



# POLICY BRIEF

## Strategy for Managing National Policy

### Executive Summary

The number of public policies in Indonesia are high and most of the policies are not pro public nor pro business. This situation will affect development if Government does not take corrective measures. One of national priorities emphasizes on the importance of deregulation that aims to reduce the number of existing policies. Deregulation can be implemented with quota system. This strategy should be complemented by efforts to fix policy formulation process in order to produce good policy. Policy formulation process requires a guideline that can be applied nationally, for instance through establishing Policy Quality Index.

### Background

Good policy governance has become an urgent need that must be realized in the era of bureaucratic reform. This demand is quite rational given the large amount of budget issued by the Government, at central and regional level, to produce regulations. Various survey on regulatory quality conducted at national or international level indicated poor level of regulation quality in Indonesia.

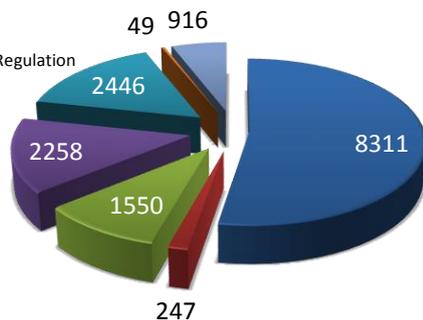


Figure 1 : Total Number of Central Government Regulation from 2000-2015

Source: State Secretariat and *Hukum Online*, cited in Bappenas (2015)

Regulatory inflation is one issue of policy making in Indonesia. Besides producing a large number of regulations, the quality of policy is questionable. It can be indicated from several policies (regulations) that are not in favor of the public interest, numerous regulations were canceled due to in conflict with higher regulations, stakeholder controversy sparked from development projects, and large number of policy termination (Dwiyanto, 2016).

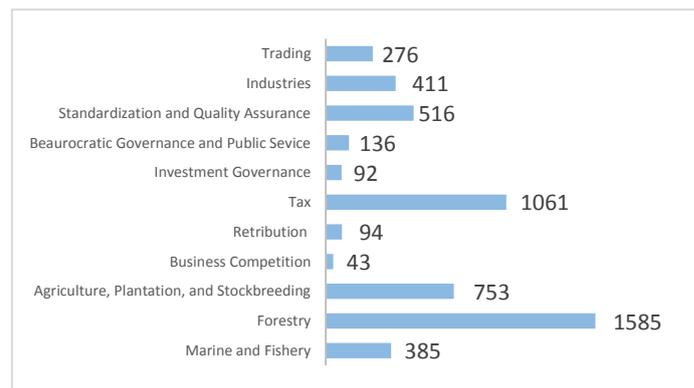


Figure 2 : Number of Regulations based on chategories  
Source: Hukum Online, cited in Bappenas (2015)

This condition is not only interrupt the speed of Government action, but hamper domestic investment rates as well (thus, slowing down economic growth). One of national priority programs under the leadership of President Joko Widodo is deregulation, which aims to simplify the number of regulations.

### A. Short-Term Recommendations

1. Deregulation in Indonesia should be implemented through a quota system for all Ministry/Institution /Local Government to reduce the amount of legislation up to 50% as expected by President Joko Widodo. Ministry/Institution/Local government should reduce the number of regulations between 25-50%.
2. Quota range of 25-50% is determined by using Input and Outcome Analysis of Policy, through the following mechanisms:
  - a. Ministry/Institution/Local Government map and compare the input (all effort being made) and outcome (Benefit / impact).
  - b. The mapping results are arranged into a table as follows:

(-) Outcome (+)	I Input (low) Outcome (high) (retained)	II Input dan Outcome (high) (further analysis is needed)
	IV Input and Outcome (low) (eliminated)	III Input (high) Outcome (low) (eliminated)
	(-) Input (+)	

Table 1 : Quadrant of Input Outcome Regulation Analysis

Notes:

- Quadrant I : Policy is retained because of having low input and high outcomes.
- Quadrant II: Policy needs to be further analyzed as it has high input and outcomes.
- Quadrant III: Policy should be eliminated due to high input but producing low outcomes.
- Quadrant IV: Policy should be eliminated as it has a low input and outcomes.

- c. Publication of the mapping results informing the list of regulation being eliminated or retained.

## B. Long-term Recommendations

Deregulation process should be followed by national policy to improve the quality of policy formulation process. Several steps can be taken, as follows:

1. Development of instrument to assess quality of public policy in Indonesia (Policy Quality Index).

Concept for developing Policy Quality Index can be focused on two phase: (1) Policy planning process (agenda setting and policy formulation phase) as well as (2) policy implementation process (implementation and evaluation of policy phase). The following picture presents a framework for implementing Policy Quality Index as a guidance to assess policy quality.

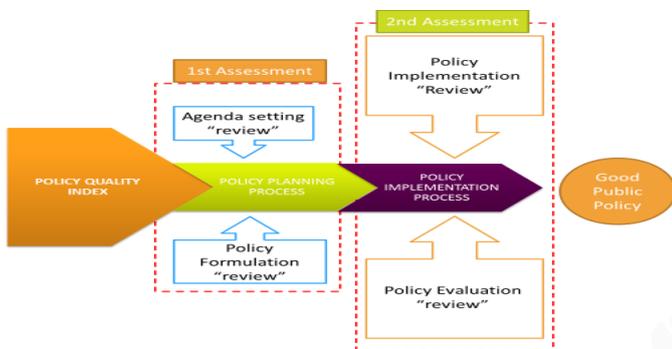


Figure 3 : Policy Quality Index Framework

Two phases of assessment are proposed in the framework:

- a) Assessment of policy planning process.

In this stage, assessment is conducted through reviewing the 'agenda setting' and 'policy formulation'. The purpose of this assessment is to ensure that the policy problem is public issue 'worthy' to be solved through a policy and developed through the ideal process of policy formulation.

- b) Assessment of policy implementation process.

In this stage, assessment is conducted through review of 'policy implementation' and 'policy evaluation'. The purpose of this assessment is to ensure that policies that have been made can be implemented properly and produce the intended outcomes.

2. The results of Policy Quality Index assessment can be formulated into strategy for improving policy quality in Indonesia.
3. Implementation of the strategy to improve policy quality.
4. Improving the quality of policy in Indonesia.

## Conclusion

Deregulation and strategy to improve quality of policy formulation process require decision and courage to be implemented immediately. Short-term alternative in this policy brief suggests strategy to conduct deregulation to improve quality of public policy formulation process.

In order to ensure the quality of the future policy, short-term strategies should be followed up with a long-term strategy that aims to improve the process of policy formulation toward producing pro-public and business friendly policies (ease of doing business).

## Bibliography:

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