# BUREAUCRATIC POLITICS DURING THE IMPLEMENTATION OF NATIONAL HOUSING POLICY (NHP): MALAYSIA SCENARIO

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### ABSTRACT

Political elements found in public administration or known as bureaucratic politics often affect the administration system, especially when it involves the implementation of government policies and programs. This is evident in the housing development sector where frequent interference from members and political parties in administrative affairs has ultimately affected the effectiveness of the implementation on housing project. As a result, there are numbers of abandoned, late and sick projects reported annually. The results directly impacted the people which unable to fulfill their dream of owning the desired home. Most of the study on the housing sector focuses on identifying the factors and effects on the issues regarding housing projects but there is no research done on the administrative system or structure adopted, involving the process of decision making that led to policy implementation that reflect the housing project. Thus, this study focuses on the administration and management system used in implementing the housing policy to ensure that every housing project is implemented. The main objective of this conceptual paper is to find answers to the question of why and how bureaucratic politics take place in the implementation of the NHP towards the development of housing projects and further suggesting the methods that government can take to reduce bureaucratic

politics during the implementation of the National Housing Policy (NHP) in an effort to help development an effective government housing project. Some bureaucratic political models and basic implementations are referred to reinforce the literature for this concept paper.

Keywords: Bureaucratic politics, National Housing Policy (NHP).

## **INTRODUCTION**

Every policy formulated and implemented by the government is aimed at helping and fulfilling the needs of the people to make Malaysia a prosperous and developed country along with the modernization of the world. To offset the current needs, the government and the private sector play their part in fulfilling social responsibility to the people. Hence, through the NHP, a comprehensive approach was introduced to facilitate the accessibility of the people to own or rent houses provided by the government (Ministry of Urban Wellbeing, Housing and Local Government, 2015). However, housing and home ownership issues are not something new in the country and many studies have been done on housing development issues such as the high price of house and issues involving housing projects that have been delayed that effected rapid urbanization process. Nowadays, in Malaysia, there is increasing on the demand for housing but the government is unable to meet the demand because the land space is increasingly limited for housing development led to the high price of land and thus resulting in the increases of home prices (Berita Harian, 2015).

## **PROBLEM STATEMENT**

The issues of bureaucracy often affect the implementation of any government's policy and programs. It also occurred during the implementation of the National Housing Policy (NHP) which eventually caused various problems in terms of its delivery system as happened among the state-developed housing projects. Due to the bureaucracy's political instability, there are problems of abandoned housing projects, delayed projects and sick projects. In the housing development sector, the approval process starts from land development process, layout plan and building plan which usually takes more than one year (Portal of the National Housing Department, 2015). The delay occurred due to political influence in the implementation of NHP especially when it involved land acquisition from the state government (Mazlan Ismail, 2008).

Apart from that, political influence in relevant agencies involved, especially in planning, approving and implementing all projects and policies that have been set and

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this will definitely impact the public sector such as housing agencies that often faced these problems where further delaying will give difficulties to the government in implementing housing development programs. For example, Taman Manggis land issues arose when Tasek Gelugor's Member of Parliament (MP), Datuk Shabudin Yahaya brought the issue to the Dewan Rakyat's and asked the Malaysian Anti-Corruption Commission (MACC) to investigate on the sale of several parcels of land in Penang, which was originally for the People's Housing Project but have been used for the development of private hospital. It shows that issues been created due to high influence in political matters. (Malaysia Dateline, 2016).

## **OBJECTIVES**

- 1. To identify the causes on why bureaucratic politics happened during the implementation of the NHP towards the development of the government housing project.
- 2. To identify factors that influence bureaucratic politics in the implementation of NHP.

## LITERATURE

### **Bureaucratic Politics**

Politics can be defined as a relationship between an organizations or the relationship between individuals who have their own interests and strives to ensure that the desire is fulfilled by the government. Early researchers in the field of Political Science, Plato and Aristotle see politics as a moral interest that every decision maker wants. Although Aristotle see moral as important key element in politics, he did not deny the importance of the political structure itself, especially in the election of administrators in administering a government. Most politicians post a portfolio in the office of government administration and they see politics as a supplementary for life through the involvement between people and political administrators (Morten & Syed Serajul, 2006). The bureaucracy refers to the government's administrative system of public administration systems involving government-appointed or bureaucratic officers in executing each policy or program that has been drafted. Bureaucracy is usually regarded as a negative connotation as they are often viewed as complex and resulting in delays, especially when dealing with government agencies. Max Weber argues that the bureaucracy represents the rational legal jurisdictions to ensure a clean and organized political system (Peter & Pierre (2012); Abdul Rashid & Syed Sirajul (2006)).

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Bureaucratic politics is a process whereby those involved in government administration always deal with each other in solving problems involving the establishment and implementation of complex policies (Destler, 1972; Kaarbo, 1998). The policy-making process involves various agencies or actors such as ministries, state governments, government departments and agencies as well as administrators and each of these engagements have their own interests or aspirations in designing policies that are often linked as political in administration (Stern & Verbeck, 1998). Bureaucratic politics is also a decision-making process involving many interested actors / groups who try to fulfill theirs' aspirations and agendas in order to champion and achieved their goals by developing a separate strategy through consensus or compromise (Charles, Peter & Thompson, 1990). In addition, bureaucratic politics refers to a method involving bureaucrats from various backgrounds, desires and views plays an important role in the creation and implementation of policies. The policy is usually derived from the interaction and discussion of various executive rather than only from selected legislations (Halperin & Morten, 1974; Bendor & Moe, 1985; Brent Durbin, 2015).

### Organizational structure, Conflict of Interest and the Influence of Power in Bureaucratic Politics

As discussed, bureaucratic politics occurs when government administration should be neutral in nature and not influenced by any political elements. Every actor involved has its own interests to be fulfilled and in order to achieve these goals they need to take advantage in every administrative process from setting up the agenda, decisionmaking until the implementation stage. Bureaucratic politics involves competition between each actor to ensure that the dreams of individual or political parties represented will be achieved. There are various factors that influence bureaucratic politics. Weldes (2006) in his writings identified three major concepts of bureaucratic politics namely interest, power and rationality. For Etzioni-Halevy (1985); Page (1985) and 'T Hart and Rosenthal (1998), they agree that bureaucratic politics occurs due to the influence of power in the policy-making process which leads to meet the interests of the organization represented by the policy actors. Allison and Halperin (2006) assess bureaucratic politics from a basic point of view where it involves the structure and number of actors, the concepts or processes in place during the implementation and the obstacles encountered during the process.

#### Number of Implementers and Diversity of Ideas in Agency Structure

Allison and Zelikow (1999) expressed their opinion that the more people involved in the policy-making process, the higher the diversity of interests would be and will affect the outcome of the policy decision (Boin & Rhinard, 2009). When a policy decision is taken from a handful of numbers of individuals involved, it will reduce the competitiveness and reduce conflict because the number of decisions is minimal and it facilitates decision-makers to evaluate and make decisions more quickly based on the limited number of alternatives (Preston and 't Hart, 1999). Certainly each of the players will try to suggest their ideas and opinions to be considered as elements in the decision and this contributes to the high number of alternatives that will cause competition between each involved. This could be good steps since there are list of alternatives and it will be assessed before decisions had been made however this diversity will lead to conflict if policy players insist on making sure their ideas are accepted as a final result. This is where bidding and compromise are needed when such situations occur in bureaucratic politics. A study conducted by Christiansen (2006) on the implementation of policy in Europe showed the final decision at the parliamentary level was made through the number of many actors of twenty-seven commissioners and to obtain this consent, the legislative process was held between each individual involved well-administered Government or politicians (Christiansen, 2001). For Allison and Halperin (2006), they refer the actors that involved in the development and implementation of the policy must consist of senior players (senior players). It is composed of politicians, principal administrators of the organization whether government or non-government and organizations involved in managing finances because the budget is a key element in ensuring that government policies can be realized. Despite this senior player, bureaucratic politics also consists of junior players. They comprise media, interest groups and civilian representatives who are directly and indirectly involved in the policy process. However, the cooperation between the two players is based on the issues and policies being drafted. Not everyone needs intervention or support from junior players because they are the recipients of the results on the execution process so they do not need to be involved with formulation and execution process. The same idea was raised by Hart and Preston (1998) who argue that bureaucratic politics involves organizational size and difference of ideas. The division of staff in bureaucracy at the executive level was due to bureaucratic politics ('Hart & Preston, 1997). The differences in organizational units that cause the overlapping of responsibilities and assignments will lead to miscommunication, miscoordination and eventually lead to competition.

#### **Influence of Interest and Responsibilities**

One of the key challenges in bureaucratic organizations is to ensure there is coherence in administration (Kaufman, 1960). The complexity of the problem usually occurs within the jurisdiction of the organization (Pressman & Wildavsky, 1984; Peters, 2001). Hence the coordination between units involved is necessary to minimize the fragmentation. Each unit has its own significance and sometimes they do something in order to achieve their purpose by adopting a method that can reduce conflicts on the procedures set by the organization. As a result, confusion and discrepancies have resulted in bad effects on the organization. This differences resulted the actors to refuse in share information and work together to achieve the goals. As a result, there will be hostility in the organization, thus affecting the overall policy to be implemented (Allison & Zelikow, 1999; Rhinard & Boin, 2009). To minimize this differences, the power should be given by giving the responsibility to each unit (Page, 1992; Gronvall, 2001; Larsson et al., 2005; Wallace, 2005). Each unit needs to be given their own functions and responsibility, operating procedure with its own work culture that will certainly facilitate interaction within its own workspace (Abeles, 1993; Kassim, 2003). The responsibility given is in relation to their interests. Bureaucratic politics focuses on plural political analysis as well as on conflicts of interest (Balbus, 1971). It involved national interests, organizational interests, domestic interests or individual interests (Allison, 1971) and the importance of a player's position in the organization which refers to the Miles Rules' standings, subject to the position in the administration (where you stand on a policy issue) depends on where you sit (in the bureaucracy) also reflects to the bureaucratic politics '(Kozak, 1988). These interests are usually produced, reproduced and changed based on the behavior of the actors involved, especially when dealing with a certain situation to influence each participating player to accept the views and ideas in order to fulfill the desired dream and this interest is usually influenced by the importance and perceptions of the current position. Allison (1971) agrees that 'to motivate members within the organization, the major players must be sensitive to the needs of the organization itself. Wendt (1992) states that humans will respond to objects including people around if they will benefit them (Weldes, 1998). Fulfilling the interests of individuals or organizations in bureaucratic politics is related to the object, subject and situation faced and sometimes it will change according to current rules or circumstances. Because of that, it is difficult for governments or leaders to meet everyone's will or desire. For example, officials from the US Department of State tried to confront the Soviet Union and some Eastern European countries after the end of World War II due to the importance of the government's administrative position.

This is because the main purpose is to separate Russia from Europe. So it is clear that bureaucratic politics in an administration is due to the intention of fulfilling the individual or organizational interests (George, 1980; Bendor, 1985; Hart & Rosenthal, 1998).

#### **Neutral Power vs Political Power**

Administration within the government consists of Federal government including central agencies and operating bodies, state governments and local governments which all resulted from administrative and political process aimed at delivering the best service to the people. In order to ensure the effective service is received and accepted by the people, competition is the basis of bureaucratic politics. Competition exists when the power use for the sake to get influences in fulfilling their own interests and achieving the desired goals. It is stated that the best efforts of the agency to seek more resources - financial resources, human resources and resources - is through power (Carpenter, 2001; Ellison, 1995; Niskanen, 1971). It is important for executives to have the power or influence especially when dealing with a third party because the influence to gain trust and support from external parties is crucial in making sure that the goals can be fulfilled by the party. Normally the agenda-setting and decision-making process is done by the government but in terms of implementation sometimes it involves a bureaucrats so it is important for government agencies to be involved in influencing the control of the agenda to ensure that each policy objective is achieved. Peters (2001) agrees that in the central administration system, political power can be used in controlling resource integration (Rhinard & Boin, 2009). This can reduce the conflict among bureaucrats because if this conflict continues then it will affect the results of poor quality and fail to meet the needs of the people. In reality, different government structures have different jurisdictions (Peters, 2001). In Europe, for example, power is distributed between national and supranational levels while in the United States, political power is distributed based on government at federal and state levels. It also occurs in Malaysia where in the Federal Constitution has been allocated the jurisdiction of the three levels of government either the federal, state and local governments. It was created to disseminate the power so that every matter and decision can be taken care based on the scope stated in the constitutions and indirectly the problems of the people can be solved immediately. However, difficulties occur when it comes to power clashes between government levels when no agreement reached and it provide the implications against the decision to be made. This is a common when bureaucratic politics affects the government administration (Smith, 1983; Kozak, 1988).

# RATIONALIZATION OF RESULTS FROM COORDINATION AND COOPERATION IN MEETING INDIVIDUAL'S AND AGENCIES'AGENDA

Welch (1992) states that bureaucratic politics is 'event-centric'. According to Allison & Halperin (1972) a bureaucratic politics begins when the implementation of the agenda begins especially during the execution of a planned program or project. It also focus on the selection of the agenda and the programs or projects. The explanation is simple, the program or project is important because it is the result from list of choices or it is a decision from set of alternatives that requires immediate action because the program or project provide a huge impact for the people. This selection indirectly refers to the rational expectations made by policy makers and implementers (Weldes, 1998). There is no theory of behavior that states that every choice made is to fulfill the intentions instead of each decision taken is based on its rationalization of the ability to achieve the targeted goals (Simon, 1995). As such, besides Allison (1971), many agree that rationalist methods are needed in policy decisions especially when involving different interests and powers (Conford, 1974; Lakatos, 1970). Thus, policymakers will choose the best options, taking into account every possible obstacle to ensure that interests and situations are linked. Rationality refers to the selection of characteristics that confirm the relationship between the current situation, the options given and the interests to be achieved. The rational results are able to control the bureaucratic political environment in the administration. Rational results are derived from the process of discussion and compromise among those involved. Rosati (1981) states that every outcome is considered a political product where it involves the discussion of various parties in achieving this rational decision. Although the results have been obtained, however, the decision-making process does not stop so far, it will continue until the implementation process and up to policy review process.

# LEVEL OF COOPERATION AND COORDINATION AMONG POLICY ACTORS AND AGENCIES

There are various models and concepts that have been developed by previous researchers in ensuring the implementation of a government policy or program can be implemented effectively and successfully. Among them the concept of collaboration between inter-organizations introduced by Presman and Wildavsky (1984). Problems involving the people are difficult to resolve by one agency or organization and it requires cooperation from various agencies. For example, housing-related issues. People starts to speak for the right to own a home and this issue is not only

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responsible by the housing ministry but it will also involve various agencies such as housing developers, suppliers, financial institutions and so on. Discussions and cooperation between these parties will help the government to ensure that the people get what they want and at the same time keep the reputation of the agencies involved without harming any party as concluded by O'Toole (2003) that the relationship between the organization will be something which is very important in ensuring the implementation of a policy is successful. In order to ensure the effectiveness of its implementation, each involved agency should play its part to do its best. As discussed, a program or policy is likely to be difficult if one person or agency only works on a large-scale program and the cooperation of several agencies involved is essential in implementing the program. O'Toole (2003) states that the foundation for collaboration between organizations can be seen in terms of resource requirements as well as achievement of common goals between all organizations. This is supported by Smith, Carroll and Ashford (1995) and they also assume that in addition to the same sources and goals, the level of trust between agencies also helps in establishing a successful collaboration. The successful implementation of such a policy can also be seen as the involvement of various agencies and groups working together in ensuring that the policy objectives are achieved and this involves a tough task as it will involve multi-actors and it is difficult to ensure that these large groups can act With effectiveness and creativity and able to seek flexible solutions to face any challenges.

# SUMMARY: ANALYSIS ON BUREAUCRATIC POLITICS DURING NHP IMPLEMENTATION IN MALAYSIA

Wilsonian's theory states that every administrative affair should be separated by any political element or influence. However, in Malaysia the concept of fusion of power have been practiced where the executive and the legislature are the same individuals, then the separation between political agendas and the administration is something beyond control. True, in terms of implementation it involves neutral bureaucrats but it is still regulated by ministers who are certainly affected by political interest. Therefore, briefly it is concluded that administrative power is also a political force (Easton, 1965) but at the times they override their powers, it may affect service delivery. It can be seen from the case of housing policy in the United States where the Federal Housing Administration (FHA) is an agency under the Department of Housing and Urban Development (HUD) implementing a policy that focuses on improving the quality of housing through the construction and rehabilitation of the housing sector for the low income earners who are not afford to own a home (Boyer, 1973; Wolman, 1971). Congress has empowered the FHA to ensure that the goals are

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achieved and as a major step the FHA has set a standard that must be followed in the development of housing projects to the people. Among the steps taken is to provide adequate housing and provide flexible and convenient loan services. All of these strategies are implemented effectively so many people have managed to buy at least one home to meet the basic needs. The policy implemented by the FHA is one of the political decisions, but its implications also affect the people's priorities. So, it shows that bureaucratic politics is not a negatives situations but can be very effective if the principle in executing the bureaucracy is followed. Among the bureaucratic features introduced by Max Weber is that management involves activities to achieve organizational structure and activities are usually divided into formal tasks and distributed in the form of hierarchies. In addition, expertise in a field is a key factor in the distribution of duties and responsibilities. It is important to ensure that each work of execution is carried out by individuals or agencies who are truly proficient in the field and what have been planned can be implemented efficiently and effectively. Each officer must also comply with the procedures or rules that have been prepared in executing each task to ensure uniformity in the execution of a government policy or program. In addition, career development is also emphasized in the bureaucratic principle and provides financial reward either in the form of salaries or rewards to ensure the loyalty of employees to the organization.

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