementation. In the case of the 2014 Government Administration Law, a complementary informal institution is provided by the legal norm *lex posteriori derogat legi priori* (the newer law overrides the older law). When applied to the implementation of a law, this norm helps to clarify the law's effectiveness in cases of conflict with earlier laws.

The histories of the two laws illustrate how complementary relationships may exist between formal and informal rules. They demonstrate that, when following the formal rules, actors may retain extensive room for manoeuvre—that is, they may remain capable of advancing their reform objectives by filling gaps, taking care of issues that the formal rules neglect to deal with. In short, actors may use informal rules to enhance the efficiency of the formal rules. Thus, in the absence of the 2014 Civil Service Law, policy actors used ministerial decrees, internal regulations, and guidelines to implement pilot projects (in open recruitment and organisational restructuring). With these projects, they were able to marshal support from their coalitions (which included the media), in order to popularise their reforming approaches, and to make them politically credible.

Origins of change can, in some instances, be located in complementary relationships between formal and informal rules. In the history of the 2014 Civil Service Law, such relationships are connected with both exogenous and endogenous change. Exogenous change occurred at the Ministry of Finance—in the "patching up", whereby new arrangements were layered on top of existing ones, in order to facilitate the minister's reform pilot project (see Genschel 1997; Thelen 2003; Streeck & Thelen 2005). Endogenous change arose from internal learning processes—during the Law's policy-deliberation process, some policymakers were persuaded to look more favourably on the reformers' proposals. In these discussions, the reformers were greatly assisted by the availability of local success stories, such as those provided by the roll-out of open recruitment in Jakarta, and by NIPA's implementation of bureaucratic rightsizing.

7.3 Accommodating Relationships Between Formal and Informal Institutions

Accommodating informal institutions are established when the actors are not satisfied with the rules and regulations in formal institutions, but are unable to change them (Helmke & Levitsky 2004). In such contexts, actors prefer to circumvent the formal rules and regulations, but want to keep the stability of the formal institutions. Thus, they do not demand change, or challenge the formal rules openly (ibid.).

In discussing the recent history of Indonesia's public administration, Chapter IV explained the difference between "wet" and "dry" positions. It also described how the distribution of such positions had become a key aspect of power-sharing arrangements in Indonesia, under successive presidents of the *Reformasi* era. The practice has helped to strengthen coalitional relationships between political parties. However, despite the institution of formal rules against patronage politics, the cabinet appointments still reflect the patronage politics as a result of reorganisation of power after the collapse of the authoritarian regime. Helmke and Levitsky (2004) argue that these arrangements provide an example of an accommodating informal institution—the spirit of the formal rules is contradicted, but the rules themselves are not violated. In addition, while the informal rules create a strong incentive to circumvent the formal rules, that incentive is entirely compatible with the formal institutions—the informal rules mean that, by circumventing the formal rules, the agents help to maintain the stability of the formal institutions (ibid.).

7.3.1 The Case of the 2014 Civil Service Law

There are several aspects of the policy-making process of the 2014 Civil Service Law which demonstrate how informal institutions can help to preserve the stability of formal institutions, even when the actors involved feel constrained, and need to circumvent the formal rules to attain their objectives.

During the policy-making process, there was extensive consultation, in order to overcome resistance and to reach a mutual consensus on how the policy should be designed and implemented. This consultation process provides a clear example of an accommodating informal institution.

In a newspaper article, Sofian Effendi reported that for two and a half years, Vice President Boediono moderated the intra-governmental debates on the proposed civil service law as chair of the steering committee on bureaucratic reform (KPRBN), even as MoAR was trying to push forward the substance of the reforms (Kompas 2013). Even though the vice president himself chaired the meetings, he did not impose a presidential order (Interview participant SB04 12.04.2017), preferring to moderate the policy deliberation in order to reach a consensus, reasoning that it was important that the ministries involved had “ownership” of the draft bill (ibid.). There were at least eighty-four rather unproductive internal meetings held during 2011–2013 between the ministries and the agencies involved, in order to discuss the draft bill in advance of the parliamentary policy-deliberation process (Jaweng 2017). The government found it difficult to reach a consensus, prompting Sofian Effendi to write his newspaper article of 13 May 2013. Effendi had helped to draft the bill, and his article questioned the president’s commitment to what he (the president) had called the top political priority of his second term—the implementation of bureaucratic reform (Interview participant SB01 06.04.2017). Just three days later, the president held a cabinet meeting where he stated that he wanted to thoroughly discuss the draft bill (Kompas 2013). This signalled to the ministries involved that the president wanted the bill to be finalised. However, President Yudhoyono had gained a reputation for being a natural moderator—rather than a natural decision-maker—from his handling of many policies during his term (Aspinall, Mietzner & Tomsa 2015). Given his reputation, it is likely senior bureaucrats would have felt empowered to resist during intra-governmental deliberations, which would have diluted the substance of reform in many articles of the draft bill.

The empirical findings show that, in persisting with extensive consultation, and in avoiding the use of executive orders, the president and vice president pursued a strategy aimed at reaching a consensus, so that the bureaucrats themselves were on board with the policy options. This strategy can be regarded as an accommodating informal institution. The president and vice president were entitled to use executive orders, but they preferred their alternative strategy, and continued to do so even after it failed to produce agreement. They were thinking of the Law's long-term success, reasoning that it would be more easily implemented if it were passed in an atmosphere of consensus. This informal approach is rooted in cultural precepts. "Deliberation to achieve consensus" (*musyawarah untuk mufakat*) has become a key value in decision-making, in preference to the "decision by majority" rule (Bourchier 2019). As March and Olsen (1989) have argued, an informal institution is "part of a code of appropriate behaviour that is learned and internalized through socialization or education" (p. 22), which is often inherited from culture.

In its "veto" arrangements, the history of the 2014 Civil Service Law provides a second example of an accommodating informal institution. As discussed in Chapter V, the president appointed three ministries—Administrative Reform, Home Affairs, and Finance—to work with parliament on the Bill's policy-deliberation process. The three ministries were given their central roles for different reasons. The involvement of MoAR is unsurprising—civil service reform belongs to its policy domain, and the proposed law was one of MoAR's own initiatives. The involvement of MoF, on the other hand, was due to its experience in implementing bureaucratic reform, from the early *Reformasi* period onwards (Interview participant P02 0.04.2017). Finally, MoHA was brought in because it was in charge of the management of bureaucracy at the local government level—that is, provincial, city and district government (ibid.). It was therefore a powerful player in the civil service.

Tsebelis (1995, pp. 301–302) argues the existence of “veto” players is “required for a change in policy” since “the agreement of institutional veto players is a necessary and sufficient condition for policy change”. Veto players’ involvement in the policy-making process increases policy stability, because their agreement to a policy decision is imperative in ensuring the implementation of the policy itself (MacIntyre 2001; Tsebelis 2002). However, extensive consultation between “veto” players is a form of power sharing, which is not necessarily without consequence.

The third example of an accommodating informal institution is an accommodating approach in the 2014 Civil Service Law’s proportional allocation of roles to the government bodies involved. Again, it was felt that “ownership” was important—in particular, that the proposed new Civil Service Commission would be more securely established, if the various government bodies were involved at an early stage. However, the power-sharing formula also put at risk the policy design behind the intended reform. MoAR, proponents of the reform, tried to revive the idea of the Civil Service Commission as an independent body, responsible for guiding reform, and recognised as the highest policy-making and monitoring authority, as mandated by the 1999 Basic Law on Civil Service (Law no. 43/1999). However, such a policy option was flatly rejected by the other “veto” players, and by other agencies involved in civil service management (Interview participant SB02 11.04.2017). MoAR, as just one of several “veto” players, was powerless to defend the reform proposition, and had to agree to the proportional allocation of roles to the bodies involved in the policy-making process.

In view of the growing resistance to reform, and of the endless intra-governmental debates on organisational roles within civil service management, President Yudhoyono decided to reconfirm the role of the National Civil Service Agency (NCSA), in Presidential Decree no. 28 of 2013 (published on 23 August). He did so in order to placate powerful, senior bureaucrats, and to clarify the mandates and lines of authority (Interview participant SB05 02.05.2017). Bureaucrats from MoHA had argued that the roles given to the Civil Service Commission would overlap with the functions carried out via existing arrangements, involving MoAR, the NCSA, NIPA (see Chapter V). They also argued that the proposed commission might disrupt MoHA, in matters regarding the appointment of officials at the local government level (Interview participant SB04 12.04.2017). As a result of these complaints, and Yudhoyono's response, the role of the Civil Service Commission was limited to monitoring the implementation of merit-based recruitment, and to providing recommendations (rather than imposing sanctions) in cases of rule-breaking (CNN Indonesia 2017).

A fourth example of an accommodating informal institution is evident in the accommodation of elite interests as the efforts to reverse the Law grew stronger from the honorary employees[34] and their associations. According to the 2014 Civil Service Law, there should only be civil servants and contractual government employees in the civil service, but not the honorary employees. This means that the honorary employees would have to re-apply and be assessed based on their qualifications to fill the position of either civil servant or contractual employee, once the Implementing Regulations of the Law had

[34] In addition to those formally employed as civil servant, there are probably close to one million people who have informal contractual arrangements, so-called honourary employees (Interview participant M01 10.04.2017). They are not subject to civil service rules and are not formally on government payrolls.

been completed. This was seen as a threat, since many honorary employees felt that they would lose their job if the positions were open for the public to apply. Seeing an opportunity to gain potentially 1 million voters nationwide, Rieke Diah Pitaloka, a politician from the ruling PDIP Party, encouraged honorary employee associations to protest against the Law and demand its revision (Interview participant P09 03.05.2017). Honorary employees have only informal contractual arrangements with the government, and the political and bureaucratic elites have exploited their ability to offer such work as a means of maximising rent and votes. Recruitment is one element of such strategies—honorary employees are hired especially during the run-up to local elections. Furthermore, promotions, demotions, and transfers may be used to reward or discipline honorary employees for providing or failing to provide political support (Kristiansen & Ramli 2006; Rosser & Fahmi 2018; Pierskalla & Sacks 2019). This situation allowed elites to take the opportunity to gain political support and potential rents by supporting the attempts to reverse the Law or change the Implementing Regulation pertaining to employment in order to serve their interests, rather than what is mandated by the Law.

According to one politician—someone who was involved in the policy making for the 2014 Civil Service Law—the initiative to revise the Law was part of the ruling party's strategy to maximise rents, ahead of the 2019 general election:

> The proposed changes to the ASN law are basically to put pressure on the government to accommodate the demand to appoint honorary employees as civil servants, [it's basically] political interests. (Interview participant P08 17.05.2017, *translated*)

Such a strategy had previously been used by President Yudhoyono, in order to reinforce his party's political base (Interview participant M01 10.04.2017). On 11 November 2005, a little over a year into his first term as president, he published a Government Regulation regarding the appointment of honorary employees as civil servants (PP no. 48/2005). Between 2005 and the subsequent presidential election, this regulation must have benefited many honorary employees (and their families), and might, therefore, have won millions of votes for Yudhoyono. In his second term, on 16 May 2012, he published another Government Regulation facilitating such appointments (PP no. 56/2012).

Investigative journalism by Tempo, a national media organisation, has revealed the methods whereby politicians and bureaucrats in many districts sell “seats” to honorary employees, who thereby gain civil servant status. They found that prices were in the range of IDR 15–150 million (AUD 1500–15000) per person (Tempo 2017). In 2018, it was reported that there had been more than 1 million appointments of honorary employees to civil service positions (Liputan6 2018). However, Yudhoyono’s successor, Joko Widodo, has followed in his footsteps—on 2 December 2018, shortly before the 2019 presidential election, he published a regulation regarding contract-based government employees.[35] Moeldoko, Head of the Presidential Staff, stated that it was meant to accommodate demands from honorary employees to be appointed as civil servants (ibid.). This regulation was the third Implementing Regulation for the 2014 Civil Service Law—a law which was initially designed to promote the recruitment of highly competent people from outside the bureaucracy, and not for the accommodation of a spoils system.

In summary, therefore, four aspects of the history of the 2014 Civil Service Law—the extensive consultation, the provision of veto powers, the proportional allocation of roles to

[35] Government Regulation (PP) No. 49/2018 on Management of Contract-based Government Employees.

organisations, and the accommodation of elite interests in the Implementing Regulations—show how informal institutions can be accommodating. While the proponents of reform wished to change the policy and the existing formal rules, they needed to "work with the grain" to achieve their objective. Thus, they made use of accommodating informal institutions, in which power-sharing was the dominant characteristic (Helmke & Levitsky 2004). The opponents of reform, too, worked with the informal institutions, as they agreed with the power-sharing arrangements and they allowed the reform ideas to materialise, in the form of policy change. Unable to challenge them openly, they had to accept the new formal rules, and eventually find ways to circumvent them, in order to secure their interests.

7.3.2 The 2014 Government Administration Law

In the case of the 2014 Government Administration Law, an accommodating informal institution can be seen in the lengthy deliberation process, which involved experts, government officials, and members of parliament. After the initiative of 2004, it was ten years before legislation was eventually enacted. The initiative retained its place on the policy agenda during the tenures of four successive ministers[36] at the MoAR. As described in Chapter VI, this policy change (as one item on the broader "good governance" agenda) was supported by the GTZ, the German government's international development agency that had been providing technical assistance to MoAR since the early *Reformasi* period. In early 2004, the GTZ provided a policy proposition, suggesting that Indonesia could use the German Administrative Procedure Law as a model legal framework for promoting "good governance" in public administration (Interview participant A01 30.05.2017).

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[36] The four successive ministers at MoAR were Feisal Tamin (9 August 2001–21 October 2004), Taufiq Effendi (21 October 2004–29 September 2009), E. E. Mangindaan (23 October 2009–19 October 2011), and Azwar Abubakar (19 October 2011–19 October 2014).

There was a series of meetings, seminars, and workshops during 2004–2012, held to formulate and discuss the draft bill, some within MoAR, others involving other ministries and agencies, and experts in public administration and administrative law. This extensive, intra-governmental policy-deliberation process was due to the fact that the various actors had adopted various paradigms of public administration, and that in the Indonesian context, such a law was something new:

> The debates were long and tough as I recall because of the difference on the conceptual level. There was a paradigm difference about administration law. The experts involved, some are conventional I think, and some are progressive. It took a long time to unify the paradigm … Where this law should be positioned, the concept of government administration, how we give "type" to this kind of law, etc. … that's what made it take a long time [to finalise]. Because we have never had a law like this before. (Interview participant SB07 25.04.2017, *translated*)

Furthermore, after the draft bill was eventually ready to be discussed with the rest of government and parliament, further extensive policy deliberation occurred. There was concern about the potential risks involved in passing a law that regulated the exercise of discretionary powers. As described in Chapter VI, government officials were not ready to have their discretionary powers regulated, as these powers constituted one of their privileges:

> Actually, it was ready [for the formal deliberation process]. It was a psychological effect that made it take a long time [to reach the political agenda] … But because of this psychological barrier, there were these ministers asking again and again—"oh, we are also regulated, and we must obey this?" And then they needed to read it again and then asked: "Please harmonise it again. This bill must be harmonised with other laws and regulations". They went through the details on what would be the consequences …

> This is what makes it take a long time. (Interview participant SB07 25.04.2017, *translated*)

The draft bill did not make it to the formal deliberation process until the government faced reality—that is, the fact that public officials were being prosecuted, merely on account of decisions they had made in their official capacities. The draft bill caught President Yudhoyono's attention in January 2014, partly because he was approaching the end of his term, and partly because he was concerned about a lack of progress in its development (Interview participant P05 24.05.2017). The lack of progress was blamed on widespread reluctance among heads of agencies and heads of districts to make decisions which, if regarded afterwards as administrative mismanagement, might attract criminal charges of corruption (see Chapter VI).

As discussed in Chapter VI, the 2014 Government Administration Law had to pass through a lengthy internal government policy-deliberation process, before it eventually found a policy window and made it to the legislative stage. It was a case that showed how an accommodating informal institution—in this case, the intra-governmental, informal deliberation process—can play a role in "dampening demands for change" (Helmke & Levitsky 2004). Some of the actors involved did not want any change to the existing formal bureaucratic arrangements, whereby they were relatively free to exercise their discretionary powers, so they delayed the proposed policy's arrival on the political agenda. The intended delay gave stability to existing formal institutions, and it was only when the actors involved were faced with a new problem—the danger of self-criminalisation, for them and their colleagues—that the urgency of the previous policy option was reconsidered. In this case, the accommodating informal institution also played a role in updating the belief system of the actors involved, and became one of the mechanisms that facilitated policy change. In the informal intra-governmental deliberations, policy entrepreneurs were able to build agreement in advance of the formal policy-deliberation process, and were therefore able to reach their goal while still complying with formal process, which itself often takes extensive time to complete.

7.3.3 The Two Laws: Overall Findings

The findings demonstrate that accommodating informal institutions can be manifest in extensive consultation, which occurred during the policy-making processes of both laws. In the case of the 2014 Civil Service Law, they were also evident in the provision of veto powers to the ministries involved, in the proportional allocation of roles to government bodies, and in the accommodation of elite interests in the Implementing Regulations. In all of these instances, the formal rules were effectively enforced, but the informal institutions allowed the actors to circumvent those rules to satisfy their various objectives.

In the histories of both laws, accommodating informal institutions were important in the development of political preferences and beliefs. The 2014 Civil Service Law involved a lengthy consultation process, which eventually ended in consensus on a bill, albeit one that was not the same as the original. The deliberations leading up to the 2014 Government Administration Law were a very different process, but they, too, facilitated consensus on the legislation.

The protracted discussions that preceded the parliamentary processes may seem arduous, but findings show that the enduring entrepreneurship of the reformers and their coalitions in fact created a soft institutionalisation process, which created room for policymakers to update their beliefs. Indeed, insofar as they can give rise to endogenous learning processes, the accommodations provided by informal institutions may serve as a cheap means for policy entrepreneurs to achieve their goals—probably the best possible alternative to designing formal institutions. Those soft institutionalisation processes may involve policy learning—individuals may update their beliefs about policy, according to their experience, to analysis, or to social interaction (Checkel 2001; Hall 1993; Heclo 1974). It is important to note that the protracted discussions allowed policy entrepreneurs to instil new knowledge slowly and persistently. For instance, they were able to put together lessons learned from pilot projects, and to present analyses of reform from a variety of contexts. Thus, they could induce policy makers to adapt their preferences, and could slowly win acceptance for reform ideas.

7.4 Substitutive Relationships Between Formal and Informal Institutions

Substitutive informal institutions emerge in situations where rules and regulations have been ineffectively implemented and are poorly enforced, but in which actors nonetheless want to achieve the originally desired outcomes—that is, the outcomes for which the formal institutions were designed (Helmke & Levitsky 2004). As the formal rules are undermined by their own ineffectiveness, the actors, in order to function, act in connivance to provide an alternative for the formal institutions (ibid.). An example of a substitutive informal institution is a “gentleman’s agreement”, with which the actors comply, even though they know that the sanction for noncompliance is low (ibid.).

7.4.1 The Case of the 2014 Civil Service Law

In the case of the 2014 Civil Service Law, substitutive informal institutions played a role in helping the Civil Service Commission gain public prominence. It achieved this in spite of the fact that it had not been granted substantial authority by the formal institutions. As discussed in Chapter V, the establishment of the Civil Service Commission had already been mandated by the 1999 Basic Law on Civil Service (Law no. 43/1999).[37] The Law was formulated in the early *Reformasi* period, and stipulated that the commission would have authority in policy-making regarding civil service management and occupy a powerful position directly under the president.

Unfortunately, the Civil Service Commission prescribed by the 1999 law was never established. The idea of reviving it, via a policy change expressed in the new Civil Service Law, arose out of dissatisfaction with the existing arrangements in civil service management. The system of joint management—involving MoAR, the NCSA, and NIPA—"has so far proven incapable of delivering reforms. A body with the capacity to push for, coordinate and follow up on reforms needs to be established, with the ultimate aim of restructuring the current set-up" (Synnerstrom 2007, p. 162). A silo mentality, overlapping mandates, a lack of coordination, and the absence of a clear, single authority were some of the reasons why those organisations were not able to drive the intended civil service reform nationwide (Synnerstrom 2007).During the policy-deliberation process for the 2014 Civil Service Law, plans for a Civil Service Commission were diluted. The anti-reform

[37] The 1999 Basic Law on Civil Service states that: To assist the President in formulating the policies as referred to in paragraph (2) and provided with certain considerations, a State Civil Service Commission is established by a Presidential Decree.(1999 Basic Law on Civil Service, Chapter II on management policy, Article 13, Paragraph 3, translated)

participants successfully secured their interests and defended their domain in the civil service by deliberately designing a powerless commission.

Table 7.2 (below) provides a summary comparison of the initial reform propositions and the provisions of the Law as finalised. There is a clear contrast between what was envisaged by the reform actors involved in the policy making process and what was achieved. The commission had initially been designed as an executive agency, with authority to implement the merit system. However, the Law mandated merely a monitoring body—its responsibilities were limited to finding and reporting violations in appointment processes. As a result, the Civil Service Commission ended up powerless, subordinate to MoAR and part of the existing set-up for civil service management, incapable of delivering the intended reform. The Commission can instead only monitor the implementation of the merit system, and may make recommendations, but cannot impose sanctions (see Chapter V).

Table 7.3 The Civil Service Commission in Indonesia, as Mandated by the 2014 Civil Service Law—a Comparison of the Initial Propositions and the Final Concept

	Initial proposition	**Final concept**
Form of institution	State institution (*Lembaga negara*)	Non-structural institution (*Lembaga non struktural*)
Function	To carry out guidance functions in the civil service, so as to ensure that the profession is (i) free from political intervention, (ii) clear of corrupt practices, collusion, and nepotism, and (iii) of high quality in its human resources and organisational capacity.	To monitor the implementation of (i) basic norms, (ii) codes of ethics and codes of conduct, and (iii) the merit system in civil service policies and in the management of government agencies.
Roles and Responsibilities	1. To provide advice on the appointment of senior officials. 2. To prepare, review, and evaluate civil service policies and the performance of government agencies. 3. To evaluate the implementation of civil service values in government agencies. 4. To evaluate systems and mechanisms in government agencies, so as to ensure the implementation of regulations regarding civil service discipline. 5. To investigate reports of violations of regulations regarding civil service discipline by executive officials. 6. To provide reports to the president regarding civil service policies and performance. 7. To promote the basic values of the civil service, and its code of ethics. 8. To facilitate continuous improvement in the management of civil service resources. 9. To coordinate training and career development for civil service employees. 10. To improve and develop civil service leadership qualities. 11. To set the pay scale of the civil service. 12. Other duties which are in accordance with the laws and regulations.	1. To supervise each stage of the recruitment process for senior officials: establishing the selection committee; announcing the vacancy; comparing applicants; nominating a candidate; making the final decision; and finally inaugurating the nominated candidate. 2. To supervise and evaluate the application of basic principles, values, codes of ethics, and codes of conduct among civil service employees. 3. To seek information from civil service employees and from the public, regarding reports of violations of basic norms, codes of ethics, or codes of conduct, by civil service employees. 4. To audit documents regarding violations of basic norms, codes of ethics or codes of conduct, by civil service employees. 5. To seek clarification and/or required documents from government agencies, for the purpose of inspecting violations of basic norms, codes of ethics, and codes of conduct, by civil service employees.
Commissioners	Three (one chairman and two members), representing government, academia and civil society.	Seven (one chairman, one vice chairman, five members), representing government bodies and non-government entities.
	(Source: DPR internal document, 2011)	(Source: Civil Service Law, 2014)

As the 2014 Civil Service Law gave it little authority as a formal institution, the Civil Service Commission has been forced, since it was first established, to find alternative ways to gain prominence. The Commission has worked with NGOs to monitor the implementation of open recruitment, with the Corruption Eradication Commission to monitor the illicit practices of buying and selling government positions, with the Election Supervisory Board (*Bawaslu*) to monitor clientelistic practices during elections, and with the media, which has served as an anti-corruption watchdog (Interview participant SB01 04.05.2017).

The empirical findings in Chapter V indicate that the Civil Service Commission has developed a close relationship with the media in order to raise its public profile and to create public pressure for the implementation of the merit system. After the commissioners were inaugurated on 27 November 2014, they had to work without office, staff, or salaries for the first six months. Nevertheless, they were able to cooperate with the media, to let the public know of the Commission's existence (Interview participant SB01 04.05.2017). Ever since, the Commission and the media have worked together intensively to expose violations of the merit system (ibid.). For example, in early January of 2015, the Commission announced such violations happening in the Coordinating Ministry for Economic Affairs, the Ministry of Transportation, the National Development Planning Agency, and several local governments (DetikNews 2015). In these cases, officials had been appointed or promoted to senior positions without going through open recruitment (ibid.). Similarly, when the head of the national parliament appointed a new secretary-general without using open recruitment, the commission and the media protested (Interview participant M01 10.04.2017). Almost every time there was a violation of the merit system, the commission used the media to gain public support and create pressure for compliance with the rules (Interview participant M01 10.04.2017).

The Civil Service Commission gained wider public attention when they revealed violations in the recruitment and promotion of bureaucrats in the Klaten district (Interview participant M01 10.04.2017). The commission engaged with the media about reports from several bureaucrats who claimed to have spent money to secure promotions, only to be denied the positions requested (Jaweng 2017). As these were cases of graft, they were followed up by the Corruption Eradication Commission, who eventually confirmed the existence of corruption—the head of the district had been collecting bribes, in the range of IDR 5–15 million (about AUD 500–1500) per person for junior-level administrative positions, and up to IDR 400 million (approximately AUD 40000) for more senior positions (at the head-of-department level, or echelon 2) (Tempo 2017). It was estimated that the practice of buying and selling positions in the civil service might generate a nationwide turnover of IDR 35 trillion per year (about AUD 35 million), causing losses to the state of up to IDR 350 trillion per year (approximately AUD 350 million) (KataData 2017). Since then, the Civil Service Commission has worked together with the Corruption Eradication Commission on similar corruption cases, and the two organisations have signed a memorandum of understanding to support future cooperation (DetikNews 2017).

The Civil Service Commission has, in addition, worked with the Election Supervisory Board to monitor the conduct of civil servants during local elections (Interview participant SB01 04.05.2017). The commission has found bureaucrats using various means—government grants, social welfare, the provision of infrastructure, subsidies, licenses, etc.—to influence potential voters on behalf of their politician colleagues (Dwiputrianti 2018).

The Election Supervisory Board observed that in the 2018 local elections alone, there were 721 cases in which bureaucrats were involved in electoral support, out of a total of 3567 reported violations (Tribunnews 2018). The involvement of such a large number of bureaucrats was due to the fact that there were more than 300 incumbents running in the elections. In these cases, the bureaucrats had strong incentive—the safeguarding of their own positions—to provide electoral support (Tempo 2018). In response to such monitoring reports (detailing bureaucratic involvement in local elections), the commission pursued further action with MoAR, MoHA, and the NCSA to impose sanctions on the bureaucrats involved (KASN 2017). As the incentive for providing electoral support was often a promotion, the most common sanction was to be barred from promotion for three years (ibid.).

The Civil Service Commission works with NGOs through the Coalition for Bureaucratic Reform, a forum developed by several NGOs: the Indonesian Forum for Budget Transparency (FITRA), the Centre for Regional Information and Studies (PATTIRO), and the Regional Autonomy Implementation Monitoring Committee (KPPOD) (Interview participant DP05 10.04.2017). These NGOs have also helped to promote the Civil Service Commission in the media, and lobbied parliament when the ruling party, the PDIP, launched an initiative to revise the 2014 Civil Service Law (ibid.). The initiative recommended the dissolution of the commission, to which NGOs voiced strong opposition (Media Indonesia 2017).

With the support of the media, the Corruption Eradication Commission, the Election Supervisory Board, and NGOs, the Civil Service Commission has been able to defend its domain in the civil service. By working together, reform-minded actors and organisations created substitutive informal institutions, which provided the Commission with an alternative means of performing its function, apart from its formal institutional powers. Using these strategies, the Commission was thus able to overcome the limits placed on its authority.

7.4.2 The Case of the 2014 Government Administration Law

As Minister of Administrative Reform during 2004–2009, Taufiq Effendi was closely involved in intra-governmental discussions regarding the idea of a Government Administration Bill. The discussions involved lengthy debates among experts in law and public administration (Interview participant P04 08.05.2017), and led him to believe that there was a lack of expertise in administrative law within the government. It was these debates, above all, which led Effendi to establish a study program in administrative law. He felt that, if expertise and resources were available, the Government Administration Bill could be effectively implemented in the future (ibid.).

In pursuing his proposed study program, Taufiq Effendi contacted the Minister of Education and Cultural Affairs (Interview participant A01 30.05.2017). Three universities were invited to join his initiative: the University of Indonesia in Jakarta, the University of Mulawarman in Samarinda, and the University of Hasanuddin in Makassar (ibid.). Of the three, only the University of Hasanuddin was keen to implement the initiative. A professor in the Department of Law supported the initiative and argued that a Department of Administrative Law be established as a means of correcting the knowledge deficiency that had been exposed:

> This is a study program that can prepare scholars to have the mindset and cultural awareness required by this bill, the Government Administration Bill … I happen to be able to support that initiative. [And] We have the resources. But how? I suggested that [the Minister of Administrative Reform] talk to the Minister of Education and Cultural Affairs. The Minister of Education finally gave permission and we established a study program as a pilot project. This [the Administrative Law Department] is the fruit of the Government Administration Bill. We developed the curriculum, which is a combination of state administration, state administration law, and management. (Interview participant SB07 25.04.2017, *translated*)

The lack of legal expertise was not the only concern. There was also a fear that, without any guiding agency, or any other mechanism to clarify how the law should be implemented, everyone would use the law for their own interests:

> What does this mean and who handles the Government Administration Law? This is unclear. Is it the Ministry of Administrative Reform? This is different to the Civil Service Law, in which the division of roles is clear, such as National Institute for Public Administration for competency development, Ministry of Administrative Reform for this role, National Civil Service Agency for this role, and Civil Service Commission for that role … So it is as if this [Government Administration] Law is just set too loosely, without any implementation mechanism, especially since the Implementing Regulations have not yet been completed. If the law is not guided in its implementation, there will be many implications. (Interview participant SB15 29.05.2017, *translated*)

The empirical findings indicate that the formal rules were ineffective in this context, because no agency had been assigned to guide the implementation, and because there was a lack of expertise in government administration. It was therefore sensible to see a need for more people with expertise in administrative law, as such experts could help to clarify the interpretation of the law, and to develop a helpful discourse—something which would facilitate the functioning of the law within the institutions. Thus, the study program, and the expertise it was designed to produce, could together amount to a substitutive informal institution for the law's formal implementing arrangements.

7.4.3 The Two Laws: Overall Findings

Substitutive informal institutions have played a critical role in ensuring that the two laws can function institutionally. In the case of the 2014 Civil Service Law, reform-minded actors and agencies built a coalition to defend their domain in bureaucratic reform, and in the case of the 2014 Government Administration Law, efforts were made to develop expertise in administrative law. In both cases, it is hoped that informal arrangements between networks could become a substitute for, and eventually replace ineffective formal institutions.

The two laws together show how substitutive informal institutions can facilitate institutional change, whether the pressures for change are exogenous or endogenous. The history of the 2014 Civil Service Law illustrates how "patching up" can be a mechanism of institutional change. In "patching up", pressures exogenous to established institutions are relieved by supplementing those institutions with alternatives, in order to achieve intended change (see Genschel 1997). In this case, the alternatives were substitutive informal institutions. Coalitions of support—involving other government agencies, NGOs and the media—have helped the Civil Service Commission, despite its limited *formal* authority and lack of independence, to function and to effect change in the civil service. Although the commission remains subordinate to MoAR, and bound by the ministry's arrangements with the NCSA and NIPA, it remained able to effect change by use of substitutive informal institutions.

The 2014 Government Administration Law was partly driven by exogenous pressures, most obviously from GTZ, but endogenous pressure was also present, and the Law's history shows how endogenous learning can be important at the moment of institutional creation. During the policy-formulation stage, one of the key policy makers—Minister Taufiq Effendi—saw the need for a pool of experts, capable of guiding the implementation of the proposed law. Insofar as that pool of experts would be separate from the institutions bearing *formal* responsibility for the Law's implementation, it would serve as an informal institution. Furthermore, in the years since the Law was passed, the formal institutions have not, in fact, been very effective in implementing the Law. Thus, the pool of experts may, in time, become a *substitutive* informal institution.

7.5 Competing Relationships Between Formal and Informal Institutions

Competing informal institutions become entrenched when actors are willing and able to ignore or violate formal rules—that is, when the formal rules are weak, and the informal arrangements "structure incentives in ways that are incompatible with the formal rules" (Helmke & Levitsky 2004, p. 729). Such situations are often found in political systems that are dominated by "clientelism, patrimonialism, clan politics, and corruption" (ibid).

7.5.1 The Case of the 2014 Civil Service Law

In the case of the 2014 Civil Service Law, the empirical findings show clear evidence of competing interests. Interviewees cited many cases of favouritism, bribery, and exchange of favours in the context of the recruitment, promotion, and transfer of bureaucrats—all activities incompatible with the regulations on merit-based appointments, and thus with the formal institutions (see Chapters V).

The Civil Service Commission and the Corruption Eradication Commission have co-operated in handling cases of bureaucratic corruption that violate the merit system, such as the buying and selling of government posts. However, neither commission has the resources needed to investigate, follow up and, if necessary, prosecute the many hundreds of cases that arise each year. The Civil Service Commission is located centrally in Jakarta, so it is completely reliant on reports from local bureaucrats and civil society organisations to cover cases of rule-breaking across the 34 provinces (consisting of 416 districts and 98 cities, as of 2018). In the cases involving the heads of district in Klaten and other districts, investigations were based on anonymous reports submitted by such local sources (Interview participant SB06 04.05.2017). Due to a lack of resources, the law is enforced only to a limited extent, and illicit recruitment practices persist.

Findings also demonstrate how the formal rules of the 2014 Civil Service Law are, in some respects, ineffective. Those rules have allowed the deeply entrenched system of perverse incentive to survive decentralisation, along with opportunities for political clientelism. The Law states that:

> The Civil Service Officials, hereinafter referred to as State Apparatus, are the civil servants and the government employees with work agreements, who are appointed by the official in charge of staffing. (2014 Civil Service Law (Chapter 1 on general rules, Article 1, Paragraph 2), *translated*)

According to Government Regulation no. 9/2003 (Chapter 1 on general rules), the "officials in charge of staffing" are as follows: at the local government level, the governor (the head of the provincial government); at the district level, the head of district; and at the city level, the mayor. Thus, elected politicians continue to be the highest regional authorities regarding the appointment of bureaucrats. They have maintained their control over recruitment, promotion, and transfers of civil servants and honorary employees, and are still able to use that control to shore up their political support and to help them gain control over state resources. Berenschot (2018) has argued that it will be difficult to institute merit-based bureaucracy in Indonesia, as long as it remains a patronage democracy—that is, a place where there are strong incentives for politicians to prefer loyal bureaucrats to capable ones. His view is confirmed by Diamond (1999):

> Where hierarchical chains of particularistic, patron-client relationships are already the dominant mode of politics, shifting discretionary financial authority from the central to the local level may simply shift the locus of clientelism and corruption from the central to the local arena, making these problems even tougher to control. (Diamond 1999, p. 244)

As elected politicians can award jobs of various seniority at their discretion, they may do so according to the monies received. Thus, civil service positions remain tradable goods that "reflect unequal opportunities for informal income generation"—candidates may get "wet" or "dry" positions, depending on the prices they can afford to offer (Kristiansen & Ramli 2006, p. 225). This pattern of behaviour has become difficult to alter, since it operates within an informal institution that is built on "personal loyalty networks", in which those involved "can accept bribes and kick-backs without fear of reprisal" (Manning 2000, pp. 33–36). These networks therefore provide a competing informal institution that can replace the formal institution. The actors involved are able to avoid potential sanctions so long as their networks remain solid, ensuring that the informal institution continues to work on their behalf.

7.5.2 The Case of the 2014 Government Administration Law

One key finding of the analysis is that, in some cases, competing informal institutions may allow actors to co-opt the formal rules for very different purposes. The 2014 Civil Service Law has been criticised by legal experts, on the grounds that it might be misused to disrupt the prosecution of corruption cases. Indeed, the Law provides an example of how formal rules can be simultaneously complied with and misused. In this case, an informal institution has developed, whereby actors can achieve objectives that violate the spirit of the formal rules; and yet the formal rules permit that informal institution. The 2014 Government Administration Law states that:

> The Government Agencies and/or Officials can submit requests to the Court to assess whether there is or is not elements of abuse of Authority in Decisions and/or Actions. (2014 Government Administration Law, Article 21, Paragraph 2, *translated*)

The phrase "can submit requests" means that government officials may, at their discretion, have their cases processed in the State Administrative Court, and need not comply with any demand from the prosecutor that it be processed in the Anti-Corruption Court (Interview participant A02 10.05.2017). This discretionary power constitutes a loophole for those who really are corrupt, for the State Administrative Court offers a way to avoid the risk of the criminal sanctions that might be imposed by the Anti-Corruption Court (Interview participant DP02 16.05.2017). In this regard, the alleged officials can divert corruption charges to the State Administrative Court, with its lesser penalties, where—win or lose—they are now protected from having to face the Anti-Corruption Court. Thus, if a corrupt individual is convicted (or, indeed, wrongly acquitted) by the State Administrative Court, his or her case can no longer be submitted to the Anti-Corruption Court. Legal experts have therefore complained that the Law will potentially undermine efforts to curb corruption (ibid.).

Tahyar (2010) argues that the Anti-Corruption Court has always faced “wilful neglect”, as it has been regarded as the “stepchild of Indonesian judiciary”. In addition, in assessing judicial performance in Indonesia, Butt and Schütte (2014) argue that, compared to other courts, the Anti-Corruption Court has gained prominence and notoriety (among the corrupt), despite many efforts to weaken the institution. Thus, “insulating the *Tipikor* [Anti-Corruption] Court from the existing system by limiting its jurisdiction and introducing special legal procedures can undermine equality and fairness, if other corruption cases continue to be heard by non-specialized courts” (ibid., p. 617). The ordinary law enforcement institutions are still considered to be underperforming, and their capacity and integrity remain stumbling blocks. They are “widely considered to be corrupt and lacking capacity to effectively investigate, prosecute, and try complex corruption cases” (ibid., p. 604).

In summary, certain actors may misuse the 2014 Government Administration Law in their own interests, by avoiding criminal prosecution in corruption cases. Having arisen from a loophole in the law, the competing informal institution challenges the formal rules, and inhibits their effectiveness in promoting the rule of law—indeed, the law itself is used to undermine efforts to curb corruption. The positioning of the informal institution adversarial to the formal is evident in is evident in how its goals conflict with those of the formal institution.

7.5.3 The Two Laws: Overall Findings

The findings reveal that competing informal institutions have undermined both of the laws under study. Those informal institutions are rooted in historical legacies, and reflect enduring structures in the Indonesian bureaucracy, which is still dominated by political clientelism, patronage, and corruption.

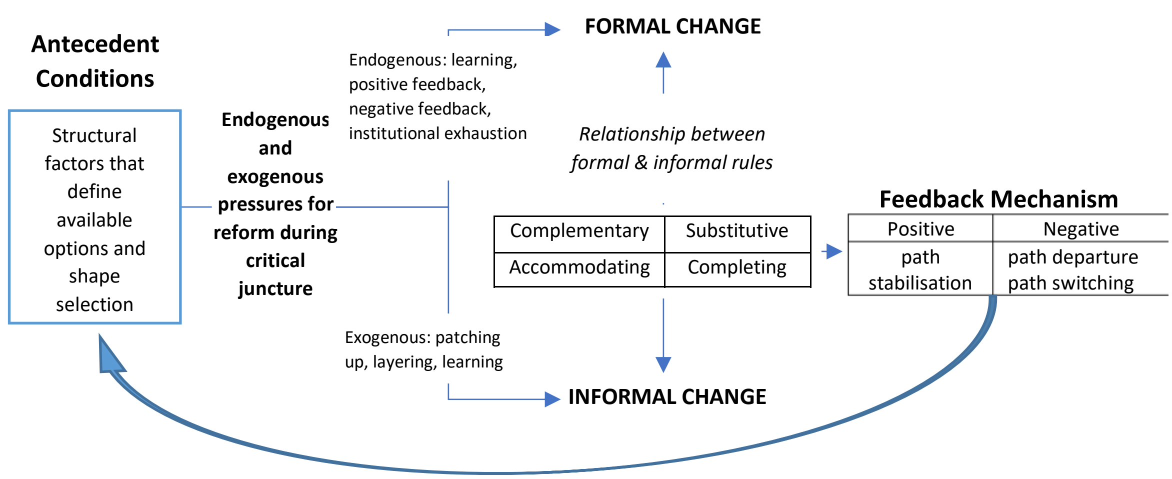
In the histories of both laws, competing informal institutions have been involved in attempts to revert to the previous, unreformed institutional arrangements. In each case, the reactionary mechanism of change involved negative feedback against the new laws and positive feedback in support of the pre-existing arrangements. As discussed in Chapter II, institutional resistance to change can be explained in large part by the fact that institutions tend to generate positive feedback effects in favour of the status quo (Mahoney 2000, pp. 65–69; Campbell 2004). Nevertheless, feedback effects can bring change. In considering endogenous origins of change from the perspective of historical institutionalism, Koning (2016) includes positive and negative feedback effects alongside another process that ultimately leads to the destruction of the institution itself, a type that Streeck and Thelen (2005) refer to as “exhaustion”, in which the institution erodes gradually over time.

With regard to the 2014 Government Administration Law, the mechanism of institutional change also involves “conversion”, a process in which existing institutions are re-deployed to serve new purposes, rather than what was intended (Streeck & Thelen 2005)—a type of endogenous change, according to Koning (2016). In this case, the new formal institutions developed by the law are open to abuse, and thus serve to undermine efforts to curb corruption. It is in this systematic abuse of the new formal institutions, that the competing informal institution has its existence.

7.6 Policy Learning as an Influence on and a Product of Institutional Change

The findings presented in this chapter provide the foundations for a new and more complex approach to policy learning to act as an influence on and a product of institutional change. As can be seen in Figure 7.1 (below), institutional change may reasonably be regarded as something which arises out of dynamic interactions between structure, institutions, and the actors embedded within them; which may be driven either by exogenous or by endogenous pressures; and which may be facilitated by policy learning.

Figure 7.1 Proposed Mechanism of Institutional Change



According to findings in this chapter, institutional change can constrain or empower agents' political behaviour, and shape the network structure, thereby influencing the choice of reform. The influence of institutions is also seen when, in response to structural change—

whether it is facilitated by exogenous shock, or by endogenous pressure that promotes incrementalism—the institutions give feedback effects to structures through path stabilisation, path departure, or path cessation (switching) (Ebbinghaus 2005).

Each of the two laws considered here comprises multiple elements of reform. In many cases, the progress of a particular reform element was path-dependent, due to feedback effects (Pierson 2004). However, the histories of both laws demonstrate how small changes in the configuration of the politico-bureaucratic system can have a cumulative effect, leading to path-creation. Such small changes occurred through patching up; layering; institutional exhaustion; and negative and positive feedback effects, emerging from the reinterpretation or gradual redeployment of existing formal rules (Hall & Thelen 2009; Mahoney 2000; Pierson 2004; Streeck & Thelen 2005; Weaver 2010).

Endogenous origins of change have the potential to generate policy learning, whether intentional or unintentional. Policy actors may use layering, conversion or negative and positive feedback processes to patch flaws in existing institutional arrangements, just as software engineers use "patches" to correct flaws in their products (Howlett et al. 2014; Howlett, Mukherjee & Woo 2015). Of course, critical junctures are more often associated with exogenous shocks, than with endogenous origins of change. Such shocks often provide opportunities for policy actors to couple the "problem" stream (the consequences of the shock) with the "policy" stream (their proposed policy option) and the "political" stream (the disposition of power). Joining these streams will usually involve policy learning—policy actors should gain a deeper or more heterogenous understanding of the proposed policy, causing them to alter their beliefs, knowledge and political preferences (see Chapters V and VI). Furthermore, exogenous pressures for reform often facilitate policy learning from other contexts, as occurs, more or less deeply, in cases of policy diffusion, policy transfer, and policy borrowing. However, such outward-oriented learning is ideally combined with complementary, endogenous learning, which is important for "localizing" (Acharya 2004) and for "imitating, translating, and editing" (Sahlin & Wedlin 2008) policies that seem to have succeeded in other countries.

As has been shown in other studies, findings here demonstrate that formal institutions are often a product of compromise among distinct and even competing interests, as well as ambiguous or contested ideas. Thus, institutional change can be a product of the "slow-developing consequences of a policy regime's internal logic that take a while to develop and/or become more severe over time" (Weaver 2010, p. 139). By implication, institutional change happens not only because of exogenous pressures or in response to external conditions, but also because of endogenous pressures, which have built up through dynamic processes within the institution itself.

7.7 Conclusion

Applying an extended version of Ebbinghaus's (2005) theoretical framework and Helmke and Levitsky's (2004) typology of informal institutions, this chapter has focused on two cases of policy-making—those of the 2014 Civil Service Law, and those of the 2014 Government Administration Law—to explore how institutions are related to structure and agency. The empirical findings include examples in which institutions mediate structural change and provide agents with opportunities to pursue change through their institutions. As described in Table 7.2 (below), such opportunities are seen in the various types of informal institutions—their presence allows agents to navigate through formal rules and institutional boundaries.

Table 7.4 The Histories of the 2014 Civil Service Law and the 2014 Government Administration Law: Relationships between Formal and Informal Institutions

<table>
<tr><th>Outcomes</th><th>Effective formal institutions</th><th>Ineffective formal institutions</th></tr>
<tr><td>Convergent</td><td>Complementary

2014 Civil Service Law:
• Open recruitment of high officials.
• Organisational restructuring at NIPA.
• The establishment of the “policy analyst” functional position at NIPA.
• The reformers’ pilot projects—implementation in advance of legislation.

2014 Government Administration Law:
• Legal norms in cases of antinomy.</td><td>Substitutive

2014 Civil Service Law:
• The coalition built by the reform-minded actors and agencies—an effective substitute for the Civil Service Commission’s weak formal authority.

2014 Government Administration Law:
• The building of expertise in administrative law.</td></tr>
<tr><td>Divergent</td><td>Accommodating

2014 Civil Service Law:
• Extensive consultation during policy making.
• Provision of veto powers to the ministries and agencies involved.
• The law’s proportional allocation of roles to government bodies.
• Accommodation of elite interests in the Implementing Regulations of the law.

2014 Government Administration Law:
• Extensive consultation during policy making.</td><td>Competing

2014 Civil Service Law:
• The pervasiveness of political clientelism and patronage democracy, which undermine merit-based bureaucracy.

2014 Government Administration Law:
• Exploitation of a loophole, permitting misuse of the law to prolong or avoid prosecution in cases of corruption.</td></tr>
</table>

The findings demonstrate clearly the influence of institutions on agents. That influence is evident in how agents express their various objectives, through their treatment of formal rules and informal arrangements. Institutions can constrain agents' political behaviour and choices, but they can also empower them—agents can choose to operate in-between formal and informal institutions, together with their networks. The influence of institutions on structures, by comparison, is seen in the form of mediating effects. Such mediating effects often occur with structural change, and, in such cases, are often evident in the dynamic relationship between formal rules and informal arrangements. In some cases, this mediation is a matter of path stabilisation—where the formal rules and informal arrangements express the entrenched ways of working. In other cases, the mediating effects provide an avenue for path departure or path switching, by allowing reform to happen, either substantial or incremental.

Learning effects can arise from exogenous pressure for reform. In some cases, pressure is "exogenous" in the sense that it is "international"; such pressure might result in learning of the sort that is inherent in policy diffusion, policy transfer, or policy borrowing. In other cases, it might be "exogenous" to a particular institution. For the latter, learning may arise in an institution through the application of "patching up" and "layering"—strategies for change that involve *adding* to an institution (see Genschel 1997; Streeck & Thelen 2005; Thelen 2003;). In any case, whenever exogenous pressure results in learning, the lessons should take account of the local context. Indeed, reform outcomes cannot be explained solely by exogenous pressures, because reform approaches always undergo an internal adaptation process, which involves localisation, contextualisation, and the domestic political process.

During the policy-making process, formal and informal change may occur, leading to incompatibility between formal and informal institutions and, in turn, to a search for a means of re-establishing stability. In such contexts, there may arise informal institutions of any of the four types described in this chapter: complementary, accommodating, substitutive, and competing. The feedback effects generated throughout this process will shape the "antecedent conditions" for a future reform sequence. Positive feedback will result in path stabilisation, whereas negative feedback will facilitate path departure and path switching (Ebbinghaus 2005).

This chapter has recognised connections between institutional change and policy learning, which highlight the role of policy learning as both an influence on and a product of institutional change. The next chapter considers the relationship between institutions and policy learning from a different perspective, by asking how far agents are constrained (or empowered) by their institutions, and the implications of such constraint (or empowerment) for policy learning.

8 Chapter VIII

Multi-dimensional Policy Learning in the Interrelationship Between Structure, Institution, and Agency

The previous chapter focused on institutions—how they change, how they influence structures, and how they shape individual political choices. The findings demonstrated the dialectical relationship between informal arrangements and informal rules, with each influencing the other in an ongoing iterative process. The analysis of the two cases also showed the various ways in which informal institutions can complement, accommodate, substitute for, or compete with formal institutions.

This chapter draws again on the comparative case analysis regarding the policymaking behind the 2014 Civil Service Law and the 2014 Government Administration Law. Unlike the previous chapter, however, it will focus on the interrelationships between policy learning at the structural, institutional, and agency levels, and presents findings on how learning at one level affects learning at the others. The findings provide a basis for the argument that policy learning is multi-dynamic and inherently political, as policy actors update their beliefs and knowledge through learning at various levels. As agents, they combine cognitive and analytical processing; they learn also via their roles within institutions, and through their interactions with the political environment (structures)—for instance, in discussions with other actors during the policy-making process. These different types of policy learning should not be analysed discretely if the aim is to gain a comprehensive understanding of how policy learning is embedded in policy change. Thus, like the previous chapter, this chapter will refer to the structure–institution–agency interrelationship throughout.

The first section of this chapter reviews key analytical components for the study of policy learning. It also aims to show how policy learning is related to structures, institutions, and agents, by addressing some basic questions: at what level learning takes place; how learning at one level influences learning at other levels; and what the effects of learning are. The following sections employ the analytical framework I have developed in Chapter II to explore the dynamics of the policy changes expressed in the 2014 Civil Service Law and the 2014 Government Administration Law. Policy learning and policy change are examined in the national context—the post-authoritarian, democratising period, in which there was a movement for public administration reform. This chapter concludes that, in order to fully understand the dynamics of policy change, it is essential to understand policy learning and its interrelationship with structure, institution, and agency through comparative case analysis.

8.1 Key Analytical Components in the Study of Policy Learning

In order to analyse policy learning, this chapter applied a theoretical elaboration of the policy-making process discussed in Chapter II, taking account of (1) the multi-level policy environment (micro-meso-macro); (2) the dynamic relationship between structures, institutions, and agents in the path-dependent progress of reform; and (3) the embeddedness of policy learning within policy change. Rather than considering these three elements separately, or regarding them as competing frameworks for the analysis of policy change and the policy-making process, this chapter emphasises their complementarity. By considering all three elements in concert, it provides a framework that can explain how policy learning is embedded in the structure-institution-agency interrelationship. Attention is paid to four particular aspects of learning:

1) *learning aggregation*, a process in which institutions and structures are interdependent;

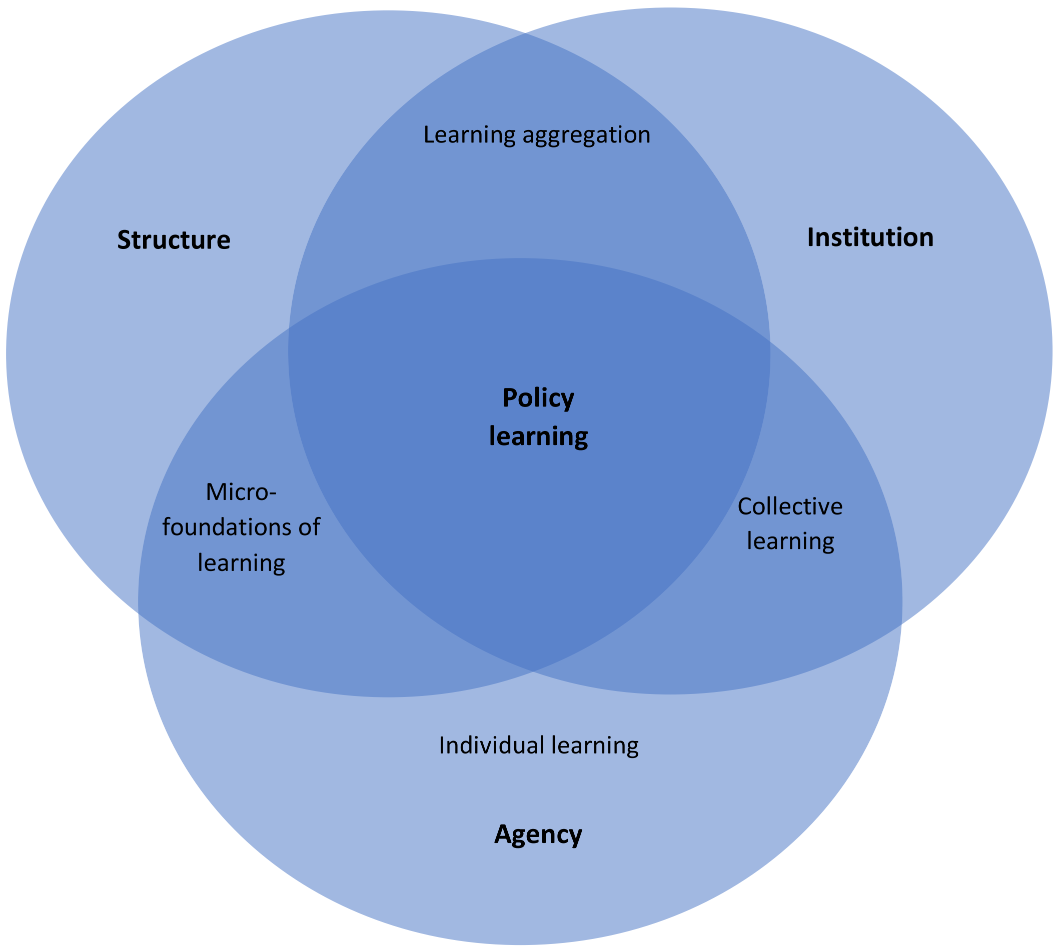
2) *individual learning*, at the agency level;

3) *collective learning*, a process in which agents and institutions are interdependent; and

4) *the micro-foundations of learning*, which reflect the relationship between structures and agents.

Chapter II discussed frameworks for analysing how policy learning is embedded within policy change. It noted the four key aspects of learning listed above, which may be summarised as follows: The *micro-foundations of learning* sit at the intersection between structure and agency. They show that knowledge available at the macro level needs to be picked up by agents if policy making is to be influenced (Dunlop & Radaelli 2017, pp. 6–8). The analysis of micro-foundations covers the role of cognition, and recognises the importance of heuristics, emotions, and surprise for policy learning. *Individual learning* involves the individual process of belief change that happens at the agency level. As information and knowledge are acquired, translated, and disseminated from individual to individual, there is a process of *collective learning* that is beyond any individual's control; that is, no individual can determine whether shared information will be used by others. This collective learning is located at the intersection between agency and institutions, because the collective learning process is conducted within the "rules of the game". Those rules may facilitate learning, but may also lead to group learning pathologies. Finally, there is a process of *learning aggregation*, which pertains to how the learning process is shaped by both institutions and structural contexts.

Figure 8.1 Multi-dimensional Policy Learning in the Interdependent Relationships between Structure, Institution and Agency



Analysis of the data from this study points to two main findings regarding the role of policy learning in the histories of the 2014 Civil Service Law and the 2014 Government Administration Law. First, that policy learning is embedded in the complex interdependencies between structures, institutions, and agents; and second, that the dynamics of policy change and learning are visible in the micro-foundations of learning, individual learning, collective learning, and learning aggregation.

In presenting the interrelationship between structures, institutions, and agents, the previous chapters showed how agents could be constrained by, shaped by, or deeply embedded in their structural and institutional environments. In some instances—such as a change of government, which alters power distribution in the polity—structural change establishes incentives and disincentives for action. These may have an influence over whether agents prefer reforming propositions over non-reforming propositions (Hay 1996; Jessop 1990). In addition, structural changes, which are mediated by institutions through changes in formal and informal rules, "have institution-like effects in that they shape the options and strategies available to agents" (Bell 2011, p. 899). Thus, in responding to structural change, agents may interpret the realities presented to them, equip themselves so as to be able to strategically select a reforming option over other alternatives, and then pursue the intended change. Whichever option an agent chooses, their rationale for action will be influenced by the institutional setting.

Despite being influenced by their institutional setting, the findings in Chapters V and VI demonstrated how agents may need to navigate skilfully through institutional boundaries—for instance, by piloting reform in advance of legislation, or by building coalitions. Chapter VII showed how, when the formal rules are of little use, agents can make use of informal rules in order to deal with recurrent interaction problems. Agents are not consistently subject to rules—agents can bend the rules, find loopholes, avoid rule enforcement, and arrange for rules to be implemented in a manner that suits their agendas and helps them to achieve their goals. As Streeck and Thelen (2005, p. 10) put it: "the meaning of a rule is never self-evident and is always subject to and in need of interpretation". The point is relevant to policy learning, as the understanding of rules may play a role in updating agents' beliefs and knowledge regarding how to translate, interpret, and make sense of their institutions.

This chapter complements those previous analyses, by demonstrating how agents can be more independently active in their institutions—how their actions are shaped, but not wholly determined by their institutional and structural environments. Institutions and structures are found to be not only constraining, but also the "outcome (conscious or unintended) of deliberate political strategies, of political conflict and of choice" (Steinmo, Thelen & Longstreth 1992, p. 10). Thus, in order to take a more nuanced approach to the dynamic relationship between agents, institutions and structures, it is necessary to consider a model of policy learning which recognises that agents are often placed within institutional settings that are both constraining and empowering—a model in which agents can garner the resources and opportunities presented to them, and develop strategies that may enable them to contribute to change.

The following sections apply the key concepts just described above to the earlier empirical findings regarding the 2014 Civil Service Law and the 2014 Government Administration Law. The two cases are considered together in comparative case analysis with each section devoted to one of the four aspects of learning described above.

8.2 The Role of the Micro-foundations of Learning

As discussed in Chapter II on policy-oriented learning, Jenkins-Smith et al. (2014, p. 488) describe policy actors as "boundedly rational with cognitive filters and biases that influence how individuals acquire information and update beliefs"—they are able to learn, but their ability is limited by their everyday cognitive inabilities. Similarly, in their account of the micro-foundations of learning, Dunlop and Radaelli (2017) consider the roles of heuristics, emotions and surprise in policy learning, alongside cognition and rationality. They note that cognition and emotions are two complementary processes, as emotions operate within all types of cognitive process (ibid.). These elements help to explain why different actors can have such heterogeneous perceptions of the policy process (ibid.).

In the case of the 2014 Government Administration Law, the findings show how emotions and surprises played a role in bringing the draft bill to the policy agenda. The bill received the attention of certain key audiences only after it was promoted as a solution to a problem faced by politicians themselves. In this case, the problem was that politicians faced criminal sanction on account of their decisions or policies. That danger made politicians cautious about reform, about innovative actions, and about responses to emergency situations in cases where existing regulations did not provide a solution, were incomplete, or had unclear procedures for reference (see Chapter VI). The findings showed how they approached the bill differently, because they had become emotionally involved with it. Furthermore, as the bill was quite novel, policymakers could not draw on their experience to inform themselves on the feasibility of its implementation, as they had done when considering the 2014 Civil Service Law. Surprise and emotion, therefore, took the place of learning from experience.

The 2014 Government Administration Law had a relatively short formal deliberation process—the government and parliament discussed it over only 9 months; in comparison, the process for the 2014 Civil Service Law lasted 40 months. The findings showed that this much shorter deliberation reflected the urgency of the Bill as a solution to the pressing problem faced by policymakers at that time. There was no time to conduct trials or pilot projects, as had been done for the 2014 Civil Service Law. Thus, there was limited opportunity to do reflective learning during the policy-making process. Dunlop and Radaelli's (2017) observation that under conditions of surprise, learning can often *follow*, rather than precede change, is particularly evident in the case of the 2014 Government Administration Law. Many legislators did not see the loopholes that the Bill would create, and it was only after it was passed that they came to realise how it could be misused by allegedly corrupt officials as a means of avoiding the risk of criminal sanctions (see Chapter VII).

A policymaker's rational choice is affected by cognitive limitations. Learning faces numerous obstructions: limited attention spans, the limited capacity of short-term memory, and slow rates of searching problem-spaces, for instance (Gobet & Lane 2012). As discussed in Chapter II, policymakers are actors who are prone to (1) "bounded rationality", whereby their judgments and choices are constrained by their cognitive limitations; (2) "bounded willpower", which causes them to make choices that are, in some cases, against their own interests; and (3) "bounded self-interest", as can be seen when they altruistically enforce certain values, such as fairness (Thaler 1996, p. 227). With respect to bounded rationality, the problem for present-day policy actors is not a lack of information, but rather its vastness and plausibility, and the easy availability of purported "evidence" to support decisions. As a consequence, policy actors often follow heuristics which are nuanced with biases, as they involve "reasoning by analogy, search through possible examples relying on decision heuristics, or indiscriminately copying policy based on prevailing fashion or limited knowledge and experiences" (Schneider & Ingram 1988, p. 78). These words bring to mind Heclo's remarks on how politics "finds its sources not only in power but also in uncertainty", and on how policy-making is "a form of collective puzzlement" (Heclo 1974, p. 305).

Thus, knowledge and information asymmetry are aspects of the power structure that defines access to information, its availability, and how it can be strategically manipulated in the policy-making process. Consider, for instance, the actions of Diah Anggraeni who held key institutional positions, as both the head of KORPRI and the Secretary General of MoHA, and had family connections with State Secretary Sudi Silalahi, President Yudhoyono's most trusted aide. As discussed in Chapter V, through intensive lobbying and activism, she was able to "dump" the government administrative bill before it received the president's attention.

Information constraints often create problems for policy makers. One of the interviewed politicians acknowledged that he needed support from policy analysts in order to analyse and develop policy recommendations. It was often a major challenge to identify all relevant factors in a problem, to work out their consequences, and to come to a conclusion in a reasonable period of time:

> The ideology of "dataism" in policy making has become increasingly important nowadays. There is no perfect policy, there are always shortcomings in it, which is why it must be designed with thoughtful consideration as to what happens if this policy is implemented, what risks it may pose so that they can be anticipated. Thus, in an era like this, the scientists I need are [policy] analysts, experts who can gather, analyse and read any data trends to inform decision making. (Interview participant P10 05.07.2019, *translated*)

Thus, experts may play a role in helping others to overcome cognitive limitations. However, their participation may create other hazards, such as those related to "framing".

“Framing” is regarded primarily as a cognitive concept, referring to the influence of transmitted messages on individual knowledge and beliefs (Ansolabehere, Behr & Iyengar 1993; Entman 1993; Iyengar & Kinder 1987). It plays a role in “encouraging readers or listeners to emphasize certain considerations above others when evaluating that issue” (Chong & Druckman 2007, p. 637).

As has been noted, each actor is faced with cognitive constraints, and is influenced by their own interests in policy making. In the cases of the 2014 Civil Service Law and the 2014 Government Administration Law, experts featured as policy entrepreneurs who framed or problematised policies, according to their limited knowledge, experiences, and policy preferences. The analysis here shows that contests over its ’framing’ may partly explain why the 2014 Government Administration Law took so long to reach parliament. It was not until 2014 that parliament and the government began deliberations over the Law. There had been numerous attempts to legislate in the preceding ten years—intra-governmental policy deliberation had produced a Law long before 2014 (see Chapter VI). In the case of the 2014 Civil Service Law, on the other hand, the parliament–government deliberation process started less than a year after work began on drafting the Law (see Chapter V).

In view of these contrasting timescales, it is reasonable to wonder whether the framing of the two Laws under study affected their progress. Schmidt (2008, p. 313) argued that framing attempts “succeed when speakers address their remarks to the right audiences […] at the right times in the right ways”. Thus, there are three notions to analyse here. The first is that of using “the right ways”. Cox (2001) and Alcantara (2013) suggest that in order to be successful, discursive frames need to strike a chord with a tradition or a widespread norm. In the case of each of the two laws, the empirical findings suggest that the Laws’ enactment was due, in part, to the argument that it would facilitate reform of a well-known and well-regarded type: “good governance” reform (in the case of the 2014 Government Administration Law) and globalised NPM–NPS-style[38] reform (in the case of the 2014 Civil Service Law).

The second notion to consider is that of acting at “the right time”. Hall (1989) suggests that ideas will only be persuasive when they are relevant—that is, when they seem to constitute an effective response to issues that are of contemporary salience. The findings here indicate that, in the case of the 2014 Government Administration Law, the initiative to bring the bill to parliament gained momentum when it was coupled with the growing problem of self-incrimination—a problem that was extremely salient, as it affected the policymakers themselves, and in several ways. Data analysis from this study indicates that during that period, policymakers were worried not just about the danger of criminalisation facing themselves and their colleagues, but also about the problem’s broader impact—it was believed to be hampering ongoing development programs. And the progress of development would, of course, be a factor in future elections (Interview participant SB07 25.04.2017).

The third and final notion to consider is that of addressing “the right audience”. Ross (2013) proposes that a frame is more likely to be adopted, if the adopting actor can identify with the “source” actor(s). The history of the 2014 Civil Service Law perhaps provides support for this idea. When the Law first reached the parliament–government deliberation stage, it was as a parliamentary initiative. It was a single parliamentarian, Taufiq Effendi,

[38] NPM: New Public Management; NPS: New Public Service.

who had launched that initiative in 2010. However, others too had recently called for bureaucratic reform—indeed, in 2009 the president had made this reform a key theme of his successful re-election campaign (see Chapter V). It is possible, therefore, that many other politicians would have had little difficulty in identifying with Effendi and his supporters; and thus, that their initiative was relatively easy to "frame".

As discussed above, when we compare findings from the two cases the importance of these three concepts is demonstrated—the right ways, the right time, and the right audiences. The findings highlight how "framing" involves connecting the micro-foundations of learning with individual learning. Effective "framing" spurs individual learning by taking account of the structural conditions. It is a challenging task for policy entrepreneurs, as their audiences have cognitive filters such as heuristics, emotions and surprise, alongside rational and informed political judgment. These aspects of individual learning will be discussed in the next section.

8.3 Individual Learning

The findings presented in Chapters V and VI showed how Indonesian policy entrepreneurs sought opportunities to utilise "expert-based information"[39] in trying to promote reform—in placing an issue on the agenda, matching ideas with problems, and advocating for policy change. The challenges of utilising expert-based information in policy have been widely discussed in the literature on research utilisation (Caplan, Morrison & Stambaugh 1975; Dunn 1994; Knorr 1977; Weible 2008; Weiss 1979). There is considerable agreement that expert-based information is often politicised—that policy actors use it to legitimise policy

[39] Expertise had an important role in the histories of both the 2014 Civil Service Law and the 2014 Government Administration Law—in each case, experts participated in drafting legislation, and applied their ideas and knowledge in promoting the policy changes expressed by the legislation.

decisions that have already been made (Fischer 2002; Jasonoff 1990; Jenkins-Smith 1990; Schneider & Ingram 1997). Furthermore, it has also been found that policy actors rarely draw *direct* lessons from expert-based information, either to confirm their views (the political use of expertise) or to critically evaluate them (the instrumental use of expertise) (ibid.). Instead, policy actors learn *indirectly*, through the *accumulation* of expert-based information—also known as the “learning” use of expertise. This process affects policy slowly and indirectly, by altering decision makers’ beliefs about the causes of problems and about preferred solutions (ibid.; Weiss 1977). Indeed, research suggests that lessons accumulate from a variety of sources—not just from expert advice, but also from lived or witnessed experience, analysis, and from social interaction—and gradually alter or confirm a person’s thoughts or intentions (James & Jorgensen 2009; Weible, Pattison & Sabatier 2010).

The empirical findings of this study show that the 2014 Civil Service Law and the 2014 Government Administration Law were, in part, a reaction to dissatisfaction of the reform actors with the 1999 Basic Law on Civil Service. The 1999 law had represented an attempt to reform the civil service, but it was considered to have been insufficiently effective. One of the experts involved in the 1999 law provided strong arguments for further legislation, and for more substantial policy change:

> During the deliberation process, the arguments were strengthened by Sofian [Effendi] as he was the designer of the 1999 Basic Law on the Civil Service, so he knew more about the contents of the Law and its difference to the proposed bill. So, he repudiated the arguments that the 1999 Law was still relevant. Sofian believed that the 1999 Law was made in a rush and within a short period, so it only conveyed general things, and that we needed a more comprehensive law to guide fundamental reforms in the civil

> service. This, in my opinion, was very helpful, because Sofian himself was the head of BKN [National Civil Service Agency] at the time when it was tasked by President B. J. Habibie to do policy change on the [1978] Basic Law on Civil Service. (Interview participant A01 12.05.2017, *translated*)

Other pro-reform experts introduced various reform ideas drawn from bureaucratic practices in other countries. For the 2014 Civil Service Law, these ideas included open recruitment, performance-related pay, pension scheme reform, and the establishment of a new Civil Service Commission. In defence of such ideas, it was argued that they had been effective and financially feasible in those other countries:

> I have learned that many countries took similar approaches. So, I am confident that this [reform] can be implemented, so this will not be a burden for Indonesia. (Interview participant A01 12.05.2017, *translated*)

The findings of this study show how experts made use of transferred knowledge, in order to persuade policy makers to adopt reform ideas that had worked well elsewhere. Other studies have made similar findings. It is common for policy entrepreneurs to promote international best practices, and to use "policy transfer" in framing policy issues and solutions, thereby furthering their policy goals (Dolowitz & Marsh 2000), in particular by increasing the political legitimacy of those goals (McCarthy-Jones & Turner 2015).

Thus, in the two case studies, policy entrepreneurs' individual learning was evident in their application of policy transfer. It was also evident in how they used their knowledge and expertise to manipulate what Kingdon (1995) terms "streams"—that is, to couple their proposed policy options (the policy stream) with bureaucratic problems (the problem stream), and with the interests of the policy elites (the political stream). The empirical findings suggest that successful “coupling” is contingent on the presence of skilful policy entrepreneurs and the strategic use of expert-based information, in order to develop suitable reform proposals and to shape the political agenda.

However, as discussed, both of the 2014 Civil Service Law and the 2014 Government Administration Law under study met with resistance. For the 2014 Civil Service Law, resistance was especially strong in the Ministry of Finance (MoF) and the Ministry of Home Affairs (MoHA):

> The Minister of Home Affairs disagreed, and said “why do we need to change this Mr Azwar? It’s already similar to Law no. 43, why do we need to change it again?” [To which I answered] “It’s different sir, we have to be open [to global demands]”. Then the Minister of Finance [asked], “For what sir? We’ve selected the best system in our institution …” Then the Minister of Finance added, “Mr Minister, we are already very professional in how we arrange this [reform], no need to follow this [draft bill]”. (Interview participant P02 06.04.2017, *translated*)

The Ministry of Finance felt that the proposed reform would disrupt their own reform process, fearing that they might have to adhere to the Law, even though they already had their own ongoing arrangements for performance and human resource management. The Ministry also argued that the government did not have sufficient fiscal allocation to finance the intended reforms (Interview participant SB18 21.05.2017). The Ministry of Finance already regarded civil service salaries as a major financial burden—they amounted to a large proportion of the overall budget (ibid.).

The Ministry of Home Affairs had its own reasons for opposing the reforms, feeling that they were unnecessary and might disrupt the current development agenda:

> There was a growing concern that it would turn into chaos, [and] disruption that would influence the country development agenda, since there was a limited time for the government [to implement the reform] and bureaucracy has to work as usual as if fixing the broken plane while it was still flying. This made it difficult to convince the Minister of Home Affairs Gamawan Fauzi, who has powerful authority over the local government. (Interview participant A01 12.05.2017, *translated*)

Such resistance demonstrated that the policy entrepreneurs' knowledge, accumulated through individual learning, was insufficient to convince all of the key policy actors to support their initiative for policy change. Some of the reform ideas were rather novel, and as such were regarded with suspicion. As Turner (2002) has pointed out, NPM-style reform ideas have been slow to find favour in Indonesia. They were rejected in the 1990s, and it was not until the early 2000s that they began to be implemented. However, even then they were regarded with caution, and brought only slow and sporadic change. The pace of such reform increased during 2003–2010, when programs of targeted reform were undertaken. However, those programs do not seem to have had a substantial effect on policymakers' beliefs about such reform *in general*. While policymakers have accepted the reforms implemented by MoF, the Supreme Audit Board and the Corruption Eradication Commission, they have been slow to support proposals for further reforms of the same type.

Findings suggest that in individual learning, there can be considerable reluctance to accept new and/or contradictory information. They suggest also that witnessed experience is disproportionately effective in triggering belief change. The passage of the 2014 Civil Service Law was in part due to the successful pilot projects initiated by the National Institute of Public Administration (NIPA) and the Jakarta provincial government (in organisational restructuring and open recruitment, respectively). The projects in Jakarta enjoyed a very favourable public response, and so were especially difficult to ignore.

The history of the 2014 Civil Service Law also provides support for the argument that the updating of knowledge or beliefs can be "the result of social interaction among policy actors, or personal-organisational experience, or the provision of new or different evidence" (Dunlop, Radaelli & Trein 2018). In this case, what is especially interesting is how ideas diffused from point A to the centre of the system—a process that is contingent on the presence of a skilful entrepreneur. Prof. Agus Dwiyanto, head of NIPA, was one such entrepreneur—in reforming his organisation, he showed how one person's individual learning can play a role in belief-change among others.

As a professor who had written widely on civil service reform, Agus Dwiyanto joined the coalition that was pushing forward the proposed new civil service law (Interview participant SB15 29.05.2017). In 2012, Dwiyanto was appointed head of NIPA, having been selected through an open recruitment process (ibid.). At that time, circumstances gave Dwiyanto an opportunity to act—NIPA had been performing poorly, and the government had been failing to deal with the poor quality of public policy, so Dwiyanto could easily argue that there was a need for bureaucratic reform (ibid.). Thus in 2013, during the policy-deliberation process of the proposed new civil service law, Dwiyanto implemented change management at his institution (ibid.). He downsized the structural positions by reducing the number of echelon I deputies from five to three, in turn affecting structural positions at lower echelons, providing room for more functional positions (Sanusi 2014). Besides this organisational rightsizing, Dwiyanto also conducted organisational restructuring, aimed at streamlining the business process and at developing a more outward-looking orientation. It was hoped that, with these changes, NIPA could serve as the guiding agency for policy analysts in the civil service (Dwiyanto 2012). All these efforts demonstrated that such change management could be implemented in a bureaucratic organisation, and thereby created an accumulation of witnessed experience, which allowed the policy-deliberation process to move in a direction that was favourable to the proposed new civil service law.

Such reformist success stories (the reforms in Jakarta provided another) did not facilitate only *individual* learning: The learning involved was more complex, interrelated, and featured "learning mechanisms affecting individual A and individual B and relations between individuals and groups or social networks" (Dunlop & Radaelli 2017, p. 311). In a similar vein, Howlett and Migone (2011) have argued that individual learning incrementally translates into collective learning and into the development of policy-paradigms at time *x*, which can affect individual learning processes at time *y*, as well as subsequent policy changes. The following section provides a more in-depth discussion of how individual learning may be connected with collective learning, and how collective learning affects the development of policy paradigms.

8.4 Collective Learning

As defined above, collective learning refers to processes of information acquisition, translation, and dissemination among policymakers (Witting & Moyson 2015). Collective learning featured prominently in the histories of the two laws under study, as the policy-making processes involved the interaction of policy entrepreneurs and powerful elites. Those elites were largely in favour of the status quo, and therefore in opposition to the entrepreneurs. Thus, over time, the interactions served to reinforce the accommodative nature of *Reformasi*-era politics.

In analysing the role of social interactions among actors in learning processes, Dunlop and Radaelli (2017) provide examples of various processes of socialisation and bricolage. Such processes allow policy entrepreneurs to exert influence on policies, even when they are only a minority in the policy community. Socialisation is considered to be “a driver of learning because it can change norms and attitudes and anchor new ones”—hence the role of ideas that are diffused within and among groups (Dunlop & Radaelli 2017, p. 313). Bricolage is a slightly more complex concept. Collective learning is not simply the sum of the individual learning that occurs in a particular group. In bricolage, policy problems are solved as if they are puzzles to be pieced together—a process in which networks are used to generate a shared meaning and understanding of what is known and why it matters for policy choice (Freeman 2007). In the policy-making process, policymakers act as bricoleurs who accumulate, adapt, and tailor knowledge, ideas, and practices for future use, or for whenever opportunities arise (ibid.).

Dunlop and Radaelli (2017, 2018) do not appear to fully recognise the challenges of collective learning. In pursuing change within institutional settings, agents have to deal with rule-bound environments that influence their political choices. One of the consequences of institutional path dependence is that “actors find that the dead weight of previous institutional choices seriously limits their room to manoeuvre” (Pierson 2000, p. 493). Thus, in such cases, the range of acceptable/possible actions may be unclear—the available information to help with decision making being, in fact, contested information. As social influence and its associated dynamics affect social groups in their actions and interactions (Stangor 2009), group pressure can be influential, having modifying and distorting effects on collective learning. Group learning pathologies are a particular source of such effects (Janis 1972). Under the influence of these pathologies, groups and organisations are constrained in their learning, as they limit themselves to the knowledge and information that they *prefer* to adopt (ibid.).

The previous two paragraphs have provided summary introductions to socialisation, bricolage, and group learning pathologies, as aspects of collective learning. The following subsections consider their roles in a comparative case analysis of the 2014 Civil Service Law and the 2014 Government Administration Law. They commence with a discussion of socialisation as an aspect of collective learning where a group of people work their way towards certain norms or ideas, then move to another aspect of collective learning—bricolage—which tends to develop ideas and practice to suit discrete problems and goals. Finally, recognising that collective learning also deals with a complex landscape of overlapping interests and realms of action, the final subsection examines group pathologies, which exist in collective learning where structures and institutions situate agents in a world of “incoherence, not consensual, collective identities” (Parsons, 2010, p. 96).

8.4.1 Socialisation

By definition, socialisation is “a process of inducting actors into the norms and rules of a given community”, the outcome of which is “sustained compliance based on the internalisation of these new norms” (Checkel 2005, p. 804). As socialisation deals with the internalisation of norms and ideas, Parsons (2010, p. 95) argues that socialisation is “a diffused, decentralised, collective and consensual process”. The 1997 Asian Financial Crisis led to Soeharto’s resignation, thereby opening a window for a transition to democratic government. The socialisation of “good governance” in Indonesia can be traced back to that crisis.

During the transition period, several multilateral and international organisations provided assistance to Indonesia and, in doing so, re-introduced[40] norms that express fundamental democratic values. The "good governance" socialisation process, promoted by the IMF and the World Bank, was part of this initiative. Civil service reform, together with reform in other key areas—elections, parliament, budgetary and financial matters, the judiciary and the rule of law, the military—started soon after the democratic transition. In the civil service, reform was influenced by the ideologies of NPM, which has been seen as part of a more neoliberal agenda (Gaus, Sultan & Basri 2017).

The external pressures for reform probably facilitated policy change. However, if they did, it was because of the conditionality of the donors' assistance. In any case, with respect to public administration reform, it seems that, in the early *Reformasi* period, policy decisions could not generate policy actions; that is, the adoption of new laws and the establishment of new institutions. Indonesia waited for more than fifteen years to get the two laws of 2014—and in the case of the Government Administration Law, this was despite the fact that the initiative for the Law had started in 2002, with the project *Support for Good Governance* (SfGG). This slow progress indicates that socialisation needed time—instead, the internalisation of new norms is invariably a long learning process.

Checkel (2005) distinguishes between two types of socialisation among public officers. Type I is related to the learning mechanisms involved in the adoption of new roles, whereby agents follow a logic of appropriateness, knowing "what is socially accepted in a given setting or community". Type II is about changes in values and interests, whereby

[40] The World Bank and the IMF had tried to introduce such norms in the early 1990s, but (as noted above) those initial efforts were treated with caution and rejected (Turner 2002).

agents accept the new norms as "the right thing to do" (Checkel 2005, p. 804). The empirical findings show how external actors can play an important role in type II socialisation, facilitating the introduction of new norms and paving the way for a government to develop its learning mechanisms and internalisation processes. For instance, as described in Chapter VI, the GTZ's international consultants provided technical assistance for the 2014 Government Administration Law, during the early phase of policy formulation.

The 2014 Government Administration Law aims to build effective and efficient public administration, through the implementation of "good governance" values and principles, such as accountability, transparency, integrity, stewardship, and the rule of law. Similarly, the 2014 Civil Service Law promotes professional and meritocratic practices, and thus expresses principles that are not compatible with Indonesia's strong tradition of patrimonial state bureaucracy, which dates back to the colonial period (see Chapter IV). Indeed, favouritism, nepotism, and corruption have long been internalised as ways of working, and they remain obstacles to "good governance" reform.

In the socialisation process, new norms are accepted and internalised, and there may be a paradigm shift. Findings suggest that the 2014 Civil Service Law was associated with such a change:

> First, the paradigm that we apply has shifted, from the paradigm of personnel administration [in Law no. 43/1999] to the paradigm of human resources management [in the new law]. Law no. 43's paradigm is about personnel administration, because it is about the administration of civil servants' employment status, while this new law is more about human resources management. Second, we move from the paradigm of the closed career system approach, which is based on the rank order list, to the open career

> system. Here seniority is no longer the only consideration … so we move from the rank order, seniority, tenure, into competency in the human resources system, as in the open promotion that is based on meritocracy. (Interview participant A01 12.05.2017, *translated*)

This paradigm shift, like the 2014 Civil Service Law, has a long history. The findings here demonstrate that what made it possible was collective learning, rooted in the accumulated internalisation of new norms. Two decades ago, those norms were rejected. However, they gained acceptance during the process of democratic transition, and the Indonesian government internalised them, incorporating them into its domestic rules. Certainly, there was a fifteen-year-long delay in enacting the two laws under study. However, the policy window *did* open eventually, as the norms had become domestically resonant, allowing the long-awaited policy change to be domestically driven and voluntary, rather than the product of external coercion.

The histories of both laws under study suggest that it is possible to over-state the importance of external actors, such as the IMF, the World Bank, and the GTZ. Such actors may insist on the application of "good governance" norms, as part of program conditionality, but such insistence should not be seen as the key driver for reform. Development assistance tends to turn a blind eye to patronage and other malpractice, as donors have other priorities. For instance, donors often seek to disburse quickly, and on highly visible activities that yield distinctive results (Blunt, Turner & Lindroth 2012a). Donors may also seek to maintain long-term, harmonious relationships with national governments, even where those governments are corrupt and authoritarian (ibid.). Thus, the kinds of structural reform pursued by donors might not be accompanied by transformation of norms.

Literature on policy learning suggests that rule transfer and rule adoption require socialisation processes that involve (1) “complex” learning (rather than behavioural adaptation); (2) establishing the legitimacy of rules and the appropriateness of behaviour (rather than bargaining about conditions and rewards); and (3) persuasion (rather than coercion) (Schimmelfennig & Sedelmeier 2005). Thus, as was discussed in Chapter VII, endogenous learning is likely to be important for the acceptance and internalisation of new norms over time, and thus for the institutional change that can facilitate the adoption of a reform policy path. In Indonesia, there was an accumulation of success stories from reforming pilot projects, from sporadic reform initiatives, and from development assistance that expressed the “good governance” agenda. That accumulation eventually created a presumption, among both policy actors and the wider public, that “good governance” reform would support democratisation in Indonesia.

Empirical findings also suggest that the socialisation process involves not only adoption, but also adaptation—the new norms and reform approaches, which may have been borrowed from other contexts, may be subject to a long process of adjustment in the “receiving” environment. Sometimes change cannot happen all at once, but must rather be implemented in stages, especially where it involves paradigmatic change. In the words of a policy actor who was involved in designing the 2014 Civil Service Law:

> Because we are changing from the paradigm, the approach has also changed, so we actually have left the old system… maybe we can we see the result ten years to come, because at this moment those who work as high officials [were recruited through] the open recruitment process. (Interview participant A01 12.05.2017, *translated*)

The process of adaptation may be the result of policymakers' deliberate efforts to better "fit", "translate", or "localize" the imported idea (Acharya 2004; Rose 1991, 1993, 2005; Sahlin & Wedlin 2008; Stone 2012), but may also be a consequence of complicated processes of institutional "innovation" or political "accommodation" (Heilmann & Schulte-Kulkmann 2011; Westney 1987). Adaptation is a major process and should always be considered when importing reform approaches, and thus, the point must be borne in mind when trying to explain why "imported" norms or reform approaches have succeeded (or failed). "Imports" that have worked well in their "home" countries will probably not operate in the same way in the "recipient" countries—their operation will probably reflect more the "complex" learning processes that they have triggered in those recipient countries.

8.4.2 Bricolage

As the transfer and adoption of rules involves "complex" learning, policy entrepreneurs should be prepared to undertake institutional bricolage, rather than "copying-and-pasting" policies from other contexts (de Jong & Edelenbos 2007; de Jong, Lalenis & Mamadouh 2002). Freeman (2007) discusses bricolage in policy-making, regarding it as knowledge-work that involves learning, assembling, disassembling, drawing lessons, and the "piecing together" of a variety of information and experience. This process allows policy entrepreneurs to create something new from what they have acquired beforehand (Freeman 2007). As the policy-making process involves many actors with different interests, a policy entrepreneur may play the role of bricoleur for an extended period, continuing to acquire, assemble, disassemble, and readjust until the policy window opens (ibid.). Radaelli (2004) emphasises that, during this planning period or policy design stage, the contextualisation process is very important for the success of future policy transfer.

For the 2014 Government Administration Law, the process of "piecing together" required policy entrepreneurs to combine various good practices to make one synthesised policy, while taking into account the importance of "contextualisation". Eko Prasojo—one of the policy entrepreneurs who helped to draft the law—describes how he and the people involved in drafting the bill synthesised various practices from other countries and adjusted them to fit the Indonesian context:

> Indeed, many countries have a similar law, such as the Netherlands, Germany, United States, China, [South] Korea, and so we made a comparison between them. What are the arrangements of such law in Dutch, how is it implemented in German, how do the United States, China and Korea deal with certain thematic issues? We also compared the articles in those laws. So, the work is indeed very extraordinary, as we made in-depth analysis of the substance, but at that time people still cannot imagine or were uncertain about the product, and whether we really need this kind of law, its implementation, etc., considering its context in Indonesia. (Interview participant A01 30.05.2017, *translated*)

The problems described above illustrate how the process of bricolage might not be easy or straightforward. However, the uncertainties that emerge during policy making are what create the possibilities for collective learning, as Heclo points out: "politics finds its sources not only in power but also in uncertainty—men collectively wondering what to do" (Heclo 1974, p. 305). Such "puzzling", as a form of collective learning, may be seen during the institutionalisation process. Policy actors may continue to recalibrate the new institution, in a process of trial and error, in order to weed out any unintended features or consequences (Heclo 1974).

Again in planning the 2014 Government Administration Law, a window of opportunity appeared when a particular problem arose, such that a law of this kind could be presented as its solution:

> The most important momentum that needs to be noted is the criminalisation of policy-making. There were more than 250 heads of districts or mayors, public officials including parliament members at local and national levels, who were accused of corruption, which were also labelled as the cases of criminalisation for policy-making. This is a momentum that in my opinion is the strongest to push the urgency of the Government Administration Bill. In a cabinet meeting the president asked [me], could this law protect honest public officials? [To which I answered], "It is possible, sir. This law can reduce the criminalisation of policy-making, so that public officials can use their authority properly. So, to mitigate accusations of corruption, officials must use their authority properly, so there we need to regulate it, including the use of discretion. (Interview participant A01 30.05.2017, *translated*)

While the initial purpose of the Bill was the implementation of "good governance", this alone could not bring the Bill onto the agenda, so its purpose was reshaped as a response to this more immediate problem (see Chapter VI). These events show how policy entrepreneurs can act as bricoleurs, willing and able to learn, in order to pursue changing policies, as the "purpose itself is shaped in part by the tools and material available" (Freeman 2007, p. 486).

Conversely, the history of the 2014 Civil Service Law demonstrates a different way in which bricolage can be important for policy making. In this case, bricolage created room for manoeuvre in the process of negotiation between various domestic players. Bargaining is considered to be a mode of learning, because each actor learns about the strategies, interests, and preferences of the other actors (Dunlop & Radaelli 2013). In this case, the policy actors worked with their coalitions and networks to discover possible ways of cooperation to reach mutual consensus. During the policy-deliberation process, reformers had to agree to a watered-down version of the Law, and the senior bureaucrats (who had opposed the initial version of the Law) were obliged to let the new version pass (see Chapter V).

The empirical findings show how accommodative strategies were implemented to pass the 2014 Civil Service Law. While those strategies sacrificed the *immediate possibility* of more progressive outcomes, they in place allowed reformers to achieve a degree of *actual* change. In addition, because they had been accommodating during the policy-deliberation process, the reformers were in a stronger position to demand compliance with the Law during the implementation phase. Furthermore, by compromising, they created a space for improvement in the future. Settling for the watered-down version of the Law might, to a pessimist, seem no way to achieve meaningful reform, but it was the reformers' accommodative strategies that made policy change feasible. The possibility of creating a new trajectory for reform emerged from the trade-off between promoting progressive policy and achieving actual reform. Without this trade-off, the bill might not have passed into law, as its powerful opponents "planned to dump the bill into the ocean" (Interview participant SB02 11.04.2017, *translated*).

In collective learning, the empirical findings demonstrate that the various processes of socialisation and bricolage allow policy entrepreneurs to navigate around obstacles and to pursue new and changing goals, using the tools and materials they acquire. Similarly, the negotiation process generates collective learning among policy actors, allowing them to creatively cobble together information and experiences into one synthesised product. As the policy-making process deals with uncertainty, it is less about what policy actors know and their actions as individuals, than it is about the processes of assembling, disassembling, and reassembling tools and materials (i.e. information and practical experience). Such processes generate collective learning that matters much more to the policy outcome. However, despite its strengths, collective learning is also vulnerable to group learning pathologies, which will be discussed in the next section.

8.4.3 Group Learning Pathologies

As shown in the findings presented in chapters V and VI, the contemporary Indonesian political environment poses considerable challenges to reformers, especially where the proposed reform threatens elite interests. Some of these challenges lie in group learning pathologies. The histories of the 2014 Civil Service Law and the 2014 Government Administration Law feature instances of several types of group learning pathology, including group inhibition, preferential groupthink, and social loafing (see Janis 1972). They also show how such pathologies may be found in the ways in which roles are distributed, and in the ways in which power is diffused (ibid.).

Group inhibition was particularly evident in both case studies as a consequence of path dependence. In order to block the parliamentary progress of the 2014 Civil Service Law, its opponents orchestrated their networks and personal connections. These groups then put pressure on powerful actors in the government, by framing the risks that the bill posed to existing (status quo) arrangements (see Chapter V). These group-inhibition efforts continued after the Law was passed—its opponents worked to impede the Implementing Regulations, which remain incomplete to this day.

Similar tactics were used against the implementation of the 2014 Government Administration Law (see Chapter VI). These delays in implementation created a perception that the Laws under study could not meet their objectives. In the case of the 2014 Civil Service Law, the perception allowed the Law's opponents to argue for it to be reversed or dismantled, and to propose such change through a formal deliberation process (see Chapter V). The 2014 Government Administration Law has not yet been threatened in such a way. However, its implementation has provoked a public debate among legal experts, some of whom have suggested that the Law be changed (see Chapter VI). So rather than efforts to finalise the Implementing Regulations, and then to evaluate the performance of the (fully implemented) laws, there has instead been a push to frustrate their implementation, and to reverse or dismantle them. It seems, therefore, that there has been a degree of selective learning, of a sort that has impeded incremental progress towards the intended reform objectives.

The histories of the two laws also show a second type of group learning pathology: preferential groupthink. Janis (1972) defines groupthink as a psychological drive for consensus at any cost, a drive that occurs in cohesive decision-making groups and that suppresses dissent and appraisal of alternatives. With groupthink, faulty decision-making is a product of the forces that bring a group together.

In the case of the 2014 Civil Service Law, preferential groupthink was involved in 2011, when government representatives rejected the proposed bill. In the initial policy deliberation with parliament, they proposed instead that the existing law be amended (see Chapter V), despite the fact that NIPA had also suggested a new law, not just an amendment to the 1999 Basic Law on Civil Service. Rather than consider NIPA's position, they preferred their own proposal as a way of maintaining unanimity within the government. Preferential groupthink also appeared during the policy-deliberation process of the 2014 Government Administration Law. In this case, policymakers failed to evaluate in advance the policy-transfer risks of their chosen solution (see Chapter VI). This was partly due to the absence of deliberative process with administrative law experts. As was discussed, that solution meant, for instance, that the State Administrative Court and the Anti-Corruption Court had overlapping roles—an overlap that put corruption cases at risk.

"Social loafing" refers to the tendency of staff to put in less effort when working collectively (Karau & Williams 1993). This group learning pathology was particularly observable in the case of the 2014 Civil Service Law. Some government representatives—those from the Ministry of Administrative Reform (MoAR)—were fully on board with the draft bill. The others—from MoHA and MoF—put less effort into the deliberation, as they wanted to protect their own interests. MoHA wished to remain in charge of KORPRI, so as to preserve their power in the bureaucratic management of local government nationwide. The MoF, on the other hand, wanted to maintain the privileges they had acquired as pioneers of public administration reform—that is, their own standards of practice and their own remuneration schemes. Because of these special interests, the two ministries were reluctant to accept reform measures that would alter existing bureaucratic arrangements, and they initially rejected the bill. After the president signalled his approval for the policy change, they had to agree to discuss the bill further, but even then they tended to put more effort into securing their own interests than into ensuring that the bill passed into law. This loafing continued during the formulation of the Implementing Regulations; it was an important factor in explaining why those regulations were not completed within the two years mandated by the primary legislation.

In the policy-making behind the 2014 Government Administration Law, group learning pathologies arose also through the distribution of roles and the diffusion of power. Interactions were structured according to the participants' roles in the bureaucracy, their domains of authority, and their power relationships within the policy-making process. As discussed in Chapter VII, both the formal and the informal mechanisms mattered. Consider, for example, the role of Eko Prasojo. He was a member of the expert team that drafted the bill, and was afterwards deputy minister at MoAR, and yet he is considered to have had only limited power to lobby for a more reformist bill. While he possessed expert knowledge and (as deputy minister) institutional power, Prasojo had to act as the government's spokesperson, and abide by the intra-government consensus position, with respect to each clause of the bill (Interview participant DP01 12.05.2017). In these circumstances, Prasojo had no choice but to allow some reformist elements of the bill to be gradually stripped away by the group he was part of (ibid.). The result was that the bill was watered-down into a version that the government was willing to pass into law. These events demonstrate that social interaction, in combination with learning-related effects of structural/institutional factors, can lead to group-level pathologies that are hard to predict simply from knowledge of the constituent individuals.

Such pathologies exist because policy actors are embedded in their institutions, where they "monitor each other's political behaviour, and then alter their action to make their political strategies complementary with respect to a common goal" (Zafonte & Sabatier 1998, p. 480). Group learning pathologies highlight how the institutional fact of simply being in an interacting group influences individual judgments, perceptions, and productivity. However, it is important to note that, while agents are embedded in their institutions, and while group learning pathologies can develop, collective learning can nevertheless be an important part of agency: Agents may mobilise one another through collective learning, thereby enabling one another to push forward institutional change.

Thus, the learning that occurs at the group level—like that which occurs at the level of the micro-foundations, and at the individual level—may be regarded as something shaped not only by the existing institutional arrangements, but also by the inevitable by-products of institutions, to wit: learning aggregation, which will be discussed in the following section.

8.5 Learning Aggregation

Learning aggregation refers to how the learning process is shaped by structure and institutions—by culture, memories, and social construction (Dunlop & Radaelli 2017). This section discusses how decisions are made that reflect institutional dynamics and the iterative evolution of structures.

Chapter V discussed the policy-making behind the 2014 Civil Service Law, and described how four academics were involved as experts, helping to develop the draft bill from 2010 onwards. They were invited to be part of the process because of their expertise; their work experience; their historical involvement in the policy-making process behind the then-existing civil service law (Law no. 43/1999); and their connections with the Minister of administrative reform:

> We recommended four academics: Sofian Effendi, because he is an academic and former head of BKN [National Civil Service Agency], Prof. Prijono, also a former

> head of BKN, Prof. Miftah Thoha, an academic from Gadjah Mada University, whose expertise is in public administration, and Prof. Eko Prasojo, at that time not yet deputy minister, but a prominent academic at the University of Indonesia. (Interview participant SB14 06.06.2017, *translated*)

Prof. Sofian Effendi was recommended because of his expertise, his influence within the discourse, his former position in the National Civil Service Agency (NCSA; also known as BKN), and his involvement (as a policy maker) in Law no. 43/1999[41] (Interview participant A01 12.05.2017). Prof. Prijono Tjiptoherijanto was familiar with the dynamic of policy change—he had been Effendi's successor as head of the NCSA (2000–2002), and secretary to Vice President Jusuf Kalla (2004–2005). (Interview participant SB15 29.05.2017). He also understood the policy problem regarding the neglected secondary legislation of Law no. 43/1999, whereby the New-Order-era arrangements remained in place. In summary, both Effendi and Tjiptoherijanto had historical knowledge of the policy process, expertise as senior academics in public policy, and connections to a vast network in the bureaucracy, the academic sector, and civil society. Prof. Miftah Thoha was known for writing critical articles in national newspapers on issues pertaining to public administration (Interview participant SB14 06.06.2017). Finally, Prof. Eko Prasojo was popular as the youngest professor of public administration in the University of Indonesia (at the time), and had worked with MoHA and other bodies on several projects (ibid.), including the initiative for a Government Administration Bill. As described in Chapter VI, Prof. Prasojo worked on this latter project from 2004 onwards, with the assistance of MoAR and the GTZ.

[41] Law no. 43/1999 was formulated after President B. J. Habibie mandated a policy change, in order to accommodate demand for civil service reform.

The team of four were chosen not only for their expertise, but also because they were able to play an institutional role. They were not merely academics with extensive influence over the public, capable of shaping the discourse on public administration through the national media—they were also recognised within the national bureaucracy. Each had held a leadership position in the bureaucracy, or was well connected with senior bureaucrats and experts, and this political capital would enable them to influence policy makers. Bakir and Jarvis (2017) argue that it is advantageous to have multiple social positions and multiple public profiles, as this empowers policy entrepreneurs to effectively engage in different ideational realms—involving programs, paradigms, discourse, and networks—in order to promote their agendas.

In formal terms, the four experts had limited roles. They had been recruited for the particular task of drafting the government administrative bill, so their participation in the formal policy-deliberation process was limited—they were allowed to join only if invited, either by parliament or by the government, who together held the sessions. Of the four experts, only Prof. Eko Prasojo could be an active participant, and only after his appointment as deputy minister at MoAR, whereby he became one of the government representatives in the discussions.

During the early stages of deliberation between government and parliament, the government maintained their opposition to the draft bill, and the result was a temporary deadlock. The situation only changed when there was a ministerial reshuffle and a change in the coalition. A senior politician remarked on the importance of those developments:

> Mr E. E. Mangindaan, of the Indonesian Democratic Party, was appointed as the Minister of Transportation, which indeed in terms of budget and the size of

> bureaucracy is bigger than the Ministry of Administrative Reform, which is the smallest. This was a blessing in disguise as it allowed the appointment of Mr Azwar [of the PAN party] and Mr Eko to the positions of Minister and Deputy Minister of the Administrative Reform Ministry. Because of this, the government changed its position, to agreement with further discussion of the draft bill, so the government then proposed a further deliberation process, and thus, the discussion proceeded. (Interview participant P03 04.05.2017, *translated*)

As minister and deputy minister at MoAR from October 2011, Azwar Abubakar and Eko Prasojo not only helped to shift the balance of opinion within government towards the bill; they also shaped *relationships* within the internal government network. Their room for manoeuvre was, of course, limited by the need to compromise, to adhere to the consensus agreed upon with other government representatives (i.e. those of MoF and MoHA). Despite this, Eko Prasojo's new, relatively high political position still granted him authority to change the government's stance regarding bureaucratic reform—a demonstration of how institutions can create opportunities for individual policy entrepreneurs. One of the respondents emphasised that authority was especially important for securing policy change:

> Three things in my opinion. They are authority, knowledge, and interest. Those are three factors that must be owned to create change, and are essential for the success of policy making. I had the authority as the deputy minister at that time to lead the change, lead the discussion with the parliament members … If one of the factors is lacking, then it doesn't work. Especially if we don't have authority. Then there is no authority to carry out the policy-making process continuously or to pursue it consistently. (Interview participant A01 30.05.2017, *translated*)

It was through his new position as deputy minister that Prasojo acquired the formal authority that would empower him to legitimise divergent ideas (Maguire, Hardy & Lawrence 2004), and attract greater attention and support for movement towards policy change (Phillips, Lawrence & Hardy 2004). However, while formal authority is useful, having knowledge on strategies (e.g. engaging with strategic actors and findings ways to mobilise coalition to push forward the agenda) and on their attributes that give them knowledge authority is of paramount importance. As Prasojo said in his interview, both his position and his knowledge were important. With his knowledge, he was able to facilitate policy transfer—and without it, the bill would have been shaped differently by the government and parliament. Equally, had Prasojo remained a member of the expert team, and not been deputy minister, he would have had only limited access to the formal policy-deliberation processes for the two laws under study.

In Indonesia, access to policy-making processes is limited by both formal and informal institutional arrangements. "Public participation" in legislative policy-making is stipulated by Law no. 10 of 2004 regarding Establishment of Legislation; by Presidential Regulation No. 68 of 2005 regarding the General Mechanism of Establishing a National Legal Framework; and, within the House of Representatives, by the Standing Orders (*Tatib*). These formal rules are intended to capture public aspirations, and thus to meet some of the demands of the *Reformasi* movement. The rules provide opportunities for the public to express their opinions and to provide input—first while a bill is being prepared, and then during the bill's policy-deliberation process. Thus, in theory, bills should be disseminated in wider society, and people's opinions should be received through oral and written channels of communication. However, in practice, 'public participation' is often engineered to provide the appearance of legitimacy, and is regarded more as a formality in the legislative process—a matter of mimicking democratic principles and "good governance" (Febrian 2010).

Such isomorphic gestures are nothing new in Indonesian politics. During the New Order period, Soeharto was the central arbiter—he had the final say on every policy matter (Martinez-Diaz 2006). His leadership was authoritarian, hierarchical, and concentric. Parliament may have appeared to debate and deliberate, but was in fact merely a rubber stamp for Soeharto's policies. Other state institutions similarly served not the state, but rather Soeharto—the bureaucracy implemented his policies, while the judiciary and the law enforcement agencies were used to reinforce the regime's rules (Crouch 1979). Since then, in the *Reformasi* era, power has become diffused across the government. The president has considerable discretion to facilitate intra-government deliberation, in case of bottlenecks, and to block the progress of legislation by using a pre-emptive veto—that is, the power to simply withhold government representatives from policy deliberation (Datta et al. 2011). The vice-presidency has become something more than a ceremonial position, as it now includes considerable power over decision-making (ibid.). For example, in 2006, President Yudhoyono planned to establish a taskforce, namely the Presidential Work Unit on Managing Programs and Reform (*Unit Kerja Presiden Pengelolaan Program dan Reformasi* (UKP-PPR)), but this initiative was cancelled by strong opposition from Vice President Jusuf Kalla and several senior politicians from the Golkar Party (Interview participant SB02 11.04.2017). In his second term, President Yudhoyono revived the idea by establishing the Steering Committee for National Bureaucratic Reform, and gave authority to Vice President Boediono to lead the initiative (see Chapter V).

This distribution of decision-making—at cabinet level and across government—reflects the accommodative nature of *Reformasi*-era politics (Aspinall 2010). Ministerial appointments are often based on a power-sharing formula, whereby positions are distributed among the parties of a coalition (see Chapter IV). This distribution usually involves close consultation with the leaders of the political parties, as the *Reformasi*-era presidents have usually valued political compromise over expertise. Ministerial appointments are rarely based on meritocratic considerations or on the policy direction (Blondal, Hawkesworth & Choi 2009; Pamungkas 2009; Sukma 2010).

Booth (2005) argues that, because of such power-sharing arrangements, decision-making at cabinet level is harder work for the president today than it ever was during the authoritarian period. The president must strive to always maintain a broad consensus among cabinet members, and as a result unpopular reform positions face a difficult journey through cabinet. Civil service reform, for example, has been hindered not only by the general unpopularity of the idea among civil servants, but also by the more specific perception that it is a threat to the status quo (Rohdewohld 1995). Consequently, there has been resistance from the senior ranks of the bureaucracy, so such reform has been difficult to achieve (Booth 2005). The case of the 2014 Civil Service Law illustrates such difficulties—the vice president had to facilitate intra-governmental discussions to overcome internal resistance, and the president had to assume a moderating role at the cabinet level to ensure that the bill passed into law (see Chapter V). This example shows that policy-making in contemporary Indonesia still reflects the power-sharing arrangements of the early transition period, when the spoiler candidates were "accommodated and absorbed into the system rather than excluded from it" (Aspinall 2010, p. 21).

The two Laws under study provoked resistance, and that fact alone shows that they constituted a challenge. Both Laws—and thus the policy-making processes behind them—were part of the dynamic for change, as they challenged the structures of power and thus the interests of the powerful. Learning aggregation was relevant both to the resistance to reform, and to the reformers' partial success in overcoming it. In their collective learning and policy initiatives, policy entrepreneurs had to overcome opposition from vested interests—that is, individuals and groups who benefited from the existing formal and informal arrangements, and from prevailing structures (i.e. patrimonialism and patronage democracy). On the other hand, policy entrepreneurs were able to exploit aspects of the same institutions and structures to promote their ideas—Eko Prasojo, for instance, was able to deploy the authority that came with high political office, and to exploit the access that it gave him to political processes and networks.

The institutional and structural environment thus filtered, mediated and shaped learning, enabling and constraining individual and collective learning processes. In short, learning aggregation defined who was *allowed* to participate in the policy-making process; who *actually* participated in it; and exactly *how* each participant could be involved and engaged in the process.

8.6 Conclusion

This chapter has examined how policy learning is embedded in the interrelationship between structure, institution and agency, examining the micro-foundations of learning, individual learning, collective learning, and learning aggregation.

At the intersection of structure and agency, the micro-foundations of learning show the cognitive limitations of policymakers, which put them in situations of uncertainty. In this regard, policy makers have to deal with their cognitive limitations that caused them to often have a tendency to find satisfactory rather than optimal solutions. In those situations, knowledge and information asymmetry become sources of power and puzzlement, as they can be used for strategic manipulation.

Individual learning, at the agency level, shows how policy entrepreneurs can use their knowledge and institutional entrepreneurship. They have the ability to frame, or to re-frame, the available knowledge, in order to create discourse, to make use of policy-window opportunities, and ultimately to achieve policy change.

Collective learning, at the intersection of institution and agency, explains the function of socialisation and bricolage in the policy-making process. The socialisation process shows that policy transfer involving the adoption of foreign concepts and norms requires time. Socialisation paves the way for the government to develop its own learning mechanisms and internalisation processes. Similarly, the bricolage practised by policy entrepreneurs is not simply a matter of piecing together various good practices to form a synthesised policy. It is also a process of crafting accommodative strategies, so that reform can gain acceptance. Of course, such strategies involve compromise—the legislation achieved may be much less radical than the reform that was originally proposed.

However, collective learning is often challenged by group learning pathologies. Three such pathologies have been highlighted in this chapter: group inhibition, preferential groupthink and social loafing. Group inhibition is evident in the efforts that were made to frustrate the implementation of some elements of the two laws under study, and to reverse or dismantle them. Preferential groupthink can be seen in the history of the 2014 Civil Service Law, when the government (initially) maintained a unanimous opposition to the law in its initial deliberations with parliament. In a different way, groupthink also had a detrimental effect on the 2014 Government Administration Law—it was a factor in the failure to identity the risks associated with policy transfer. Finally, social loafing occurred during some of the deliberation processes of the 2014 Civil Service Law—some of the participants preferred to protect their own interests, and put little effort into performing their assigned roles. Altogether, group learning pathologies pose considerable challenges to collective learning—especially as they can arise simply through interaction.

The two cases of policy-making under study are similar with respect to learning aggregation. Both cases highlight the accommodative tendencies of *Reformasi* politics, and the diffusion of power across the government. Together, these phenomena mean that decision-making is often a protracted process, and that elite groups can, if they wish, create great difficulties for reform measures.

The findings demonstrate that, in exploring the multi-dimensional embeddedness of policy learning in policy change, there is a need for a comprehensive analysis of the dynamics between structure, institution and agency. The next chapter will address this by undertaking a theoretical integration of the findings of Chapters V–VIII.

9 Chapter IX

Discussion: Towards Theory-building Regarding the Embeddedness of Policy Learning in Policy Change

This chapter sets out the theoretical contribution of the research. It provides a new model for understanding how policy learning is embedded in reform-oriented policy change—a model that incorporates a dynamic, multi-level relationship between structure, institutions and agency. This model provides a theoretical integration of the empirical findings discussed in chapters V–VIII. Those empirical findings offer an abundance of insights into the development of the analytical model of reform-oriented policy learning that is discussed in this chapter. The empirical findings of the chapters V and VI showed that different types of explanation—emphasising policy learning, or path dependence, or the policy-making process, for example—interrogate different dynamics of the reform process. In addition to this, Chapter VII provided insights to the proposed analytical model where policy learning is evident in the mechanisms of change that take into account both exogenous and endogenous pressures for reform; the distinction between formal and informal change; and the feedback mechanisms that are produced by (and influence) change. As noted in Chapter VIII, the multi-dimensionality of policy learning in its relationship with structure, institution and agency which becomes the centrepiece of the analytical model proposed in this chapter.

Acknowledging the empirical findings and theoretical insights from the previous chapters, this chapter presents a more comprehensive and compelling account of policy learning and the policy-change process than the accounts offered by theoretical tradition in isolation. It proposes a sequential model of policy learning, drawing insights from all of the theories discussed, in support of the argument that reform-oriented policy learning is contextually dependent and inherently political, rather than neutrally objective. The reason for this is that learning involves a process which is essentially multi-dimensional, rather than purely knowledge based. Thus, this chapter argues that policy learning is part of a complex dynamic, involving the structure–institution–agency interrelationship, as well as path dependence and institutional change mechanisms. Given this, the study of policy learning should go beyond considering which institutional constellations are most likely to produce "learning" effects and instead also draw attention to the interdependencies among causal factors, such as structure, institution and agency.

The next section reviews the processes of reform connected with the two laws under study. Subsequently, attention will be paid to the place of policy learning in the structure–institution–agency interrelationship. The chapter then focuses on policy learning as an influence on and a product of reform, exploring how particular aspects of learning correspond to particular stages of the reform process. The section following examines the mechanisms of change within the reform process, taking an institutionalist perspective—a perspective focusing on exogenous and endogenous pressures, informal change, formal change, and feedback mechanisms. Finally, the chapter proposes an analytical model for explaining the complex policy processes underpinning reform, drawing on insights from both the empirical findings and the foregoing theoretical discussions of policy learning.

9.1 Understanding the Reform Process: the 2014 Civil Service Law and the 2014 Government Administration Law

In each of the case studies it was clear that the law developed was a product of demands for bureaucratic reform. The 1997 Asian Financial Crisis triggered structural changes in

Indonesia, and there was subsequently substantial reform. However, the two case studies show that those structural changes cannot serve as a satisfactory explanation for *all* of the subsequent reform. While the Asian Financial Crisis did open the policy window for other reform initiatives, it did not do so for the two laws under study which guided reform in public administration.

The initiative for a more merit-based civil service law can be traced back to the 1999 reform movement. In response to that movement, the government passed the 1999 Basic Law on Civil Service, which amended the military-inspired 1978 law (of the same name). However, progress towards the expected objective—the transformation of the civil service through merit-based reform—stalled, because the Implementing Regulations of the 1978 law remained intact. Such merit-based reform did not become a political priority until President Yudhoyono's second term of office (2009–2014), when he put bureaucratic reform right at the top of his 11-point development agenda. Similarly, the 2014 Government Administration Law can be traced back to an initiative which began in 2003, but which did not become a political priority until Yudhoyono's second term.

It is important to note that the 2014 Civil Service Law and the 2014 Government Administration Law were not triggered by major disruptive events such as financial crisis. Indeed, since the regime change of 1998, there have been many subtle, incremental changes in Indonesian public administration (Turner, Prasojo & Sumarwono 2019). These incremental changes were caused or shaped by reform movements in other parts of the public sector, such as the "big bang" decentralisation; changes to financial and monetary policy; anti-corruption reforms; and sporadic bureaucratic reforms within several ministries and within local government (Gaus, Sultan & Basri 2017; Diprose, McRae & Hadiz 2019).

This incremental, paradigmatic change has also been documented by Turner, Prasojo & Sumarwono (2019), who distinguish three successive reform periods in Indonesia. During the 1998–2003 period, Indonesian public administration reform was merely a matter of sporadic change. Then, from 2003 to 2010, there was a period of targeted reforms, done in the spirit of "setting an example" (ibid.). The institutions most affected by those targeted reforms were the Ministry of Finance, the Supreme Audit Board, and the Corruption Eradication Commission (ibid.). The third period began in 2010 and continues to the present day (ibid.). It is characterised by paradigmatic change, embracing bureaucratic reform nationwide (ibid.). The mode of incremental-but-paradigmatic change between "path stabilisation" and "path switching"[42] can be regarded as a form of "path departure", which is defined as "gradual adaptation through partial renewal of institutional arrangements and limited redirection of core principles" (Ebbinghaus 2005, p. 17). Thus, subtle, incremental changes can eventually add up to discontinuity (in terms of path dependence) and can result in the gradual transformation of an institution. Such a shift was marked by the enactment of the two laws studied in this thesis, which serve to guide the implementation of merit-based reform and "good governance" in Indonesian public administration.

This thesis focuses on the policy-change processes of public sector reform. Through the in-depth empirical work undertaken, mechanisms of change have been identified and these operated over a certain period of time. While positive feedback is often associated with the persistence of rules (Pierson 2000), the findings suggest that policy change should not

[42] "Path stabilisation" refers to marginal adaptation to environmental changes, without changing core principles (Ebbinghaus 2005, p. 17). "Path switching" refers to an intervention that ends the self-reinforcement of an established institution, which may give way to a new institution in its place (ibid.).

automatically be associated with negative feedback mechanisms—the analysis should also take into account whether structural persistence and reactive sequence might have had a hand in reinforcing the previous path or inducing a divergence from it. Thus, with respect to the two case studies, this thesis carefully considers the operation of the feedback mechanisms in light of (1) the pattern of the previous path and (2) the antecedent conditions (which reflect structural features).

For example, in 2016, there were attempts to reverse the 2014 Civil Service Law, by arranging for its re-deliberation. Those attempts might easily be considered to be an immediate negative feedback effect of the 2014 law. However, the analysis must take into account structural persistence in favour of the largely unreformed status quo, and the fact that, during the law's deliberation-phase, a substantial movement was organised to oppose it. Such movements persisted even after the law was enacted—there were hopes of finding a way to return to the previous, unreformed arrangements. Thus, the attempt in 2016 to reverse the law should be interpreted as positive feedback—that is, as something which stemmed from earlier efforts to preserve the previous status quo, by blocking the passage of the 2014 law. This analysis concurs with the argument that in any theoretical framework for analysing policy change and reform, it is necessary to account for the relationship between the existing paths and the feedback phenomena (Baumgartner & Jones 2002; Bennet & Elman 2006; Hall 1993; Mahoney 2000). The feedback mechanism might work simply to strengthen a particular path (positive feedback); alternatively, however, it might work to lock in divergence (negative feedback), perhaps through gradual adjustment to the new trajectory (ibid.).

The findings also show that, in the context of policy change, the analysis of negative feedback mechanisms needs to take into account their historical sequencing—that is, how earlier outcomes generate causal processes that, over time, incrementally generate change. Endogenous mechanisms of institutional change are somewhat similar to negative feedback mechanisms, in that they lead to the gradual rather than abrupt collapse of the institution itself (Baumgartner & Jones 2002). One such mechanism is "institutional exhaustion", which involves "a process in which behaviours invoked or allowed under existing rules operate to undermine these" (Streeck & Thelen 2005, p. 29). The findings demonstrate that there is a role for policy learning in such endogenous mechanisms as policy learning involves specific mechanisms of institutional change which are often less easily noticeable, but which can gradually lead to path-departure.

To explore reform-oriented policy learning further, the following section discusses its relationship with structure, institution and agency.

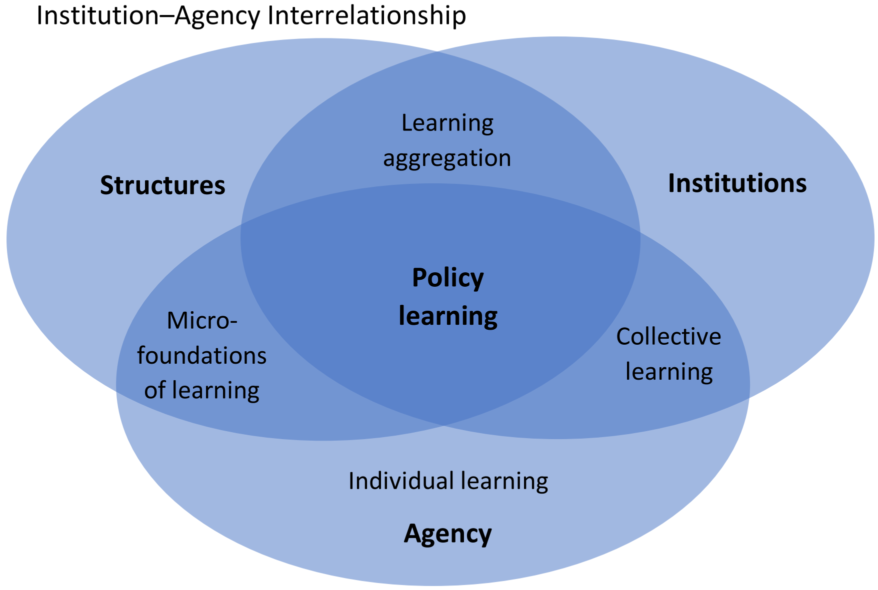
9.2 How Policy Learning is Embedded in the Structure–Institution–Agency Interrelationship

This thesis presents policy learning as a mechanism that can prompt ideational change and corresponding institutional change. Thus, as a concept, policy learning can help to overcome the stability bias associated with path-dependence theory, and with historical institutionalism in general. Indeed, this study demonstrates that the path-dependence approach can accommodate a broad model of institutional change—one that takes into account both the structure–institution–agency interrelationship, and the potential role of policy learning. Policy learning can be analysed as a mechanism of *knowledge-induced* institutional change.

As a concept, path dependence contains a *material* dimension—material resources and incentives can feed a self-reinforcing and reactive sequence. However, it also has an *interpretative* dimension, which concerns the ideational factors fuelling path dependent processes (Hay 2006). This dimension is evident in the empirical findings, which illustrate how learning may destabilise the ideational foundations of institutional settings and their reproduction. Thereby, learning may create room for path-departure and institutional change.

In order to explain the phenomenon of knowledge-induced institutional change, this thesis has borrowed two policy-learning frameworks: the "Coleman's bathtub" framework developed by Dunlop and Radaelli (2017), and the multi-level framework developed by Witting and Moyson (2015). It has also focused on four aspects of policy learning, all embedded in the structure–institution–agency interrelationship. These four aspects can be seen in Figure 9.1 (below): the micro-foundations of learning, learning aggregation, collective learning, and individual learning.

Figure 9.1 Four aspects of Policy Learning embedded in the Structure–Institution–Agency Interrelationship



The empirical findings illustrate how the micro-foundations of learning reflect the relationship between structure and agency. The findings also demonstrate the cognitive limitations of agents when faced with puzzling and uncertain situations. Such puzzlement and uncertainty may arise when policy makers have to decide what is (or seems to be) the best solution to a policy problem. During the policy-making process, the dynamic between structure and agency is reflected in this puzzlement, and in the power relations which enable and constrain the actors in their responses. The empirical findings illustrate how, as a result of these dynamics, agents' reactions to such puzzlement often involve heuristics, emotions and surprise, alongside their rational and informed political judgment.

A good example of this arises from Chapter VIII's discussion of the 2014 Government Administration Law, which shows how emotion and surprise can play a role in the passage of legislation. The law attracted particular attention, for it was promoted as a solution to a problem that particularly affected the political sphere—that is, the risk of facing criminal charges on account of political decisions or policy-making. Many governors and heads of districts had first-hand experience of this issue, so the political class took an unusually close interest in the 2014 Government Administration Law. Emotion and surprise also played a role in the history of the 2014 Civil Service Law. A national newspaper, *Kompas*, published an article written by Effendi questioning the president's commitment to civil service reform (Effendi 2013); the president read the article and subsequently worked to push forward the law's policy-deliberation process, and induced other policy makers to do the same, partly also because of his emotional motivation as he may be concerned about public image. Thus, in each of the two case studies, individuals were emotionally involved with the legislation, because they were emotionally involved with the issues it targeted.

Learning aggregation reflects the relationship between structure and institutions, as discussed in Chapter VIII. The empirical findings show how policy learning is influenced by culture and other structural factors (e.g. globalisation), and by formal and informal rules on how information and knowledge are used and shared. For example, when policymakers need information and policy advice for decision-making, they tend to seek it through their personal networks. They have confidence in like-minded, resourceful people, who might rally support for their shared causes and their shared policy goals. Besides such people, policymakers also receive information and knowledge from advocacy groups, who seek to lobby for their policy proposals. However, due to power relationships defined by structure and institutions, policymakers are able to use their gate-keeping powers—they can put pressure on advocacy groups to defend policies that accord with their own (that is, the policy makers') preferences. Thus, through the use and abuse of formal and informal arrangements for consulting experts, policy makers can trade access for influence during the policy-deliberation process. In learning aggregation, therefore, we see reciprocal influence between policy makers and advocacy groups. It is not just the advocacy groups who are trying to exercise influence, and the policy makers who are being influenced—each side seeks to influence the other.

The empirical findings discussed in Chapter VIII demonstrate that collective learning reflects the relationship between institution and agency, and demonstrates the roles of socialisation and bricolage in policy making. As was discussed with reference to the empirical findings, institutions create and limit opportunities for learning, and agents must make use of every such opportunity to advance their policy proposals. The findings suggest that socialisation as a learning mechanism both introduces new concepts and seeks to gain public acceptance for those concepts. Thus, it indicates the importance of bringing heterogeneous actors together in support of a policy proposal. Bricolage, on the other hand, reveals the mechanisms at play when heterogeneous actors seek to find a consensus on policy alternatives (Freeman 2007; de Jong & Edelenbos 2007; de Jong, Lalenis & Mamadouh 2002;). As a result of collective learning, the actors involved develop policy propositions through a process of assembling, disassembling, and “piecing together” the available resources, instruments and tools (ibid.).

Individual learning, at the agency level, includes policy entrepreneurs’ use of their extensive and authoritative knowledge. Policy entrepreneurs may deploy that knowledge, in order to manipulate the institutional environment, and by continually pushing boundaries, they may learn about the malleability of that environment. Their efforts may also pave the way for reform. With regard to path dependence, individual learning cannot be considered in isolation—agents are embedded in their institutions, so individual learning is influenced by behavioural routines, social connections, and cognitive structures (Dunlop & Radaelli 2017).

In considering four aspects of policy learning—the micro-foundations of learning, learning aggregation, collective learning, and individual learning—this discussion has shown how policy learning is contextually dependent, and thus embedded in the structure-institution-agency interrelationship. The following section provides a complementary account of policy learning, treating it as an influence on, and a product of institutional change.

9.3 Policy Learning as an Influence on and a Product of Institutional Change

The empirical findings clearly show that the four highlighted aspects of policy learning are evident to various extents at the various stages of the reform process. This variation reflects the varying dynamics between structure, institution and agency, which reciprocally influence one another.

Policy learning can be divided into "strong" and "weak" forms, which differ in terms of the degree of learning, and of the extent of its influence. Strong policy learning may be seen, for instance, when new ideas and information are introduced; when government interacts productively with civil society organisations; or when policy makers update their knowledge and revise their beliefs. Circumstances may, however, prevent strong policy learning—for instance, when the policy process is dominated by structural and institutional factors that are hostile to reform. Such obstacles may mean that only weak policy learning occurs. In this regard, strong policy learning refers to the high degree of influence in each stage of reform. In this regard the influence of policy learning can be assessed from the ways information, knowledge, and experience are used to acquire new knowledge on policy objectives to substantiate and legitimise them or to change or form beliefs. Weak policy learning means that the mechanism of updating beliefs and knowledge cannot play a role or can have only little influence, which may happen when structural and institutional factors dominate and leave little room for agents to create change.

9.3.1 The Case of the 2014 Civil Service Law

Table 9.1 describes the influence of policy learning in the successive stages of the reform process surrounding the 2014 Civil Service Law, as defined in the path-dependence framework.

Table 9.1 The Influence of Policy Learning in the Reform Process: the 2014 Civil Service Law

	Antecedent conditions	**Critical juncture**	**Punctuated equilibrium**		**Outcome**
			Structural persistence	**Reactive sequence**	
Learning aggregation	Strong	Strong	Strong	Strong	Weak
Micro-foundations of learning	Strong	Strong	Strong	Strong	Weak
Collective learning	Weak	Strong	Strong	Strong	Strong
Individual learning	Weak	Strong	Strong	Strong	Strong

The empirical findings show that during the *antecedent conditions*, learning was particularly strong in the domains of learning aggregation and the micro-foundations of learning. This was a consequence of the fact that, at this stage, structural factors had a strong influence—they shaped the range of reform options, and the process of selecting a particular option. As discussed in the previous chapters, the exogenous pressures to reform, influenced by globalisation and dominant paradigm in public administration limit the choice of reform options. The selection of the already limited reform choices is shaped by domestic structural factors, such as in-country political structure, policy and political traditions.

Findings demonstrate that learning aggregation can define who *might* participate in the policy-making process, who actually *does* participate in it, and *how* the various participants are involved and engaged in the process. The influence of learning aggregation demonstrates how structural factors and institutions can not only shape learning, but also enable and constrain learning, locking in certain forms of bias (Immergut 1998). Such institutional reproduction of bias “creates structural power for some agents or groups, and disempowers others” (Dunlop & Radaelli 2017, p. 314).

On the other hand, examination of the micro-foundations of learning highlights how the learning process is punctuated by cognitive limitations and heuristics: biases (Dunlop & Radaelli 2017). Together with cognitive limitations, biases lead policymakers to copy policy according to prevailing fashion, or to search through examples of reform, relying on decision heuristics based on certain types of approaches (ibid.). The empirical findings show how “good governance” has become prominent in Indonesia, not only because of its presumed positive influence on the process of democratisation, but also because it is politically useful. Policy elites can use it to acquire extra power—for example, in the form of support from international donors, which they can use to raise their profiles as “reformists”. Despite the growing criticism surrounding “good governance” in the epistemic community, the fashion for it has captured policymakers’ thinking, and they have been reluctant to choose reform ideas and approaches that are associated with alternative paradigms. As a result, agents have been inclined to put “good governance” on their agendas in order to gain acceptance from policymakers. The empirical findings suggest, however, that “good governance” is often accepted only in a spirit of isomorphic mimicry, as a pretext to continue with existing patronage-based governance.

At the *critical juncture*, all four aspects of policy learning had a strong influence. In defining learning aggregation, Dunlop and Radaelli (2017) highlight the role of culture, memories, and social construction in shaping the learning process. Thus, learning aggregation plays a role in framing matters, similar to the role of institutions in mediating structural effects. The empirical findings suggest that at the moment of critical juncture, learning aggregation allows agents to develop particular ways to construct and frame their reform proposals (i.e. the policy stream), so that the proposal will suit either the problem stream, or the political stream, or both. The micro-foundations of learning allow agents to follow decision heuristics, by "pinching" ideas quickly, in order to exploit the opportunities provided during the critical juncture. Agents play an important role in coupling the streams (that is, opening the policy window), and, through individual learning, they can develop strategies, identify alliances, build support through coalitions, and translate ideas into policy programs. Collective learning helps agents to mobilise support for reform agendas, and to bring the proposed policy from the periphery to the centre, and thus to wider attention.

During *structural persistence* and *reactive sequence*, policy entrepreneurs played a role in collective learning and the mobilisation of interest groups. When campaigning for the new civil service law, reformers demonstrated their policy entrepreneurship by building public discourse through, for instance, newspaper articles emphasising the issue's importance; by facilitating policy deliberation; and by acting as pioneers of reform (through pilot projects and local schemes). During policy deliberation, agents engaged in socialisation and bricolage—both forms of collective learning. Thus, through collective learning, imported policy was translated, localised and adapted to the domestic context.

At the *outcome* of the reform sequence, individual and collective learning were particularly strong. The empirical findings concur that political and administrative elites paid attention to the expected benefits—"who gets what"—of policy implementation (Politt & Bouckaert 2004). The feedback mechanisms generated during implementation processes can give rise to collective learning effects. Particular groups may involve themselves closely in policy implementation, and become more likely to support subsequent reform of a similar type; other groups may commit themselves in the other direction, and work to block the policy implementation. Individual learning may occur, and agents' expectations about others' future choices may affect the adoption or rejection of particular reform elements.

9.3.2 The Case of the 2014 Government Administration Law

Table 9.2 shows the influence of policy learning in the reform process approaching the 2014 Government Administration Law. The pattern is the same as was seen in the case of the 2014 Civil Service Law due to the contagion effects that the 2014 Civil Service Law had on the sequence and influence of different types of policy learning in the 2014 Government Administration Law:

Table 9.2 The Influence of Policy Learning in the Reform Process: the 2014 Government Administration Law

	Antecedent conditions	**Critical juncture**	**Punctuated equilibrium**		**Outcome**
			Structural persistence	**Reactive sequence**	
Learning aggregation	Strong	Strong	Strong	Strong	Weak
Micro-foundations of learning	Strong	Strong	Strong	Strong	Weak
Collective learning	Weak	Strong	(Quite) Strong	(Quite) Strong	Strong
Individual learning	Weak	Strong	(Quite) Strong	(Quite) Strong	Strong

The two laws under study emerged from the same *antecedent conditions*, so it is unsurprising that, there are parallels between them with respect to policy learning at this stage of the reform process. As in the case of The 2014 Government Administration Law, learning was particularly strong in terms of learning aggregation and the micro-foundations of learning; and again, structural factors limited the range of reform options and influenced the process whereby a particular option was selected. As with the 2014 Civil Service Law, the range of reform options was restricted to measures associated with the "good governance" paradigm. The selection of a particular option, on the other hand, was determined largely by the in-country political structure, and by the pragmatic policy and political traditions. The influence of the "good governance" paradigm illustrates the importance of the micro-foundations of learning. Because of their cognitive limitations, policy actors did not consider every possible option—they preferred to restrict themselves to options associated with a paradigm with which they were familiar, and which they believed was effective.

At the *critical juncture*, all four aspects of learning were strongly evident. This stage is a moment of uncertainty—when there is a "substantially heightened probability" that the policy choices made can shape political outcomes. At such moments, information and knowledge play critical roles in updating the beliefs of the policy actors involved (Capoccia & Kelemen 2007, p. 348). Regarding the Government Administration Bill, policy entrepreneurs were closely involved in the decision to adopt a "good governance" approach. They brought the question of such reform—and the question of its urgency—to the centre of attention, and mobilised support for the reform initiative. The empirical findings show that, in the policy entrepreneurs' activities, all four aspects of policy learning were important.

During *structural persistence* and *reactive sequence*, all four aspects of policy learning continued to be of importance. They were especially evident in the contests of ideas that occurred in the course of policy deliberation, and when actors were mobilised in support of the proposed law. As can be seen in table 9.2 above, there were, however, variations when compared to the case of the 2014 Civil Service Law, as the individual learning and collective learning are rated as quite strong, or in other words, not as strong compared to the case of the 2014 Civil Service Law. The 2014 Government Administrative Law had a rushed policy deliberation process and was not accompanied by early institutionalisation processes, such as piloting the reform elements brought by the Bill. As discussed in the earlier chapters, the government and parliament discussed the 2014 Government Administration Law over only 9 months, which was much shorter when compared to the process for the 2014 Civil Service Law, which lasted 40 months and included trials and pilot projects. These aspects influenced the individual and collective learning as the actors involved did not get the opportunities to learn from trial experience and thus, this put the Law at higher risk of policy transfer, especially the risk of uninformed transfer, incomplete transfer, and inappropriate transfer.

At the *outcome*, collective learning and individual learning were important, as policy actors contributed to feedback mechanisms. The 2014 Government Administration Law has attracted strong criticism. It is argued that, whereas the law was intended to promote "good governance", it has created a loophole through which the corrupt might escape criminal prosecution. So, certain structural factors—corruption, neo-patrimonialism and clientelism—have influenced political outcomes. By abusing the law, opponents of reform have created a feedback mechanism that has frustrated the reformers' intentions. This case illustrates how legislative change does not necessarily bring corresponding institutional change—when the antecedent conditions are compared with the feedback effects, it seems that the law has not achieved the desired institutional change.

9.3.3 The influence of policy learning in the reform process: overall findings

Tables 9.1 and 9.2 above show that all four aspects of policy learning were important in the histories of the two case studies. This section presents some overall findings, drawing on both case studies. It considers each of the four aspects of policy learning in turn.

9.3.3.1 Learning Aggregation

The empirical findings show that learning aggregation involves the influence of structure and institutions, and plays a role in almost all of the stages of the reform process. Learning aggregation does not, however, appear to play a role at the *outcome* stage, by which point it is clear whether or not the new policy path (perhaps a gradual redirection, perhaps an abrupt change) has been maintained. If it has, the new path generates resources and incentives, motivating the new policy's target group(s) to make particular investments in terms of money and time, so as to benefit from new opportunities (Pierson 1993, pp. 598–611). Thus, feedback mechanisms affect the way in which political/administrative élites, interest groups and target groups interpret the meaning of policy—feedback helps to define "who gets what" in the policy implementation. Thus, at the *outcome* stage, it is not learning aggregation, but collective learning and individual learning that are important. Collective learning and individual learning assist policy actors and stakeholders to produce particular types of information and knowledge, which in turn affect how such agents define their interests in relation to the new policy.

9.3.3.2 The Micro-foundations of Learning

The micro-foundations of learning have a strong influence during the *antecedent conditions, critical juncture*, *structural persistence*, and *reactive sequence*. The reason is straightforward—the micro-foundations of learning involve the cognitive limitations of the policy actors, which are important during those stages of the reform process, as they are an important element of agent reasoning and decision making. During the *antecedent conditions,* cognition helps to shape individual and collective thought structures and mental representations such as frames, categories, schemas and scripts that prescribe legitimate ways of acting (Cornelissen et al. 2015; Sieweke 2014; Thornton, Ocasio & Lounsbury 2012). In addition, cognition also influences values and the emotional underpinnings of institutions (Voronov 2014; Voronov & Vince 2012).

During the moment of *critical juncture*, policy actors deal with situations of uncertainty, in which the choices of important actors can be causally decisive (Cappocia 2016). Such puzzling situations provide agents with opportunities to advance their policy proposals, by coupling the political, policy and problem "streams" (Kingdon 1995). The result may be that policy actors update their knowledge and beliefs, as they search for the best policy option among the alternatives.

The micro-foundations of learning are similarly important during the stage of *structural persistence* and *reactive sequence*. In the course of the policy deliberation that occurs at this stage, policy actors work within complex, messy systems. They must continuously reconsider how they can best design the policy, so as to ensure that it solves the problems confronting them.

9.3.3.3 Collective Learning

With regard to collective learning, the empirical findings demonstrate that it is particularly weak during the *antecedent conditions*, but strong at the stages of *critical juncture*, *structural persistence*, *reactive sequence*, and *outcome*. During the antecedent conditions, the findings show that the policy actors and their coalitions accept structural factors as given, since those elements (e.g. patrimonialism, patronage politics and clientelism) are beyond their control. Thus, they work according to the existing institutional arrangements, or formal and informal rules, and collective learning has little role to play. However, while they might accept the structural factors *at this stage*, it does not follow that change is impossible. As the empirical findings show, collective learning allows policy actors to continually adjust their beliefs and understanding regarding the policy issues. Policy actors can respond to prevailing arrangements, manoeuvre within institutional boundaries and navigate through opportunities to reach a final settlement perhaps, for instance, in the form of legislation. Thus, collective learning may be important from the moment of critical juncture onwards, all the way to the outcome of the policy process.

9.3.3.4 Individual Learning

With respect to individual learning, the empirical findings demonstrate that policy actors engage in learning of various sorts. Actors may seek to learn about how a policy might meet their own short-term interests. In a more cautious spirit, they may also take an interest in the complexity of policy delivery; in the possible difficulties of aligning different views and interests in the process of implementation; and in the resources available for that process, for example, costs, timescales, benefits and risks. Because of the importance of *individual* motives, individual learning is particularly strong during the stages of *critical* *juncture*, *structural persistence*, *reactive sequence* and *outcome*. In both case studies, it was evident that, during those stages, policy actors continuously viewed the policy through the filter of their own interests, and exerted their influence over the shaping of the policy path. Policy actors can make use of their knowledge, in order to translate their ideas into policy proposals; to influence the public discourse; to marshal the support of their coalitions; and to seize every opportunity to pursue their policy objectives.

It is interesting to note that all four aspects of policy learning highlighted in this thesis—learning aggregation, the micro-foundations of learning, collective learning, and individual learning—are particularly strong at the stages of *critical juncture*, *structural persistence* and *reactive sequence*. The empirical findings thus indicate a strong possibility that, at each of those stages, policy learning may shape the policy path. It is particularly noteworthy that, during a policy's institutionalisation process, there may be deliberate efforts to incorporate knowledge, so that it persists and is available for future re-use. Knowledge might be embedded in structures through paradigmatic change, in institutions through policies and procedures, and in agents as they learn what works, through continually adapting their beliefs and knowledge.

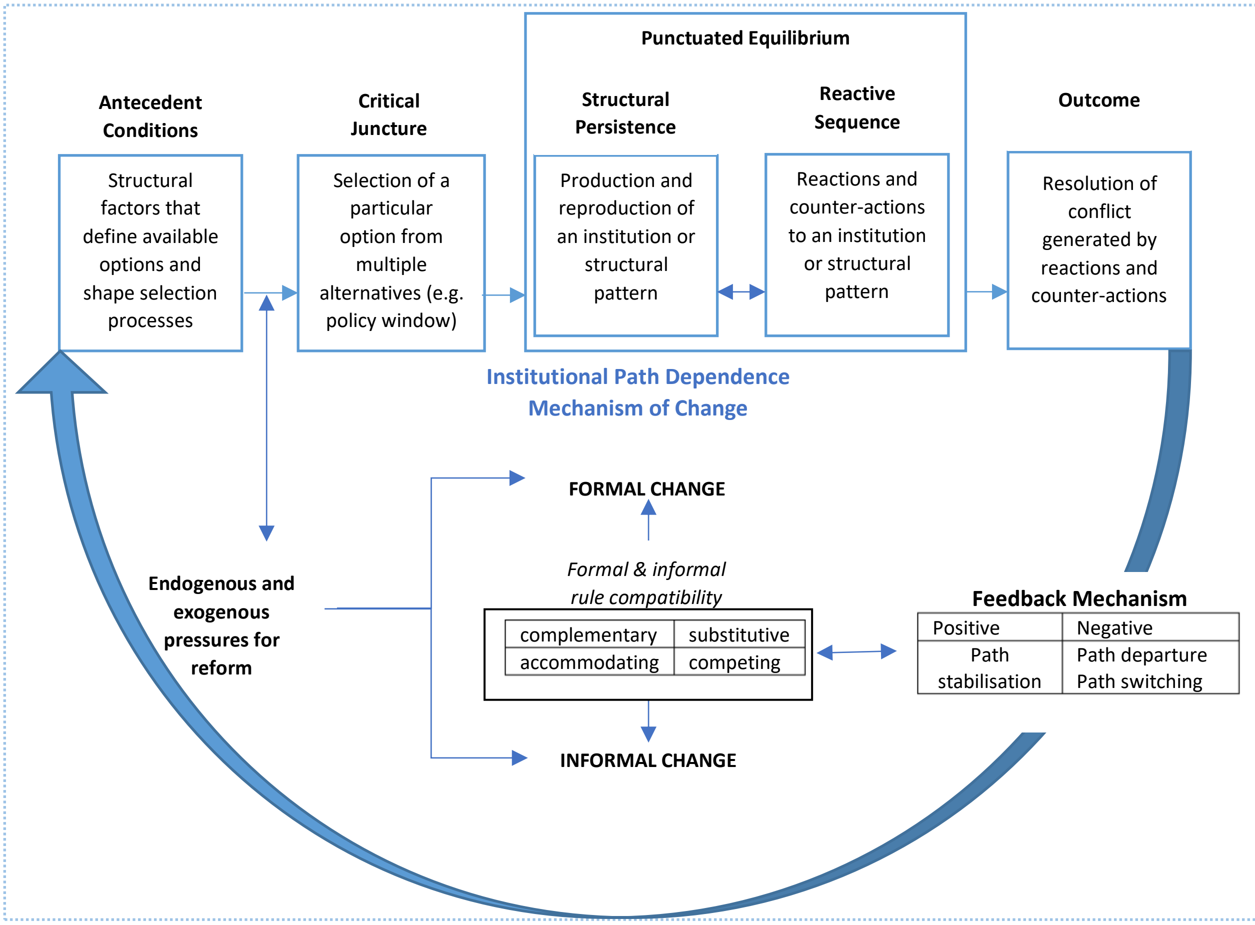
Complementing this discussion of the role of policy learning in the successive stages of the reform process, the following section will focus on its role among mechanisms of institutional change.

9.4 Mechanisms of Institutional Change

The empirical findings discussed in chapters V and VI highlight the tendencies of the institutional dynamic throughout the reform sequence, from the antecedent conditions, critical juncture, structural persistence and reactive sequence, as well as the outcome. These findings warrant deeper examination, and accordingly this section will further explore the mechanism of institutional change.

Figure 9.2 below illustrates a model of institutional change that brings together several different considerations: path dependence, the origins of change, and the types of change. "Formal change" refers to explicit alterations within an institution, which are often documented in a formal, legal manner. Its opposite, "informal change", takes place outside the legal sphere, and concerns how an institution functions *in practice*. Following a change in formal/informal rules, it is often necessary to undertake a compatibility analysis—that is, to see whether the change has affected the degree to which the formal rules are compatible with the informal. Chapter VII thus discussed a fourfold typology of the *informal* institution. The type of an informal institution is determined by the type of relationship it has with its corresponding *formal* institution; whether *complementary*, *accommodating*, *substitutive* or *competing* (Helmke & Levitsky 2004). Chapter VII also discussed how institutions mediate the effects of structural change, through path stabilisation, path switching, and path departure (Ebbinghaus 2005).

Figure 9.2 Mechanisms of Institutional Change



Reviewing the theoretical insights from path dependence framework that was discussed in chapters V and VI with regard to the policy-making behind the 2014 Civil Service Law and the 2014 Government Administration Law, the following sections distinguish the successive stages of the reform process—from the *antecedent conditions* to the *outcome*. The theoretical insights from the two case studies also point out the value of integrating exogenous and endogenous explanations of institutional change, as discussed in Chapter VII. With respect to the two laws under study, it has been possible to identify and explain the key exogenous and endogenous contextual influences. Those influences were important in generating the feedback processes observed (see Chapter VII). A well-structured integration can account for both major change and incremental change, which will be discussed further in the subsections below.

9.4.1 Antecedent Conditions

The model takes as its starting point the identification of the *antecedent conditions*, as discussed in chapters V and VI. The antecedent conditions involve structural factors that define available options and shape selection processes. Analysing the antecedent conditions involves considering "downward" causation—that is, how structure affects institution and agency. As noted above, the two laws under study emerged from the same antecedent conditions, one of which was non-reformers maintaining a frequency-dependent equilibrium—the incentives in the structure were not in favour of the intended bureaucratic reform. This was partly a consequence of the bureaucracy's being dominated by patrimonialism and clientelism.

The structural factors analysed in this thesis involve the cultural and social-political background to reform. The analysis follows Archer's (1996) morphogenetic approach, which differentiates between the cultural conditions (the ideational) and the socio-political conditions (the material). In this study, the material aspects that are important are political structure, globalisation, and regime change. The important ideational aspects include political and policy traditions, such as bureaucratic paternalism and bureaucratic patrimonialism. Those ideational aspects were covered in chapters V and VI when discussing the antecedent conditions of the two case studies.

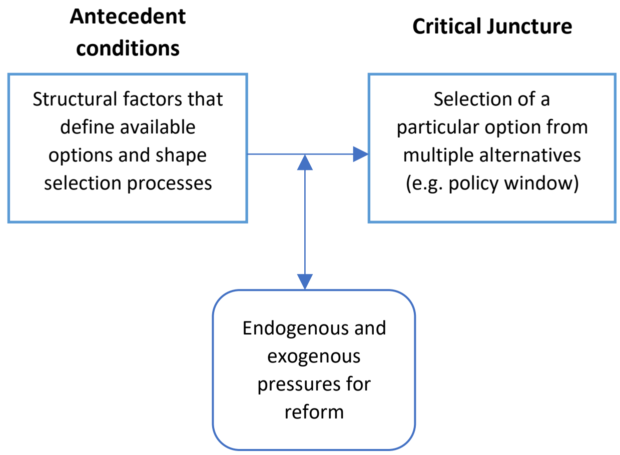
With regard to the impact of globalisation, this thesis has highlighted the risks of learning the “wrong” lessons, perhaps from the “wrong” teachers, and of applying policies to the “wrong” contexts—especially in the contemporary world, where the epistemic community has tended to globalise particular reform approaches. In some cases, globally dominant paradigms have captured policymakers’ thinking, and the development of distinctive local paradigms has therefore been constrained. When considering reform, policymakers have imposed inappropriate limitations on the range of available choices, and there has been failure to acknowledge the importance of incrementalism. The range of available options for reform has been influenced by the policymakers’ belief systems and worldviews, which are part of the ideational dimension.

Most of the time, the ideational dimensions are clustered together and become part of a “belief system” (Sabatier 1993), a “worldview” (Weber 1978), or a “paradigm” (Hall 1993). While these ideas are conceptually discrete, they are similar in that they integrate the cognitive dimension, and stress the collective aspect of the ideational dimension. For example, beliefs and worldviews are shared among groups of people. The cognitive dimension becomes the basis for the micro-foundations of learning, which explain how an actor’s behaviour, perceptions and interactions with others have unintended and sometimes inefficient consequences. Those consequences may be reflected in emotions, surprises and heuristics, which may be important for decision-making and policy learning (see Chapter VIII). In addition, the collective aspect of the ideational dimension at the structural level helps to explain the existence of group learning pathologies, such as group inhibition, preferential groupthink and social loafing, all discussed in Chapter VIII.

Depending on the antecedent conditions, it may be that there is no institutional mechanism for dealing with the political choices or political interactions of policy actors. In such circumstances, effective policy learning might be limited. For instance, without an institutional process for determining the range of policy alternatives, there are fewer opportunities for policy learning. And policy learning, or the lack of it, is important for shaping perceptions during the critical juncture, when a particular policy option is selected.

It is important to analyse the role of exogenous and endogenous pressures for reform. As discussed in the previous chapters, the two case studies highlight the role of the globalised trend for NPM-inspired reforms and “good governance” approaches. In the case of the two laws under study, it seems that, when the policy actors selected particular reform options, they were influenced by reforms which had, apparently, been successfully implemented in other countries. At the same time, endogenous pressure is also worthy of study. Endogenous pressure can create a “policy window”, by coupling the political, policy and problem “streams” in a purely local context. Endogenous pressure can, therefore, result in policy change (Kingdon 1984, 1995).

Figure 9.3 Mechanisms of Institutional Change: during Antecedent Conditions and Critical Juncture



9.4.2 Critical Juncture

According to Mahoney and Thelen (2015), a *critical juncture* occurs when "an event or a series of events, typically exogenous to the institution of interest, lead to a phase of political uncertainty in which different options for radical institutional change are viable" (p. 51). While it is common to associate critical junctures with exogenous pressures and other external conditions, Mahoney and Thelen (ibid.) allow for the possibility of endogenous origins. That is, they grant that institutional change may be a result of pressures caused by dynamic processes within the institution itself. Thus, in general, institutional change can be a result of dynamic interactions between structure, institutions and the actors embedded within them. In analysing any particular process of change, it is necessary to determine whether that process has endogenous or exogenous origins, and to treat the critical juncture as the starting point of the causal narrative.

The empirical findings show that the exogenous origins of change can take a variety of forms. These might be (a) an event that is difficult to predict (e.g. a fiscal crisis); (b) the creation of an institution, involving external stakeholders as facilitators (e.g. through donor conditionality); or (c) a large-scale development influencing social, economic and political situations (e.g. globalisation and globalised reform approaches, such as NPM and "good governance"; see Chapter IV).

While it is often easy to identify exogenous origins of change, endogenous origins of change may not be so obviously visible, and so can pose challenges to the researcher. They may, however, be identified by paying attention to the moment of institutional creation, and by looking for the presence of similar dynamics in similar institutions embedded in *different* structural conditions (Koning 2016). The empirical findings of this study suggest another approach for finding endogenous origins of institutional change: Analyse certain properties of the institution in question—namely, those properties that are likely to give rise to learning effects amongst the embedded actors. As these learning effects might result in change, identifying their origins serves as a useful proxy for locating the endogenous origins of that change.

As discussed in Chapter II, the notion of the critical juncture is similar to that of the policy window. Policy windows are opened when at least two of three "streams"—the political, policy and problem streams—converge at critical moments. They provide opportunities to divert the path from its previous trajectory (Kingdon 1984, 1995). The opportunity for divergence arises from structural factors, from antecedent conditions—which define the available options—and from the agency and contingency of the key actors. The key actors are those who can play a crucial role in making use of any opportunity to create institutional change. Thus, when a policy window is open, it is possible to see the dynamic interaction between structure, institution and agency.

As discussed above, the empirical findings from both case studies show how structural conditions can shape the range of available policy options. In these cases, the structural conditions were in turn shaped by the reform movement which arose after the 1997 Asian Financial Crisis, persisting after the fall of Soeharto. The reform movement created a path for incremental change within the Indonesian bureaucracy. Incremental change was facilitated by more drastic, discontinuous change, such as Indonesia's "big bang" decentralisation; ; as well as other shock therapy reform approaches implemented after the Asian Financial Crisis in efforts to eradicate corruption, collusion and nepotism through legislation, such as the 1999 Basic Law on Civil Service (the amended version of the 1978 law of the same name). While the 1999 Law was frustrated in its implementation (the old Implementing Regulations remained unamended), it set a legislative precedent and thus provided a solid foundation for arguments in favour of merit-based civil service reform. This precedent also led to several ministries and government agencies implementing various bureaucratic reforms, often because of the presence of reform leaders. Thus, when the next critical juncture arose—through a change of administration, whereby power passed to leaders who were in favour of merit-based reform—policy entrepreneurs were able to seize the opportunity for reform, by creating a sense of urgency through priming, framing and coalition-building.

During this process, policy entrepreneurs often coupled problems with their own proposed solutions. In general, structural factors influence the range of credible solutions and the strength of path dependence. Thus, policy entrepreneurs need to weigh alternative solutions according to how well they fit the context (see Chapters V and VI). In considering those alternatives, policy entrepreneurs should also be careful to take structural development into account, since when drawing on their policy learning, policy entrepreneurs have tended to model proposed institutions on existing examples from other countries, and thereby to promote (possibly unsuitable) isomorphic effects (Andrews 2009; DiMaggio & Powell 1991). However, such reform initiatives are not necessarily hopeless—"set up to fail"—because proposed policy alternatives often undergo "contextualisation". Through bricolage, it is possible to combine models that work elsewhere, and to translate them so that they fit with the in-country context, as explored in Chapter VIII. When undertaking such borrowing and contextualisation, policy entrepreneurs should be aware that the selection of a particular policy option from multiple alternatives is an inherently political process.

While agency and contingency have important roles, it should be noted that the "critical juncture" is a concept that emphasises the importance of timing—critical junctures involve particular historical events that have lasting consequences (Pierson 2000). From the empirical findings, it is clear that critical junctures do not necessarily involve major events—if they happen at the right time, even subtle and low-key events may have a long-lasting impact through the way in which the opportunities for significant change are realised and used to advance institutional change.

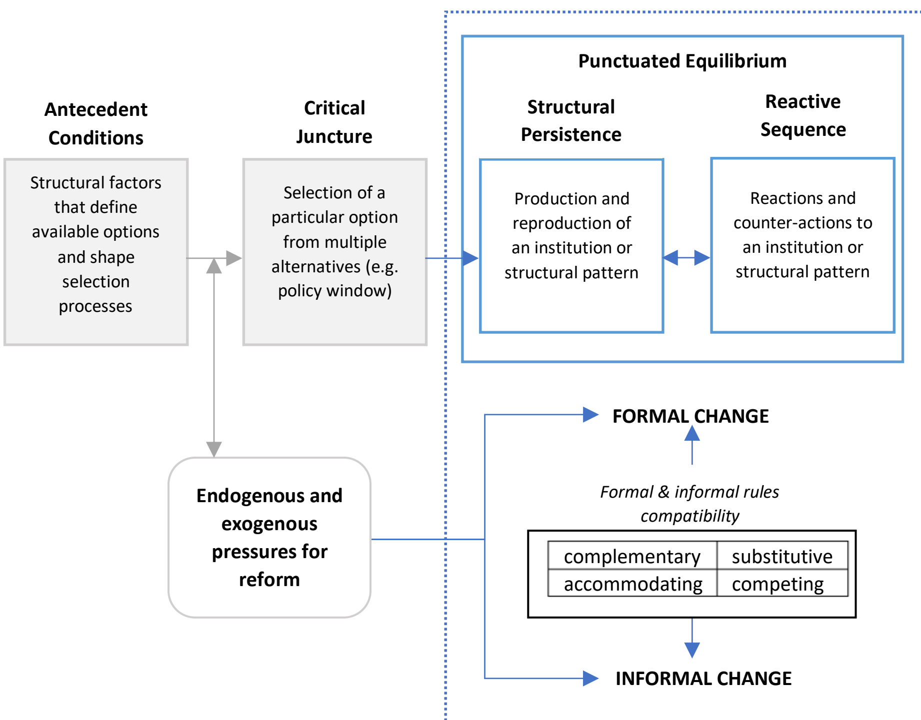
9.4.3 Punctuated Equilibrium: The Dynamic between Structural Persistence and Reactive Sequence

As discussed with reference to the theoretical framework (Chapter II) and the empirical findings of the present research, it is at the stage of *punctuated equilibrium* that the new institution is created. This stage has two main aspects: *structural persistence*, referring to the production and reproduction of an institution; and *reactive sequence*, referring to reactions and counter-actions to the new institution. Those reactions and counter-actions can be identified by analysing disruptive events, such as may affect lock-in of the selected policy change.

The findings from this demonstrate that even when there are challenges to reform, incremental changes can have a transformative effect without major disruption. Indeed, in its operationalisation of the path-dependence framework, this thesis has addressed some of the challenges and criticisms aimed at that framework and its emphasis on institutional "stickiness" (see Boettke, Coyne & Leeson 2008; North 1990). It has been argued that path dependence has a limited analytical scope—that the concepts of "punctuated equilibrium" and "critical juncture" can deal with *some* types of institutional genesis and institutional change, but not *all* types (cf. Mahoney 2000). However, this thesis has shown that other concepts in the path-dependence framework—"structural persistence" and "reactive sequence"—can facilitate the analysis of institutional change. In particular, they are useful for explaining change that takes place in what might be considered "normal" periods of path-dependent development.

Thus, the reactive-sequence approach allows us to focus on the temporal and causal connections between policy events. Such an approach attempts to establish how previous events enable and shape subsequent events in a policy sequence. The self-reinforcing approach assumes that the direction of policy evolution is determined at the origin of a path, whereas the reactive-sequence approach regards policy evolution as the outcome of reactions and counter-actions *within* the sequence. In this way, incremental changes are not downplayed, neglected or ignored and the framework can accommodate not only disruptive changes at critical junctures, but also gradual transformations. Furthermore, by paying careful attention to structural persistence and reactive sequence, it is possible to address stability bias—path dependence can be employed as a framework that "involves elements of both continuity and (structured) change" (Thelen 1999, p. 104). Thus, detailed and in-depth descriptions of events need to be assembled. Such descriptions should capture not only major events and the transformative changes associated with them, but also minor events and their associated adaptive/reproductive changes—that is, how "institutional discontinuity [is] caused by incremental, 'creeping' change" (Streeck & Thelen 2005, p. 9).

Figure 9.4 Mechanisms of Institutional Change: during Structural Persistence and Reactive Sequence



The findings provide insights into "punctuated equilibrium"; the creation of a new institution may call into question the legitimacy of existing institutions, thereby promoting further change. When the new institution is created, and formal and/or informal change thereby occurs, the eventual outcome will be influenced by the relationships between formal and informal institutions. Two aspects of those relationships are especially important: (1) the extent to which the formal and the informal institutions are compatible, and (2) the effectiveness of the formal institutions—that is, the extent to which written/formal rules are implemented and obeyed in practice (Helmke & Levitsky 2004). The fourfold typology of informal institutions, as noted above, is defined by those two aspects. There is, of course, a two-way influence between formal and informal institutions—an influence that is affected by structural factors, and by the agency and contingency of goal-pursuing actors (see Chapter VII).

Chapter VII discussed how institutions may constrain agents' political choices and behaviour, but paradoxically also empower them to create change. The dynamic created by formal and/or informal change may allow agents to manoeuvre within the institutional boundaries, and to manipulate the existing institutional arrangements. Thereby, they may promote their interests and attain their goals. Thus, actors are of crucial importance during this institutional creation stage—in their strategic agency, there is potential for shaking-up belief systems, challenging taken-for-granted norms, and generating uncertainty about existing institutions. This potential was discussed in Chapter VIII.

The empirical findings of the present study show that, in promoting their interests, key players engage in priming, framing, coalition-building, negotiation, pushing back against resistance, and strategic learning. The strategic learning here involves the four highlighted aspects of policy learning: learning aggregation, the micro-foundations of learning, collective learning and individual learning. These findings align with Hay's (1996) argument that "agents are reflexive, capable of reformulating within limits their own identities and interests, and able to engage in strategic calculation about their current situation" (p. 21). During structural persistence and reactive sequence, agents are subject to the influence of structural factors and institutional arrangements, through learning aggregation and the micro-foundations of learning. At the same time, however, individual learning and collective learning empower them to pursue their political and policy objectives with their coalitions.

It took more than a decade to pass the two laws that form the focus of this study, and during that period there were many unsuccessful attempts to bring the proposed legislation onto the political agenda. In both cases, policy entrepreneurs and their coalitions persisted in advancing their policy objectives. Such persistence may be a product of learning—strategies may be adapted after each new failure. On the other hand, such persistence may also be partly or wholly quixotic.

Policy learning is defined as "a deliberate attempt to adjust the goals or techniques of policy in response to past experience and new information" (Hall 1993, p. 278). The empirical findings illustrate how policy learning cannot disregard the fundamentals of politics: the need to gain coalition support; institutional constraints on behaviour and choices; the roles of political authority and power asymmetry; and so on. When policy entrepreneurs *do* take such political realities into account, the dynamic between structural persistence and reactive sequence can give rise to learning effects. Those effects can then create opportunities, during the institutional creation stage, to deviate away from options that would reinforce path dependency.

9.4.4 The Outcome of Institutional Change

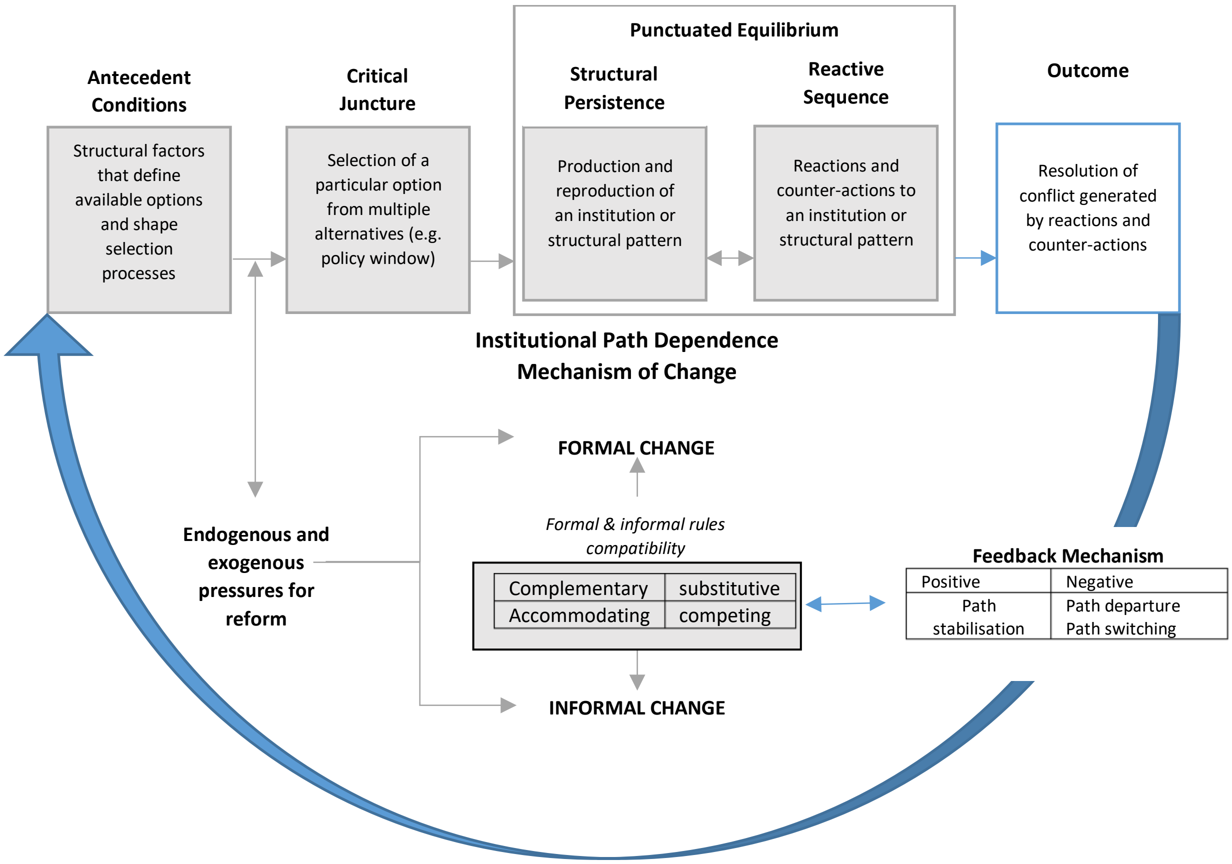
Discussed in Chapter II, the path-dependence framework regards the *outcome* as the product of conflict generated by reactions to the new institution, and by counter-actions that generate lock-in. The outcome is defined by how that conflict is resolved. This thesis considers both positive and negative feedback mechanisms—*path stabilisation* results from positive feedback mechanisms, whereas *path switching* and *path departure* result from negative feedback mechanisms.

Positive feedback implies a self-reinforcing mechanism that yields positive outcomes (Baumgartner & Jones 1993, 2002; Pierson 2000). With positive feedback, there are lessons to be learned from the reactions and counter-actions triggered by the institutional-creation process (ibid.). However, the lessons serve to support the new institution—actors can use them to weed out the institution's unintended features or consequences (ibid.). Negative feedback, on the other hand, implies a process of learning that allows for self-correction or reversal, in response to negative outcomes (ibid.). The empirical findings show that when participating in feedback, actors can make use of individual learning and collective learning, which may help them to recognise and understand the beneficial effects of the policy path; to identify their interests in maintaining (or undermining) the policy path; and to act in accordance with those interests.

Both of the case studies provide examples of departure from an established path. The two laws—the 2014 Civil Service Law and the 2014 Government Administration Law—introduced core principles of merit-based civil service reform and "good governance", respectively. Both laws were accompanied by completely new Implementing Regulations, rather than merely amended versions of the existing regulations. Such path departure demonstrates that incremental change, in the direction of reform objectives, may permit divergence from the logic of an established path. That is, minor and incremental changes may facilitate path destabilisation and the institutional reproduction of that destabilisation; and thereby create a feedback mechanism that, over time, results in institutional discontinuity from the established pattern.

The 2014 Civil Service Law represents an effort to move away from previous attempts at civil service reform (such as the 1999 law), towards a more merit-based approach. This new law was more radical than the 1999 law, bringing forward reformist ideas such as open recruitment for public officials; contract-based government employees; a skills/profession-based arrangement of roles (managerial, functional and administrative); the establishment of a civil service commission; a fully-funded pension scheme; and pay reform. As in the case of the 2014 Government Administration Law, the enactment and implementation of the law involved paradigmatic change towards “good governance”, without causing major disruption to the existing arrangements. The law was the result of incremental changes, which had occurred since the early period of the reform movement.

Figure 9.5 Mechanisms of Institutional Change: the Outcome and Feedback Mechanisms



When the two case studies are compared, the findings show clearly that the two laws differed in how the outcomes, in terms of institutional creation, were generated from the policy-making processes. This variance can be explained by the different approaches that were taken towards institutionalisation. While it is commonly supposed that a law's institutionalisation is something that happens after it has been passed, institutionalisation can in fact begin during the policy-deliberation stage. Indeed, in light of the present study's findings, it seems that such early institutionalisation promotes a lock-in mechanism—that is, it increases the likelihood that the law will be implemented once it has been passed.

In the case of the 2014 Civil Service Law, institutionalisation was facilitated by the policy-deliberation process, and by early events that helped to promote the implementation of merit-based reform. Together, these factors fixed the direction of the path towards acceptance of this type of reform, rather than towards persevering with the existing 1999 Basic Law on Civil Service. The policy-deliberation process posed early challenges to the status quo and to typically reform-resistant actors (see Chapter V), for a strict implementation of the merit principle would have threatened clientelistic practices. Politicians involved in such practices typically valued loyalty over ability in their bureaucrats. Under the new law, they would have become vulnerable to challenges from professionals. The traditionally closed class of career bureaucrats would have become similarly vulnerable. The initiative therefore provoked resistance, but the reformist coalition succeeded in promoting the merit-based approach, through successful pilot projects that received nationwide attention. Due to the popularity of the approach, several aspects of the 2014 Civil Service Law—such as open recruitment, and the rationalising and streamlining of government bodies—were implemented even before the bill passed into law.

In contrast, the policy deliberation process for the 2014 Government Administration Law did not face substantial challenge from the status quo, but once the bill became law, there were difficulties in creating lock-in. A lack of policy piloting prior to the legislative stage; a lack of clarity regarding the implementing authority (no ministry or agency was assigned to guide the implementation of the law); the fact that the law created overlapping mandates for the Administrative Court and the Anti-Corruption Court, thereby creating opportunities for abuse during anti-corruption prosecutions; and the novelty of the law, which made it difficult to implement—all these factors worked against lock-in for the 2014 law.

This section has proposed a model for analysing the role of policy learning in institutional change. The following section will combine this understanding with knowledge of how policy learning is embedded in the structure–institution–agency interrelationship, in order to build a comprehensive model for analysing policy learning as a multi-level phenomenon.

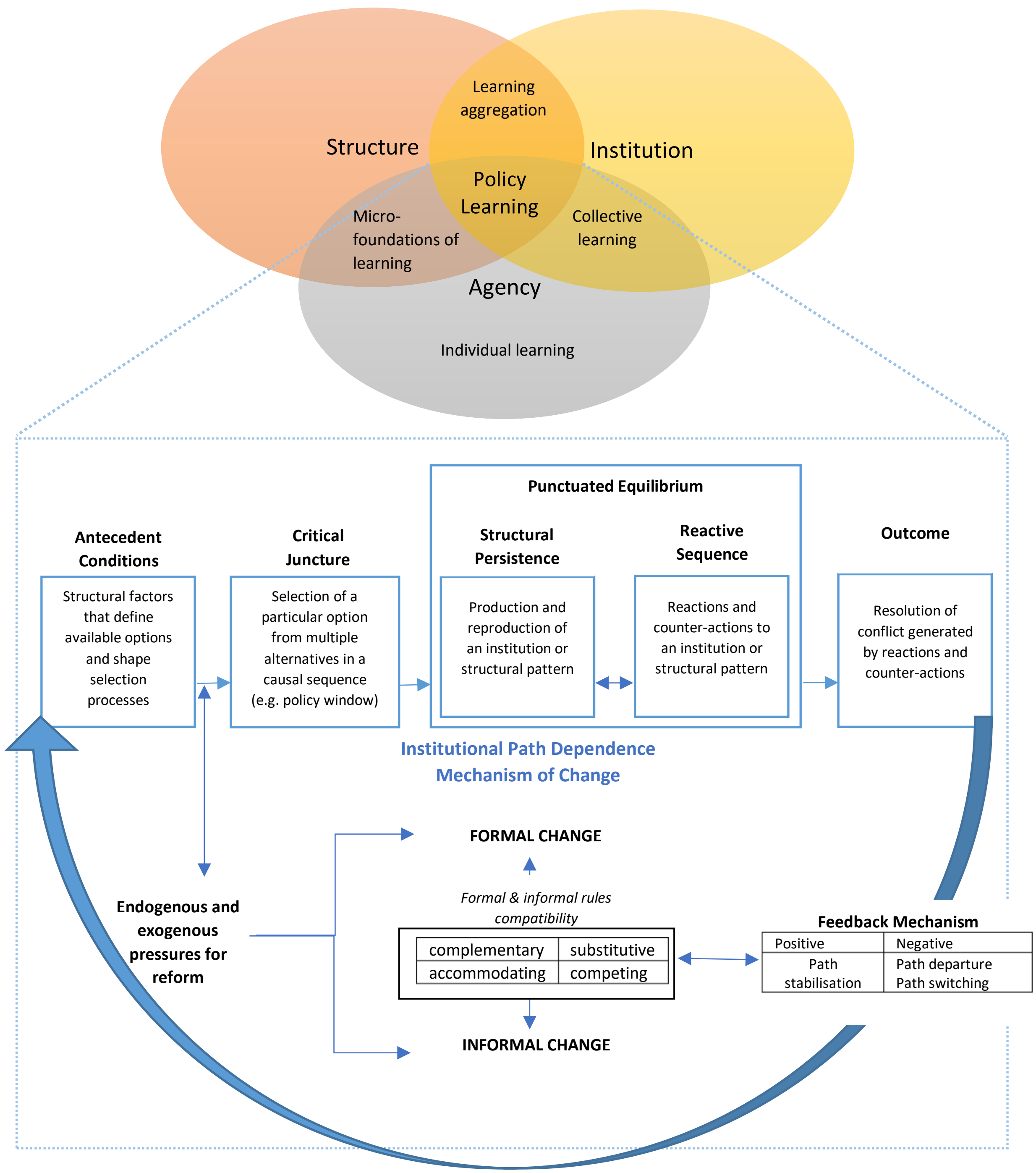
9.5 Policy Learning as a Multi-level Phenomenon: A Proposed Analytical Model

There is a complex relationship between policy learning and institutional change. Aspects of this complexity have been examined in the preceding chapters, providing the theoretical and empirical foundation for the model now to be proposed—a model for the analysis of reform-oriented policy learning as a multi-level phenomenon.

The model presents policy learning as something nested in the structure–institution–agency interrelationship. It has two main dimensions, as shown in Figure 9.6 below. The first dimension concerns the capacity for and effectiveness of policy learning. The empirical findings show that these are contingent upon the dynamic relationship between structure, institutions and agency. In this view, agency has a role promoting learning in support of policy change; institutions have a role creating and limiting opportunities for policy learning; and structural factors have a role defining the learning culture and the available resources. Thus, all three elements must be considered, when explaining the role of policy learning in any particular policy change.

The four aspects of policy learning highlighted in Chapter VIII—the micro-foundations of learning, learning aggregation, collective learning, and individual learning—demonstrate how policy learning is embedded in policy change. As concepts, they treat the phenomenon as multi-dimensional, and assume that combinative causality is unavoidable. Accordingly, the integrative framework developed here draws attention to the interdependencies among causal factors; to the relationship between structure, institution, agency, path dependence and policy learning; and to how those concepts complement one another in the analysis of reform.

Figure 9.6 How Policy Learning is Embedded in the Dynamic of Reform



In each sequence of the path-dependence framework, from antecedent conditions to outcome stage, there are patterns of policy learning emerging from the empirical findings. The various aspects of policy learning are variously prominent in the successive stages of the reform process. Learning aggregation and the micro-foundations of learning are strong throughout the process, except at the outcome. Collective learning and individual learning, on the other hand, are weak only in the antecedent conditions, exerting considerable influence from the critical juncture onwards. These findings illustrate the structure–institution–agency dynamic—the antecedent conditions are dominated by the influence of structure, while the outcome is mostly a matter of agency and contingency, in which policy actors play a significant role. The patterns also show that during the stages of critical juncture, structural persistence and reactive sequence, all four aspects of policy learning play some role. In the events which occur through those stages, the institutionalisation process of the policy begins, and that process will shape the future policy path.

The model's other dimension concerns the scope of policy learning. The model presents policy learning as something bound to the formal and informal institutional setting—the path-dependent nature of institutional development defines an institution's learning mechanism. According to this view, institutions provide both constraints on and opportunities for policy learning. However, path dependence implies some inflexibility, as it is characterised by a built-in tendency towards "optimal paths", which are often resistant to change. According to the path-dependence framework, the successive stages of the reform process lay out the causal narrative of institutional change. That narrative reflects the institutional setting of a particular policy. In constructing such a narrative, it is necessary to define the origins of change—exogenous and/or endogenous—before proceeding to considering the dynamic of formal and informal change within the institution. As the research has shown, the nature of that dynamic depends partly on the degree of compatibility between the formal rules and the informal rules. Furthermore, institutional change may trigger feedback mechanisms that facilitate either path stabilisation (positive feedback) or path departure/path switching (negative feedback).

Thus, the analytical model proposed here accounts for the role of policy learning in institutional change, and allows a rich, careful analysis of the multi-level relationship between structure, institution and agency. The model pays particular attention to the timing and sequencing of events in the formative phases of the reform process. These two aspects demonstrate how policy paths are maintained or changed over time, as a result of feedback which originates from stable or changing circumstances, either within or external to the policy environment. In addition, the model accounts for how the dynamic between structure, institution and agency can give rise to learning effects in reform-oriented policy change. In doing so, the proposed analytical model extends our understanding of reform-oriented policy learning in its relationship with structure-institution-agency dynamic.

9.6 Conclusion

Policy learning is a complex matter. It is a multi-level phenomenon, embedded in the relationships between structure, institution, and agency, and it is both an influence on and a product of institutional change. This chapter has taken both of those aspects into account, and by drawing on the empirical findings from this study, constructed an analytical model for policy learning. The model has two key dimensions. The first dimension concerns the capacity and effectiveness of policy learning, which are contingent upon the dynamic relationship between structure, institution and agency. The second dimension concerns the scope of policy learning, which is connected to path dependence and the mechanisms of institutional change.

The model is suitable for explaining the phenomena documented in this thesis's two case studies. It is also helpful for understanding reform-oriented policy learning in general, as a multi-level phenomenon that is inherently political and contextually dependent. The model is therefore of key importance for answering this thesis's research question and draws together the findings in a novel manner. That question is addressed and discussed with key findings in the next chapter, which concludes the study.

10 Chapter X

Conclusion

This thesis focused on the policy-making processes of bureaucratic reform in Indonesia, where the past twenty years have witnessed a remarkable transition—from the 32-year-long authoritarian era, with centralised political and policy-making systems, to "a more pluralistic, diffused and evolving system with an increasingly active parliament" (Abonyi 2005, p. 4). Some reforms were undertaken soon after the fall of Soeharto's regime in 1998, but the implementation of bureaucratic reform did not begin until more than a decade later. This thesis has considered why such reform was delayed, and how its proponents eventually achieved change; albeit a limited amount of real change. The thesis focuses especially on the interaction between policy learning and policy-making processes—a focus inspired by suggestions that such interaction can be best explored during moments of policy change (Moyson 2017; Moyson, Scholten & Weible 2017) and of reform (Dunlop & Radaelli 2016).

This chapter brings the thesis to a close, but serves several additional goals. It addresses the main research question, sets out the contribution to the literature, describes the thesis' limitations, and indicates possible directions for future research. The central research question for the thesis was: *To what extent does policy learning facilitate policy change in shaping the trajectory of public administration reform?* In addressing this question, the thesis has paid careful attention to the complex relationships between structures, institutions and agency. The thesis has explored, in particular, the path-dependent sequence of reform; the mechanisms of institutional change; and the way policy learning is embedded in the structure-institution-agency interrelationship.

The thesis incorporated two case studies, on the histories of the 2014 Civil Service Law and the 2014 Government Administration Law. These case studies were undertaken to explore the phenomena related to reform-oriented policy learning. For both laws marked a significant move away from the existing paradigms in Indonesian public administration. Furthermore, both laws were accompanied by new Implementing Regulations and therefore involved path departure, whereby new policy directions could be fixed. The reform process did also involve path dependence, however, as policymaking was influenced by the old policy directions, and by the existing structural and institutional environment.

The next section provides an answer to the thesis's research question, using key findings derived from the discussions of the preceding chapters. The chapter subsequently describes the thesis's sequential model of policy learning. The next section summarises the thesis' contribution to the existing literature. The final section considers the thesis' limitations and recommends topics for future research.

10.1 Addressing the Research Question

Three of the thesis's findings are of key importance for answering its central question: *To what extent does policy learning facilitate policy change in shaping the trajectory of public administration reform?* The first key finding concerns the multi-dimensional qualities of policy learning—structure, institution, and agency are all involved. The second key finding concerns the role of policy learning in institutional change—both as an influence *on* it, and as a product *of* it. The third key finding concerns how policy learning occurs throughout the successive stages of the reform process. This finding highlights the strength of path dependence at the structural and institutional levels, and the capacity of strategically reflexive policy actors (agency level) to find ways to subvert or modify their institutions.

These three key findings are described in detail below. Together, they indicate how policy change can be influenced by policy learning and they show that this influence operates at all levels—structure, institution, and agency—throughout the reform sequence, including feedback loops.

10.1.1 Multi-dimensional Policy Learning

A major contribution of this study has been to identify how policy learning occurs at all stages of the reform sequence. As discussed in Chapter VIII, it is useful to distinguish four aspects of policy learning: the micro-foundations of learning, individual learning, collective learning and learning aggregation. The multi-dimensional qualities of policy learning can be interpreted as referring to the roles of structure, institution and agency as well as their interrelationship, in turn aiding identification of the complex and dynamic nature of reform.

Drawing on Coleman's (1990) bathtub framework for macro–micro–macro relations, Dunlop and Radaelli (2017) map the micro-foundations of learning (macro–micro), individual learning and collective learning (micro–micro), and learning aggregation (micro–macro). Critics of the model have pointed out that the concept remains abstract as it lacks empirical research. The critics of Coleman's bathtub model that discussed the feedback among the various levels when presenting causality between micro and macro level also led the author to map the four aspects of learning mentioned above in the interrelationship between structure, institution and agency.

The *micro-foundations of learning* are situated at the intersection of structure and agency. They demonstrate how policy actors interpret their institutional environments through the lens of their beliefs, and how their learning is influenced both by their rational capabilities and their cognitive limitations. At the agency level, *individual learning* occurs in different ways—for instance, a particular actor's learning might depend in part on their institutional role. In individual learning, and at the micro-foundations of learning, actors combine cognitive and analytical processing; their learning is also influenced by other actors in the policy-making process, as they interact with their political environments (structures). *Collective learning* occurs in groups; the accumulated individual learning of the various group-members does not always translate into collective learning, but any actor may contribute to it. Socialisation and bricolage, for instance, may be expected to produce collective learning. Finally, *learning aggregation* is located at the intersection between structure and institution. It is manifest, for instance, in the influence of the institutional and structural context over who participates in learning, and how. Learning aggregation means that policy learning is a political process.

The findings from this study show how these four aspects of policy learning shape policy dynamics, as agents continuously update their beliefs and knowledge during the policymaking process, and navigate through institutional boundaries to advance their goals. This helps us to better understand that even though the structures and institutions influence the *modus operandi,* agents with the support of their coalitions can play a role to evoke learning processes that can alter the causal beliefs of policy actors involved as they update their own beliefs and knowledge during the policy-making process.

10.1.2 Policy Learning as an Influence on—and a Product of—Institutional Change

The empirical findings of this research highlight the phenomenon of institutional change creating incompatibility between formal and informal institutions, and thus lead to a search for a new compatibility. In considering how institutions can give rise to learning among the individuals interacting with them, it is useful to distinguish four types of informal institution: the *complementary*, the *accommodating*, the *substitutive*, and the *competing*.

The findings from both cases show that exogenous change occurred as agents applied the “patching up” approach, whereby new arrangements were layered on top of the existing formal rules (see Genschel 1997; Streeck & Thelen 2005; Thelen 2003). The empirical findings also show how exogenous pressures can work in conjunction with endogenous learning, and how policy actors can identify (and fill) the gaps in formal institutions.

Endogenous change arose from internal learning processes. For instance, during the policy-deliberation process for the 2014 Civil Service Law, reformist success-stories persuaded some policy makers to look more favourably on the proposed law. And in both case studies, the reformers and their coalitions displayed strong and enduring entrepreneurship, during lengthy policy-deliberation processes. That entrepreneurship gave rise to “soft” institutionalisation processes—through endogenous learning, policymakers were able to update their beliefs and knowledge during the policy debates. Thus, the empirical findings show how protracted discussions can serve as a cheap means for policy entrepreneurs to achieve their goals.

The empirical findings suggest that reform is a product of both exogenous and endogenous pressures. Imported reform approaches always undergo an internal adaptation process, which involves localisation and contextualisation, as well as the domestic political process. During the policy-making process, policy learning can occur, as individuals update their views, beliefs and knowledge. As politics can influence who learns what, and from what type of evidence (Dunlop & James 2007), this study highlighted how policy making can be influenced by the distribution of power. This helps to understand that as institutions serve as “uneven playing field” (Hay 2006, p. 175), policy learning can help shed light on the crystallisation of past experience and knowledge that privileges certain paradigm and reform options, and hence certain actors who bring these options, over others.

10.1.3 Policy Learning Throughout the Reform Sequence

As was discussed in Chapter IX, the empirical findings show that the different aspects of policy learning exist to various extents, and are variously influential, at the different stages of the reform sequence. The pattern here is partly determined by the dynamic between structure, institution and agency. There are also possible nuanced variations to the degree of strengths in the pattern of policy learning due to the influence of institutionalisation processes that happen throughout the reform sequence.

Table 10.1 The Influence of Policy Learning in the Reform Process (in Five Stages, as per the Path-dependence Framework)

Four aspects of policy learning	**Antecedent conditions**	**Critical Juncture**	**Punctuated Equilibrium**		**Outcome**
			Structural Persistence	**Reactive Sequence**	
Learning Aggregation	Strong	Strong	Strong	Strong	Weak
Micro-foundations of Learning	Strong	Strong	Strong	Strong	Weak
Collective Learning	Weak	Strong	Strong	Strong	Strong
Individual Learning	Weak	Strong	Strong	Strong	Strong

During the antecedent conditions, two aspects—learning aggregation and the micro-foundations of learning—tend to be especially strong. At that stage, structural factors have a dominant influence in restricting the range of reform options, and in shaping the process whereby a particular option is selected. Afterwards—during critical juncture, structural persistence and reactive sequence—all aspects of policy learning are strongly influential. During these stages, structure, institution and agency interact simultaneously, as the process of institutionalisation begins. Finally, at the outcome, collective learning and individual learning are particularly prominent. During this stage, the actors involved pay attention to the expected benefits—the "who gets what"—of policy implementation, thereby generating feedback effects.

This key finding helps us to better acknowledge all aspects of policy learning in reform sequence and the ways in which they can differently influence each stage of the sequence, painting a nuanced picture of the institutionalisation process that shapes reform trajectory. This key finding highlights different aspects of policy learning that are located within a complex process of institutionalisation that explains how learning shifts in each stage of the reform sequence.

10.1.4 Answering the Research Question: The Extent to which Policy Learning Facilitates Policy Change in Shaping the Trajectory of Public Administration Reform

In view of the findings presented above and the relevant academic literature, this thesis clearly demonstrated that there are strong links between reform-oriented policy learning and policy change. Policy learning is not a neutral, disinterested, scientific, objective inquiry—it is inherently political and contextually dependent. Thus, policy learning can be best understood as a multi-level phenomenon, whereby structure, institution and agency interact simultaneously throughout the reform sequence.

With respect to the *antecedent conditions*, the two case studies indicated the strength of certain structural factors—patrimonialism and patronage democracy, for instance, were dominating features in the in-country political structure. Within the civil service, there was pervasive corruption, and a non-performing work ethos had become normalised. However, the antecedent conditions also featured exogenous pressures for reform—more precisely, reform according to the dominant global paradigms of “good governance”, New Public Management (NPM) and New Public Service (NPS). Indeed, such paradigms had become prominent in Indonesian policy-making discourse, and influenced the *range* of available reform options. The question of which particular option to use, on the other hand, was less affected by exogenous pressures, being determined more by local factors such as political structures, as well as political and policy traditions. When global reform models are adopted for the “wrong” reasons, the influence of such local structural factors is especially evident. In such cases, reform may be merely a matter of “isomorphic mimicry”—conducting reforms that resemble the kind of reforms seen in successful countries, but without their core underlying functionalities. Thus, whereas reform models are intended to promote public service, they may be used as a pretext for self-serving behaviour. Indonesian history provides examples of such misconduct.

During the antecedent conditions, learning aggregation can define who *might* participate in the selection of a reform option, who actually *does* participate, and *how* the various participants are involved and engaged in the process. Learning aggregation locks-in certain forms of bias, because it gives structural power to some agents or groups, while disempowering others. The micro-foundations of learning, too, affect the learning process. Policymakers suffer from cognitive limitations. They often make use of heuristics, whereby they tend to copy policies, according to the prevailing fashions; or to search through examples of reform, favouring approaches recommended by dominant paradigms.

Since 1998, when the Indonesian reform movement began, several *critical moments*[43] have facilitated the promotion of public administration reform. Some of those critical moments arose through reform of other kinds: decentralisation; sporadic initiatives involving privatisation and public–private partnerships; and targeted reforms in particular ministries, driven by internal leadership. There was a particularly important development in 2010, at the beginning of President Yudhoyono's second term, when he placed public administration reform at the top of his political agenda. Through his National Grand Design of Bureaucratic Reform, the president mandated nationwide reform, creating a window of opportunity for reformers, who then relaunched their delayed initiative to replace the 1999 Basic Law on Civil Service, with a new law promoting a reformed, more highly professional, merit-based civil service. This was the *critical juncture* for the 2014 Civil Service Law.

The critical juncture for the 2014 Government Administration Law, on the other hand, occurred when Indonesian politicians were confronted with a new problem. There had been numerous cases in which policymakers faced criminal charges, on account of decisions they had made in the course of their employment—approximately 250 nationwide. These troubling cases opened the policy window for the government administrative bill. Its proponents had made several unsuccessful attempts to bring it before parliament in the preceding ten years. In 2014, they could at last couple all three of the "streams" (previously, they had been able to couple only two of them). The policy stream (the proposed law), the problem stream (the policymakers' fears) and the political stream (the

[43] As noted in Chapter II, a critical *moment* is not the same as a critical *juncture*. A critical moment occurs when an opportunity for significant change arises; a critical juncture occurs when such an opportunity is realised and exploited, resulting in a clear departure from an established path (Bulmer & Burch 1998; Burch et al. 2003; Schneider & Aspinwall 2001).

elite's keenness to solve the problem) all converged. Thus, a critical juncture occurred, and legislative change was achieved within a year.

During critical junctures, all aspects of policy learning play a role, influencing the contingent choices that determine the trajectory of institutional development and consolidation. Through individual learning, agents can develop their strategies, form alliances, build support through coalitions and translate ideas into policy proposals. The micro-foundations of learning allow agents to follow decision heuristics, by "pinching" their reform ideas quickly, in order to exploit the opportunities that critical junctures provide. Even so, reformers often need to mobilise support for their initiatives. Thus, collective learning may be important, especially in bringing proposed reform options from the periphery to the centre, and thus to wider attention. Learning aggregation, too, may be important in this process. Learning aggregation is relevant to the framing of problems and policies. Such framing may play a role in keeping the three streams—the problem, policy and political streams—aligned, and thus in driving forward policy learning and policy change. During a critical juncture, the policy issue is on the agenda; but the process of learning may be hindered via non-decisions or by institutional mechanisms that operate in favour of the status quo.

With respect to *structural persistence* and *reactive sequence*, the empirical findings highlight the importance of the institutionalisation process in reform. When the histories of the two laws are compared, it becomes clear that the *timing* of that process may be particularly important. The process commonly occurs *after* the passing of legislation; what the empirical findings suggest is that reform may have a better chance of success, if the process begins during the policy-making process, *before* the legislative stage. The findings lead us to question how much priority should be given to the legislative aspects of reform—it may be better to focus on promoting reform in practice, in advance of legislative change. However, in the context of Indonesia, where patronage can undermine formal rules, legislation is regarded as a strategy for advancing reform initiatives. Thus, against the structural persistence, a mixed approach, involving both formal legislative change and "soft", or informal, institutionalisation processes is needed to advance the intended reform.

During structural persistence and reactive sequence, any aspect of policy learning may be important in shaping the institutionalisation process: During the critical juncture, agents can use their individual learning to identify opportunities to advance their reform agendas. Similarly, the micro-foundations of learning may lead agents to use decision heuristics, in making experimental efforts to institutionalise reform. Collective learning may be useful for marshalling support and developing coalition strategies. Meanwhile, through learning aggregation, agents may find ways of navigating through institutional boundaries, and of identifying useful allies. Co-operation can be difficult in politics, as the sets of "winners" and "losers" are often reshuffled.

The empirical findings demonstrate that the dynamic between structural persistence and reactive sequence may have a long-term influence over the policy path—the passing of legislation does not necessarily settle matters. In the case of the 2014 Civil Service Law, an early institutionalisation process resulted in a redirection of the policy-path, in favour of merit-based civil service reform. The 2014 Government Administration Law, on the other hand, has been less successful; has had much less effect on the policy path. The strength of path dependence is evident in, for instance, the development of a tendency to abuse the new law, as a means of undermining anti-corruption efforts.

During the final stage of the reform sequence—the *outcome*—policy learning is embedded in feedback mechanisms. As actors and their coalitions generate feedback, individual learning and collective learning occurs. That learning helps to define "who gets what" from policy implementation, thereby influencing the overall outcome of the reform process. It may be that real change is achieved; alternatively, reform may be "blocked outright or put into effect only in a tokenistic, half-hearted fashion" (Polidano 2001, p. 346). In other words, the outcome may be a new, reforming policy trajectory, or the persistence of the existing, path-dependent trajectory. The dynamic of reform may involve considerable back-and-forth—events may move first in one direction, then in another, exerting cumulative policy-learning effects on the trajectory of the policy path.

This study has shown how policy learning was embedded in the structure–institution–agency dynamic throughout the reform sequence. During the *antecedent conditions*, learning aggregation and the micro-foundations of learning were particularly prominent, because of the influence of structural factors. Those factors included the dominant, global paradigms for public administration (which restricted the *range* of reform options); and the domestic structural elements, such as the in-country political structure (which largely determined the *choosing* of a particular reform option). During the *critical juncture*, and the subsequent period of *structural persistence* and *reactive sequence*, the process of reform was simultaneously influenced by all aspects of policy learning. Finally, at the *outcome* stage, individual learning and collective learning were evident in feedback effects, resulting either in path stabilisation and the persistence of the existing path-dependent trajectory, or in path departure/switching and thus a new trajectory towards meaningful reform. These findings provide new insights into new theoretical development and provide a new way in understanding policy learning within a complex and dynamic nature of reform.

10.2 A Sequential Analytical Model of Reform-Oriented Policy Learning

In accordance with the findings presented above, this thesis argues that for scholars to fully understand reform and policy change, it is necessary to consider structure, institutions and agency, and to pay careful attention to path dependence and the mechanisms of institutional change. The dynamics of the policy-making process need to be analysed as a multi-level phenomenon, as does the process whereby policy learning becomes embedded in policy change—something that is of central importance to reform. Such an approach, developed from the findings of this study, allows us to explore the extent to which agents employ resources gained from either institutions or structural features, in creating an environment that is favourable to their goals, so far as that is possible within institutional boundaries and the structural context.

Chapter IX presented a new model for the analysis of reform-oriented policy learning as a multi-level phenomenon. According to this model, the analysis should start from the *antecedent conditions*, paying attention to the structural factors that influence the range of available reform options and the process of selecting a particular option. For example, in the two case studies, exogenous pressure for reform played a role in defining the range of reform options—international organisations and the epistemic community introduced globalised reform models, presuming (from the experience of Western countries) that they would have a positive impact in Indonesia. Indeed, policy transfer, policy borrowing and policy diffusion often happen in conjunction with exogenous pressures. However, the selection of a particular reform option is shaped by domestic structural factors. Thus, the influence of the in-country political structure, and of political and policy traditions, must be taken into account, when analysing how certain reform models/ideas gain acceptance. Endogenous mechanisms highlight the roles of learning aggregation and of the micro-foundations of learning in the reception of ideas. Those two aspects of policy learning are involved in the processes whereby paradigms presented by dominant agents, such as international organisations, can capture policymakers' thinking and shape their reform preferences.

With respect to the *critical juncture*, the analysis should identify the moment at which the policy window opens—when policy entrepreneurs are able to couple at least two of the three streams (the problem, policy and political streams). Learning from the research, the analysis should focus also on how a particular reform option is selected from multiple alternatives, paying attention to the role of the micro-foundations of learning. Policy actors are often urged to manage change almost as quickly as the change itself occurs; they may, therefore, rely on decision heuristics, alongside their rational judgment. Analysis of individual learning, on the other hand, may reveal how policy entrepreneurs update their beliefs and knowledge, in reaction to the "crisis" situation. The empirical findings show how individual learning may involve efforts to translate the conditions into a policy problem. Such translation allows previously ignored aspects of a complex situation to become salient, and can give rise to collective learning, as policy actors redefine public debates. Public debate may help to bring reform options from the periphery to the centre of public attention. In considering how such discourse proceeds, the analysis should pay attention to the role of learning aggregation. Perceptions of problems are socially constructed, and actors may try to make use of their institutional roles to frame a problem.

With respect to *structural persistence* and *reactive sequence*, the analysis should consider when and how reform is institutionalised. This process involves formal and informal change, and the mobilisation of support and/or opposition may be associated with such change. As change occurs, incompatibility may arise between formal and informal institutions. To analyse this process, and subsequent efforts to restore compatibility, it is useful to distinguish four types of informal institution: the complementary, accommodating, substitutive and competing. The analysis should pay attention to the micro-foundations of learning—puzzling situations may arise at this stage, in which policy actors must deal with uncertainty and information asymmetry, and in which power and influence are exercised. Analysis of individual learning, too, may throw light on how policy actors interpret such puzzling situations, and how they navigate through institutional boundaries. However, it is important to note that individual learning does not always translate into collective learning. With respect to collective learning, attention should be paid to socialisation and bricolage as mechanisms of dealing with extraordinarily subtle and complex tasks in groups. Finally, as groups operate within institutional boundaries, analysis of learning aggregation may throw light on the question of *participation*—who is allowed to participate in the policy-making process, and how they do so.

With respect to the *outcome*, the analysis should consider feedback effects, both positive and negative. Positive feedback promotes path stabilisation, whereas negative feedback promotes path switching and path departure. By considering the individual and collective learning that occurs at this stage, the analysis can reveal how policy actors send feedback to the system, and thereby shape reform trajectory.

Such insights help us to understand that feedback processes could lead either to a policy trajectory driven by self-reinforcing reproduction mechanism (positive feedback), or one driven by a self-undermining policy path (negative feedback). As the findings suggest, this positive and negative feedback may be observed simultaneously within the same reform trajectory due to the interplay between structural persistence and reactive sequence, given that policy learning plays a role in explaining policy endurance and change. This study shows that the pathway to endurance and change, or the reform trajectory, is shaped by ongoing processes of policy learning where actors continuously update their beliefs and knowledge as the structure and institution provides incentives for policymakers to adjust policy regularly.

10.3 Significance of the Findings

In providing a detailed analysis of how reform-oriented policy learning can influence policy change, this thesis has made a number of analytical, conceptual and theoretical contributions to the existing literature.

10.3.1 Contributions to the Policy Learning Literature

This thesis fills a gap in the literature and points out a new theoretical development by offering not only a multi-dimensional approach to policy learning, but also describing the causal mechanism that explains the relationship between reform-oriented policy learning and actual policy change. Empirical evidence, drawn from two case studies, has been used to demonstrate the relationships that exist between each analytical component.

Research into the relationship between policy learning and policy change does indeed already exist. This body of literature can be divided into three "streams" (Dunlop at el.

2018; Moyson & Scholten 2018;). The first stream contains “managerialist” approaches, which focus mainly on the adoption of learning perspectives in organisational behaviour (Common 2004; Gilson, Dunleavy & Tinkler 2009; Moynihan & Landuyt 2009) and on governmental innovation (Etheredge & Short 1983; Metcalfe 1993). The second stream contains “diffusion and convergence” approaches, and such concepts as “policy transfer” (Dolowitz & Marsh 2000), “policy diffusion” (Marsh & Sharman 2009), “lesson-drawing” (Rose 1991), and “policy convergence” (Bennett 1991; Knill 2005). The third stream contains “social learning” approaches, which are concerned with how policy actors manage uncertainty, and with how they “puzzle” over ideas (Friedmann 1984; Haas 1992; Hall 1993; Heclo 1974; Parsons 1995; Sabatier & Jenkins-Smith 1993). However, these dominant streams have not recognised the multi-dimensionality of policy learning. All three streams are necessary to provide a complete picture of the relationship between reform-oriented policy learning and policy change and, building on this body of work, the present research identified the need for a new theoretical development.

In developing their policy-learning framework, Witting and Moyson (2015) consider the logic of causality, which involves crisis, paradigm change and policy change. They make use of the concepts of individual learning, collective learning and collective structure. Dunlop and Radaelli (2017) emphasise a multi-dimensional approach to exploring policy learning. Using the “Coleman’s bathtub” approach, they develop a framework that handles the macro and micro dimensions of policy learning. However, they do not provide any empirical findings to accompany their framework. This thesis has built on those two existing frameworks. It expands the empirical evidence-base, and extends the theory of policy learning by exploring its multi-dimensional aspects—in short, the structure–

institution–agency dynamic. More importantly, this thesis contributes to debates on the multi-dimensional space and logic of causality, in the context of reform-oriented policy learning and policy change. The proposed analytical framework is not intended to compete with existing frameworks, but rather to facilitate cumulative progress in the field, which requires a multi-disciplinary approach.

10.3.2 Contributions to the Broader Public Administration Literature

This thesis has emphasised the importance of developing an integrated and consolidated model for understanding public administration reform and policy change. There are several well-known models for explaining the dynamics of the policy-making process and public sector reform: the Advocacy Coalition Framework (ACF) (Sabatier 1988, 1991, 1998), Institutional Theory Approaches (ITA) (Barzelay & Gallego 2006; Ostrom 2011; Scott 2008;), the Multiple Streams Framework (MSF) (Kingdon 1984, 1995), and Punctuated Equilibrium Theory (PET) (Baumgartner & Jones 1993). In addition to these, there are the innovation and diffusion models (IDM), the Narrative Policy Framework (NPF), Policy Feedback Theory (PFT), and Social-Ecological Systems (SES)—some of the eight frameworks discussed in Heikkila and Cairney's (2014) evaluative overview. Their work is one of the many attempts that have been made to compare and explain the promising characteristics of the various frameworks, and/or to demonstrate why a particular framework should be favoured over others.

It is, therefore, unsurprising that integrative attempts have been limited, even though the frameworks should be "viewed as 'variations on a theme' rather than as entirely separate, stand-alone compositions" (Howlett, McConnell & Perl 2016, p. 274). In order to work around a theoretical deficit—the absence of a more comprehensive framework—this thesis has synthesised different frameworks in explaining the dynamics of the policy-making process, policy learning, and public administration reform. Through that synthesis, the thesis has engaged with the existing theories regarding the structure-agency debate, path dependence, institutional change and policy learning.

By engaging with theories from various fields such as public administration, public policy and political sociology, this thesis has demonstrated a flexibility of approach, operating within and between diverse disciplines. As a concept, "policy learning" can be found in the social sciences, politics, public policy and administration (Bakir 2017). Thus, interdisciplinary approaches are likely to be of increasing importance in the analysis of reform-oriented policy learning.

10.3.3 Contributions to Policy and Governmental Practice

An interesting aspect of policy change is the fact that it often proceeds in a puzzling manner. A new policy does not become securely established simply through being approved. It may remain insecure for some time afterwards, even as the processes of adaptation and implementation begin. Careful strategies may be required to ensure that a policy is effective, legitimate, and sustainable. This thesis's case studies show that the policy cycle does not always proceed in an "orderly" manner, as there are ways of reversing or eliminating a reform initiative at every stage. Thus, this research has treated the policy-making process an iterative back-and-forth between the various stages that explain pathways to policy endurance and change. Thus, to achieve their intended objectives, reformers may need to repeatedly confront persistent structures and institutional path dependence. Such confrontations illustrate the dynamic relationship between structure, institution and agency.

In that dynamic relationship, there may be many challenges for reformers. In any context, agents must deal with structural factors that shape the distribution of power and resources. At the institutional level, reformers often face an uneven playing field, where the status quo is continuously at an advantage. It may be difficult to translate reform ideas into policies; and the policies may be difficult to implement. If reformers are to succeed, they must understand the "rules of the game" and be ready to find ways around any obstacles that may arise. Thus, according to the study conducted in this thesis, reformers would arguably be wise to adopt a mixed approach, involving both formal legislative change and informal as well as "soft", pre-legislative institutionalisation processes.

Policy learning may increase support for reform, as agents may respond to new knowledge by revising their beliefs and their interests. However, reformers should understand that policy learning occurs unevenly and imperfectly within policy networks—different actors learn different lessons. The empirical findings suggest that actors' capacities for learning may be influenced by their political and bureaucratic interests. It may be that some actors participate wholeheartedly in policy learning, whereas others merely accept new policies for symbolic purposes. Thus, what *seems* to indicate policy learning may in fact be just isomorphic mimicry, or a strategic device to secure political support or development assistance as a way to define and redefine power relations

10.4 Limitations of the Study and Recommendations for Further Research

This thesis has developed an integrative approach to understanding policy learning, policy change, and reform. The integrated model accommodates the well-known path dependence framework, with its sequence of antecedent conditions, critical juncture, punctuated equilibrium (structural persistence and reactive sequence) and outcome. It also pays attention to the mechanisms of institutional change, taking into account both exogenous and endogenous pressures for reform, the distinction between formal and informal institutional change, and the feedback mechanisms that are produced by (and influence) change.

The thesis has combined different theoretical approaches, using their complementary strengths in answering its research question. However, there is a risk of reductionism in such an approach. For example, it has been useful to focus on the interaction between structure, institution and agency, and that focus has facilitated a broad understanding of the phenomena of reform-oriented policy learning. However, it could be argued that a different focus would provide a deeper (if perhaps narrower) understanding of those phenomena—a purely structure-based focus, for instance.

It is important also to acknowledge that the thesis is based on a limited investigation. The empirical findings comprise the outcome of two case studies, and involve only a single context: the public administration of contemporary Indonesia. Thus, the thesis's proposed analytical framework would benefit from being tested with further case studies. As such, the framework could be tested on other reforms in the same setting, or with similar reforms in different setting, and then different setting and reforms.

To build on this thesis, further research might discuss the extent to which its empirical findings, its proposed analytical framework, and its other theoretical contributions have improved our understanding of the puzzles presented by policy learning and policy change. Reform-oriented policy learning and policy change tend to be driven by multiple forces, and to be influenced by multiple factors. Thus, it would be interesting to look further into how the various causative elements combine—for instance, the roles of ideas, timing, different individual motivations, different types of rationality, and decision heuristics. Such questions are particularly important, as attempts to learn what works often lead us to the wrong teacher, the wrong lesson, and the wrong learning environment.

Ultimately, this thesis and the above-mentioned possible further research areas will be important for giving a clear reflection of the existing progress of public administration reform, particularly in evaluating intended institutional change within domestic politics, where the dynamic of structure, institution and agency are involved. While institutional change is often pursued through policy change, this thesis demonstrates that understanding the relationship between policy change and policy learning is not a simple task. Through the new analytical model developed in this thesis, this research informs a more complete acknowledgement of the different aspects of policy learning and the ways in which they can be both an influence on and a product of institutional change, adding a nuanced understanding of the complex and dynamic nature of reform. Through providing such a nuanced study of policy learning and reform, the study contributes important lessons for governmental practice.

Appendix A List of Interviewees

No	Respondent Groups	Organisations	Name (some are anonymous)	In-text reference in the thesis	No. of interview
1	Politician	Golkar	Agun Gunanjar Sudarsa	Interview participant P01 20.04.2017	1
2		PAN	Azwar Abubakar (former Minister of State Apparatus Empowerment and Bureaucratic Reform (KemenpanRB) (2011-2014)	Interview participant P02 06.04.2017	2
3		PAN	Abdul Hakam Nadja	Interview participant P03 04.05.2017	3
4		Demokrat	H. Taufiq Effendi (Former Minister of State Apparatus Empowerment and Bureaucratic Reform (KemenpanRB) (2004-2009))	Interview participant P04 08.05.2017	4
5		Demokrat	Khatibul Umam Wiranu	Interview participant P05 24.05.2017	5
6		PKS	Agoes Poernomo	Interview participant P06 09.05.2017	6
7		PKS	HM Gamari Sutrisno	Interview participant P07 30.05.2017	7
8		PKB	Muhammad Lukman Edy	Interview participant P08 17.05.2017	8
9		PDIP	Rieke Dyah Pitaloka	Interview participant P09 03.05.2017	9
10		PDIP	Ganjar Pranowo	Interview participant P10 05.07.2019	10
11	Senior Bureaucrats	KASN (Civil Service Commission)	Prof. Dr Sofian Effendi	Interview participant SB01 06.04.2017	11
				Interview participant SB01 04.05.2017	12

No	Respondent Groups	Organisations	Name (some are anonymous)	In-text reference in the thesis	No. of interview
12		KASN (Civil Service Commission)	Prof. Prijono Tjiptoherijanto, PhD	Interview participant SB02 11.04.2017	13
13		KASN (Civil Service Commission)	Dr Waluyo	Interview participant SB03 12.04.2017	14
14		KASN (Civil Service Commission)	Dr Nuraida Mokhsen	Interview participant SB04 21.03.2017	15
				Interview participant SB04 12.04.2017	16
15		KASN (Civil Service Commission)	Tasdik Kinanto	Interview participant SB05 02.05.2017	17
16		KASN (Civil Service Commission)	Dr Irham Dilmy	Interview participant SB06 04.05.2017	18
17		Mahkamah Konstitusi (The Indonesian Constitutional Court)	Prof. Dr Guntur M Hamzah, SH, MH	Interview participant SB07 25.04.2017	19
18		PT TUN (State Administrative High Court)	Dr Santer Sitorus, SH. M. Hum	Interview participant SB08 27.04.2017	20
19		KemenPANRB (Ministry of State Apparatus & Administrative Reform)	Dr Ir Setiawan Wangsaatmaja, MSc.	Interview participant SB09 31.05.2017	21
20		KemenPANRB	Dr Jusuf Hariri, SH, M.Si	Interview participant SB10 01.05.2017	22
21		KemenPANRB	Teguh Widjinarko	Interview participant SB11 22.05.2017	23
22		KemenPANRB	Muhammad Yusuf Ateh	Interview participant SB12 24.05.2017	24
23		KemenPANRB	Nurmadjito, SH, MH	Interview participant SB13 08.05.2017	25
24		LAN	Sri Hadiati WHK, SH, MBA	Interview participant SB14 06.06.2017	26

No	Respondent Groups	Organisations	Name (some are anonymous)	In-text reference in the thesis	No. of interview
25		LAN	Erna Irawati	Interview participant SB15 29.05.2017	27
26		Sekjen DPR RI (National House of Representatives)	Rohani Budi Prihatin	Interview participant SB16 31.03.2017	28
				Interview participant SB16 03.04.2017	29
27		Sekjen DPR RI	Anonymous	Interview participant SB17 07.04.2017	30
28		Kemenkeu (Ministry of Finance)	Dr Adi Budiarso	Interview participant SB18 21.05.2017	31
29		Kantor Sekretariat Presiden (The Presidential Secretariat Office)	Anonymous	Interview participant SB19 30.05.2017	32
30	Academics	University of Indonesia	Prof. Dr Eko Prasojo	Interview participant A01 12.05.2017	33
				Interview participant A01 30.05.2017	34
31		University of Indonesia	Dr Tri Hayati, SH, MH	Interview participant A02 10.05.2017	35
32		University of Gadjah Mada	Prof. Dr Miftah Thoha	Interview participant A03 30.03.2017	36
33	Development Professionals/ Activists	TI-RBN (Independent Team of National Bureaucratic Reform)	Dr Rudiarto Sumarwono	Interview participant DP01 12.05.2017	37
34		ICW (Indonesian Corruption Watch)	Adnan Topan Husodo	Interview participant DP02 16.05.2017	38
35		Reform the Reformers Continuation (DFAT Funded)	Rizal Malik	Interview participant DP03 28.04.2017	39
36		KEMITRAAN (Partnership for Governance Reform)	Anonymous	Interview participant DP04 31.05.2017	40

No	Respondent Groups	Organisations	Name (some are anonymous)	In-text reference in the thesis	No. of interview
37		PATTIRO	Anonymous	Interview participant DP05 10.04.2017	41
38		KPPOD (Regional Autonomy Watch)	Robert Endi Jaweng	Interview participant DP06 20.04.2017	42
39		FITRA (Indonesian Forum for Budget Transparency)	Apung Widadi	Interview participant DP07 22.05.2017	43
40		SPD (Election and Democratic Syndication)	August Mellaz	Interview participant DP08 04.04.2017	44
41		SPD (Election and Democratic Syndication)	Anonymous	Interview participant DP09 04.04.2017	45
42		LASA Brandenburg (Landesagentur für Struktur und Arbeit)	Pipit Rochijat Kartawidjaja	Interview participant DP10 04.04.2017	46
43		Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	Doris Becker	Interview participant DP11 08.05.2017	47
44		AIPEG	Bryan Holford	Interview participant DP12 17.05.2017	48
45	Media	Kompas	Anonymous	Interview participant M01 10.04.2017	49
46			Anonymous	Interview participant M02 21.04.2017	50
47		Jakarta POST	Margareth Suhartin Aritonang	Interview participant M03 21.04.2017	51
48		TEMPO	Hussein Donoran	Interview participant M04 25.04.2017	52
49		Republika	Nur Hasan Murtiaji	Interview participant M05 19.05.2017	53
50		Suara Pembaruan	Primus Dorimulu	Interview participant M06 23.05.2017	54

Appendix B List of Minutes of DPR Meeting

No	With regards to policy deliberation	In-text reference: (Minutes of DPR Meeting, *date below*)	Coding reference in NVivo 12
1	The 2014 Civil Service Law (1131 pages, single-spaced, Times New Roman 12pt)	22 September 2011	ASN_2011-09-22
2		12 October 2011	ASN_2011-10-12
3		23 November 2011	ASN_2011-11-23
4		11 January 2012	ASN_2012-01-11
5		1 February 2012	ASN_2012-02-01
6		2 February 2012	ASN_2012-02-02
7		3 February 2012	ASN_2012-02-03
8		9 February 2012	ASN_2012-02-09
9		10 February 2012	ASN_2012-02-10
10		14 February 2012	ASN_2012-02-14
11		16 February 2012	ASN_2012-02-16
12		17 February 2012	ASN_2012-02-17
13		22 February 2012	ASN_2012-02-22
14		29 February 2012	ASN_2012-02-29
15		17 January 2013	ASN_2013-01-17
16		7 February 2013	ASN_2013-02-07
17		20 May 2013	ASN_2013-05-20
18		21 August 2013	ASN_2013-08-21
19		19 September 2013	ASN_2013-09-19
20		20 September 2013	ASN_2013-09-20a
21		20 September 2013	ASN_2013-09-20b
22		24 September 2013	ASN_2013-09-24
23		1 October 2013	ASN_2013-10-01
24		2 October 2013	ASN_2013-10-02
25		16 October 2013	ASN_2013-10-16
26		10 December 2013	ASN_2013-12-10
27		11 December 2013	ASN_2013-12-11
28		12 December 2013	ASN_2013-12-12
29		13 December 2013	ASN_2013-12-13
30		16 December 2013	ASN_2013-12-16
31		17 October 2016	ASN_2016-10-17
32		23 November 2016	ASN_2016-11-23
33		24 November 2016	ASN_2016-11-24
34		28 November 2016	ASN_2016-11-28
35		1 December 2016	ASN_2016-12-01
36	The 2014 Government Administrative Law	17 January 2014	AdPem_2014-01-17
37		25 February 2014	AdPem_2014-02-25
38			AdPem_2014-02-25_Govt view
39			AdPem_2014-02-25_rekap
40		20 May 2014	AdPem_2014-05-20_PKS
41			AdPem_2014-05-20_PKB

No	With regards to policy deliberation	In-text reference: (Minutes of DPR Meeting, *date below*)	Coding reference in NVivo 12
42	(808 pages single-spaced, Times New Roman 12pt)		AdPem_2014-05-20_PDIP
43			AdPem_2014-05-20_PAN
44			AdPem_2014-05-20_Hanura
45			AdPem_2014-05-20_Govt view
46			AdPem_2014-05-20_Golkar
47			AdPem_2014-05-20_Gerindra
48			AdPem_2014-05-20_Demokrat
49		10 June 2014	AdPem_2014-06-10_Experts
50		14 June 2014	AdPem_2014-06-14_Govt
51		3 July 2014	AdPem_2014-07-03_DIM
52		22 August 2014	AdPem_2014-08-22_Rekap DIMa
53			AdPem_2014-08-22_Rekap DIMb
54			AdPem_2014-08-22_DIM
55		8 September 2014	AdPem_2014-09-08_Perumus
56		24 September 2014	Adpem_2014-09-24_Raker Panja
57			AdPem_2014-09-24_PPP
58			AdPem_2014-09-24_PKS
59			AdPem_2014-09-24_PKB
60			AdPem_2014-09-24_PDIP
61			AdPem_2014-09-24_PAN
62			AdPem_2014-09-24_Hanura
63			AdPem_2014-09-24_Golkar
64			AdPem_2014-09-24_Gerindra
65			AdPem_2014-09-24_Demokrat
66		25 September 2014	AdPem_2014-09-25
67		26 September 2014	AdPem_2014-09-26
68			AdPem_2014-09-26
69			AdPem_2014-09-26b
70			AdPem_2014-09-26a
71		25 November 2014	AdPem_2014-11-25

Appendix C The Coding Scheme in NVivo 12

Name

- Policy Learning
  - Individual learning
    - in Civil Service Law
    - in Government Administration Law
  - Collective learning
    - Socialisation
      - in Civil Service Law
      - in Government Administration Law
    - Bricolage
      - in Civil Service Law
      - in Government Administration Law
  - Learning aggregation
    - in Civil Service Law
    - in Government Administration Law
  - Micro-foundations of learning
    - in Civil Service Law
    - in Government Administration Law
- Formal & Informal Institution
  - Accommodating relationship
    - in Civil Service Law
    - in Government Administrative Law
  - Complementary relationship
    - in Civil Service Law
    - in Government Administration Law
  - Substitutive relationship
    - in Civil Service Law
    - in Government Administration Law
  - Competing relationship
    - in Civil Service Law
    - in Government Administration Law

Name

- Policy Learning
  - Individual learning
    - in Civil Service Law
    - in Government Administration Law
  - Collective learning
    - Socialisation
      - in Civil Service Law
      - in Government Administration Law
    - Bricolage
      - in Civil Service Law
      - in Government Administration Law
  - Learning aggregation
    - in Civil Service Law
    - in Government Administration Law
  - Micro-foundations of learning
    - in Civil Service Law
    - in Government Administration Law
- Formal & Informal Institution
  - Accommodating relationship
    - in Civil Service Law
    - in Government Administrative Law
  - Complementary relationship
    - in Civil Service Law
    - in Government Administration Law
  - Substitutive relationship
    - in Civil Service Law
    - in Government Administration Law
  - Competing relationship
    - in Civil Service Law
    - in Government Administration Law

- Structure-Institution-Agency
  - Structure-Institution
    - Reinforce path dependence
    - Shape formal-informal rules
    - Shape uneven power distribution
  - Structure-Agency
    - Shape political behaviour
    - Shape choice of reform
  - Institution-Structure
    - Mediate structural change
    - Feedback mechanism
      - Path stabilisation
      - Path departure
      - Path switching
  - Institution-Agency
    - Constrains agency
    - Empower agents
    - Shape network relationship
  - Agency-Structure
    - Bounded self-interest
    - Bounded will-power
    - Bounded rational
    - Interpret structural change
  - Agency-Institution
    - Shape (re)production of rules
    - Define rules implementation
    - Influence institutional change

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