CANDIDATE: Jurnal Sains Politik Vol. 1 No. 2 ; Hal 1 – 24
Website : https://journal.uinsgd.ac.id/index.php/candidate/
ISSN : 3032-7997 (Online)

The Relationship Between Private Corporations and the Government: The Importance of a Detailed and Rigorous Public Policy

Mustabsyirotul Ummah Mustofa
Padjajaran University, Indonesia
*corresponding author E-mail: mustabsyirotul.ummah@unpad.ac.id

Received: Mei 18, 2024; Revised: June 1, 2024; Accepted: 25 June, 2024

ABSTRACT

Public policy is the most common and effective method for a state to govern its people. Logically, a policy should be clear and detailed so that there is no room for misinterpretation and abuse of power. Unfortunately, many public policies in Indonesia are still unclear and have an impact on society, especially for private corporations. In fact, corporations play an important role in the country's economic growth and through public policy with regards to political economy, regulation, and social aspects. This study aims to explains the relevance of a clear public policy and the consequences that will arise coupled with the challenges that will be faced. The object of research is the government as a policy maker and private corporations. The goal is for the public to understand the urgency of a detailed policy, or at least a derivative policy for corporations to run. The research method used is descriptive qualitative using literature study. There are several findings related to why public policies for corporations can be unclear such as government political will, lobbying, conflict of interest, lack of inclusiveness, and international pressure. In the end, a good policy is one that provides the most benefits for all parties, and such a good policy will not be realized if the government does not have the commitment to implement it.

***Keywords**: Public Policy, Corporation, Obscurity, Government*

INTRODUCTION

Many do not realize that in a country, the existence of private parties—in this case corporations—has a central role in advancing the country's economic development and society. The private sector has a role in economic growth because it can trigger capital accumulation (Hafriandi & Gunawan, 2018). This can be seen from various activities such as employment, investment, and collaboration. The corporate-government relations that are built have implications for improving people's welfare (Tasruddin, 2015).

The general agreement on development and cooperation (cooperatives with the government) reached in the late 1990s followed a relatively simple logic (Schulpen & Gibbon, 2002), namely: *first*, poverty alleviation is the main mission of economic development; *second*, the core of development is economic growth; *third*, economic development is best done through the private sector; and *fourth*, the government has the role of making the private sector develop and that development should contribute to poverty alleviation and community welfare. For example, as reported by (Kompas.tv, 2021), the construction of a smelter factory owned by PT Virtue Dragon Nickel Industry in Southeast Sulawesi has absorbed 16,000 workers and created new jobs at the factory and is valuable for increasing the selling value of nickel ore in the market. Or Microsoft Indonesia collaborations with the National Cyber and Cipher Agency (BSSN) to strengthen the security of the country's infrastructure from cyber threats by gaining better insight into existing criminal cyber infrastructure.

A working corridor of public policy is established by the government so that corporations can work and have an impact on society and the state. Public administration is closely related to public policy, namely when public actors organize all related activities to meet the various needs of society through various public and general policies to meet the needs of the state and society. (Taufiqurokhman, 2014). Not only public as a whole, the policy also regulates how corporations can operate, develop, and innovate. This is intended to regulate business and corporate behavior to comply with applicable ethical and legal standards, and safeguard the public interest (Berutu et al., 2024). Regarding regulations, for example, Bill No. 3 of 2020 or often known as the Minerba Bill regulates the implementation of mining activities in Indonesia, both those carried out by the private sector and the government. This bill was formed so that although mining activities are allowed, they still maintain common interests, especially for the country and its people.

Although public policy has a fundamental role, in reality, there are still some policies that are unclear or ambiguous or even collide with existing policies in Indonesia, whereas the clarity of a policy is needed in order to create governance and order, in this case with corporations. Take for example Bill No. 27 of 2022 on Personal Data Protection (PDP), where in Article 57, it is stated that data controllers who misuse the data will receive administrative sanctions, imprisonment, or fines. However, the bill does not clarify which data controllers are eligible for sanctions. For example, if a multinational company such as Microsoft commits data misuse, it is unclear whether Microsoft international or Microsoft Indonesia that will be sanctioned. The unclear concept of liability adopted in the PDP Bill has the potential to cause legal uncertainty because with the unclear concept of responsibility adopted, in practice it can lead to different interpretations or multiple interpretations regarding the intended liability (Claudia & Gunadi, 2023). Then on Bill Number 1 of 2024 on Electronic Information and Transactions (ITE) where in Article 28 (2) related to hate speech, a corporation engaged in communication and media can be tripped up if its users commit acts of hate speech, even though they are not directly involved due to this lack of clarity. Many people argue that the ITE Bill contains multi-interpretive articles that can become 'bullets' for anyone (Mainake & Nola, 2020).

This ambiguity, both in nomenclature and substance, needs to be straightened out by the government so that corporations can work in the proper corridor. The author hypothesizes that if a public policy is not detailed, then its application will be inconsistent and potentially limit the space for corporations to move. This lack of clarity also leads to corporations or the private sector to leave Indonesia, which as has been explained, has a role for the country's economic growth. In this paper, based on the limited research that discusses the importance of detailed public policy in the context of corporate and government relationship, the author intend to explain the urgency of a detailed policy, or at least a derivative policy for corporations to run. As a writing corridor, the author also has two problem formulations, namely: (1) what is the relevance of a detailed public policy for corporations?

and (2) what impact will it have on corporations?

In order to look deeper into the relevance of detailed public policies for corporations in their relationship with the government, the author uses two theories, namely power relations theory and good governance theory that acts as an analytical glass.

Political discourse often swirls in a pragmatic vortex related to the power of an individual or group. Power to defeat opponents or get what they want. However, in his interpretation, Foucault offers a concept of power that is quite different or unconventional compared to other thinkers. His understanding is not the same as the Marxian perspective that sees power arising from control over the economy or the Weberian perspective where power arises as a blessing (charisma). Foucault shows how modern individuals are born as objects and subjects of the spread and procurement of power nets (Syafiuddin, 2018). The issue of power is not a possession in the context of who is powerful and who is powerless, but power is omnipresent in every social relation (Kamahi, 2017). In "The History of Sexuality, Volume 1: An Introduction" Foucault further outlines five propositions regarding power, namely: *First*, power is not something that can be grabbed, grasped, or used, but is exercised from various places from relations that are constantly moving; *second*, power relations are not hierarchical structures that presuppose there are those who control or are controlled; *third*, power comes from below; *fourth*, power is intentional and non-subjective; and *fifth*, where there is power there will be resistance.

Foucault also popularized the concept of governmentality, a way of thinking about how power can create governance. He argued that the concept of governmentality is an ensemble formed by institutions, procedures, analysis and reflection, calculation and tactics, which enable the exercise of a very specific though complex form of power (Rose et al., 2006). Governmentality is likened to an extended family concerned with a population that is not easily controlled by law or administrative policy. Foucault's works emphasize the role of sovereignty in premodern times, the development of discipline in enclosed spaces (hospitals, prisons, and factories), and the spread and circulation of government (through biopolitics and self-technology) that produced state governance (Nadesan, 2008). In the relationship between government and corporations, public policy is created as the output of government in managing the population through subtle norm and habit formation, rather than through coercion or domination.

The phrase governance comes from Latin and Greek and refers to control, direction, and manipulation. When we talk about governance, the meaning isn't always far from the order of a country or organization. The phrase governance was first popularized by the World Bank to describe the political status of post-colonial and developing countries. This concept also evolved alongside science evolves into good governance. The concept of good governance can be distinguished into three groups of values: rule of law values, democratic values, and modern institutional and constitutional values (Addink, 2017). These values have over time evolved into six principles (Keping, 2018), namely: *first*, legitimacy. This refers to the state or quality in which social order and authority are recognized and voluntarily obeyed. *Second*, transparency. This refers to the publicity of political information. All citizens are entitled to information about state policies, including legislative activities, policy-making, legal provisions, policy enforcement, and other political information relating to their individual interests. *Third*, accountability. Accountability means making everyone responsible for their own behavior. If they fail to fulfill a bounded function or duty, or if they do so in an inappropriate manner, their behavior constitutes dereliction of duty or lack of accountability. *Fourth*, the rule of law. The law is the highest principle in public political administration that all government officials and citizens must abide by, all of whom are equal before the law. *Fifth*, responsiveness. This means that public administrators and administrative bodies should respond to citizens' demands in a timely and responsible manner, and it is forbidden to delay without reason or leave any issue unresolved without a response. *Sixth*, effectiveness mainly refers to management efficiency. Ineffective or inefficient administrative activities are not in line with good governance.

Even so, the concept is not without merit. Grindle (2017) in Good Governance, R.I.P.: A Critique And an Alternative expresses several views on why the concept of good governance still has defects. One of them is that there are too many ambitious agendas or expectations that are unrealistic or unlikely to be realized. According to the perspective of good governance, agendas such as equality, participation, inclusiveness, democracy, broad service provision, good regulation, decentralization, and many others, although good, will be difficult to implement at once. Such expectations have abstracted much of the discussion from the consideration of institutions and processes that are at the core of the concept of governance, and are more about performance endpoints with little understanding of how to achieve them (Grindle, 2017)

To deepen the context of the research, there are several research findings that underscore the role of corporate-government relations. The literature by Sukmana (2017) titled "*Dominasi dan Ketidakadilan Negara dan Korporasi dalam Kasus Bencana Lumpur Lapindo*" explains the domination and injustice resulting from the corporation (PT LBI) and the government in handling the Lapindo Mudflow disaster. The corporate-government relationship is evident in the ease with which permits for managing oil and gas are issued, despite violating the land use provisions of the Regional Spatial Planning (RTRW) for the Porong District, the lack of transparency in oil and gas exploration, and the handling of disaster impact resolution. Here, in the context of the corporate-government relationship, the government appears to expedite the licensing and planning of oil and gas exploration projects to ensure their swift implementation and strives to prevent the corporation (PT LBI) from facing serious accountability. Next, Kusumoningtyas (2024) in "The Power Relations of Mining Extractivism in East Kalimantan" observes that the corporate-government relationship has resulted in many new mining areas being opened easily in East Kalimantan. Corporations hold significant power due to their financial capabilities and connections with the central and regional governments, forming a kind of alliance where economic incentives and political influence are involved. Both studies indeed highlight public policies arising from the relationship between corporations and the government, but research that emphasized the importance of detailed policies that creates a fair situation is still limited. In this article, the authors aim to do just that.

RESEARCH METHOD

This article is written using a descriptive qualitative method that discusses the urgency of a detailed and consistent public policy in the context of the relationship between corporations (private sector) and the government. The data collected was conducted using the literature review method through the analysis of secondary data and relevant supporting data in discussing phenomena and theories related to the relevance of detailed public policies for private corporations. The secondary and supporting data obtained come from references such as books, journals, and other research findings that discuss public policy related to the private sector. The method is used because of its practicality while not having to conduct field studies without compromising the quality of research.

RESULT AND DISCUSSION

Aspects of Public Policy in Corporate-Government Relationships

Often when conversations about public policy occur, it often revolves around its impact on society as a whole or even about the substance of the policy itself. While these conversations are not wrong, public policy also affects a corporation or commonly known as the private sector, as mentioned above. As a governance system, it is influenced by the legal and economic framework and in turn affects the framework (Dwiridotjahjono, 2009). There are several aspects that the author sees in how public policy relates to corporate parties, namely: political economy, regulation, and social policy.

A. Political Economy

In an increasingly capitalistic world, the economy is increasingly driven by the private sector. Their freedom and detachment make them a central party in contributing to the economic aspects of a country. It seems that economic growth will not be felt if corporations are not allowed to 'play'. There are at least five reasons why this is so (Claessens, 2006), namely: (1) increased access to external financing by corporations, which can lead to greater investment, higher growth, and more job creation; (2) lower cost of capital and higher corporate valuation, which makes more investments attractive to investors; (3) better operational performance, through better resource allocation and improved management, which creates prosperity; (4) reduced risk of financial crises, a particularly important impact as financial crises can have large economic and social costs; and (5) better relationships with all stakeholders, which helps improve social and labor relations and areas such as environmental protection.

In order for this to be achieved, it is done through public policies formed by the government. The public policies that will be formed will indirectly affect the economic situation in society. In terms of collaboration, for example, the government often collaborates with corporations to build infrastructure. Adequate infrastructure can have a positive impact on the volume and quality of economic activity (Hazmi, 2024). Reporting from (Uly & Movanita, 2021) the Makassar-Parepare railway development project is a collaboration with a number of private corporations such as PT Celebes Railway Indonesia (CRI), PT Indonesia Infrastructure Finance (IIF), and PT Sarana Multi Infrastruktur. Based on information from the Directorate General of Railways (DJKA) of the Ministry of Transportation, the scope of the train project financed through the Government Cooperation with Business Entities (PPP) scheme includes construction, operation, and maintenance of segment F by the Implementing Business Entity (Patu & Akhmadi, 2021). Investment also plays a significant role in the context of infrastructure development by corporations for the country. Investment activities will push the production level to the optimum level and contribute to the output level (Pambudy & Syairozi, 2019)

B. Regulation

Although they are not bound by the government, corporations still need to comply with public policy through regulations so that they are able to work within corridors that've been agreed upon collective interests. The ability of a country's economic growth is highly dependent on the rules of the game (economic regulations) determined by political institutions (Damayanti, 2009). A simple example, for example, if we look back at the Minerba Law, Article 35 states that a mining business requires approval from the central government through the issuance of a business registration number, standard certificate, and permit. If they carry out mining activities without a permit, they will be subject to a five-year prison sentence and a fine of IDR 100,000,000.00 as stated in Article 158.

It does seem normative, but the regulatory aspect of public policy does not always appear to maximize economic welfare or community welfare. This perspective has proven inadequate because regulatory bodies (governments) often make decisions that are not in line with conventional measures of economic welfare (Joskow & Noll, 1981). They see broadly that there are two general theories related to regulation: legislative and bureaucratic. Legislative theories, such as those from the "Chicago School," argue that regulation serves to transfer income to well-organized groups as a result of imbalances in political support. Bureaucratic theories look at the behavior and incentives of regulatory agencies themselves, often suggesting that they become “captured” by the industries they regulate, leading to decisions that favor organized interests.

C. Social

Not only economically, public policy is also related to corporations in social aspects, this is seen with the existence of Corporate Social Responsibility (CSR). CSR can be seen as an obligation or reciprocity that must be carried out by corporations to the environment and stakeholders (employees, consumers, shareholders, and the environment). Cannon in (Moir, 2001) identified that the main role of business is to produce goods and services that are desired and needed by society; however, there is interdependence between business and society in terms of the need for a stable environment with an educated workforce. CSR is carried out not as a commercial interest, but implicitly what society wants for corporations to operate. The obligation to implement CSR in Indonesia has been stated in Law Number 40 of 2007 concerning limited liability companies, where social responsibility is an obligation that is budgeted and calculated as a cost whose implementation is carried out by considering propriety and fairness. Companies that do not carry out social and environmental responsibility obligations are subject to sanctions in accordance with laws and regulations (Dewi, 2018). For example, PT PepsiCo Indonesia Food and Beverages, which will build its manufacturing plant in Cikarang (Dwi, 2023), renovated facilities at SDN 01 Cikarang Pusat, including the library, School Health Unit (UKS), and volleyball court, to create a more comfortable and adequate learning environment. Through this series of initiatives, PepsiCo Indonesia continues to demonstrate its dedication to supporting the development of education for Indonesia's young generation in providing a positive impact on society (Sayekti, 2024).

CANDIDATE: Jurnal Sains Politik Vol. 1 No. 2 ; Hal 1 – 24
Website : https://journal.uinsgd.ac.id/index.php/candidate/
ISSN : 3032-7997 (Online)

Why Public Policy Can Be Unclear?

Looking at how public policy will affect corporations from three aspects, logically, a public policy must be detailed and consistent to ensure clarity. Although the urgency of detailed policies is necessary for several reasons mentioned above, in reality, there are still detailed policies that ultimately lack clarity. Thus, the increase in economic policy uncertainty will have a long-term impact on economic growth (Severesia & Juliana, 2022). This uncertainty certainly does not arise from a vacuum, but is caused by a political activity or Corporate Political Activity (CPA) as mentioned by Hillman, Keim, and Schuler (2004) in "Corporate Political Activity: A Review and Research Agenda." The authors identify several factors that cause this phenomenon to occur, such as:

A. Political Will

In addition to siding with collective interests, one sign that a public policy can be considered good is the presence of clarity or detail, and one way to achieve this is through political will. The term, although ambiguous, can be seen as a certain commitment held by policymakers to a specific solution to a problem. Hammergren in (Post et al., 2010) refers to it as the "sine qua non of policy success that is never defined except by its absence." Political will represents the willingness of actors to expend their energy in pursuing political goals, and this is seen as an important precursor to engaging in political behavior (Treadway et al. 2005). In the context of this discussion, public policy becoming vague can be caused by a lack or absence of commitment from policymakers. Some rules are quite clear, while others may be unclear (Mintzberg, 1985). Policy-making can be detailed, if the government is willing to.

B. Lobbying

Lobbying is essentially seen as the process of influencing or advocating for a decision to support the interests of the lobbyist. Herbert Simon (1953) in "Notes on the Observation and Measurement of Political Power" distinguishes between the exercise of power—when A persuades, coerces, or forces B to do something that B would not do—and the basis of power or resources that enable its exercise. One of the factors for the success of lobbying is the resources possessed by one party; the more resources they have, the greater the likelihood of success. If we can identify who has the resources to wield influence, it is usually assumed that they indeed use that influence (Lowery, 2013). The rationale for a corporation wanting a policy to favor their interests is due to two reasons (Zetter, 2008), among others: first, as a threat, where the government can have a negative impact on the company by banning their products or activities. Lobbying is carried out to obtain leniency or the removal of a policy that has the potential to harm their operations. Second, as an opportunity, where the government can boost the productivity of other corporate activities through the policies formed. Bad news for one industry can be balanced by good news for another industry (Zetter, 2008). In the context of this writing, the ambiguity of public policy is not always bad for all corporations. In fact, the ambiguity is deliberately allowed so that there are loopholes that certain parties can exploit through lobbying.

C. Conflict of Interest

Intersecting with the two aforementioned factors, conflict of interest also contributes to unclear public policies. Conflict of interest involves a clash between an individual's interests (or the interests of their friends and family, etc.) and the interests of others they work for (Carson, 1994). Conflict of interest is a problem that is both simple and complex: in principle, it is easy to define—in the public sector, a conflict of interest arises "when a public official has a personal interest that may improperly influence the performance of their official duties and responsibilities" (Whitton & Bertók, 2005). In other words, it is possible that the ambiguity is a residue of the conflict of interest behind it, or, as mentioned, the conflict of interest that occurs is the result of lobbying by certain parties. Meaning, it is not impossible that the ambiguity is a residue of the conflicting interests of the parties behind it, or, as has been mentioned, the conflict of interest that occurs is the result of lobbying by certain parties.

D. Less Inclusive Formulation Process

As its name suggests, a public policy—because it affects the public's livelihood—ideally needs to involve many actors, especially in the formulation process. The formulation of policies in practice will involve various actors, both from state actors and non-state actors, or what Anderson (2005) refers to as official policy makers and non-governmental participants (Muadi et al., 2016). In line with this, Jones in (Ramesh & Hawlett, 2003) argues that formulation does not have to be limited to one group of actors, so it is possible to have two or more formulation groups producing competing or complementary proposals. The ambiguity here arises when the formulation process is not inclusive of all parties. In the end, the policy only serves the interests of the groups that were "invited" by the government. Often, the details that should be considered are overlooked in the formulation, leading to policy ambiguity; something that could be prevented if the formulation process were inclusive. When a situation is unclear, the available tools may be useless or unable to provide direct advice (Hajer & Laws, 2006).

E. International Pressure

Although it may sound strange to some, external hegemony also impacts the nature of public policy in Indonesia through globalization. Like a double-edged sword, globalization facilitates the establishment of relations between countries and the dominance of a country or organization. From the perspective of public policy, policy-making continues to shift downwards, outwards, and upwards under devolution, privatization/deregulation, and internationalization (Lodhi, 2021). Policies may be formulated in a vague or unclear manner to adapt to the dynamic and complex international economic conditions. As mentioned, this ambiguity can benefit certain parties, and while clear policies are indeed necessary, detailed regulations in policies can also lead some corporations to operate within loosely defined regulatory corridors. As a result, the community and/or nature bear the consequences. For example, the Minerba Law does not clearly and firmly regulate the management of mining waste, which has resulted in the damage to river areas by tailings in Papua by PT Freeport (Sucahyo, 2023).

The Emerging Consequences

This ambiguity, of course, does not arise without consequences, particularly for the corporation itself. Corporations that should be able to operate smoothly and/or innovatively are hindered by unclear government policies. Moreover, these consequences also affect how they will interact with the community as stakeholders. There are several impacts that arise, such as: ***first***, a decrease in the willingness to innovate. As mentioned earlier, one of the main impacts of this uncertainty is that corporations find it difficult to move or innovate, which ultimately affects their performance outcomes. The dominant view in various disciplines is that public policy outcomes impact corporate results, which is why companies engage in political activities (Baumgartner, 2009). ***Second***, reluctance to invest. Investment is not something that can be taken lightly, especially if it involves a large amount. This uncertainty also affects those who want to invest, making them reconsider due to unclear policies that could harm their corporations. Wang in (Juselin & Juliana, 2021) observed that due to the increasing uncertainty, corporate investments are forced to be postponed until the situation becomes more predictable. This is caused by economic and political shocks becoming the main sources of increased uncertainty. However, private sector investment would be very beneficial for the country's economic development and for its society. ***Third***, corporate dominance in the market. This ambiguity is like a gap that will benefit several corporations if utilized correctly. It is not impossible for a corporation to dominate the market. In the end, that dominance will restrict the movement of other corporations or small and medium enterprises in the same market. In fact, the government as a regulator or policymaker is to maintain competition and protect consumers from the adverse effects of market dominance by prohibiting predatory behavior or other forms of anti-competitive behavior (Baldwin et al., 2012). ***Fourth***, the threat to reputation. Failure to comply with unclear policies, even if unintentional, has the potential to tarnish the corporate image in society or among shareholders. This reputation is very important because it reflects the trust given by the public and shareholders, as well as facilitating access to resources. The reputation of a company may be best viewed as something that involves the alignment between the perceptions of the company's internal and external stakeholders, especially the stakeholders (Chun, 2005).

Ideal Condition

Ambiguity in public policy cannot be accepted as the status quo; tactical steps are needed to address this phenomenon. A fundamental step to prevent the resulting losses from becoming a 'wild ball' that hits other undesirable things. Although the most effective step is the political will of the government in creating detailed policies, the author sees several ideal conditions for the policy climate that should exist.

A. The Existence of Derivative Rules

The essence of good policy is the creation of an understanding to foster common good for the public interest. It is often found that this ambiguity exists in general policies such as laws. Here, a derivative regulation refers to a set of policies based on a previous law. For example, the ESDM Ministerial Regulation Number 7 of 2023 concerning the Continuation of the Development of Metal Mineral Refinery Facilities in the Country is a derivative product of Law Number 3 of 2020. This derivative policy product will function as an implementing regulation and can be used as a guideline by the government to implement previously established policies (Razak, 2023). Its nature must be technical and detailed because it serves to provide guidance or instructions for the community, in this case, corporations, to facilitate its implementation by minimizing the potential for multiple interpretations. This can be reflected in the issuance of Government Regulations, Circular Letters, Ministerial Regulations, and so on. Moreover, unlike laws, these derivative regulations must be flexible considering the dynamic political situation, meaning they need to be easy to revise or change to adapt to the surrounding circumstances.

B. The Existence of Inclusivity

A democratic state means it comes from the people, not just a part of the people. As long as these principles are realized in decision-making in any association, we can call it democratic (Deep, 2020). That is the importance of inclusivity, both in policy-making and implementation. The presence of inclusivity in policy-making, besides ensuring representation from all groups, is to ensure that no aspect or detail is overlooked. Inclusive strategies aim to build and open participation from many parties by providing roles, trust, and collaborative space (Manar, 2018). An inclusive approach allows policymakers to gain various perspectives from different viewpoints, which can reduce gaps or voids in public policy. From a corporate perspective, inclusivity is necessary to meet the interests of each party fairly by ensuring there are no implicit ambiguities.

C. The Existence of Transparency

Because democracy places the people in an honorable position, the government is only accountable to the people, and the people have the right to know what happens within it, including in public policies. Transparency exists if there is freedom of access that can be easily opened, easily accessed, easily understood, and adequately available to the public or interest groups (Desrinelti et al., 2021). In this context, because the ambiguity of policies can be caused by the interference of several corporate parties in the private sector, transparency in oversight and accountability at least ensures that no policies are deliberately made unclear by neglecting the common interest.

Potential Challenges

The process of maximizing or detailing a policy is a steep path not only due to the forementioned reasons but also due to latent and non-latent challenges that will arise. Overregulation, for example, where regulations in policies become too strict and too numerous, impacting a corporation's innovation. In line with Doho and Henrekson in (Worku, 2016) who have shown that excessive regulation often leads to the loss of innovation, loss of efficiency, excessive spending, and bankruptcy in newly established businesses. Like a paradox, we yearn for clear and detailed policies to avoid losses for society and corporations themselves, but at the same time, excessive and bloated regulations have the potential to stifle corporate innovation. This regulatory obesity becomes a major problem when one regulation overlaps and contradicts another related regulation (Apendi, 2021).

Next, when creating detailed public policies, it is how the government can balance between interests and the necessary sacrifices. Arafat (2023) in "Public Policy: Theory and Practice" observes that good policies must consider various factors involving different interests, but achieving balance is not an easy task, given the many differing views, interests, and limited resources. Balancing interests and sacrifices in public policy often becomes a complex challenge (Arafat, 2023). In the context of this writing, the government cannot accommodate all corporate interests and needs to make decisions that create the most profit.

Collaborative Governance as An Alternative

Realizing perfect public policies for corporations seems difficult, but not impossible. In its efforts, the discourse of collaborative governance has emerged to minimize unclear policies for corporations. Collaborative governance can be seen as a form of governance where one or more public institutions directly involve non-state stakeholders in a formal, consensus-oriented, and deliberative collective decision-making process aimed at creating or implementing public policies or managing public programs or assets (Ansell & Gash, 2007). Unlike inclusivity, this method emphasizes the involvement of actors with equal responsibilities and authorities, while inclusivity emphasizes the involvement of all groups, especially the marginalized. In this case, the government can collaborate or partner with corporations throughout the entire creation process (not just the formulation stage) to create clear policies. There are many potential dimensions needed to define collaborative governance (Donahue & Zeckhauser, 2006), such as: *first*, formality, where collaborative governance can be institutionalized on a spectrum ranging from formal contracts (or their equivalents) through informal agreements to tacit understandings. *Second*, duration, where on one hand there are governance arrangements intended to be permanent; on the other hand, there is ad hoc collaboration that dissolves immediately after the crisis is resolved or the goal is achieved. *Third*, focus, collaboration can be narrowly structured to address a single shared challenge, or it can be designed more broadly to tackle various common issues for the collaborating parties. *Fourth*, diverse participation, where the minimum level of diversity among participating institutions—at least one public player and one private player—is a threshold requirement to achieve collaborative governance. *Fifth*, stability, where a collaboration will be stable if its members have the same goals, and potentially turbulent if there are differences in norms or interests among the members. *Sixth*, discretion, in order to be considered collaborative governance, most discretion must be in the hands of players who are broadly accountable to the public, and each collaborating party must have a level of discretion.

The concept of collaborative governance cannot stand alone. In order to be implemented, it requires power. Purdy (2012) in "A Framework for Assessing Power in Collaborative Governance Processes" identifies three aspects of power if collaborative governance is to be implemented: authority, resources, and legitimacy. The aspect of authority as something that can be shaped, acknowledges that participants who possess authority can share it with others, for example, by committing to implement the group's recommendations rather than merely accepting them as suggestions. The aspect of authority is also divided into two elements, "power over" and "power to." The "power over" perspective frames authority as a trump card that determines which participant will ultimately decide an issue. The "power to" perspective indicates that authority is crucial for the success of collaboration—authority empowers collaborative efforts (Straus, 2002). Then, in terms of resources, relational aspects and perceptions of power may be as important as the objective ability to control resources. For example, those who possess financial resources often behave as if they have power, while those who lack resources usually feel powerless (Huxham & Vangen, 2000). Then, in the final aspect, organizations or institutions gain legitimacy when they act on behalf of societal values or norms, such as the rule of law, the logic of economic rationality, or principles like democracy or respect for diverse cultures. An organization or institution with legitimacy derives its power from the status of the values or logic it represents.

CONCLUSION

The corporate-government relationship is something that cannot be taken lightly due to its significant role in economic growth and development. Therefore, the urgency of clear or detailed public policies influences how corporations will operate and impact society. However, until now, there are still unclear public policies for corporations caused by the political will of the government as policymakers, lobbying by other parties, non-inclusive processes, conflicts of interest, and many others. Consequently, unclear policies create various losses for corporations and society, such as stifled innovation, reluctance to invest, market dominance, and threats to the corporation's own reputation. However, at the same time, the government needs to pay attention to the challenges that will arise in implementing policies that are always clear, such as the overregulation dilemma where policies become too numerous and hinder innovation and the balance between the needs and sacrifices of stakeholders. In the end, good policy is one that provides the greatest benefits to all parties, and such good policy will not materialize if the government lacks commitment. Whether we like it or not, (ideally) for the country's economy, it must be done immediately.

BIBLIOGRAPHY

Addink, G. H. (2017). Good Governance: Importance in Practice, Theories and Definitions. *Halu Oleo Law Review*, *1*(1). https://doi.org/10.33561/holrev.v1i1.2347

Apendi, S. (2021). KETIADAAN PERATURAN MENTERI DALAM HIERARKI PERATURAN PERUNDANG-UNDANGAN NASIONAL DAN IMPLIKASINYA TERHADAP PENATAAN REGULASI DALAM SISTEM HUKUM NASIONAL. *PALAR (Pakuan Law Review)* , *7*(1).

Arafat. (2023). *Kebijakan Publik: Teori dan Praktik*. PT. Literasi Nusantara Abadi Grup.

Baldwin, R., Cave, M., & Lodge, M. (2012). *Understanding regulation : theory, strategy, and practice*. Oxford University Press.

Baumgartner, F. R. (2009). *Lobbying and Policy Change : Who Wins, Who Loses, and Why*. University Of Chicago Press.

Berutu, S. P., Laia, F., Gultom, R. K. A., & Alendra. (2024). Analisis Pengaruh Kebijakan Regulasi Terhadap Praktik Bisnis Dan Tindak Pidana Korporasi. *Jurnal Plaza Hukum Indonesia*, *2*(1).

Carson, T. L. (1994). Conflicts of interest. *Journal of Business Ethics*, *13*(5). https://doi.org/10.1007/bf00871766

Chun, R. (2005). Corporate Reputation: Meaning and Measurement. *International Journal of Management Reviews*, *7*(2). https://doi.org/10.1111/j.1468-2370.2005.00109.x

Claessens, S. (2006). Corporate Governance and Development. *The World Bank Research Observer*, *21*(1). https://doi.org/10.1093/wbro/lkj004

Claudia, Z., & Gunadi, A. (2023). Vicarious Liability in Personal Data Protection. *Rechtsidee*, *11*(2). https://doi.org/10.21070/jihr.v12i2.995

Damayanti, C. (2009). Dimensi Kekuasaan Dalam Ekonomi. *Jurnal Ekonomi Dan Kewirausahaan*, *9*(1).

Deep, P. (2021). Democratic Governance, Inclusive Policies and People Standing at the Margins. *Journal of Social Inclusion Studies*, *6*(2). https://doi.org/10.1177/23944811211995959

Desrinelti, D., Afifah, M., & Gistituati, N. (2021). Kebijakan Publik: Konsep Pelaksanaan. *JRTI: Jurnal Riset Tindakan Indonesia*, *6*(1). https://doi.org/10.29210/3003906000

Dwi, A. (2023). *Fakta-fakta PepsiCo Hadir Kembali di Indonesia, Mau Bangun Pabrik Rp 3,04 Triliun di Cikarang*. Tempo. https://www.tempo.co/ekonomi/fakta-fakta-pepsico-hadir-kembali-di-indonesia-mau-bangun-pabrik-rp-3-04-triliun-di-cikarang-149299

Dwiridotjahjono, J. (2009). Penerapan Good Corporate Governance: Manfaat Dan Tantangan Serta Kesempatan Bagi Perusahaan Publik Di Indonesia. *Jurnal Administrasi Bisnis*, *5*(2). https://doi.org/10.26593/jab.v5i2.2108.%p

Foucault, M. (1976). *The History of sexuality. Volume I: an Introduction*. Vintage Books.

Grindle, M. S. (2017). Good Governance, R.I.P.: A Critique and an Alternative. *Governance*, *30*(1). https://doi.org/10.1111/gove.12223

Hafriandi, A., & Gunawan, E. (2018). Pengaruh Investasi Publik Dan Investasi Swasta Terhadap Pertumbuhan Ekonomi Di Indonesia. *Jurnal Ilmiah Mahasiswa (JIM)*, *3*(3).

Hajer, M., & Laws, D. (2006). Ordering Through Discourse. In M. Moran, M. Rein, & R. E. Goodin (Eds.), *The Oxford Handbook of Public Policy*. Oxford University Press Inc.

Handoyo, E. (2012). *Kebijakan Publik* (1st ed.). Widya Karya.

Hazmi, R. A. A. (2024). OPTIMALISASI KERJA SAMA PEMERINTAH DENGAN BADAN USAHA UNTUK MENDORONG PEMBANGUNAN INFRASTRUKTUR DI INDONESIA. *Journal of Law, Administration, and Social Science*, *4*(6). https://doi.org/10.54957/jolas.v4i6.1010

Howlett, M., & Ramesh, M. (2003). *Studying Public Policy: Policy Cycles & Policy Subsystems*. Oxford University Press.

Huxham, C., & Vangen, S. (2000). Leadership in the Shaping and Implementation of Collaboration Agendas: How Things Happen in a (Not Quite) Joinedup World. *The Academy of Management Journal*, *43*(6). https://doi.org/10.2307/1556343

Joskow, P. L., & Noll, R. G. (1981). Regulation in Theory and Practice: An Overview. In G. Fromm (Ed.), *Studies in Public Regulation*. The MIT Press.

Juselin, V., & Juliana, R. (2021). Ketidakpastian dan Investasi Perusahaan di Indonesia. *Equity*, *24*(1). https://doi.org/10.34209/equ.v24i1.2523

Kamahi, U. (2017). Teori Kekuasaan Michel Foucault: Tantangan bagi Sosiologi Politik. *Jurnal Al-Khitabah*, *3*(1).

Keping, Y. (2018). Governance and Good Governance: a New Framework for Political Analysis. *Fudan: Journal of the Humanities and Social Sciences*, *11*(1). https://doi.org/10.1007/s40647-017-0197-4

Lodhi, I. (2021). Globalisation and Public Policy: Bridging The Disciplinary and Epistemological Boundaries. *Policy and Society*, *40*(4). https://doi.org/10.1080/14494035.2021.1987137

Manar, D. G. (2018). Pembelajaran Inovasi Kebijakan Inklusif. *Jurnal Studi Pemuda*, *7*(1). https://doi.org/10.22146/studipemudaugm.39272

Mintzberg, H. (1985). The Organization As Political Arena. *Journal of Management Studies*, *22*(2). https://doi.org/10.1111/j.1467-6486.1985.tb00069.x

Moir, L. (2001). What do we mean by corporate social responsibility? *Corporate Governance: The International Journal of Business in Society*, *1*(2). https://doi.org/10.1108/EUM0000000005486

Muadi, S., Mh, I., & Sofwani, A. (2016). Konsep dan Kajian Teori Perumusan Kebijakan Publik. *JRP: Jurnal Review Politik*, *6*(2). https://doi.org/10.15642/jrp.2016.6.2.195-224

Nadesan, M. H. (2008). *Governmentality, Biopower, and Everyday Life* (1st ed.). Routledge.

Patu, A. S. P. A., & Akhmadi, M. H. (2021). Evaluasi Penyiapan Proyek Kerjasama Pemerintah Dengan Badan Usaha (KPBU) Kereta Api Makassar-Parepare. *Jurnal Kebijakan Pembangunan*, *16*(2). https://doi.org/10.47441/jkp.v16i2.200

Post, L. A., Raile, A. N. W., & Raile, E. D. (2010). Defining Political Will. *Politics & Policy*, *38*(4). https://doi.org/10.1111/j.1747-1346.2010.00253.x

Purdy, J. M. (2012). A Framework for Assessing Power in Collaborative Governance Processes. *Public Administration Review*, *72*(3). https://doi.org/10.1111/j.1540-6210.2011.02525.x

Razak, M. R. R. (2023). Implementasi Kebijakan. In A. Yanto (Ed.), *Kebijakan Publik: Teori, Formulasi Dan Aplikasi* . PT GLOBAL EKSEKUTIF TEKNOLOGI .

Rose, N., O'Malley, P., & Valverde, M. (2006). Governmentality. *Annual Review of Law and Social Science*, *2*(1). https://doi.org/10.1146/annurev.lawsocsci.2.081805.105900

Sayekti, I. M. S. (2024). *PepsiCo Indonesia Bantu Perkuat Fasilitas Belajar &Literasi di SDN 01 Cikarang Pusat*. Kontan.co.id. https://pressrelease.kontan.co.id/news/pepsico-indonesia-bantu-perkuat-fasilitas-belajar-literasi-di-sdn-01-cikarang-pusat

Severesia, C., & Juliana, R. (2022). Pengaruh Ketidakpastian Kebijakan Ekonomi Terhadap Pengambilan Risiko Perusahaan di Indonesia. *Jurnal Riset Akuntansi Dan Keuangan*, *10*(3). https://doi.org/10.17509/jrak.v10i3.43857

Straus, D. (2002). *How to Make Collaboration Work: Powerful Ways To Build Consensus, Solve Problems, and Make Decisions*. Berrett-Koehler.

Sucahyo, N. (2023). *Limbah Tailing Freeport Rusak Lingkungan, Hancurkan Kehidupan*. VOA Indonesia. https://www.voaindonesia.com/a/limbah-tailing-freeport-rusak-lingkungan-hancurkan-kehidupan-/6943257.html

Syafiuddin, A. (2018). Pengaruh Kekuasaan Atas Pengetahuan (Memahami

Teori Relasi Kuasa Michel Foucault). *Refleksi: Jurnal Filsafat Dan Pemikiran Keislaman*, *18*(2). https://doi.org/10.14421/ref.v18i2.1863

Taufiqurokhman. (2014). *Kebijakan Publik: Pendelegasian Tanggungjawab negara Kepada Presiden Selaku Penyelenggara Pemerintahan* (1st ed.). Universitas Moestopo Beragama (Pers).

Treadway, D. C., Hochwarter, W. A., Kacmar, C. J., & Ferris, G. R. (2005). Political Will, Political Skill, and Political Behavior. *Journal of Organizational Behavior*, *26*(13). https://doi.org/10.1002/job.310

Uly, Y. A., & Movanita, A. N. K. (2021). *Proyek KA Makassar-Parepare, Menhub: Pertama Kalinya KA Libatkan Swasta*. Kompas.com. https://money.kompas.com/read/2021/06/04/122538726/proyek-ka-makassar-parepare-menhub-pertama-kalinya-ka-libatkan-swasta

Whitton, H., & BertókJ. (2005). *Managing conflict of interest in the public sector: A toolkit.* Organisation For Economic Co-Operation And Development.

Worku, Z. (2016). THE IMPACT OF OVER-REGULATION ON SMALL ENTERPRISES. *Risk Governance and Control: Financial Markets & Institutions*, *6*(3). https://doi.org/10.22495/rcgv6i3c2art2

Zetter, L. (2008). *Lobbying: The Art of Political Persuasion*. Harriman House Ltd. ***Geography*, *40*(6), 870–887. https://doi.org/10.1080/02723638.2018.1472445**

Laimeheriwa, S. H. A., & Wargadinata, E. (2020). DYNAMIC GOVERNMENT OF INDIGENOUS VILLAGE IN SOUTHEAST MALUKU. *CosmoGov*, *6*(1), 1. https://doi.org/10.24198/cosmogov.v6i1.22292

Pramono, E. (2020). LOCAL ECONOMIC DEVELOPMENT PADA PENGEMBANGAN PARIWISATA BERBASIS BUDAYA DAN ALAM (Studi Di Desa Ngadas, Kec. Poncokusumo, Kab. Malang)- UMM Institutional Repository. *Umm.ac.id*. https://eprints.umm.ac.id/59533/7/Pendahuluan.pdf

Strom, S. (n.d.). *Impact of Investment in Tourism Infrastructure Development on Attracting International Visitors: A Nonlinear Panel ARDL Approach Using Vietnam's Data*. MDPI. Retrieved July 7, 2023, from https://www.mdpi.com/2227-7099/9/3/131

Sutiyo, & Maharjan, K. L. (2017). *Decentralization and Rural Development in Indonesia*. Singapore Springer Singapore.

Trilaksono, E. P. (2015). Eksplorasi Karakteristik Pembangunan Ekonomi Desa Melalui Unsur-Unsur Budaya Universal di Desa Ngadas Kecamatan Poncokusumo Kabupaten Malang. *Jurnal Ekonomi Dan Studi Pembangunan*, *7*(2), 74–77. http://journal.um.ac.id/index.php/jesp/article/view/5338

Undang-Undang No 6 Tahun 2014 tentang Desa, (2014).

United Nations. (2009). *State of the World's Indigenous Peoples*. United Nations.

Winarno, T., Said, M. M., & Hayat, H. (2021). Pengembangan Desa Wisata Adat Using Kemiren melalui Pendekatan Penta Helix. *Journal of Governance and Local Politics (JGLP)*, *3*(2), 137–145.

https://doi.org/10.47650/jglp.v3i2.298

Young, M., & Markham, F. (2019). Tourism, capital, and the commodification of place. *Progress in Human Geography*, 030913251982667. https://doi.org/10.1177/0309132519826679

Yurisma, D. Y. (2021). Aset Budaya Sebagai Konsep Destination Branding Desa Ngadas Kabupaten Malang. *Bahasa Rupa*, *5*(1), 1–9. https://doi.org/10.31598/bahasarupa.v5i1.8