

Rethinking Indonesia's reliance on more rules, units and systems

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Indonesia's Ministry of Administrative and Bureaucratic Reform is leading the push for digitalisation of government services

Photo Credit: [Facebook/kempanrb](#)

Indonesia has never run out of ways to create new policy instruments. Each year brings another set of regulations, the establishment of new taskforces and the launch of various digital applications. In the face of mounting political pressure and rising public expectations, adding new instruments often appears to be the most visible and timely response. However, the proliferation of rules, bureaucratic units and siloed digital systems invites the question: do more instruments necessarily improve government's performance, or do they slowly erode the state's ability to resolve problems at their core?

This pattern does not merely manifest as an accumulation of regulations. It is also evident in the expansion of bureaucratic layers and more complex, fragmented data ecosystems that ministries, agencies and local governments operate within. Creating something new is often more practical than repairing, simplifying or integrating existing systems. As a result, solutions intended to improve governance end up proliferating layers of administration.

The consequences are tangible. Civil servants face an ever-growing stack of instructions, applications, reports and regulations. According to Indonesia's Legal Documentation and Information Network, there are more than 251,000 applicable laws and regulations in the country (Figure 1). Despite or perhaps because of the large stock of regulations, overlapping rules exist, hindering implementation in the field. Instead of easing public service delivery, new instruments are prone to creating an additional administrative burden that reduces the time available for substantive work.

Figure 1: Indonesia's applicable laws and regulations

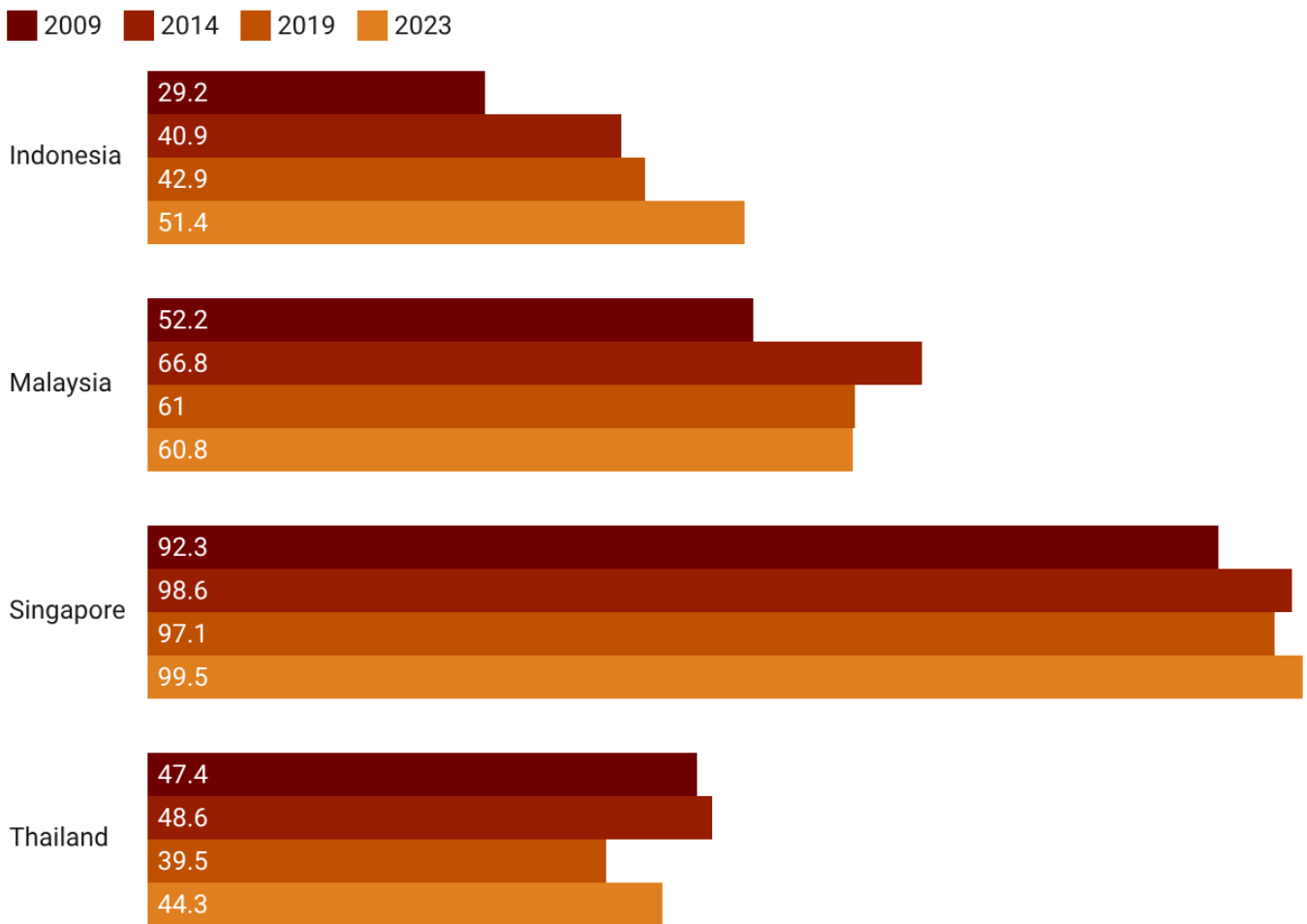
Laws and regulations	Number
Central government	13,535
Ministries/agencies	15,250
Regional government	222,447
Total	251,232

Source: BPK Legal Documentation and Information Network • Created with Datawrapper

Digitalisation, which is expected to accelerate public service delivery, instead becomes a new source of complexity. The Ministry of Administrative and Bureaucratic Reform (Kemenpan RB) reports more than **27,000 digital platforms** that have been built by ministries, agencies and local governments. This shows how when problems occur, the chosen solution is often to create new systems that work in silos and are not designed to interlink with a broader data ecosystem. This recurring issue reflects how new systems are repeatedly treated as the default solution, while the real constraint is the absence of an integrated national data architecture.

World Bank data shows the pattern (Figure 2). Despite Indonesia's **regulatory quality** having modestly improved over the past 14 years, it remains far below that of Malaysia and Singapore. This indicator reflects government's capacity to create and implement sound policies. This demonstrates that regulatory quantity growth does not necessarily lead to improved regulatory quality. Unfortunately, this problem does not receive as much attention as corruption, even though it is part of the very foundation of good governance.

Figure 2: Indonesia's regulatory quality compared to selected ASEAN countries



The Worldwide Governance Indicators are annual composite indicators summarising six dimensions of governance: Voice and Accountability, Political Stability, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption.

Source: World Bank • Created with Datawrapper

The tendency that I am highlighting is driven by a mix of political incentives and bureaucratic culture. When crises arise, the government feels compelled to respond at light-speed. Launching new regulations, taskforces or applications is considered more straightforward than improving instruments that are already in place. In an increasingly competitive political environment, novelty is often appreciated more than structural evaluation. Thus, policy becomes performative: expected to be seen, immediate and wrapped in grandiose rhetoric.

Bureaucratic fragmentation also aggravates this pattern. So long as ministries and agencies operate with their own data systems, performance indicators and policy architectures, they will have strong and distinct institutional egos. A few years ago, local governments were pulled between two distinct financial management applications — The Ministry of Home Affairs (Kemendagri)’s Regional Government Information System (SIPD), and the Financial and Development Supervisory

Agency (BPKP)'s Regional Management Information System (SIMDA) — leading to inconsistent implementation across regions and **delayed budget disbursement**. When incentives to consolidate are weak, creating new instruments is easier than integrating or trimming existing, overlapping instruments.

The consequence of the prevailing tendency is a situation where policies that should be mutually reinforcing instead pile up on or cancel each other, creating confusion at the implementation level. A recent example illustrates this situation.

A member of Commission IV of Indonesia's House of Representatives (DPR), which focuses on agriculture, forestry and marine affairs, has proposed the **establishment of a new ministry** dedicated to food security, due to the absence of a centralised institution for food policy. If this proceeds as planned, the Ministry of Food will function as the main regulator, while Indonesia's state-owned food logistic agency (BULOG), remains as the executor and food distributor. Such an institution could be effective if formed through the consolidation of existing agencies. Otherwise, it risks adding another layer of bureaucracy, burdening the state budget and forcing Indonesia to take a longer road to the achievement of food security.

The creation of new instruments and institutions does not necessarily address structural problems; it often reinvents the wheel and risks reinforcing the **same old story** where institutional expansion becomes a vehicle for distributing power — neglecting technical competence and professional merit in the process.

Overregulation also has a subtler yet still serious effect: it causes a decline in public trust. Citizens witness intense policy activity, but the outcomes often fall short. When new policies emerge but the same old problems persist, the public is likely to see government as reactive rather than purposive. The more instruments and institutions are created, the less clear the overall policy direction becomes. When the government struggles to refine existing instruments and discontinue unnecessary ones, it can hardly expect to regain or retain public confidence.

The challenge Indonesia faces today is not merely about the quantity of rules, bureaucracies or systems, but about how to integrate and sustain these things to improve policy outcomes. The state's prolific production of new instruments and institutions might create the illusion of hard work, but structural issues remain untouched. What is needed is the political will to revisit existing instruments, processes and structures, simplify complicated ones and phase out those that no longer serve their purpose.

At the end of the day, the future of Indonesia's governance will depend less on how many new structures and systems it produces, and more on its capacity to integrate

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and strengthen a smaller number of coherent and effective ones. Proliferation without integration only weakens policy coherence and impedes program implementation. Simplification and consolidation — not accumulation — creates a more resilient governance system that better serves the public interest.

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