

# **INNOVATION IN POLICY PROCESS AND IMPLEMENTATION EXPLORING MALAYSIA'S EXPERIENCE**

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**Shaping Indonesia's Future: Empowering Human Resources to Create  
Quality Public Policies and Welcoming All Parties**

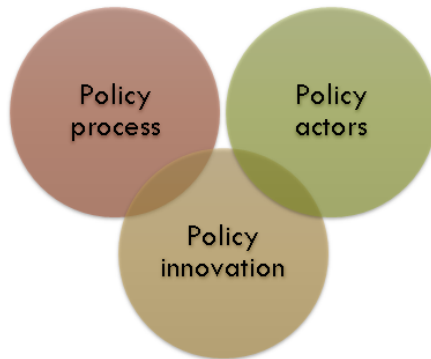
**UNTAG Semarang, Indonesia**



## **PRESENTATION OUTLINE**

- Introduction
  - Theoretical understanding: policy process, policy implementation and policy actor
  - Innovation in policy process and implementation
  - The raise of collaborative innovation: Malaysia's experience
  - Conclusion
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## INTRODUCTION

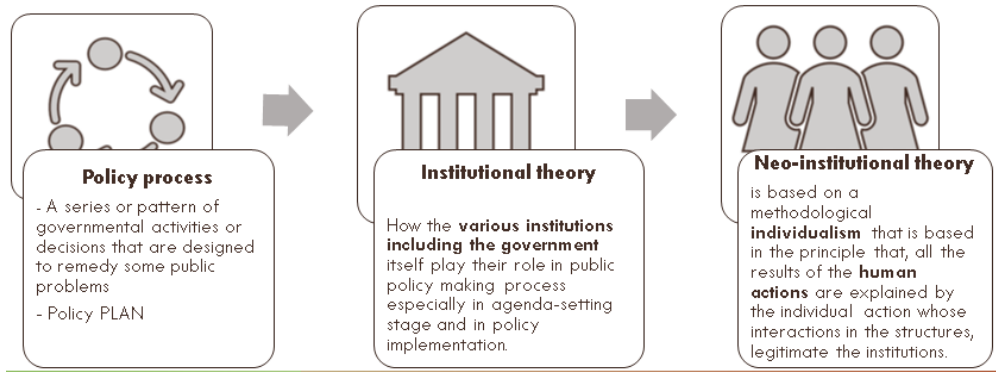


- Public policy is a process as old as civilisation and organised societies and has been constantly evolving since.
- In recent years, an increase in complexity of public sector work as well as digitisation has diversified public policy reform approaches.
- This lead to innovation in public policy

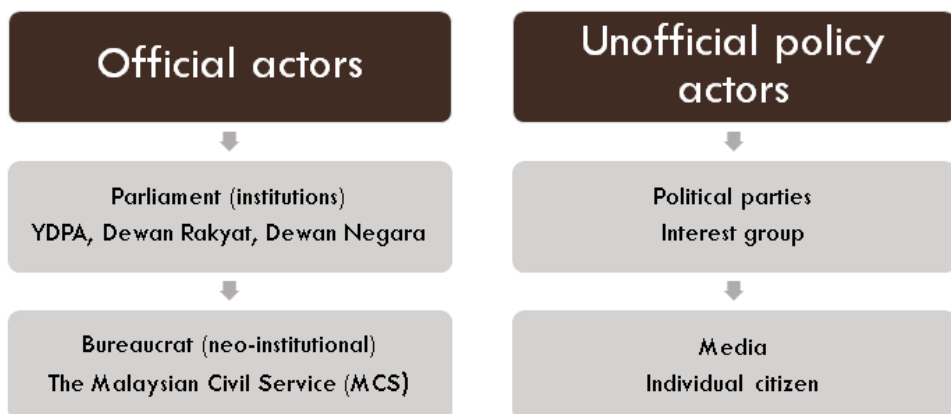
## POLICY INNOVATION

- Innovation occupies in public policy and public services in the early 21<sup>st</sup> century
- It combines a determination to reform and improve the delivery public services together with a whiff of 'state of the arts' business practice (Osborne & Brown, 2011).
- The aim of this presentation is to discuss innovation in policy process and implementation in Malaysia

## THEORETICAL UNDERSTANDING: POLICY PROCESS, POLICY IMPLEMENTATION AND ACTORS INVOLVED

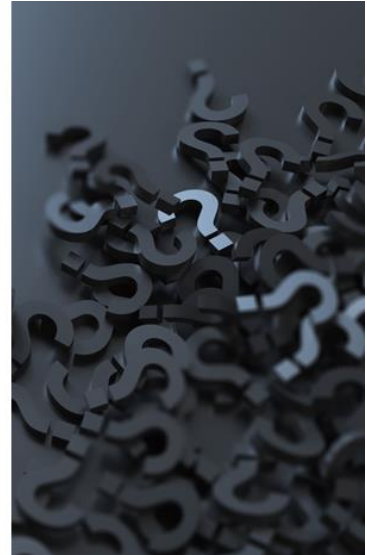


## POLICY MAKERS



# WHAT IS COLLABORATIVE INNOVATION?

- A process of creative problem solving through which relevant and **affected actors** work **across formal institutional boundaries** to **develop and implement innovative solutions** to urgent problems (Sørensen and Torfing 2018, p. 394).



## BASIC CONCEPTS OF COLLABORATION



Relationships



Process



Outcomes

(Cowan & Haralson, 2009)

# WHY COLLABORATIVE INNOVATION IS NEEDED?

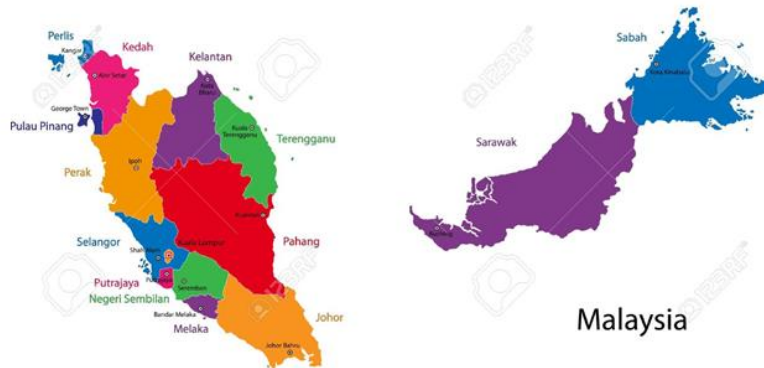


## WHO ARE THE ACTORS & HOW THEY DO?

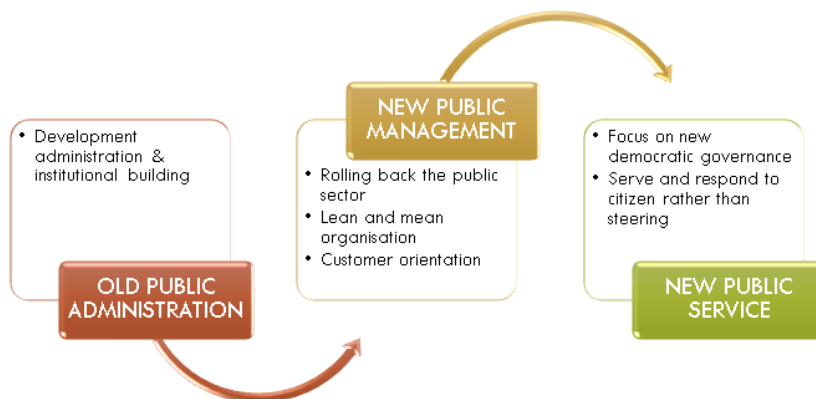
- The actors are **public and private subjects** that are either affected by the problem or in possession of the relevant knowledge and resources to contribute to an innovative solution (Torning 2019).
- A number of **different actors** and **the exploitation of their potential** (e.g., knowledge, skills, and resources) with the purpose of finding a solution to societal problems and creating public value (Agger and Lund 2017).



## POLICY PROCESS & POLICY IMPLEMENTATION: MALAYSIA'S EXPERIENCE



### WHERE THE STORY BEGAN?



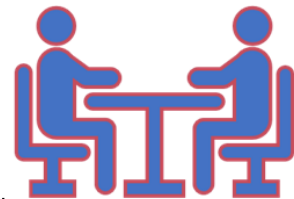
# DEVELOPMENT ADMINISTRATION & INSTITUTIONAL BUILDING

## 1957-1980

1.Tunku Abdul Rahman Putra Al-Haj 2.Tun Abdul Razak Hussien 3.Tun Hussein On 4.	Dominant bureaucracy and public agencies Public policies became the domain Public sector grew both in terms of size and roles	1.1966 - Development of administrative unit (DAU) 2.1972 - Implementation Coordination & Development Administration Unit (ICDAU) 3.1977 – Malaysian Administrative, Modernisation & Manpower Building (MAMPU)
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## CRITICISMS

- Creating hierarchy
  - slow in decision making (red-tape), bad policies, poor service delivery (unresponsive public administration), unable to meet new demands, public organization became dysfunctional
- Had questionable integrity and started to loose public trusts – exposed to external public debt
- Public managers were reluctant to be innovative or creative



## NPM SETTING: VALUES AND ATTITUDE & MODERNISATION OF PUBLIC ADMINISTRATION

Leadership	Values & attitude	Modernisation of Public Administration
<ul style="list-style-type: none"> <li>• 1981 – 2003 Tun Dr. Mahathir Mohamed</li> </ul>	<ul style="list-style-type: none"> <li>• Weberian work ethic</li> <li>• Dasar Bersih Cekap &amp; Amanah</li> <li>• Development of values – Look East Policy, Leadership by example</li> <li>• Managerial &amp; professionalism work values</li> <li>• - Manual work procedures, desk file, Quality Control Circle, TQM</li> </ul>	<ul style="list-style-type: none"> <li>• Downsize the bureaucracy and reshape the civil service</li> <li>• Malaysian Incorporated 1981</li> <li>• Privatisation Policy 1983</li> <li>• Collaborative innovation started HERE</li> </ul>

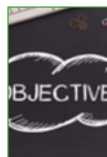
## MALAYSIA INCORPORATED 1981



To encourage cooperation between the public and private sectors



To symbolise the commitment to work together towards mobilising all their resources for the growth of all sectors of the economy.



To create an atmosphere of trust and accessibility between the two sectors and builds confidence

## PRIVATISATION POLICY 1983

Relieve	Improve	Facilitate	Reduce	Achieve
the financial and administrative burden	efficiency and productivity	economic growth	Reduce the size and presence of public sector	the national economic policy targets



## THE IMPLEMENTATION OF PRIVATISATION POLICY 1983



SALE OF EQUITY



SALES OF ASSETS



LEAST OF ASSETS



MANAGEMENT  
CONTRACT



BUILD-OPERATE-  
TRANSFER &  
BUILD-OWN

## NPM PROGRESSING: STRENGTHENING VALUES TO BALANCING MODERNISATION

### Leadership

- Tun Abdullah Ahmad Badawi 2003-2009

### Development of human capital

- Combating corruption – National Integrity Plan (NIP)
- Islam hadari

### Improving public sector efficiency, pro business policy

- PEMUDAH (Special Taskforce to Facilitate Business)
- Continue promoting private sector growth
- Strengthening public service delivery.
- Utilisation of ICT

## APPROACHING NPS?-SECOND WAVE OF INSTITUTIONAL BUILDING

### Leadership

- Datuk Seri Najib Tun Razak (2009-2018)

### Strengthening Public Service delivery

- Introduce Performance Management Delivery Unit (PEMANDU)
- Government Transformation Program (GTP)
- Key Performance Index (KPI)

### Economic Development

- New Economic Model (NEM) 2011-2020
- Created institutions, rules & regulations
- But some of institutions are dated and become obstacle to innovation

# APPROACHING NPS?-SECOND WAVE OF INSTITUTIONAL BUILDING

Leadership	Policy strategies	Policy strategies
<ul style="list-style-type: none"> <li>• Tun Dr. Mahathir 2018-2020</li> <li>• Tan Sri Muhyiddin Yassin 2020-2021</li> <li>• Dato' Sri Ismail Sabri Yaakub 2021-present</li> </ul>	<ul style="list-style-type: none"> <li>• Focus more in preventing covid-19</li> <li>• Strengthening the existing policies</li> </ul>	<ul style="list-style-type: none"> <li>• Economic development pasca covid</li> </ul>

## CHANGES IN POLICY INSTITUTIONS & POLICY ACTORS: WHAT CAN BE LEARNED?

- Policy change is **UNAVOIDABLE**
- **Rigidity of policy process requires innovation in public policy methodology**
- **Reform has led to policy innovation because policy is the key for change to happen**
- **Collaboration is one of the prominent strategies**
- Collaborative innovation will not automatically lead to improvement.
- Social and political actors recognized the need to exchange or pool of resources
- Interaction does not always result in the development of collaborative effort
- Actors might decide to go alone
- Collaboration may be prevented by the presence of large power asymmetries
- Actors engage in collaboration process, but they may not foster the innovation

## CONCLUSION

- Policy process, policy actors (both institutional & neo-institutional) need to exercise some kind of collaborative leadership and innovation management.
- Leaders must also possess an array of personal competences such as reflexivity, flexibility, open-mindedness and boundary spanning and communicative skills.