

NEW TRENDS OF PUBLIC POLICY FORMULATION IN DEVELOPING COUNTRIES

A Critical Review on Public Policy Making in Tanzania and Indonesia

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Kecenderungan umum yang terjadi di banyak negara di dunia, tidak terkecuali di negara berkembang, ialah pergeseran mekanisme perumusan kebijakan yang sebelumnya hanya terpusat pada aparat pemerintah kemudian mengarah ke arena publik dan melibatkan banyak komponen yang lebih luas. Perumusan dan proses perubahan kebijakan publik kini akan lebih banyak ditentukan oleh kekuatan dan kepentingan-kepentingan eksternal. Sebagian contoh menunjukkan bahwa munculnya kepentingan eksternal itu bisa merugikan rakyat. Keharusan untuk melakukan liberalisasi, keterlibatan Bank Dunia dan IMF yang mendikte sebagian kebijakan di negara berkembang, misalnya, merupakan salah satu contoh betapa kekuatan eksternal bisa saja menimbulkan dampak negatif bagi kedaulatan pemerintah dan bagi kepentingan rakyat. Namun secara umum keterlibatan lebih banyak kepentingan di luar pemerintah diharapkan akan lebih dapat mengontrol proses pembuatan kebijakan publik sehingga betul-betul sesuai dengan kebutuhan rakyat banyak.

Dengan menganalisis proses pembuatan kebijakan publik di Tanzania dan Indonesia, tulisan ini bermaksud menunjukkan pentingnya keterlibatan pihak-pihak di luar pemerintah yang sekaligus merupakan tema baru bagi perkembangan di dalam studi kebijakan publik. Kasus yang diangkat dalam analisis untuk Tanzania adalah proses pembuatan kebijakan yang menyangkut liberalisasi penjualan senjata api sedangkan kasus dari Indonesia ialah proyek mobil nasional dan perpanjangan kontrak eksploitasi tambang oleh PT Freeport.

Kata kunci: kebijakan publik, perubahan kebijakan, kepentingan umum.

Introduction

The period of 1980s is remembered as a decade in which fundamental changes in different public policies were introduced around the world. These policy reforms challenged the realm of a huge and centralised bureaucratic apparatus and sought to achieve greater efficiency, effectiveness and dynamics in the working of the economy. It was quite an

uncontrollable global wind of change moving away from the Soviet Union, then across Eastern Europe, going even far, to many developing countries, and, more recently, in the former and the existing socialist states. However, these changes appeared in various forms, scope and influence (Osborne and Gaebler, 1992; Barzeley, 1992). Privatisation movement, for instance, has come to symbolize a new way of looking at society's needs, and a rethinking of

the role of government in fulfilling them. It means relying more on society's private institutions and less on government in order to satisfy the needs of the people (Savas, 1982; 1987; Jennings, 1991; Haque, 1996; Wallis, 1997). Nevertheless, in most developing countries, as also appears in Tanzania, it has been the gist upon the government's decision to reform some policies like the case of firearms trading.

Recently, the government of Tanzania made a quick-about-turn on policy reform by taking a move to liberalise the sale of firearms which was formerly in the hands of Appliance and Industrial Supplies Company (AISCO) Limited under the Ministry of Internal Affairs. This government controlled parastatal organisation was established by the Act of Parliament under Company Ordinance Act, thus, charged with responsibility as a sole distributor in the country with a monopoly in the business of firearm sale for many years. The aim of the government to implement this monopoly philosophy was clear, and nonetheless, to the betterment of the public interest. That is, to maintain the security and peace of the nation and its people. According to Rosenbloom (1989), one of the primary role of any legitimate government is to maintain law, order and security of its people. The classic purpose of almost all contemporary nations is the desire to provide for the defense of the political community, for law and order and for the general welfare. In this regard, therefore, the main

purpose of this paper is to review on how the global policy of trade liberalisation moves on the trend of public policies in developing countries, drawing its relevance an experience from Tanzania and Indonesia. Finally, this paper also intends to recommend on what ought to be done by the bureaucracy, sometimes, following reluctance of the public to support some of these policies.

Theoretical Framework Governing Policy Change

Governments make authoritative decisions that allocate public resources, define relationships between state and society, stabilise the economy, regulate interactions among citizens and institutions, as well as act on behalf of the nation in international context. In developing countries, where social needs are great, economic development frequently elusive, and the role of the state often extensive, these decisions take on added advantages in terms of the costs-and-benefits they can impose on whole societies and on particular groups within them. "Demonstrably, policy has profound impact on the social, political, and economic destinies of million of people" (Grindle and Thomas, 1991:18).

However, because of a widely shared belief that policy is important to the societies of most developing world, significant resources in government, academic institutions, and public interest organisations are annually invested in research and

analysis to identify "good" policies, to avoid "bad" policies and to promote "the public interest". In the basis of this observation hitherto, there has been major sets of theories about the source and dynamics of policy makers as well as underlying different policy reforms (Grindle and Thomas, Op.Cit).

First, an assumption of narrowly defined self-interest as the basis of all political action, leading to pessimistic conclusions about the potential for change and ability of policy elites and citizens to conceptualise and act upon some broader vision of the public interest. If all political action is assumed to emanate from a desire to capture the state for personal view similarly widespread, then, there is little basis for anticipating reasoned dialogue about the content of public policy. Other perspectives limit possibilities for change to incremental adjustments in current practice, failing to account for major reversals of alternations in policy. For example, in current Indonesia, the continuing economic slump, the never-ending street demonstrations, the persistent clinging by the authorities to Soeharto style policies, and the policy flaws and inconsistencies by a government calls itself reformist are proof enough, that this dismal belief is true or at least in the public's perception.

Second, experience of reform situations reflects that decision makers apply a series of criteria to the changes they consider, discuss, debate and plan. For example, they weigh decisions in response to their

understanding of the technical aspects of the policy area under consideration, the probable change for political stability and political support, and the role that international actors have assumed in the reform process. For example, the Indonesian government, plan to privatise 25 state-owned companies in the 1999/2000 fiscal year to help finance the country in economic crisis. Given both the needs of the companies for strengthened international links, management and markets, and the weaknesses of the stock market, the preferred route to privatisation would be to introduce a strategic partner to take a significant minority ownership position.

Third, aspect of the framework indicates that the characteristics of particular reforms determine the type of conflict and opposition that surround their implementation. In fact, characteristics of a policy have a powerful influence on whether it will be implemented as intended or whether the outcome will be significantly different. Both in Indonesia and Tanzania the World Bank-cum-IMF oriented policies have sometimes sparked of negative impact in their implementation. Such policies as privatisation, commercialisation and cost-sharing provides good example.

Fourth, factors unique to a particular policy initiative affect the dynamics and process of decision making among policy elites, although, they do not necessarily determine the outcome of that process. Understanding the stakes

involved in reform, the type of public officials involved in decision making, the degree of change introduced, and the timing of decision making are determining factors which helps in knowing the nature of policy change. For example, in many situations, decision makers have taken active and formative roles in shaping changes to make them politically and bureaucratically acceptable. Here, one may cite the liberalisation of firearms policy in Tanzania and National Car project owned by former president's Soeharto's son tallying with this assumption.

Finally, experience suggests that change even significant reform is not abnormal or unusual. At times, this activity is in response to societal and international pressure. However, at other times, it is best understood as a response of public officials attempting to achieve certain goals more effectively. For example, in the brand of trade liberalisation, the president of Indonesia recently displayed his prerogatives by sternly instructing several ministers to assist PT Freeport Indonesia in realising its plan despite unconfirmed report on their ability to contain the environmental and social impacts of the operational expansion. This decision drew criticisms from environmentalists, Irianese leaders and legislators.

Hypothetically, this paper wishes to point out that, as far as this policy changes is concerned, the government of Tanzania's decision to liberalise the trade of firearms, is a state-centred model (Howlett and

Ramesh, 1995) of policy reform which is highly employed because "policy change is best understood by focusing first on the perceptions and interaction of decision-makers and others in particular organisational contexts in government" (Grindle and Thomas, 1991:27). This is because the decision to change this policy was taken up by the executive arm of the government alone (of course with the backing of the bureaucracy) without further notice to the legislative arm of the government despite the fact that this branch represent the courtyard of public interests. Similarly, the controversy surrounding the current bank recapitalisation policy in Indonesia has a lot to be desired. The government's decision to close down 38 insolvent private banks, take over seven more and recapitalise nine others without presenting the public with the clearest picture of each of surviving banks betrays the importance of public interest perspective.

Involved Actors in the Change of Policy

Despite disagreement which has further stimulated a hot debate in policy studies concerning the role of actors and institutions in the public policy reform process, yet, consensus has so far been reached on the causal significance of the actors interests and capabilities compared to the institutional context in which they operate. For instance, some models regard actors as the only relevant category of analysis. On the

otherhand, others maintain that what the actors seek and do depends on the political, economic and social institutions that surround them (Howlett and Ramesh, 1995). In the liberalisation of firearms policy in Tanzania and some policies in Indonesia, hitherto, have involved so many actors from the ministerial level of initiating this proposals up to the top executive hierarchy of decision making i.e. the President's Office, and even external actors, such as, the World Bank and IMF as well as the international business agencies. However, in Indonesia, the policy decisions ranging from the case of PT Freeport Indonesia, private bank recapitalisation, and the National Car project does not exclude similar actors.

First, the elected officials who participated in this policy reform may be divided into two categories: members of executive including the President and the Minister of Internal Affairs.

Second, the appointed officials who dealt with the policy to liberalise sale of firearms in Tanzania, for example, are collectively referred to as the "bureaucracy". Their function is to assist the executive in the performance of its tasks, as is clearly suggested by the term "civil servants" or "public servants". Meltsner (1976) for instance, points out that bureaucracy is the keystone in public policy. In this case, actors under this category are the Chief Secretary to the President, some member of bureaucracy from the Civil Service

Department, Principal Secretary and Division Directors in Ministry of Internal Affairs. Also, Management and Board Members (who are officials from the Ministry of Internal Affairs, any Agency or some Legislators) of AISCO and Parastatal Sector Reform Commission (PSRC), a program established by the government, which is also financed by the World Bank and other donors with objectives of restructuring public enterprises in Tanzania. Comparatively, in Indonesia the Presidential Decree No.42/1996 on the manufacture of the National Car, for example, benefited PT Timor Putra Nasional, a company owned by one of Soeharto's son. Based on this decree, however, the government granted tax and customs exemption for the importation of various goods, including Timor cars from Kia Motors on South Korea.

Third, the World Bank and other donor representatives who work as advisors and also who provides technical assistance to the Parastatal Sectors Reform Commission in Tanzania could play an influential role in this policy reform, although not necessarily as explicit actors. On the other hand, the 19 month old economic crisis hitting Indonesia has tactfully forced the government to accept such international donors as the World Bank and IMF as actors in some policies. Industrial sectors, social safety net as well as financial sector-oriented reform policies are the case in point. For example, the IMF made the sale of government stakes in state firms one of many

conditions attached to the release of funds from a US \$ 49 billion rescue package which it put together to save the Indonesia economy from collapse.

Argument in Support of Government Decision to Policy Changes

There are several major forces which are looked at as providing key impetus toward government withdrawal from various activities or business which otherwise could better be performed by the private or third sectors. This new school of thought in public management is reflected into four areas: pragmatic, ideological, commercial and populist (Savas, 1987; Jennings, 1991).

First, it is argued that government is doing more than it ought to be doing and in the process it is intruding too extensively into people's lives. Therefore, it threatens democracy. "It is simply assumed that the bureaucracy is not able to respond to social demands" (Carino, 1994:16). Government decisions are political, thus are inherently less trustworthy than free market decisions. Therefore, there is a need for less government. For example, AISCO as a state-owned enterprise or public enterprise relies on subsidies from the central government. At this critical moment when bureaucracies are called for "to reinvent their machinery", and, at the same time their economic conditions are worse, it is otherwise high time to continue depending on government's limited budget. According to Howlett and

Ramesh (1995:85): "in recent years because of budgetary crisis faced by governments, many countries have pressed to expand the role of the private sectors". However, this is the era of free choice which is dominated by empowerment of the people as well as customer-driven business strategies. It is very unfair and undemocratic interfering with people's freedom. Hence, the government's decision to liberalise firearms sale is a fair policy move.

Secondly, government cannot act effectively or efficiently. Led by numerous reports of programme failure, those who adopt this stance perceive that many programmes are poorly designed and just as many are ineptly managed. However, what is important is to adopt alternative service delivery mechanisms and reduce bureaucratic barriers to effect action by relying on market-like approaches in the delivery of public services. Hence, prudent liberalisation policy on the firearms sale may lead to more cost-effective public services.

A third prominent argument is that government makes excessive resource demands, all the demands that threatens economic growth and diminish individual economic well-being. Government is spending large part of the economy, more of it can and should be directed toward private firms."...Government spends too much because it tries to do too much, the other is that government spends too much because its agencies are inefficient" (Jennings, 1991:15). Therefore, in order to establish better

society "state-owned enterprises and assets (like AISCO: emphasis added) can be put to better use by the private sector" (Savas, 1987:5).

The fourth component of the contemporary attack on government ownership is the charge that public officials and agencies are insufficiently responsive. People should have more choice public services. They should be empowered to define and address common needs, and, to establish a sense of community by relying more on family, neighbourhood, church and voluntary associations, and less on distant bureaucratic structure. Therefore the government decision to liberalise trade of firearms fits well with this assumption.

On the other hand, the aforementioned four sets of assumptions are otherwise not the proper line of arguments in this paper. Rather, this paper adopts a line of arguments as follows.

Arguments Against the Government Decision

Despite the positive arguments in favour of the policy change on the liberalisation of the business of firearms in Tanzania, still, there has been many criticisms leveled against the government which has further stimulated hot debate in the parliamentary circles, mass media, intellectuals, and the general public. However, the same could be applied in the Indonesian context. Generally, the public opinion is totally opposed to the unreasonable decision of the government to liberalise the sale of

firearms. The group of human right activists i.e. Environmental and Human Rights Care Organisation, Opposition Political parties like United Democratic Party (UND) and NCCR party, a group of intellectuals from the "Hill" (University of Dar-Es-Salaam), University Students, Religious elites i.e. Full Gospel Bible Fellowship, the general public as well as the mass media practitioners counterclaims the above arguments. Similarly, it is equally important that policies adopted should be mindful of the sociopolitical parameters and challenges facing Indonesia at the present time.

1. It is observed that Tanzania is one of a country model in the world in terms of peace, order, security and stability. The primary role of any legitimate government is the security of its people. However, this responsibility can not be abdicated, privatised or delegated. Government and public service are consequently considered as a public trust and maintain justice, order and stability in the society (Holzer and Callahan, 1998: Hughes, 1994). Hence, to liberalise the sale of firearms is unwelcoming policy move which might threaten peace, security and order in the future development of the nation. In Indonesia, the public is doubting PT. Freeport Project's ability to protect the environment and expressed disappointment at what they considered the firms

- lack of commitment to community development.
2. Beneficiary perspective. It is perceived (in policy studies) that any formulated or reformed policy ought to entail an element of stake in it. The liberalisation of arms sale in Tanzania is not exceptional. On the other hand, the New Order regime thus protected the Timor car project, despite not only drawing strong protest from within the country but also from the World Trade Organisation. For instance, the company was given luxury tax and import duty privileges and a multimillion-dollar banking syndicated loan from private and state-owned banks because of its connection with the New Order regime. However, the fall of this regime in May 1998 and its subsequent crisis has badly affected the national car project. Its privileges disappeared after Indonesia signed an economic bailout agreement with the IMF in 1998. Apparently, PT. Timor has to repay hundreds of million of dollars in import duty and luxury tax to the government. It is suspected that in LDCs, some selfish bureaucrats always wish to have a stake in many creative business. According to Grindle and Thomas (1991:31), "at times, in pursuit of its own interests, the state may adopt policies that are not beneficial, and may even be detrimental to the interests of powerful societal groups".
 3. Currently, the government of Tanzania has sensitive as well as important economic and other social problems (poverty alleviation, health, environmental protection, war against killer diseases as AIDS, unemployment, crime, etc) to deal with apart from the issue of liberalisation of firearms trade, in which many Tanzanians are not only looking at it as non-banning issue, but also they are totally uninterested. Increased in daily production of ore output to 300,000 metric tons per day has the greater modernising influence on people and environment. One would imagine that this was that right moment for the government not to decide on this easy-to-sparkle crisis policy! The government should otherwise empower the people to exploit the abundance of natural resources available on our land in partnership with foreign investors than wasting time on the question of firearms business.
 4. Countries like Sweden, Denmark, Switzerland, and Norway are termed as the "heaven of peace". However, despite all their experience in market-friendly economies, yet, they have not attempted to liberalise the sale of firearms. On the contrary, countries such as United States and Australia are highly regretting upon their laxity on the policy of firearms business because the rate of crime is not

only higher but also pose a serious threat to their societies.

5. What culture is the government trying to promote? Tanzanians care much for peace and security of their nation. They cherish the non-violent culture they have been building and wish to defend it for our interests and for the interests of the future generations. Hence, opening up freely shops of guns is taken by the public as too dangerous to peace and security.
6. Developing countries like Indonesia and Tanzania must control bureaucratic corruption and break through unnecessary bureaucratic red-tape in government machinery and public sector organisations. The decision to liberalise trade of firearms like tax exemption granted to the national car project is a clear justification on how our governments institutionalise the corruption.
7. In Tanzania and Indonesia, the Structural Programme-cum-World Bank policies are partly blamed as being responsible for creating an army of unemployed people through downsizing, rightsizing, massive retrenchment and the sale of parastatal organisations, as implemented by the Civil Service Reform (CSR) and the current Indonesian government plan to privatise 25 state-owned companies in the 1999/2000 fiscal year. Consequently, the rate of crime and poverty has automatically risen up, and as such, many cases are frequently reported by state

machinery through the mass media. For instance, in Tanzania, if the trend of crime rate has reached an alarming tune when firearms are still not freely obtained, hitherto, what if this trade will find legal ground through liberalisation policy, the move which the government is trying to advocate? If these issues are not carefully and properly addressed, it might create serious problems for the government and its people.

Conclusion

Most developing countries are currently implementing their newly transformed foreign policies due to the forces of globalisation and liberalisation which emphasizes on the doctrine of **development-cum-economic diplomacy**. Thus, in order to attract more foreign investors, it is high time and similarly important to stress on the aspects of peace and security as "cardinal rule" for economic development. Anti-corruption war should also be a cardinal agenda in order to recover from their shattered economies, like in Indonesia under the economic crisis. Political democratisation is also important factor. For example, in Tanzania the Third Phase Government which came into power in 1995 through a multi-party election, categorically steers on the principles of rule of law, democracy and transparency, hitherto, this "can be done". Meanwhile, the June election in Indonesia, which will see the coming up of the democratically-elected government may steer-on "further policy reform". In addition,

“the government...should also re-engineer its public bureaucracy at all levels to support and sustain the achievement of the vision” (Dwiyanto, 1997:28).

In developing countries, the aspect of abuse of power is sometimes willingly-facilitated by the government itself by not observing the roles and functions of organs of development. For example, policy elites are jumping into the climax stage i.e., implementation, thereby overlooking the role of the legislature in the public policy making or the process of change. This has been noticed in this paper. Consequently, such policy weakness has sometimes paved the way for criticism. This experience is common in Indonesia and Tanzania. The legitimate governments ought to respect constitutions, whose powers and authority are derived from all the people. Apparently, the citizens of Tanzania are sceptical on this policy of liberalisation of firearms business. So do the case with the Indonesians who are also dissatisfied with the objectives of the national car project and PT Freeport Indonesia. Therefore, governments are advised to honour the “formal document” and must respect the demands of the people as Perry (1990:3) asserts, “public administrators can contribute to the maintenance of constitutional order by appreciating and actively supporting the constitutional correctiveness...” against the self-interest.

Globalisation and liberalisation of government have cleared the way for new politics in public policy studies. Public policy formulation

and process of change are now highly governed by external interests. It is dangerous and may further create a blind-alley to the economic, political, social and cultural development of our states. In order to avoid this phenomenon to dominate our bureaucracies, it is important to strengthen the human resource development on public policy studies. This will ultimately make our policy elites easily evade from blind acceptance of unrelated policies such as the liberalisation of firearms trade in Tanzania or national car project and PT Freeport case in Indonesia which are detrimental to the future generation.

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