

Globalisation, Policy Transfer, and Global Governance: an Assessment in Developing Countries

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Abstrak

Dari perspektif ekonomi politik, globalisasi identik dengan liberalisasi, sedangkan dari perspektif kebijakan publik, globalisasi identik dengan policy transfer. Ekonomi politik menekankan bahwa globalisasi merupakan sistem yang menyediakan ruang bagi pembukaan interelasi dan interaksi ekonomi antar negara, baik dalam bentuk perdagangan bebas, mobilitas aktivitas produksi, dan pertukaran teknologi. Sementara itu, perspektif kebijakan publik mengartikankan globalisasi sebagai ruang yang lebih luas untuk pertukaran pengetahuan yang berguna bagi pembangunan dan pengembangan kebijakan dalam konteks yang disebut policy transfer. Meskipun kedua perspektif seolah-olah memberikan penekanan yang berbeda, pada dasarnya kedua penekanan itu sama-sama mensyaratkan adanya entitas bernama global governance. Bahkan, terkadang entitas ini berperan menentukan dalam keputusan di sebuah negara, mendorong perdebatan pro dan kontra. Pengalaman Indonesia di akhir 1990an, misalnya, menunjukkan kepada kita betapa lembaga global governance berperan dominatif dalam reformasi ekonomi dan politik, memunculkan pertanyaan tentang kedaulatan negara. Paper ini menganalisis keterkaitan globalisasi dan policy transfer serta mendiskusikan peran lembaga-lembaga global governance di dalamnya.

Keywords: globalisasi, public policy, policy transfer

A. PENDAHULUAN

Theories of development may assert that globalisation on the one hand creates the super prosperous countries, those that dominate capital, market and economic benefit, commonly noted as the First countries. On the other hand, globalisation yields the extra poor countries, those that are marginalised and exploited by the first countries, coined as the Third countries. The existence of Trans National Companies and Multi National Companies in the developing countries is often deemed as the symbol of the First countries' dominance and exploitation in the Third ones as an impact of globalisation. Such the notion is close to what scholars of development theories call as the dependency theories with its main theorists are Samir Amin, Cardoso and their colleagues. For these reasons, globalisation is coined as a product of the first e.g. developed countries, as a means to expand their

economic domination in the third world, and thus there is a need to fight against globalisation. In relation to this, Bhagwati (2007) argues that such thinking is basically driven by the fear that overall nations' prosperity is at risk of globalisation's impact, including the fears of the collapsed wages and standards (p. 2). For Bhagwati, this thinking is a big mistake, therefore, rather than highlighting the discontents of globalisation, as Stiglitz (2002a) argues, addressing the globalisation's contents, in the sense of opportunities it provides for global trade and development, like in promoting equality (Koechlin, 2006, p. 261) and policy development, is worth considering.

This paper agrees to Bhagwati's argument that globalisation contains opportunities. This means that globalisation is not simply something good or bad. It can be good or bad, depends on how we treat it. Globalisation is something that we can not deny, including the aspects of globalisation's existence, globalisation's influences, and globalisation's impacts. Just like government, state, or nation, globalisation also tangibly and intangibly exists beside, and even, inside us. It directly and indirectly influences our life, and thus it is inseparable from us. Simply, we can not deny globalisation for we are social creature. Globalisation is the broadest picture of our social (and political) interrelations with others, either as a human being, a citizen, or a nation-state.

For the globalisation is inevitable as a space for our social (and political) interrelations, it is therefore undeniable as well for us to receive the existence of global governance, where the interaction between countries is enabled. Global governance is the system where socio-political and socio-economical interaction among states or countries occur and have to be regulated, results in global policy. In the area of public policy, the vast interaction of a country with another in a vehicle

called globalisation has brought the great possibility for policy transfer. This paper argues that globalisation can support the efforts for transferring good (and maybe inevitably bad) policy stories, designs, and strategies to improve the governability, including service provision, democracy and governance networks in a country.

This paper is objected to review some arguments highlighting globalisation as a chance, especially for improving the performance of public policy through policy transfer, not a mere as a cause of inequality or a driver of poverty. For this goal, this paper tries to elaborate how globalisation and public policy links and identify sort of well-known and globally promoted policies. However, challenges for policy transfer is also discussed to deepen the sense that in order to succeed transfer needs strategy.

B. PEMBAHASAN

B.1. Policy Transfer

Policy transfer, for Rose (1991, p. 3-30), is attempts taken by a government to transfer a successful policy in one place to another, which never means taking the policy for granted. In policy transfer, there is core and necessary substance called policy learning, a process where bad and good lessons are contemplated and reflected. In the similar sense, policy transfer becomes an important tool to accomplish what Stone (1999 in Grin and Loeber, 2007, p. 201-4) coins as policy change, which has ultimate goal for improving the public service performance. However, successful transfer is never “easy” or “simple”. In transferring a policy, there is always possibility of failure and success. Thus, failure and success are embedded in the policy learning and transfer.

Theoretically, for Dolowitz and Marsh (2000, p. 17), failure in policy transfer can occur for insufficient information gained during the learning process that the

borrowing regency does not catch the message of how policy operates and what institution involves within. This is what they call as *uninformed transfer*. Second, the learner regency leaves the key element of success in originating regency, identified as *incomplete transfer*. Finally, there is limited attention to the specific context and socio-political value of originating regency, that it is named *inappropriate transfer*.

As Rose (1991, 10-11) asserts, a government usually becomes encouraged to learn another government's policy for the dissatisfaction of their performance. They see that other governments' policy run successfully that they feel they would be able to imitate the same one. However, success of a policy in a country can not be separated from the supporting system that back the policy up. Therefore, information about institution and how policy operates become crucial. Meanwhile, the characteristics of the political structure that fulfil the institution in the borrowing region are usually different eventhough they live side by side. Insufficient information that leads to inability of institutional adjustment becomes one of the reasons of transfer failure.

B.2. Globalisation: Fertile Space for Policy Transfer

With the vast interaction in the space called globalisation a government is enabled to learn from the vast arrange of policy making. The wider the interaction the government of a country involves in global interaction, the more lessons of policy they can learn, the more opportunity to exchange knowledges and skills, and the broader scope of cooperation they can build. Globalisation provides opportunity for a government to develop its policy after learning from others. In relation to this, Ladi (1999, p. 21) argues that globalisation enables think tanks of a government to make comparisons to highlight similarities and difference in a policy. Comparison eases

the think tanks to underly the significant aspects of a policy that can be imitated or modified in the state's own policy context.

In regards to the relations of globalisation and policy transfer, Ladi (p. 7) argues that policy transfer can be viewed as an impact of globalisation. Policy transfer is an undeniable consequence of processess of globalisation. The fast mobility of information that transmits knowledges and skills is the most notable sources of policy learning. Successful story and bad experience of a policy in a country can be quickly widespread throughout the world through newspaper, electronic news, and global TV. On the other hand, policy transfer may also be seen as a process of globalization itself, in which the dissemination of policy ideas between countries and supra-national institutions may bring a convergence of the political landscape.

In the broader sense, policy transfer does not only result in policy change in a country, it also leads to what so-called global policy by non-state institutions. Greenpeace that promotes environmental sustainability, Transparency International that fights against corruption and PLAN International that focuses its mission on children protection are amongst Non Government Organisations that exist in the global governance network.

B.3. Policies to be Globally Transferred

To mention policies that are successfully transferred globally is easy, as easy as to mention those that fail. Democracy, good governance, participatory budgeting, poverty reduction adn gender equality are amongst the policies that have roots in a particular country but then has been widespread by the agent of policy transfer in the context of global governance.

The reason of transferring those policies is indeed because the originating countries have successfully implemented those policy items that they are often cited as having success story. Meanwhile, countries have willingness to transfer those policies are those that are still in progress or poor in practices. The World Bank and the United Nation are amongst the global governance institutions that are intensely involved in such policies promotion. Particular government institutions like USAID, GTZ Germany, and AUSAID also take part in the promotion of democracy.

1. Democracy

Promotion towards democracy throughout the world was documented and critically analysed by Huntington in his popular works *the third wave of democratisation* (1993). From Huntington's views it is clear that democracy that is popularly promoted by almost all government has its roots in French and American Revolution. This is included in the first wave of democratisation ranged from 1826-1928.

Like a wave, democracy spreads over the world, followed by the second one from 1943-1962 in the Latin America, East Asia, South Asia and Greece. The third one is in South American countries, former USSR, Southern Europe, Africa, Haiti, Sudan and Suriname. Huntington clearly highlights the globalisation processes that disseminate democracy from one country to another in 1974-1990s. Without globalisation, this wave would not be able to move and transmitted.

In recent political context of Indonesia, we now even see that democracy is still a theme that is popularly promoted, debated and practised. General election that is still searching for its most precise form in Indonesia's political structure is part of democratisation that can not be separated from the global political context.

Democracy therefore does not automatically exist as air we absorb every day. It is a result of transfer in a space called globalisation.

2. Good Governance

Good governance has its roots in the public administration reform, and initially implemented in the United States 1950s-1960s, as well as in the United Kingdom in 1970s, in Reagan and Thatcher administration. Having background of government deficit, these two governments started to reform their administration by encouraging government bodies and institutions to be more efficient. A rational bureaucratic approach is applied in which outcome is prioritised than processes, merit-based system of government, treating citizen as customer, and managing the governmental institutions using the principles of private companies.

This government managerialism is what widely known as New Public Management and Good Governance can be said as the advent form of New Public Management in the context of bureaucratic reforms. Promoted intensely by the World Bank and United Nations, good governance underlies eight principles, namely participation, rule of law, transparency, responsiveness, consensus oriented, equity and inclusiveness, effectiveness and efficiency, and accountability.

The idea of good governance is increasingly disseminated through the political economy reformation package in the early 1980s-1990s, called Washington Consensus. The consensus was initially built to respond to the economic deficit in Latin America that is oriented to encourage the liberalisation of economic policy in the late 1980s, as Williamson argues in his lecture in the World Bank in 2004, and was expanded into the Post Washington Consensus in response to the East Asian economic crisis (Jayasuriya, 2001, p. 2). In Indonesian political context, good

governance becomes the inseparable part of reformation agenda, asserting mainly on decentralisation as Law No. 22/1999 and 32/2004, corruption eradication, and citizen participation improvement. All of these policies are the main parts of global political reforms.

3. Participatory Budgeting

Another important agenda of political reformation in Indonesia today is in terms of budgeting. Campaigns for encouraging public involvement in the budgeting policy and budgeting process have been massive. It is true that participatory budgeting campaign is driven by the complex problem of government transparency in terms of managing public money.

However, if we trace further back to the origin of the idea, we will find that participatory budgeting steams from Brazil experience, particularly in Porto Allegre, the capital city of Rio Grande do Sul. Participatory budgeting is initiated to open the decision for other elements than government, and provides wide sphere of public participation (Streck, 2004, p. 222). Indonesia, with its involvement in global political interaction, is enabled to transfer the policy of participatory budgeting as applied in Brazil in its governing process.

4. Gender Equality

The wide spread of women quota and great demand for increasing women's opportunity to sit in the parliamentary body can not be separated as well from the victory of gender equality in Europe, especially in Nordic countries, including Denmark, Iceland, Norway, Sweden, and Finland. IDEA or Institute for Democracy and Electoral Assistance is one of the institutions that have been deeply involved in

the promotion of gender quota. At the moment, the promotion of women quota around the world has pushed the number of women in the parliamentary body to rise up in Africa and South Asia (Dahlerup, 2004). Some African countries even outweigh Nordic countries in terms of female representative number in the lower house.

In Indonesia, the rise of demand for increasing women's opportunity to sit in representative can not also be freed from the influence of women international movement for equality. The role of IDEA is also important in encouraging female politicians in Indonesia to compete with male politicians in general election. Although issue of gender quota has not been yet prioritised in Indonesia's public policy, the discourse and demands have been massive. International relations have influenced women movement in Indonesia to encourage gender equality in Indonesian politics.

B.4. The Role of Global Governance Institutions in Policy Transfer

Eventhough the theories of policy transfer assert that the failure in a government policy becomes the driving factor of policy transfer, in practice, the ideas of policy transfer sometime stem from the external institutions. Global governance institution is the one that can be pointed as the most active institution for promoting policy transfer. The World Bank, IMF, UNDP, and ADB are amongst the global governance institutions that are active to encourage the adoption of open economy, democracy, good governance, decentralisation, and participatory development. Sometime, foreign government institutions like USAID (the United States), AUSAID (Australia), and GTZ (Germany) also play significant roles for encouraging

democratisation in developing countries, strengthening representation, and poverty reduction.

The existence of these institutions in policy transfer has impact on the type of policy transfer, including the policy transfer that is internally initiated and externally initiated. Thus, policy transfer is not always driven by a mere citizen disappointment in policy performance, as beneficiaries of policy. Institutions outside the government in global context can also be the source of policy transfer initiatives. The question is why do they get so triggered to promote the policy transfer in particular countries? This indeed is not a matter of benevolence. The promotion of policy transfer that is externally initiated by the foreign institutions, using rational comprehensive perspective, tells us that foreign institutions have in fact interest with our policy. As they believe that promoting democracy in particular developing countries is in line with the interest of their own citizen, for example in investment and security, they believe that promoting such policy would also benefit the. Therefore, it is not a surprise if foreign institutions are so encouraged and even have willingness to deliver some funding assistance.

However, the presents of those foreign institutions in policy development in particular countries, especially in developing countries have triggered the question of a country's sovereignty. It seems that the assistance is only to drive the borrowing country to comply the foreign institutions receipts, serving the foreign institutions' interest. Nonetheless, this critics ignore the facts that global interaction, as in the practices of policy transfer is undeniable. The matter is not whether it weakens a nation's sovereignty or not, but how a nation can adjust with their own conditionality, that policy transfer can be of benefit for the borrowing countries' citizen.

B.5. Challenges for Transfer

Eventhough globalisation provides opportunities for transferring successful policies for the borrowing countries, challenges embed within it. The popular attribute for the World Bank for example deals with the approach the Bank uses, coins as *one size fits all* approach.

Success story of a policy in a country is often tempted policy makers to imitate. As Rose (1991) argues, success in implementing a policy a country achieved usually becomes the magnet for the other countries that exert the similar one. Citizen's juries, for example, a policy that tries to give spapces for citizen as customer to scoring the performance of public servant that is successfully exerted in the UK is widely imitated in other countries. Indonesia, for example, is included in the countries that try to implement such a citizen assessment mechanism. However, failure in identifying Indonesia's own 'size' in terms of citizen's juries implementation has in fact resulted in the remaining state of ineffective policy, size in the sense of economic and political structure, societal culture, and social characteristics of the people. In relation to this, Rodrik (2007, p. 73) argues that world is too complex for *one size fits all* models. Nevertheless, *one size fits all* approach has still been popular in the context of policy transfer.

The use of *one size fits all* has also been well-known in the international institutions like the World Bank and IMF. This even becomes the source of critics from many scholars. The case of the World Bank and IMF's failure to cope with economic crisis in the countries like Thailand and Indonesia is always been cited as an example of how the *one size fits all* approach does not work. For Dani Rodrik (2007), the use of *one size fits all* approach usually stems from the fact that development "big think" has always been dominated by comprehensive visions about

transforming poor societies. However, the World Bank and IMF, for example, as international bureaucracies with a penchant for “best practices” and common standards, are poorly suited to the task of seeking innovative, unique pathways suited to each country’s particular circumstances (p. 74). It is therefore not a surprise if the massive use of the *one size fits all* approach, without sufficiently considering particular constraints and specific nature of the region, can lead to the notion that those institutions are basically trapped in the severe generalisation. They only want instant ways for transforming bad policies into the good ones in developing countries.

In addition, local identity, characteristics and culture are important to bear in mind for the policy makers in transferring policies from the global context regarding the suitability and acceptance. In Gonzalez’s terms such kind of consideration in policy transfer is coined as *localisation test* (2007). The robotic mindset of policy makers and bureaucracy in the countries using *one size fits all* approach has led to the trap of standard model box. The case of the Philippine, as Gonzalez reviews, tells us how Australian budget policy and management has been applied and used as an exemplar in the Philippine, leaving the Philippine political, legal and social context, although the project did elicit ‘local idea’. Political context in the Philippine has in fact shown us the picture of elite capture and vested interest, as Gonzalez (p. 7) addresses.

The *complexities of political structure* determining the option of transferring or not, which aspects to be transferred and which tools to be used also need to be considered. In the countries where political structure is highly fragmented, to transfer or not is often highly political. Practical needs therefore do not always become the main consideration for transferring a policy. Sotiropoulos (2007) argues that there is

deeper reason behind the decision of transferring than a mere learning from others' success. In Indonesian context, transferring the idea of corruption eradication committee (KPK) in the mid 2000s, as practiced in South Korea, cannot be separated from the political motive of the President to strengthen his positive image before the citizen that the President is the reformer. Once the committee is seen as disadvantaging for the President's power sustainability, there is apparent indication of the President's to weaken the committee, although the committee's achievement of corruption eradication is getting higher.

Another interesting case is in the Special Province of Yogyakarta (DIY), Indonesia. Some people argue that in the political reformation context, Yogyakarta should have an elected governor. The political system that gives Yogyakarta privilege to have its governor automatically appointed from the Palace's Sultan, has to be transformed into direct governor election. The idea of "the Sultan is the governor" is seen as old fashioned and not suitable for today's democracy.

However, some people criticize this idea as leaving the roots of the cultural context of Yogyakarta people. Democratic idea and decentralisation policy adopted by the National government, that is believed to improve citizen's participation, has in fact influenced Yogyakarta's existence as a special province that has privilege in its governor appointment. It even triggers conflict among Sultanese people, politicians and political scientist.

C. PENUTUP

It becomes clear that globalisation is not merely about bad and good thing. What is bad or good clearly deals with *what* is transferred, *how* to transfer, *why* transfer and what impact the policy transfer bears. *What* deals with substance,

containing goods (materials) or ideas. *How* deals with the way used for transfer: coercively as through colonisation in the early 20 and 21st centuries; voluntarily; transfer with some assistance and assistance as practiced by international funding institutions and local NGOs, and so forth. *Why* deals with the reason and motives of transfer: deliberately, because of somebody's advice, elite driven, elite capture, to answer people's needs, for economic domination, and so forth. Finally, the impact of transfer: empowering, weakening, or not changing. Globalisation only provides spaces for transfer.

As globalisation is actually a space providing any mode of interaction and communication, it is much worthy for us to maximally use the space for our own benefit. "Our" is in the sense we as an individual or a nation. Multicultural interaction in global social interaction enables us to transfer good working culture as well as transforming a more peaceful social life. Global information dissemination leads us to the easier access to the success story of a country's policy that is valuable to be learnt, scholarship opportunity, technology transfer, knowledge exchange, and career opportunity.

In addition, good or bad perception basically cannot be separated from the interest and motives behind. Bad and good itself also politically links to the one's interpretation, orientation and interest. What somebody coins as good might be bad for the others and vice versa. Globalisation as good or bad is never free from political competition.

If people argue that globalisation enhances inequality, it is not the globalisation itself that has to be banned in relations to ending such inequality. What have to be reconstruct is the way the countries in this world interact with other, the code of conduct of relationship and the rule of game that should be revised. In fact,

globalisation has enabled countries to transfer policies that admittedly improve the world's quality of living politically, economically, and socially. This once again does not mean to ignore the fact that there are still shortcomings in terms of global welfare distribution.

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