PUBLIC ADMINISTRATION REFORM IN POST-CONFLICT SOCIETIES: LESSONS FROM ACEH, INDONESIA

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SUMMARY
Post-conflict reconstruction programs increasingly include components designed to strengthen the performance of the public service and to support public sector reform. Although there is a growing body of literature on the relationship between public administration, and peace and development, there have been few case studies of donor efforts to strengthen public administration as part of post-conflict reconstruction. This study examines efforts to strengthen the civil service in Aceh, Indonesia, following the province’s first post-conflict elections in 2006. It examines the impact of a donor-funded program designed to assist Aceh’s first post-conflict administration (2007–2012) to reform its personnel management practices. The case study sheds light on weaknesses in current donor approaches to public administration reform in post-conflict situations. Copyright © 2012 John Wiley & Sons, Ltd.

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INTRODUCTION
Until recently, international interventions in countries affected by violent conflict were largely limited to peace-keeping operations. In recent years, the scope of international peace-building initiatives has widened to include direct interventions in the way conflict-prone societies are governed. The justification for such interventions has been an emerging consensus that weak governing institutions are the central cause of conflict (Blair 2009; Brinkerhoff 2010; United Nations 2010; World Bank 2012). Since the late 1990s, establishing legitimate government has been a core focus of post-conflict reconstruction programs.1 In the early years, the international community invested heavily in supporting democratic elections for countries emerging from conflict. Indeed, from the late 1990s to the mid 2000s, the successful implementation of democratic elections came to be seen as the crowning achievement of peace processes (Paris and Sisk 2009). However, as research began to close the gap on practice, a growing body of evidence suggested that democratic elections were an insufficient condition for restoring legitimacy and security. In many cases, victors behaved little differently to their predecessors, continuing to undermine social cohesion and human rights. One study found evidence that elections could even exacerbate violence by creating yet another arena for sectarian conflict (Collier 2009).

Practitioners and analysts began to argue that security and government legitimacy would remain elusive unless governments were better able to create jobs and deliver essential services to long-suffering populations (Fukuyama 2004). As the World Bank’s Public Sector Report 2011 (iii) asserted, ‘no progress can be made in promoting peace, development and protection of human rights unless appropriate governance and public administration institutions are established.’ Or, to put it another way, people are more likely to trust government if public services work. Post-conflict reconstruction programs now routinely include components designed to promote peace and development through the

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1See, for example, missions in Angola, Cambodia, El Salvador, Bosnia, Mozambique and East Timor. In Cambodia and East Timor, UN agencies temporarily took over the administration of the entire country.
building of effective, responsive, accountable and legitimate state institutions (Brinkerhoff 2010). This has focused attention on the public service, which serves as a link between the state and the citizenry, and thus plays a critical role in restoring trust in collective action.

Although there is an increasing body of literature on strengthening institutions as a component of post-conflict reconstruction (Paris and Sisk, 2009; Brinkerhoff 2010; Chandy 2011; Naudé et al., 2011), there have been few studies of the effectiveness of such efforts and the challenges that donors face in bringing change to public sector management in conflict-affected settings. This study contributes to the growing literature on the challenges of post-conflict reconstruction by examining international efforts to support bureaucratic reform in Aceh, Indonesia, following an internationally brokered peace settlement in 2005 and successful democratic elections in 2006.

The study pays particular attention to a United Nations Development Programme (UNDP)-supported governance program that aimed to strengthen the capacity of Aceh’s post-conflict administration through targeted bureaucratic reforms and organizational capacity building. The study uses direct observation of a particular case to complement the emerging literature on post-conflict reconstruction. It complements a recent study by Brinkerhoff (2010) that highlights the weakness of current donor approaches to governance reform, particularly with regard to project time lines are expertise. This study emphasizes an additional problem—namely, the continued tendency for donors to treat bureaucratic reform as a technical rather than as a political exercise. As findings from this case study suggest, however, even apparently straightforward reforms to personnel management practices are inherently political and prone to controversy. This is especially true of post-conflict situations in which new divisions of power are often still being contested. The Aceh case is instructive because it demonstrates that such challenges remain even when significant resources are available for post-conflict reconstruction and even when the target of reform is a relatively mature bureaucracy.

The first part of the article provides background on the conflict in Aceh before the 2005 peace settlement and on the impact of the conflict on public administration. The second part of the article examines the Government of Aceh’s experimentation with reform of public service structures and human resource management practices, and the role of the international community in supporting the reform agenda. The final part of the article examines the obstacles faced by a UNDP-sponsored initiative in supporting bureaucratic reforms during the first post-conflict administration (2007–2012).2

ACEH’S POST-CONFLICT RECONSTRUCTION

Between 1976 and 2005, Aceh—Indonesia’s westernmost province—suffered from an intermittent yet protracted conflict between the separatist Free Aceh Movement (Gerakan Aceh Merdeka (GAM)) and Indonesia’s armed forces. The conflict claimed over 15,000 lives, displaced tens of thousands of households and caused more than US$10.7 billion in economic damage (World Bank 2009). Aceh’s conflict ended in 2005 when, as part of internationally brokered peace negotiations, GAM leaders agreed to relinquish their struggle for independence in return for greater autonomy for Aceh and the right to compete for political office, including the right to form political parties (Hillman 2012b).3

Landmark gubernatorial elections—the first time for the people of Aceh to directly elect their governor—were held in December 2006 and won by a former GAM combatant. The elections were an important milestone for the peace-building process and helped to integrate the former rebels into Indonesia’s democratic political system (Bruke, 2008; Hillman 2012b). However, the international community understood from experiences in other parts of the world that elections alone would be insufficient to consolidate peace after decades of protracted conflict. The newly elected government would need to restore and improve services to a long-suffering population, improve security, stimulate the economy and create jobs. These challenges would place pressures not only on the new political leadership but also on Aceh’s public administration.

2 The first post-conflict administration was presided over by Governor Irwandi Yusuf—a former combatant and the first directly elected Governor of the Province. Governor Irwandi was replaced as governor by Zaini Abdullah, a former leader of GAM in exile, in the April 2012 executive election.

3 An important catalyst for the finalization of peace talks was the devastating Indian Ocean tsunami of 26 December 2004.
THE CIVIL SERVICE IN POST-CONFLICT ACEH

Although Aceh’s civil service remained functional during the conflict, it did not have sufficient capacity to respond to the demands of post-conflict and post-tsunami reconstruction and rehabilitation.\(^4\) Studies by the World Bank and analysts identified critical gaps in the provincial government’s financial management, budgeting, policymaking and policy implementation capabilities (World Bank 2006; Jayasuriya and McCawley 2010; Hillman 2011). Aceh’s civil service also faced a number of organizational challenges, many of which were a legacy of Indonesia’s authoritarian rule—a legacy that Aceh shared with other regions in Indonesia. This legacy included inflexible structures, inadequate job definition and specialization, advancement linked to seniority and patronage rather than merit, low levels of mobility, institutionalized corruption, non-transparent processes and inadequate skills (World Bank 2006; Synnerstron 2007; UNDP 2010a).

Although international donors engaged in Aceh’s post-conflict reconstruction recognized that many of the challenges facing the civil service in Aceh were common throughout Indonesia, they also recognized that the legacy of the conflict and the devastation of the Indian Ocean tsunami of 26 December 2004 compounded the reform challenges. During the conflict era, instability and the threat of violence inhibited public service provision, as local decision-making processes were subverted to the security forces’ agenda. Local government in Aceh also suffered from a brain drain as the best educated young people found work elsewhere. And many of those who remained in office became captive to the politics of conflict. Although Aceh had once had a reputation for its strong cadre of civil servants, conflict had made Aceh a breeding ground for official misconduct and abuses of power (McGibbon, 2006). As in other conflict zones, ‘violence not only thins the ranks of the civil service, but also warps the behaviour and motivation of those who remain’ (World Bank, 2009: 78). The tsunami caused further damage to the civil service: many civil servants lost their lives, hundreds of facilities were destroyed and many records were lost.

However, following the cessation of hostilities between GAM and the Government of Indonesia, the international community was confident that sufficient resources were available to strengthen public administration in the province, and perhaps even make Aceh a model of local governance for other regions in Indonesia.\(^5\) The peace agreement ensured that Aceh would receive a larger share of revenues from oil and gas and that the central government would make additional fiscal transfers to the province as part of the ‘peace dividend’—additional transfers that would flow to Aceh from the central government for a period of 25 years. At the same time, billions of dollars in international aid were flowing to the province, largely for post-tsunami reconstruction (Jayasuriya & McCawley 2010). Although the tsunami-affected areas did not always overlap with the former conflict-affected areas, by improving infrastructure and services, and restoring public confidence in government, many of the post-tsunami investments would also have a direct impact on peace building. Five years after the tsunami and the end of the conflict, policymakers and donors began to question the programmatic distinction between post-tsunami and post-conflict reconstruction.\(^6\)

Unlike local governments in many other post-conflict situations, Aceh’s civil service was also reasonably well staffed.\(^7\) Recruitment was expanded following the end of conflict when many young Acehnese returned to the province to find work. In 2011, the total number of provincial government employees was 8989. A larger number of public sector employees—106 368—worked at the district and municipal levels, reflecting the greater responsibility of sub-provincial levels for providing public services, including health and education. The total number of public sector employees in Aceh counted for 2.3 per cent of Aceh’s population of 4 695 566.\(^8\) This figure was significantly

\(^4\)While post-tsunami relief work was entrusted to a central government agency from 2005 to 2009 before being transferred to provincial government. Post-conflict reintegration remained the responsibility of local government in Aceh from the outset.

\(^5\)The author led the UN’s technical support mission for Aceh’s first post-conflict elections in 2006. The author continued to conduct research on the governance of post-conflict Aceh during 2009–2011. During these projects, the author worked closely with international donors and provincial government officials.

\(^6\)Interview with Simon Field, UNDP Special Advisor for Aceh, 15 March 2010.

\(^7\)Indonesia’s civil service is organized around two types of positions—‘structural’ and ‘functional’. Structural positions are general managerial/administrative positions. Functional positions are technical/sector-specific positions. Structural positions are grouped into four echelons (Echelon I officials are the most senior officials in the bureaucracy and are mostly found at the national level). Functional positions are organized into 48 groups on the basis of professions/skill areas, and include doctors, teachers and technicians of various sorts. For more details on the structure of Indonesia’s civil service see Synnerstron (2007).

\(^8\)Source: Biro Pemerintahan Setda Aceh (July 2009) www.acehprov.go.id
higher than the Indonesian national average of about 2 per cent. On this measure, the number of personnel available to perform basic functions of public administration was sufficient. In comparison with the national average, Aceh’s civil servants also had relatively high levels of formal education. As Figure 1 indicates, 65 per cent of provincial level public servants held a tertiary qualification of one sort or another.

It can therefore be reasonably argued that low formal education levels were not a major impediment to strengthening public administration in Aceh as is the case in many other conflict settings. Further, compared with the civil service in many of the world’s conflict zones, Aceh’s civil service was relatively mature—that is, despite its capacity limitations, it operated according to relatively stable systems and processes as part of Indonesia’s national bureaucracy. The main challenge facing the new administration was to improve efficiency, accountability and responsiveness so that the long-suffering population could begin to receive better services and to restore trust in government. Making such improvements in a post-conflict environment typically involves a number of challenges. Post-conflict governments need to urgently address (i) the statutory basis under which civil servants function, including their rights and duties; (ii) the scope and comprehensiveness of the civil service; (iii) its management; (iv) the composition of categories and grades; (v) salary structure and benefits; (vi) recruitment and promotion; (vii) disciplinary procedures and termination; and (viii) the appropriate boundary between the political and administrative spheres (Beschel, 2002). Although some of these aspects of human resource management were governed by national laws, Aceh’s special autonomy status created new scope for experimentation and reform.

A common entry point for governance programs in post-conflict situations is human resource management and development. This is because reforms to human resource management and development are generally seen as technical problems for which formalized and transferrable solutions are available. Unlike the broader process of state formation, on which external factors can have but limited influence, the human resource management practices associated with a modern public service are widely considered to be readily transferrable technologies (Fukuyama 2004). Yet as the Aceh experience shows, making headway with even the least controversial of public administration reforms can prove extremely challenging in a post-conflict situation. The Aceh case reminds us that reforming human resource management and development practices is also an inherently political process—a fact that donors ignore at their peril.

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9Calculation based on 2010 census data, Indonesia Central Bureau of Statistics (www.bps.go.id), retrieved 20 February 2011. The figure does not include auxiliary staff for which there are no reliable data, although one estimate places the nationwide figure at 1.5 million. See Synnerstrom (2007).

10During an interview, the Vice Governor of Aceh agreed that individual capacities of civil servants were strong, but that they operated in a culture that restricted performance. Interview with M. Nazar, Banda Aceh, 10 October 2010.

11On the inherently political nature of bureaucratic reform see Wild and Foresti (2011).
BUREAUCRATIC REFORMS UNDER ACEH’S FIRST POST-CONFLICT ADMINISTRATION

Aceh’s first directly elected post-conflict Governor was a vocal advocate of bureaucratic reform. As a former rebel and political outsider, the Governor viewed Aceh’s civil service with suspicion. Indeed, many of the former rebels saw Aceh’s civil service as little more than the local arm of their former oppressors in the central government. Upon taking office, the Governor announced that bureaucratic reform would be a priority for his administration. In this, he was strongly supported by multilateral and bilateral donors, which had established a strong presence in the region in the wake of the December 2004 tsunami and the signing of the peace agreement between GAM and the Government of Indonesia in August 2005.

The Governor’s first public sector reform initiative was to announce a reduction in the number of provincial government agencies from 57 to 42. The purpose of this, according to one aid, was to create a ‘simple structure that was rich in functions’. Although these ‘reductions’ appeared to lend credibility to the Governor’s commitment to civil service reform, the changes were largely superficial. In practice, agencies were amalgamated by a ‘joining at the hip’ rather than through strategic integration and rationalization. There were no structural changes or staff cuts, for example. In fact, the total number of staff working for the provincial government steadily increased between 2006 and 2010. According to available figures, there were 6670 provincial-level civil servants in 2006, 7024 in 2007, 7240 in 2008 and 7492 in 2009. Including functional specialists and auxiliary staff, the total number of provincial government civil servants at the start of 2010 was 8451—a 27 per cent increase over 2006 staffing levels.

The amalgamations paved the way for what was heralded to be a bolder reform initiative—the merit-based (re)recruitment of the head of each provincial government agency. In the first move of its kind in Aceh and one of the first such initiatives in Indonesia, the Governor announced that all serving heads of departments would be required to reapply for their positions in an open nationwide competition. The recruitment process was carried out as an inaugural activity within the newly established Aceh Government Transformation Program (AGTP). AGTP was set up in 2007 under the auspices of UNDP as a provincial government project with funding from the Multi Donor Trust Fund for Aceh and Nias. Because the Trust Fund was set up for specific purpose of funding post-tsunami reconstruction and rehabilitation work, AGTP was formally designed as a post-tsunami governance program—that is, to support the provincial government’s assumption of responsibility for post-tsunami recovery. Nevertheless, many of AGTP’s components targeted government systems and processes more broadly.

THE ACEH GOVERNANCE TRANSFORMATION PROGRAM

AGTP was a $13 million project designed to strengthen specific capacities within the provincial administration and to facilitate comprehensive reform of human resource management and training. The project had three main components. The first component established several ad hoc advisory teams within the provincial executive. Their task was to produce policy advice for the new administration during an initial transition period. This experiment in strengthening policymaking capacity has been the subject of a separate study (Hillman 2011). AGTP’s second component was designed to enhance the operational capacity of select provincial government agencies. The third component included activities designed to strengthen the capacity of the new Personnel Management, Education and Training Agency (Badan Kepegawaian, Pendidikan dan Pelatihan (BKPP)), which was a recent amalgamation of the Civil Service Management Agency (Badan Kepegawaian) and the Civil Service Training Agency (Badan Diklat) to manage and develop human resources (HR) across the province. This study is concerned primarily with the second and third components of the capacity development program, but also includes activities performed by the Human Resources Advisory Team set up under Component One before AGTP’s second and third components were operationalized.

12 Interview, M. Yahya, General Secretary of the Aceh Party, Banda Aceh, 2 March 2010.
13 Interview with Governor’s Advisor, Banda Aceh, October 2010.
14 Following the tsunami, an estimated US$7.7 billion in domestic and international funding was committed to Aceh’s reconstruction and rehabilitation.
15 Interview, Banda Aceh, 8 October 2010.
16 Source: BKPP, Banda Aceh.
The Human Resources Advisory Team was instrumental in organizing the merit-based (re)recruitment of all provincial government agency heads—positions that were ranked Echelon II in Indonesia’s national civil service system.\textsuperscript{17} They worked under instructions from the Governor, who, as a former rebel and government outsider, was keen to establish his authority over the public service. AGTP’s international advisors saw the opportunity as a ‘quick win’ for post-conflict governance reform—an initiative that would help to generate momentum and interest in continued reforms.\textsuperscript{18} AGTP project staff helped the government to manage the process by hiring international consultants from the UK and from Malaysia’s National Institute of Public Administration (INTAN) to set up a job assessment centre. The Human Resources Advisory Team prepared detailed job descriptions and competencies required for each position (none had previously existed). The team also prepared job descriptions for Echelon III- and Echelon IV-ranked positions in preparation for the future merit-based recruitment and promotion of officials working at these more junior levels.\textsuperscript{19}

In a departure from previous bureaucratic practice, the recruitment process opened the competition to all qualified civil servants, including those working outside Aceh. The process even permitted, for the first time, Echelon III-ranked civil servants to apply for the Echelon II agency head positions as long as candidates met other minimum eligibility criteria. In all, 212 candidates applied for the 42 positions, including 24 from outside the province. Applicants were subjected to a series of tests and interviews referred to collectively as ‘fit and proper’ tests. The tests covered general aptitudes, and also competencies specific to each department, including applicants’ ideas for strengthening the performance of the department to which they were applying. The Assessment Centre recruited panelists from universities across Indonesia and provided them with a standardized scoring format to assess each applicant. The Assessment Centre then provided the Governor with a shortlist of the three highest scoring candidates for each of the 42 positions. The Governor then personally interviewed each of the shortlisted candidates before selecting his new department heads.

One unanticipated outcome of the process was that several incumbent agency heads failed to meet the formal eligibility requirements for reappointment. Some officials who had failed to meet the requirements had nevertheless been considered competent heads of departments. Their disqualification raised questions about the effectiveness of the process.\textsuperscript{20} Nevertheless, the process was generally seen as the most procedurally rigorous and professional civil service recruitment process ever conducted in Aceh and one of the most advanced such processes in Indonesia.\textsuperscript{21} An important outcome of the process, and a key reason for its promotion by AGTP, was the precedent it set for merit-based recruitment in Aceh. The development of a professional civil service in Aceh and other parts of Indonesia had long been undermined by patronage systems (Blunt, Turner & Lindroth 2012). Under such systems, which are common to most conflict-prone regions in the world, civil servants are rewarded on the basis of loyalty rather than performance. The prevalence of patronage and the absence of a tradition of merit-based advancement have been shown to discourage civil servants from proving themselves through their professional performance (United Nations 2010; World Bank, 2012).

The Governor’s recruitment of heads of provincial government agencies was the subject of fierce, if somewhat muted, criticism by political insiders and local analysts.\textsuperscript{22} A commonly heard criticism was that the recruitment drive was not a serious effort at reforming human resource management practices so much as a cover for the political shake-up of the civil service.\textsuperscript{23} As a former combatant, the Governor began his term with little trust in many of the leading civil servants who had been appointed by the previous pro-Jakarta administration.\textsuperscript{24} The recruitment

\textsuperscript{17}Structural positions in Indonesia’s civil service are divided into four echelons. Echelon I officials are the most senior officials in the civil service—typically heads of national government departments. At the provincial level, usually only the Regional Secretary (sekda) is ranked Echelon I. Heads of provincial government departments are ranked Echelon II.

\textsuperscript{18}Interview, Peter Reed, international advisor, UNDP Indonesia, May 2008.

\textsuperscript{19}Interview with Human Resources Advisory Team leader, Professor Jasman Ma’aruf, Banda Aceh, March 2011.

\textsuperscript{20}Interview with Weri, former member of advisory team (tim asistensi), Banda Aceh, March 2011.

\textsuperscript{21}Interview with Meng-Foon Lee, former AGTP advisor and senior official at INTAN, Kuala Lumpur, 30 August 2010.

\textsuperscript{22}In the first 2 years of the Irwandi administration, local academics and journalists were afraid to publicly criticise GAM and the behaviour of former combatants elected to public office. Many who had written critical opinions reportedly received threats from unknown persons. Source: Various conversations with journalists, academics and NGO staff in Aceh in 2009 and 2012.

\textsuperscript{23}Roundtable discussion on political developments in Aceh with academics at Syiah Kuala University Law School, Banda Aceh, 9 August 2010.

\textsuperscript{24}Interview, Jafar Hussein, special advisor to the Governor, Banda Aceh, 12 December 2010.
drive provided the Governor with an opportunity to place trusted allies in key positions. Local academics criticized the process as a ruse by the Governor to use the legitimacy of a UN-endorsed program to make the political changes he wanted, including the elevation of allies to key positions. Some charged that political considerations outweighed competencies.\textsuperscript{25} Indeed, the recruitment process was highly controversial among Aceh’s political and economic elites because it disrupted established patronage networks. But rather than abolish patronage, critics charged that the Governor sought to displace existing patronage networks in favor of his combatant allies.

Although the Governor’s new department chiefs were not former combatants—they could not be because the law required them to be registered civil servants—they were clearly selected on the basis of their sympathies for GAM and their ‘stance’ during the conflict era.\textsuperscript{26} Criticism of the Governor’s motives was lent support when the Assessment Center was closed following the appointment of the Governor’s department heads. The original plan was to maintain an ongoing Assessment Center that would expand fit and proper tests for middle-management positions. The closure of the Assessment Center highlights the sustainability risks associated with quick wins. As other analysts have observed out, quick wins can be counterproductive for peace building if discontinued because they can be at odds with ‘the steps needed for genuine and lasting change’ (Elhawarry \textit{et al.}, 2010: 1).

**REFORMING THE REFORMERS: WORKING WITH THE PERSONNEL MANAGEMENT, EDUCATION AND TRAINING AGENCY (BKPP)**

The messiness of post-politics continued to hamper AGTP’s efforts to bring change to Aceh’s personnel management practices. Despite the Governor’s pro-reform political rhetoric, there were few genuine champions of bureaucratic reform at the political centre. This is not surprising given the threat posed by changes to personnel management systems to local patronage networks. Indeed, during the first post-conflict administration (2007–2012), it appeared that political elites were preoccupied with the new balance of power—both between Jakarta and the province and among Acehnese themselves, including between rival factions within GAM. The bureaucratic reform project that Governor Irwandi embraced in the form of AGTP was relegated to the Personnel Management, Education and Training Agency (BKPP), which was a recent amalgamation of three provincial agencies that once shared overlapping responsibilities for human resource management and development. BKPP was supposed to spearhead reforms and then transform into a modern civil service college.

BKPP was identified as the partner agency for AGTP’s second and third components, which were focused on the bureaucracy rather than the provincial executive. AGTP’s second component—a capacity development program for select provincial government agencies—was to be implemented by BKPP. AGTP’s third component involved organizational capacity development and reform at BKPP as a foundation for a future civil service college. Despite BKPP leaders’ initial enthusiasm for international assistance, especially when it came to funding support for new facilities, AGTP project staff soon found the BKPP to be a reluctant partner when it came to leading reform. Not only did BKPP leaders appear uninterested in changing personnel management practices across government, but they also showed little interest in changing practices within their own department. Like other agencies within Aceh’s (and Indonesia’s) bureaucracy, BKPP’s work culture was a legacy of the authoritarian era. Part of this organizational culture was an entrenched habit of acting only on orders from above instead of assessing for themselves what needed to be done to be relevant and effective.

UNDP had identified these potential obstacles within BKPP during the design phase of AGTP. In late 2007, UNDP sponsored a capacity needs assessment of the three agencies that were soon to be merged into BKPP.

\textsuperscript{25}Roundtable discussion on political developments in Aceh with academics at Syiah Kuala University Law School, Banda Aceh, 9 August 2010.

\textsuperscript{26}Interview, Iskandar, Director, Aceh Regional Planning Authority (BAPPEDA), Banda Aceh, 9 October 2010. According to this agency chief, the Governor had wanted to replace a larger number of civil servants, but was afraid of creating too much ‘social turmoil’. GAM had supporters within the civil service during the conflict era, although senior civil servants in the province tended to be loyal to their paymasters in Jakarta.
The assessment was based on self-assessment methodologies known as the Capacity Assessment Framework and Open Systems Analysis. As part of the assessments, which were comprehensive and conducted over several days, agency employees at all levels were given the opportunity to identify organizational challenges and express their views on the agency’s progress at meeting those challenges. The international consultant tasked with overseeing the capacity needs assessment concluded the following from the results (Reed 2007: 40):

The answers obtained demonstrate clearly that there is a distinct lack of a meaningful or effective management ethos, system, or practice. Individuals seem to do what they are told to do, or what they believe they should be doing, on a daily basis for the most part with little understanding (or in many cases interest) in what other individuals, departments, or units may be doing.

The culture of the organization is a mix of a control ethos on the one hand (where positional authority and regulation is paramount), and a system where informal alliances, links, patronage and ‘belonging’ to influential groupings is more important than official positional authority for all but the most senior post holders. Irregular methods of problem solving including financial irregularity undoubtedly exist and lead to a situation where bureaucratic inefficiency and blockages are closely aligned with financial and nepotistic corruption mechanisms to keep the wheels turning, or not, as the case may be.

The obstacles presented by BKPP’s work culture were apparent during the implementation of AGTP’s second component—capacity development for eight key provincial government agencies. The eight agencies selected by the Governor to participate in the program were (UNDP 2010b) as follows:

1. Personnel, Education and Training Agency (BKPP);
2. Regional Planning and Development Board (Badan Perencanaan Pembangunan Daerah (BAPPEDA));
3. Badan Pengendalian Dampak Lingkungan (BAPEDAL);
4. Environmental Impact Management Agency (Dinas Pengelolaan Keuangan dan KEkayaan Aceh (DPKKA));
5. Women’s Empowerment and Child Protection Agency (Badan Pemberdayaan Perempuan dan Perlindungan Anak (BPWAPPA));
6. Department of Education (Dinas Pendidikan (DISDIK));
7. Department of Transport, Communication, Information and Telematics (Dinas Perhubungan, Komunikasi, Informasi dan Telematika (DISHUBKOMINTEL)); and
8. Secretariat of the Aceh Regional Assembly (Sekretariat Dewan Perwakilan Rakyat Aceh (SETWAN)).

Working from within BKPP, the AGTP team began the capacity development exercise with a comprehensive capacity development needs assessment and capacity development plan for each of the target agencies. As the agency for civil service management and training, BKPP was supposed to lead the way by conducting its own capacity assessment and needs analysis. However, when the time came, BKPP’s leaders refused to participate, arguing that they were not the agency in need of capacity development. BKPP’s chief argued that his agency was already capable of performing its functions and that the only challenge it faced was ‘political interference’—an apparent reference to the favours and cash payments sometimes demanded by elements linked to former combatant networks, or claiming to be linked to powerful combatant networks. Indeed, it was widely reported that the agency chief was sometimes found hiding in different parts of the agency’s building during visits by extortionists. According to insiders, the BKPP chief’s fear of criminal gangs was constant and was probably of greater concern to him than organizing reforms.

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27 Interview, Ramon Hagad, AGTP Human Resources Advisor, 13 December 2010.
28 Interview with former AGTP advisor, Jakarta, 8 December 2010. Reports from other parts of Indonesia suggest that other heads of local government have used ‘fit and proper’ tests to legitimize political choices. For more details, see Turner et al. (2009).
29 Interview with Weri, former member of advisory team (tim asistensi) for human resources, Banda Aceh, 2 March 2011.
30 Interview with Weri, former member of advisory team (tim asistensi) for human resources, Banda Aceh, 2 March 2011.
Other BKPP officials argued that national legislation and the legal ambiguity of the new special autonomy arrangements for Aceh prevented them from engaging in institutional reform. They argued with AGTP consultants that their hands were tied while regulations specifying Aceh’s new special autonomy powers were still being finalized.\(^{31}\) It was certainly true that many personnel management functions were controlled by central regulations. For example, central regulations determined the number of staff to be employed by each agency. A military-style formula introduced in 1968 continued to determine how many staff an agency would have based on the seniority of its boss rather than on actual requirements. Any agency headed by an Echelon I-level official, for example, is automatically allocated a minimum of four Echelon II positions, 16 Echelon III positions and 64 Echelon IV positions. As one analyst explains, once functional and auxiliary staff are taken into account, any agency headed by an Echelon I official will automatically have in excess of 600 staff regardless of the agency’s requirements and workload (Synnerström 2007). Although local governments in Indonesia are theoretically free to reorganize their departments, they are required to obtain approval for their staff structure (formasi) from the National Ministry for Bureaucratic and Administrative Reform (Kementerian Pendayagunaan Aparatur Negara dan Reformasi Birokrasi (MenPAN)). And MenPAN has so far shown little inclination to deviate from the existing formulas. Funding formulas for fiscal transfers based on the total number of personnel also serves as a disincentive for local government streamlining.

However, although central government regulations complicated the business of reform at the local level, national laws did not prevent the changes to personnel management practices proposed under AGTP.\(^{32}\) A 2006 USAID-sponsored study identifying Indonesian local governments’ scope for change in the area of personnel management (DRSP 2006: 59) found that the current regulatory environment gave regions in Indonesia scope to do the following:

- introduce a HR planning tool to determine HR needs over the medium term;
- introduce supplementary performance appraisal tools that may be used in addition to existing central government methods and linked to performance and local incentives;
- implement local remuneration policies and procedures (redistribution of local allowances) to increase transparency and accountability;
- improve disciplinary tools that monitor civil servants presence and enforce the rules;
- introduce training needs analysis to train suitable civil servants; and
- apply the principle of ‘the right person for the right job’.

A number of Indonesian regions had already introduced important changes to local human resource management practices. Gorontalo Province in Sulawesi, for instance, decided to pool all staff discretionary allowances so they could be redistributed as performance bonuses. Solok District in West Sumatra made similar changes. Surabaya City and the province of West Sumatra both introduced fit and proper tests for all echelon staff. Solok City also introduced performance contracts for department heads (World Bank 2006). Although some Indonesian regions tested the boundaries of their authority in making local reforms, the peace agreement gave the Government of Aceh a much clearer mandate for determining how regional and local government affairs were to be administered. Indeed, although Indonesia’s revised law on Regional Autonomy Law (No. 32/2004) muddied the waters about the authority for HR management at the local level, the Law on Governing Aceh (No. 11/2006) explicitly gave provincial and district-level government in Aceh authority over local civil servants. Articles 10 and 12 of the Law on Governing Aceh—the law implementing the Helsinki Memorandum of Understanding that ended the conflict (Box 1)—are relevant to understanding the Government of Aceh’s scope for managing its bureaucracy.

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\(^{31}\)Interview, Ramon Hagad, AGTP Human Resources Advisor, 13 December 2010.

\(^{32}\)Roundtable discussion on political developments in Aceh with academics at Syiah Kuala University Law School, Banda Aceh, 9 August 2010.
Chapter IV (The Authorities of Aceh and District/Municipality Government)

Article 10
1. Aceh Government and District/City Government may form institutions, agencies, and/or commission according to this law with the approval of the DPRA/DPRK except for those which become the authorities of the Government.
2. Further stipulations regarding the formation of institutions, agencies and/or commissions as meant in clause (1) are stipulated by Qanun.33

Chapter V (Government Affairs)

Article 12
1. Aceh and District/city governments administer governmental affairs which become its authorities except for those which become the authorities of the Government [of Indonesia] as meant in Article 7 Clause (2).
2. The administration of governmental affairs as meant in Clause (1) will be self-managed and handled by Aceh and District/city governments.

These articles provided Aceh with a reasonably clear mandate for reforming local public administration. Although the long wait for supporting regulations to delineate precise powers between the centre and the province certainly restricted the scope for local government action in a number of domains (e.g. land distribution to former combatants), HR management was not one of them. The Government of Aceh had the legal authority to make changes to administrative and personnel arrangements as needed.34 Indeed, it was on this assumption that there was a great deal of enthusiasm among international donors for supporting governance reform in Aceh. It is also on this assumption that Aceh was hailed as a potential laboratory for piloting new approaches to bureaucratic reform.

Momentum for civil service reform, including sweeping changes to human resource management practices, was also gradually gathering support at the national level. At the time AGTP was being implemented, changes to personnel management practices were underway in a handful of central government agencies. A draft Civil Service Law was also expected to bring significant change to HR management practices across the country. At the same time, parliamentary delays in tabling the law at the national level served as a reminder of the inherently political nature of bureaucratic reforms, even in the seemingly innocuous domain of personnel management. This is because the strengthening of merit-based personnel management practices poses a threat to patronage networks, which are entrenched in Indonesia’s political system, and which crisscross the parliament, the executive and the bureaucracy.35 The reform and institutionalization of personnel management practices directly undermines political patrons’ ability to appoint their own people. This, in turn, undermines power brokers’ ability to exercise informal power through the mobilization of strategically placed allies.36

33‘Qanun’ is the traditional Acehnese name for acts of local parliament.
34These powers were acknowledged by legal scholars and by human resources advisers to the government. See footnotes 15–17.
35A draft law was presented in early 2010, but it took until the end of 2011 before the law was tabled in parliament. As of August 2012, the law had not been passed.
36For a detailed discussion of how local patronage networks operate within another developing context, and how such networks have responded to central government attempts to strengthen personnel management, see Hillman (2010). For a discussion of patronage networks’ ability to undermine governance reforms in central Africa, see Booth and Golooaba-Mutebi (2011).
BOX 2: KEY FEATURES OF INDONESIA’S PROPOSED NEW CIVIL SERVICE LAW

- Establishes an independent Civil Service Commission
- Decentralizes personnel management authority to sub-national agencies
- Establishes a merit and position-based personnel management system
- Establishes a Senior Executive Service as a special cadre of officials to work in all key public agencies
- Reorganizes the national selection system for new recruits, with centrally-administered examinations
- Allows for contract-based employment
- Introduces a performance-based salary system
- Introduces a fully-funded pension system for public servants recruited

OBSTACLES TO PROJECT SUCCESS AND LESSONS FOR OTHER PUBLIC ADMINISTRATION REFORM INITIATIVES IN POST-CONFLICT ENVIRONMENTS

Contrary to the claims of BKPP’s leaders, the legal framework did not appear to be a serious obstacle to reforming personnel management practices in Aceh. The reasons for AGTP’s failure to bring about change at BKPP lay elsewhere. On the basis of information collected from interviews with more than 50 project stakeholders, including AGTP project staff and international advisers, advisors to Governor, senior provincial government officials members of the Human Resources Management Advisory Team, and international consultants who worked on different components of AGTP, conducted in 2010 and 2011, I was able to identify three key reasons for the failure of the project to make much headway with its proposed civil service reforms. The first was a failure to anticipate that changes to personnel management would be controversial and have political implications. Related to this was a failure to anticipate that meaningful reform would also take time—much longer than the 4 years initially committed to the project, a time frame that was later extended by a mere 2 years. Third, and of equal importance, was the failure of the project to recruit the expertise needed to achieve meaningful change in such a challenging post-conflict political environment.

As noted earlier, human resource management and development systems are a popular target for donors designing state-building programs. This is because donors recognize that capable and committed civil servants are essential for the rebuilding of war torn societies. It is also because, unlike many other aspects of institutional reform, HR management consists of highly specific institutional practices that are conducive to formalization and transfer. Interventions in human resource management often allow for quick wins that can help to set the momentum for further reform. The approachability of human resource management has made it a popular target for donors designing state-building programs for the immediate post-conflict period.

However, although experience suggests that the immediate post-conflict period provides a window of opportunity for donors to use their leverage to push for reforms, there have been few examples of success. Even in non-conflict situations, experience shows that successful bureaucratic reforms are realized over a generation. Malaysia’s civil service modernization, for example, took 15 years. Given the lack of trust and the fragility of new political settlements, one would expect institutional reform to take longer in post-conflict settings. However, donors typically do not have the patience or resources to invest in genuine institutional ‘transformations’ following conflict. Projects are under pressure to deliver results within short project cycles—typically 3–5 years, which often means that only a few superficial quick wins are left behind. This runs the risk of creating unrealistic expectations. AGTP was typical of many such projects in that its time frame was far too short to have much impact.

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37Not all interviews are individually cited in the article because of the sensitive nature of much of the information. I have cited academics and project advisors with their permission, but have generally not cited interviews with government officials.
38As other scholars have noted elsewhere in Indonesia, changes to personnel management systems can undermine patronage networks and upset personal power relations within the state. See, for example, Blunt et al. (2012).
Although Aceh’s civil service must be considered relatively mature by the standards of many regions emerging from protracted conflict, the participation of former rebels in the governance of the region following the election of a former combatant as governor in 2006 caused a major shake-up of the politico-bureaucratic status quo. The Governor and many of his supporters who followed him into government had never previously worked for government, which itself contributed to a slow pace of change as the Governor needed to devote much of his time during the first few years of his tenure to understanding how Indonesia’s and Aceh’s political and bureaucratic institutions worked. The Governor and other former rebel leaders, who subsequently formed their own political party (Hillman 2012a), were also preoccupied with the continued negotiations with Jakarta over the still unspecified details of the new special autonomy law. Perhaps more importantly, they were also preoccupied with factional turf wars over the spoils of office. Despite the rhetoric of Aceh’s Governor during and after the 2006 elections, establishing the new political consensus (who gets what, when and how) consumed the attention political and bureaucratic elites, leaving little time to think about institutional reform.

Even though the Governor openly appealed to UNDP and other donors to support bureaucratic reform, it suited his interests to engage the international community as partners during his term in office and during ongoing negotiations with Jakarta. This was wise. The presence of the international community also helped to reassure Aceh’s citizens and possibly keep a lid on violence, which flared from time to time in isolated pockets. The Governor appeared enthusiastic about bureaucratic reform, especially when it provided an opportunity for him to shake up the leadership, but in the end, the Governor did not prove himself to be a champion of reform. As noted earlier, the modern HR Assessment Center established to recruit government agency heads was discontinued once the Governor achieved his immediate objectives. Further, provincial government funding for BKPP was cut by half in the fiscal year following the recruitment drive and reduced to zero in the year after that. AGTP was meant to work through BKPP as a vehicle for change, but when it came to budget allocations, the provincial government demonstrated little support for the agency’s work. Either the Governor was not a serious reformer to begin with, or other priorities quickly took precedence once he took office. Allies of the Governor stressed the latter explanation, whereas his critics stressed the former. In either scenario, the lack of sufficient budget allocation highlighted the disconnect between AGTP’s goals and political realities. During interviews with government officials, including officials at BKPP, I was unable to obtain a clear official explanation for the budget cuts to BKPP. Nobody wanted to admit that the BKPP reforms were a low priority for the political leadership, especially in light of the Governor’s reform rhetoric and his presentation of a pro-reform ‘attitude’ to donors. Neither did anyone want to acknowledge that personnel management reforms might be a threat to patronage networks that supported wealth accumulation among the political and economic elite, although this was likely to be part of the explanation.

According to former advisors, the Governor showed little interest in AGTP unless the project could do things for him that he could not do through government channels, such as the hiring of particular advisers or the funding of certain activities. Otherwise, AGTP reform activities were delegated to civil servants at BKPP who were more interested in what equipment the project could buy for them than what change the project could help them bring about. Without the active support of political and bureaucratic elites, AGTP soon found itself languishing on the periphery of government. The challenge was compounded by a lack of expertise in the AGTP project team. The team consisted of one full-time international advisor who was mid career and who had not worked before in Indonesia. Despite his technical abilities, the advisor struggled to build strong working relationships at BKPP. A full-time local adviser was hired who had political connections, but no experience in institutional reform. His work came to be focused on helping the AGTP project team to navigate the new power dynamics so that they could implement their work plans and achieve the outputs needed for reporting purposes. The project invested very little in building political coalitions for reform.

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40 Interview, former Political Advisor to the Governor, Banda Aceh, 8 December 2010.
41 Interview, former Political Advisor to the Governor, Banda Aceh, 8 December 2010; and roundtable discussion on political developments in Aceh with academics at Syiah Kuala University Law School, Banda Aceh, 9 August 2010. On the division of spoils, see also Aspinall (2009).
43 Interview with two former advisors to the Governor (anonymous), Banda Aceh, December 2010. This view was corroborated by Meng-Foon Lee former AGTP advisor and senior official at INTAN, Kuala Lumpur.
44 Interview with Meng-Foon Lee, former AGTP advisor and senior official at INTAN, Kuala Lumpur, 30 August 2010.
Instead it became focused on building and maintaining relationships with actors whose support was needed in the implementation of project activities.

Although the international community is increasingly interested in supporting institutional reforms as part of post-conflict reconstruction, donors are rarely able to mobilize the necessary expertise. Even when the expertise is available, it is often expensive and not budgeted for. Often, budget limitations and agency rules do not allow for the hiring of the best expertise available. The result is that UNDP and other international donors often staff project teams with less experienced and poorly trained staff who must assume responsibilities beyond their capabilities. Without strong skills and leadership within the project team, it is not surprising that governance programs such as AGTP become mechanical and output-focused. Instead of laying the foundations for genuine reforms, project staff often find themselves under pressure to implement whatever activities they can within constraints in order to deliver ‘results’ to impatient donors.

CONCLUDING COMMENTS

The peace process in Aceh was remarkably successful. Former separatist rebels were incorporated into government through largely free and fair executive elections in 2006 and local parliamentary elections in 2009. Executive office changed hands again relatively peacefully in 2012. After three decades of intermittent conflict, which claimed the lives of 15,000 people and displaced many tens of thousands more, Aceh was clearly beginning to heal. But early hopes for a ‘transformation’ of the way Aceh was governed—a hope reflected in the title of AGTP—were soon subsumed by the complexity of post-conflict politics.

The governance challenges facing Aceh’s government were typical of the challenges facing governments in the aftermath of conflict. Recognizing the importance of effective public administration for peace building and restoring trust in government, donors funded a number of post-conflict reconstruction programs designed to strengthen the capacity of public institutions. UNDP’s AGTP program was one such program. Like many post-conflict reconstruction projects, AGTP used human resource management and development as an ‘entry point’ to wider bureaucratic reform (e.g., the creation of a civil service college). Although donors have generally viewed the immediate aftermath of conflict as a window of opportunity for using their leverage to push for reforms, the Aceh case reminds us that meaningful bureaucratic reform in post-conflict environments is constrained by a number of often insurmountable hurdles. As the Aceh experience demonstrates, even a highly institutionalized civil service can be a challenging target for reform in a post-conflict setting. Despite the widely held perception that reforming HR management and development practices is a largely technical task, even apparently straightforward reform initiatives are inherently political and prone to controversy. And the politics are typically much messier in a post-conflict environment. A failure to address such constraints in program design is typical of many similar donor-funded initiatives (Booth 2011; Wild and Foresti 2011).

Despite the rhetoric of politicians promising to a new era of good governance, in Aceh, the messy post-conflict political realities pushed institutional reform to the sidelines. The Aceh case reminds us that donors need to be more realistic in targeting and phasing reforms. Time must be invested in identifying and cultivating political champions, especially at the political centre; senior bureaucrats are rarely interested in reforming themselves. Without political champions, donor efforts to bring about institutional change are doomed to fail. Donors also need to reassess their own capabilities when approaching bureaucratic reform in post-conflict situations. A long-term view is needed. So is specialized expertise. Strong expertise in foreign systems of public administration must be combined with a deep understanding of local institutions, political actors, opportunities and constraints. Rarely, however, is such expertise available. UN agencies and other international organization engaged in post-conflict interventions would be wise to develop guidelines on the professional attributes required for personnel working on post-conflict reconstruction programs and to develop training modules for staff engaged in such work.

REFERENCES


