Process of public policy formulation in developing countries

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Abstract: *Policy formulation clearly is a critical phase of the policy process which also is an explicit subject of policy design. The public policy formulation is part of the pre-decision phase of policy making including to craft the goals and priorities and options, costs and benefits of each options, externalities of each option. It involves identifying a set of policy alternatives and public policy tools to address a problem as a result that a prepared set of solutions is done for the final solutions from which decision makers actually choose by judging the feasibility, political acceptance, costs and benefits. But the attention to policy formulation is also embedded in work on policy communities and policy networks, who does the design? (see Chap 6, Studying Public Policy (Howlett, 2003)). On the other words, the formulation process will need the motivation and participation of different actors with their entrances of new actors and new ideas who will actually play their roles in the policy design process. In the context of developing countries, this paper aims to examine the model of policy formulation and the type of feasible solutions or options for resolving the policy problems. Thus, the structure of the sub-system with two components of the discourse community and interest network will decide the participation of different policy actors and final chosen public policy solutions.*

Key words: public policy, formulation, sub-system of public policy, policy networks, policy communities

The involvement of businesses and civil society - consumers, private entrepreneurs, employees and citizens and community groups, NGOs in designing public policy is critical if the Government of developing countries are to improve the transparency, quality and effectiveness of their policies as well as establishing the legitimacy of the public policy. Socio-economic and political conditions of a country determine or shape the network of a particular policy, so we explore recent research examining linkages between models of economic development and welfare regimes in developing countries where are known as weak institutional capacity, lack of accountability to the citizen to predict the policy formulation in developing countries.

As a preliminary effort to remedy this shortcoming in the literature, we offer a political logic for the observed variation in the character of institutions of social policy established by nondemocratic regimes. Pross (1986) described the policy community as a network of individuals, groups, government departments, organizations, and agencies that dominate decision making in a specific policy field.

Accordance to Hai Do (2010), the dominant model of policy formulation in developing countries is the bureaucratic politics amongst the interrupted equilibrium, organizational process, and rational actor. Frans Van Waarden (1992) combined Rhodes's analysis with eight basic types of subsystem in Atkinson and Coleman (1992) to issue seven criteria on which the network can be varied: number and type of actors, function of networks, structure, institutionalization, and rules of conduct, power relations, and actor strategies. Howlett and Ramesh (1998, 2003) continued to construct the taxonomy of discourse communities which are two dichotomous dimensions in dominant idea set and numbers of idea set can be realistically applied for the analysis in a place of policy formulation.

In additional, studying the interest networks, the taxonomy of interest networks which are again dichotomous dimensions of dominant actor and number of members, so these variables are shaping the structure and behavior of the policy networks (Howlet and Ramesh, 1998, 2003). The two variables and additional dominant idea set and numbers of idea set are used to discuss on the process of public policy formulation in developing countries.

In order to operate on the research question, that who does the policy design? And what are the motivation and participation of different actors with their entrances of new actors with new ideas who will actually play their roles in the policy design process? The research worked on the key variables such as *dominant idea set and number of idea sets* in the policy communities and variables of *dominant actor and number of members* in shaping the structure and behavior of policy networks. 'Discourse' can also refer to dialogue, language, and conversation within the policy communities. The individual policy maker is substantially used as the unit analysis in this research.

The research established the following hypotheses to address the research questions:

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Hypothesis 1: In the subsystem, the discourse communities of the dominant idea set and number of idea sets will decide the structure of the policy communities.

Hypothesis 2: In the sub-system, the policy network of the dominant actors and number of members will shape the roles and motivation and participation of different actors;

1. Approaches to public policy formulation in developing world

The economic development of a country depends on the quality of its policy framework, the decisions taken, especially the processes involved in formulating each decision. It is clear also that developing countries throughout the world vary considerably in their ability, and perhaps their willingness to formulate and implement policies that will generate improved development performance (Joan Corkery, Anthony Land, and Jean Bossuyt, 1995).

In public policy world, the policy formulation is part of the pre-decision phase of policy making. This task includes the crafting identification of a set of public policy alternatives to address the socio-economic problems, and selection process by narrowing that set of solution in preparation for the final policy solutions for the next stage. In Cochran and Malone (1996), the policy formulation is to deal with the problem, goals and priorities, solution options for the achievement of policy objectives, cost benefit analysis, negative and positive externalities are associated with each alternative. These stages embedded into the policy cycle which is now popular in developing world. However, the specification of policy alternatives does not follow neatly from the agenda setting process not lead neatly into implementation in Mara S. Sidney (2002) which is reflected the policy formulation in developing countries. Thus, the policy formulation is a function rather than a stage where dominant actors and set ideas shaping significantly during their course of actions. Apparently, the function is more relevant for the developing countries where there are weak institutions, regulatory capacity, accountability and participation and responsibility of sub-system of government, so the formulation is the continuous process.

The attention of policy formulation is also embedded in work on subsystem, advocacy coalition, networks, and policy communities (Weible and Sabatier). The policy formulation is taken up in the agenda setting works in some researchers in 1995 to 1998 (Kingdon and Birkland); however, the policy formulation is the work of the policy communities and policy networks (Howlett and Ramesh, 2002); it is apparent that identifying the policy

actors, understanding their beliefs and motivations, their judgments of feasibility, and their perceptions of the political context which is relevant for developing world (ibid).

Thus, the policy formulation is the function of the policy making. It is really the practice oriented policy making in developing world. Also, the policy formulation within the policy communities and policy networks is reflected the actual policy in developing countries because the policy making in development work in environment with weak institutions and capacity within the communities and networks.

2. Policy formulation in developing countries

2.1.   Policy design

Most of policy sciences have known that the policy formulation uses the concept of policy design to emerge in response to implementation studies of policy systems which responsible for policy failure in 1970s-1980s. Most of policy design theorists given that the causal chain is the main cause of policies success or failure because the policy designs contribute to policy outcomes (Hai Do, 2012). Firstly, the policy design will need to specify the lists of policy instruments, institution-building (Weimer, 1992). Continuously, Fischer (2000) and Rixecker (1994) provided that the innovation and creativity are often raised from attention to the voices that contribute to the policy dialogue. Some other scholar focuses on policy discourse and dominant ideas. It consists of competing efforts to make meaning as much as to win votes. Indeed, the pursuit and exercise of power includes constructing images and stories, and deploying symbols (Fischer and Forester 1993; Rochefort and Cobb 1994; Schneider and Ingram 1997, 2005; Stone 2001; Yanow 1995).

Due to technical endeavor, leading them to characterize policies as "well" or "poorly" designed (e.g., Ingraham 1987; Linder and Peters 1985); this technical matter are popular in developing countries (Do, 2011). The scholars described a policy as well-designed if a careful analysis of means-end relationships. Thus, they tend to understand policy design as a political process preceding every policy choice (Bobrow and Dryzek 1987; Kingdon 1995; Schneider and Ingram 1997; Stone 2001). However, the options that address policy goals and instrument types require the injection of some new ideas and thinking into policy deliberation (Howlett and Ramesh, 2003). Proposals for policy and program changes tend to arise from new actors in existing policy process, while changes relating to instrument types

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and components tend to develop among existing actors as their preferences change (ibid, 147).

In policy formulation, the relevant actors are usually restricted to members of policy subsystems, since a requirement of participation at this stage of the process is some minimal level of knowledge in the subject area, allowing an actor to comment, at least hypothetically, on the feasible of options put forward to resolve policy problems (Howlett and Ramesh, 2003). This is necessary for developing countries to define the policy regime as the dominant actor is belonged to state, but not from the civil society; the limitation of participation of the civil society is popular.

2.2.   Policy tools

The policy tools or governing instruments that governments use to put the policies into the effect (Howlett and Ramesh, 2003). Over time, a subset of policy literature has focused explicitly on policy tools. Bardach (2005) offers eight-step framework of policy analysis, describing taxes, regulation, grants, services, budgets, information, rights, and other policy tools. For each tool, he suggests why and how it might be used, and what some of the possible pitfalls could be, aiming to stimulate creativity in crafting policy. Hood (1986) analyzes a range of government tools in significantly more detail with the ultimate aim of making sense of government complexity, generating ideas for policy design and enabling comparisons across governments. The wave of scholars use policy tools documents as trends away from direct provision of government services and toward measures that embed government officials in complex collaborative relationships with other levels of government, private-sector actors, and non-government organizations. These arrangements grant government parties much greater discretion than the close supervision and regulation of the past (Salamon, 2002). These indirect measures include contracting, grants, vouchers, tax expenditures, loan guarantees, government-sponsored enterprises and regulations, among others; many do not appear on government budgets in which he suggests helps to explain their popularity.

The research on policy tools highlights the political consequences of particular tools, as well as their underlying assumptions about problems, people, and behavior. Salamon characterizes the choice of tools as political as well as operation. Additionally, tools require

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distinctive sets of management skills and knowledge, thus the choice of tools ultimately influences the nature of public management. Before Lowi did classify, however it was not complete at yet that time. The tools are classified under organizational based instruments, authorized based instruments, information-based instruments (Howlett and Ramesh, 1998, 2003). In the developing countries, the selection of policy tools become very important step in the policy making process; however, the choice of the policy tools is often limited due to unavailable instruments in adequacy. The limited tools to select, leading to weak capacity of policy makers as well as institutional framework for policy making in developing countries. We will need to look at this in the discourse analysis.

3. Who does the policy formulation and integrating actors and institutions in developing countries

In policy sub-system (Howlett and Ramesh, 2003), the actors and institutions exist in a mutually relationship. State actors are included: elected officials, appointed officials, business actors, labour, public, think-tank and research organizations, political parties, mass media, interest groups (ibid, 65-84). In examining roles of actors in developing countries in various cases and sectors, it is shown that there is a difference at roles and motivation and participation in the community discourse analysis while the state and business often keep their dominant roles in the policy process.

The participation of collective civil society actors for direct citizen participation in the policy formulation depends upon the institutional spaces where they are weak in developing countries. Many political leaders, policy-makers and researchers believe that such forms of direct citizen participation can help democratize and rationalize the state, as well as provide politically marginalized populations with a say in policy (Peter P. Houtzager, Adrián Gurza Lavalle and Arnab Acharya, 2003). The institutional design of participatory policy-making spaces has a significant impact on who participates, and that this impact varies by type of civil society actor while there is no evidence that the "wealth" of collective actors influences participation (ibid, 32).

In fact, there is a tendency that growing recognition of regulation which is not the exclusive domain of the state in developing countries with democracy regime. The regulatory capacities of non-government actors are increasingly recognized and on occasions formally

co-opted by the state. A variety of economic and civil society actors contribute to the information gathering, standard setting and behavior modification aspects of regulatory control (Bridget Hitter, 2012).

With the shift toward evidence-based policy reform in a part of developing countries in democratization, there is an opportunity to improve inclusiveness and participation in the policy cycle by engaging transparently with a wide range of state and non-state actors (Hai Do, 2010). There is an ethical dimension for example social risk analysis, to gathering information, interpreting information, and making policy. Mechanisms of transparency and accountability can preferentially include the poor to empower them with respect to competing interests and potential allies (WB, 2007) by bringing stakeholders together at different levels to participate in stakeholder analysis workshops and other forms of group-based assessment, creates additional institutional spaces for discussion about policy change.

4. Discourse of policy communities in developing countries

Policy communities play critical roles in public policy processes, among which the most important ones are those related to integration tasks performed. The term policy community is part of an idiom used by policy researchers, political scientists, and public administration scholars to signify the extra-formal interactions taking place beyond or outside the formal processes of government that occur in the interstices between and among government agencies, interest groups, corporations, industry associations, elected officials, and other institutions and individuals (Hugh T. Miller and Tansu Demir, 20).

Wilks and Wright (1987) proposed a three-fold typology including "policy universe," "policy community," and "policy network". Policy universe is the large population of actors and potential actors who share a common interest in industrial policy, and may contribute to the policy process on a regular basis (ibid). Policy community, on the other hand, refers to a more disaggregated system involving those actors and potential actors who share an interest in a particular industry and who interact with one another to mutual benefit. Policy network, in their thinking, becomes a linking mechanism between and among policy communities.
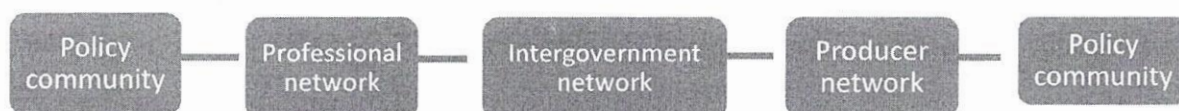
Figure 1: The Rhodes Classification (Dowding, 1994, 62)

In developing world as well, a policy community is a special type of interconnected social formation, the communication and influence may flow in non-hierarchical patterns associated with governmental fragmentation (Mara S. Sidney, 1998). Policy communities indicate a policy process in which organized interests and governmental actors play a major role in shaping the direction and outcome of public policies (Hai Do, 2009).

Discourses 'can be taken as an example of the capture and exercise of power by some sorts of people, arguments and organizations against others through specific happenings, in particular arenas, over various periods of time' (Apthorpe, 1986). Discourse communities share common level of understanding of a problem, its definition, and its causes. During the discourse, taking dominant idea set employing a view of culture as a communicative phenomenon involving discursive engagement, which is deeply influenced by social and economic inequalities, some authors argue that the struggle to break free of poverty is as much a cultural process as it is political and economic. They analyze important examples of discursive spaces - public meetings in Indian village democracies, where villagers make important decisions about budgetary allocations for village development and the selection of beneficiaries for anti-poverty programs. They examine village democracies from South India to demonstrate how they create a culture of civic/political engagement among poor people, and how definitions of poverty and beneficiary-selection criteria are understood and interrogated within them. Through this examination, they highlight the process by which village democracies facilitate the acquisition of crucial cultural capabilities such as discursive skills and civic agency by poor and disadvantaged groups. They illustrated how the poor and socially marginalized deploy these discursive skills in a resource-scarce and socially stratified environment in making material and non-material demands in their search for dignity (Rao Vijavendra, Sanyal, Paromit, 2009). Thus, the intersection of poverty, culture, and deliberative democracy is a topic of broad relevance because it sheds light on cultural processes that can be influenced by public action in a manner that helps improve the voice and agency of the poor (ibid, 36).

In World Bank's twin features: lending to developing economies to achieve tangible results and advocating specific development policies. The national discourse play the important

roles, while the Bank discourse explicitly recognizes that developing countries need to improve their governance and build the capacity of the public sector to improve living standards, the Bank's performance in assisting governments in building state capacity and achieving better governance outcomes has been disappointing (De Janvry, Alain, Dethier, Jean-Jacques, 2012).

5. Policy network

The policy network studied in EU in Rhodes (1984) Wilks and Wright (1987), the networks varied according to their level of integration, which was a function of their stability of membership, restrictiveness of membership, degree of insulation from other network and the public, and the nature of resources they control, along five additional dimensions that "the interests of the members of the network, the membership, the extent of members' interdependence, the extent to which the network is isolated from the other networks, the variations in the distribution of resources between the members". The policy network as being essentially interest-based (Howlett and Ramesh, 2003), participants were assumed to participate in these networks to further their own needs, which were seen as essentially material and objectively recognizable from outside the network (ibid, 151).

The networks can help CSOs use evidence to influence policy processes in Enrique Mendizabal (2006) who studied the form and function of the policy networks in developing countries given that networks are growing in number in developing countries and between developing and developed countries. Both membership structure, socio-cultural norms are important such as the policy network focuses on some important functions so-called Filter, Amplify, Convene, Invest/provide, Build communities, Facilitate in which policy networks can carry out these functions within two broader roles of agency and support.

In the context of low level of capacity, the network can support the local government, from the research of Thunradee Taveekan (2010) on the formation and implementation of policy networks in two Thai village communities by assessing their performance but also its effects on local governments' performance and democratic governance with focuses on the relations between the sectors in policy process, in particular local governments and civil society groups in Thailand starting from the adopt on the good governance approach in 1997. The adopting of policy networks in Thailand is in the early stage, however, policy

networks has been seen as a new intervention of the inclusive governance between state agencies and other sectors to greater participation in policy process at the local level. It concluded that the multi stakeholders including local government, citizen, civil society groups and central government representatives are all reacted in the positive way to optimize their performance together. On one hand, the local governments have changed their attitude and the ways of working from top-down approach to bottom up approach. They also encourage social and business sectors to involve in policy making process as a partner. On the other hand, the civic and civil society groups have engaged themselves into the policy process by participating in policy networks. The policy networks resulted in the transformation of local governance by promoting civic and public participation, enhancing local accountability, creating direct political opportunity. Scaling up the level of trust and level of participation in various forms are the major factors of effective policy network performance without neglecting the greater communication. In addition, the relationships between local governments and civil society groups have been changed significantly. It is argued that their relationships have been reshaped from the separation and command to be the integration and dialogue through the concepts of good governance and network governance since 1997.

Accordance to Mai Thi Truong (2011), the poverty reduction has in one of the important social security policies in the socio-economic strategy of the State and has received much attention of the whole society. This has helped keep a balance between economic growth and equity and social progress, contribute to maintain social stability, sustainable development and fulfill Viet Nam's international commitments. In many years, Viet Nam's efforts in poverty reduction have been paid off and Viet Nam has been a bright example in implementing the Millennium Development Goals. Viet Nam's achievements have been recognized by the world public and people. In this case of Vietnam, the effectiveness of policy network performance in poverty reduction can be assessed by policy networks from donors to national actors and local actors. In the analysis of roles of 11 government agencies and networks of businesses and NGOs and mass organizations (social political organizations in Vietnam including Women Union, Youth Union, Farmer Associations etc). The Government formulated social policies with the implementation of state agencies with the participation of different actors to assist the poor and poor communities. We see that the

policy networks of the dominant actors in government to pursuit their responsibilities to formulate the policy of poverty reduction led to the success of poverty reduction widely. The mass organization participated actively into the causes of poverty reduction with larger members of these agencies to the grass roots level. The international donors have been highly appreciated by their commitment and participation into the policy formulation.

6. Conclusions

Understanding the interactions of policy actors is hence a key facet of understanding the policy process. The policy formulation in developing countries has a difference with developed countries by weak institutional capacity and lack of accountability of state actors. The policy design is often done by state agencies while there is varied in participation of businesses and civil society - consumers, private entrepreneurs, employees and citizens and community groups, NGOs at both form and functions. Thus, the policy communities indicated a policy process in which organized interests and governmental actors play a major role in shaping the direction and outcome of public policies and the discourse communities of the dominant idea set always decided the structure of the policy communities.

Discourse communities share common level of understanding of a problem, its definition, and its causes. During the discourse, taking dominant idea set employing a view of culture as a communicative phenomenon involving discursive engagement, which is deeply influenced by social and economic inequalities

The participants of the networks with an aim to further their own needs play critical roles in shaping the structure of the networks. Thus, the structure of the subsystem decided the roles of the dominant actors of the policy network, form and functions and the motivation and participation of different actors as the case of Thai Lan, India and Vietnam.

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