



TRANSPARENCY AND PUBLIC PARTICIPATION: BUILDING PUBLIC TRUST IN DIRECTORATE GENERAL OF CUSTOMS AND EXCISE

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ARTICLE INFORMATION

ARTICLE HISTORY

Received

2 September 2024

Accepted to be published

31 December 2024

KEYWORDS:

Transparency
Public participation
Trust
Democracy cube
Trade facilitation

ABSTRACT

Sentimen negatif yang meluas dari masyarakat terhadap Direktorat Jenderal Bea dan Cukai (DJBC) pada tahun 2024, ditambah dengan kasus korupsi dan pencucian uang baru-baru ini, semakin memperburuk tingkat kepercayaan masyarakat yang rendah terhadap institusi ini. Akademisi dan lembaga internasional menyarankan bahwa transparansi, terutama transparansi deliberatif, dapat meningkatkan akuntabilitas dan membangun kepercayaan publik terhadap pemerintah. Sayangnya, DJBC tampaknya kurang memanfaatkan strategi dan alat yang tersedia untuk meningkatkan transparansi, yang dalam jangka panjang dapat merugikan upaya fasilitasi perdagangan luar negeri negara. Penelitian kami menyajikan 5 contoh program konsultasi publik dari Australia, Inggris, Singapura, Selandia Baru, dan Uni Eropa. Kami menganalisis contoh-contoh tersebut menggunakan "democracy cube" (Fung, 2006) dan membandingkannya dengan temuan saat ini di DJBC. "Democracy cube" ini dapat membantu DJBC menentukan strategi yang tepat untuk mencapai transparansi deliberatif melalui partisipasi atau konsultasi publik. Setelah mempertimbangkan beberapa aspek, makalah ini merekomendasikan agar DJBC menerapkan konsultasi publik dalam skala kecil sebagai proyek percontohan.

Widespread negative sentiments from the public towards the Directorate General of Customs and Excise (DGCE) in 2024 and recent cases of corruption and money laundering further pejorate the low level of trust the public has for the institution. Academics and international institutions suggested that transparency, particularly deliberative transparency, can increase accountability and foster public trust towards the government. Unfortunately, the DGCE appears to underutilize strategies and tools available for enhancing transparency, which in the long turn may undermine the nations' foreign trade facilitation efforts. Our desk research provides 5 examples of public consultation programs from Australia, The United Kingdom, Singapore, New Zealand, and The European Union. We analysed the examples using the democracy cube (Fung, 2006) and compared them with our current findings in DGCE. The democracy cube can help DGCE determine the suitable strategy to achieve deliberative transparency through public participation/consultation. After several considerations are made, this paper recommends that DGCE adopt public consultation on a small scale as a pilot project.

1. INTRODUCTION

In early 2024, widespread negative sentiments toward the Directorate General of Customs and Excise (DGCE) were found across popular social media platforms and news outlets (BBC News, 2024; CNBC Indonesia, 2024; Expat, 2024; Indraini, 2024; Mediatama, 2024; Narasi, 2024; Theodora, 2024). The wave of negative impressions started with a social media user sharing a negative experience with DGCE's officer at Soekarno-Hatta International Airport and other social media users followed by sharing similar negative experiences. The shared experiences vary from excessive tax, unprofessional behaviour from

customs officers, damaged goods, and imported goods held by DGCE. Public figures and politicians also shared their negative experiences or views, making this issue gain wider attention on social media. This also happened when the public questioned DGCE's integrity and the level of public trust in DGCE was low due to recent corruption and money laundering cases involving its high-level officers (ED and AP). Coincidentally, those two cases also started to be investigated partly because of social media attention.

The cases mentioned signifies that, in general, policies in Indonesia appear to be reactive instead of

driven by data (Adrian, 2024). The government changed the policy only after it was strongly opposed or criticised by the public, who oftentimes use social media platforms to voice their concerns. For example, DGCE decided to grant import tax exemption for learning tools imported from South Korea by a school for children with disabilities (Indraini, 2024). Another example is the decision to revise the Ministry of Trade Decree regulating the import policy after massive protests from migrant workers who found that their parcels were held by DGCE because of this new regulation (Expat, 2024). Reactive policy changes as shown by the examples above will further detract public trust in DGCE. Studies and International Agencies have advised customs agencies to shift from reactive and corrective to preventive approaches in border management policy (Azcarraga et al., 2022).

However, shifting from reactive and corrective approaches to proactive and preventive approaches in any policy is a difficult task. Border management is an extensive area with numerous stakeholders, domestic and international, ranging from individuals to multinational agencies and companies. These conditions create a complex environment for DGCE to navigate through. Maryam et al. (2024) state that DGCE has always been proactive in clarifying misinformation that frequently happens. However, criticisms are thrown at the lack of transparency in the DGCE's policymaking processes (Maryam et al., 2024). The absence of transparency-related laws and regulations blocks the public's ability to demand accountability from policymakers. There is also no guidance on public consultation to be found which limits the number of transparency mediums accessible to the public.

Members of the World Trade Organization (WTO) ratified the Trade Facilitation Agreement in 2013. The agreement was aimed at boosting international trade by making border management and customs procedures more efficient. In this agreement, WTO acknowledged the important role played by the private sector in trade facilitation and border management reform, as suggested by Grainger (2014), by promoting transparency (Article 1) and public consultation (Article 2). While transparency is desired in public service in general, customs operation requires a degree of exclusivity. Moreover, DGCE also has functions that directly related to trade facilitation, such as revenue collection and protection of the community and domestic industries, which at times can contradict each other. Identifying the level of transparency, what policy should be consulted with the public, and what consultation method is appropriate for the occasion will be a daunting task for DGCE in the future.

2. LITERATURE REVIEW AND HYPOTHESIS

2.1. Transparency to Improve Trust In Government

Transparency is important for customs agencies. Clients and stakeholders, such as domestic and foreign trade communities, expect certainty when dealing with customs agencies and it will only be achieved through transparent and consistent application of laws, regulations, procedures, and administrative guidelines (McLinden, 2005). The general definition of transparency is "the degree to which information is available to outsiders that enables them to have an informed voice in decisions and/or to assess the decisions made by insiders" (Florini, 2007, p. 5). In policymaking, transparency is used to "describe those policies that are easily understood, where information about the policy is available, where accountability is clear, and where citizens know what role they play in the implementation of the policy" (Finkelstein, 2000, p. 1). The nature of transparency as explained in the definition makes it often offered as an answer to bridge the gap in accountability in institutions (Tienhaara, 2020). The literature on transparency also assumes that information will improve the citizens' knowledge of government operations or performances which will be beneficial for increasing trust in the government (Grimmelikhuijsen, 2012, p. 66).

The widely accepted assumption in transparency is that more disclosure (of information) is always better. However, it is challenged by a recent study highlighting the typology of transparency which argues that different types of transparency also have different aims and methods (Tienhaara, 2020). (See The Typology of Transparency in Appendix I).

Each type has characteristics that can be different. Conventional transparency refers to the disclosure of information and the ability to hold decision-makers accountable for their decisions/policies. Deliberative transparency calls for the ability to participate in the decision-making process. The proponents of deliberative transparency are concerned with the closed-door deliberations fearing that the public views could be better represented at the negotiating table. Deliberative democracy literature also suggests that publicity forces people (at the negotiation table) to appeal to and argue for the public interests. Government agencies often establish a committee of relevant stakeholders to formulate policies or make a decision. The committee is designed to represent the full spectrum of stakeholders including the public so that deliberative transparency can be done more efficiently. If the committee fails to do so, usually being dominated by certain interests, technocratic transparency is created instead of deliberative transparency. Disciplinary transparency is usually demanded by corporate actors to make the government agree to market actors' demands. Oftentimes found in international trade agreements where disclosure of damaging subsidies is demanded.

Ultimately, the public also benefited from a transparent legal framework resulted from this transparency. Disruptive transparency, unlike the other type of transparency, generally aims to abolish the hierarchy or disrupt and derail the negotiation process. A fine example of this type of transparency is Wikileaks. However, leaked texts that were accompanied by expert analysis (so the public would understand the meaning of the texts leaked) also created demand for deliberation and assisted the deliberation process.

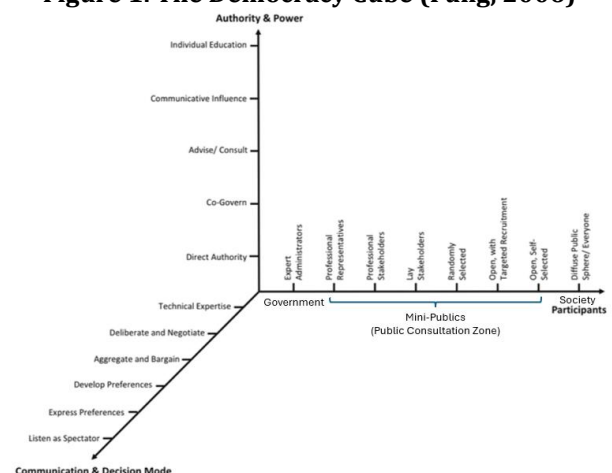
In another study by Buell et al. (2021), they argue that providing transparency to the public on government operations, previously done behind closed doors and unknown to the public, can produce better relationships between the government and its stakeholders while also creating deeper and more meaningful engagement. Ultimately, higher and more meaningful engagement will also improve trust and lead to better outcomes for all the stakeholders involved. Similarly, Dom et al. (2022) also suggest that empowering taxpayers (through meaningful engagement) and fairness/equity is important to build trust. The transparency theory also suggests creating or advancing institutions that encourage transparency of information and policymaking data can lead to an increased probability of investment and economic development in a nation (Relly & Sabharwal, 2009). As proposed by Cucciniello et al. (2015), greater participation provides a wider opportunity for the public to contribute and the government will also benefit from collective expertise from the public in the policy-making process. They also noted that most of the information published by the government is the ones that are required to be disclosed by transparency regulation, suggesting the importance of specific regulations on transparency

2.2. Finding the Right Balance with Democracy Cube

Public trust is a quintessential aspect of a public institution's legitimacy, and as suggested by Tienhaara, legitimacy in public governance is fostered through public deliberation and participation (Mardiyanta, 2013; Tienhaara, 2020). Building and maintaining the legitimacy of a public institution vis-à-vis its constituents remains a challenge for any government, especially in big democracies where gaps between decision-makers and the wider community are apparent (Fung, 2006). This condition raises the question of what method a democratic government, including Indonesia, can employ to fill the trust gap. There are a plethora of methods employed by governments to facilitate deliberation in policymaking, like the innovation-motivated co-design method by Australia (Blomkamp, 2018), Athenian democracy-inspired deliberative polling (Fishkin & Luskin, 2005), or the citizen jury method which involves randomly selected participants to discuss and decide on a particular issue (Smith & Wales, 2000).

The diversity of approaches to public participation in governance is formulated into a concept called the Democracy Cube (Fung, 2006). This concept is useful for both theorists and practitioners in determining what kind of participatory process to employ in a given policy. This concept gauges the degree of public participation based on three axes; breadth of participants, depth of communication and decision-making, and influence to determine the decision (Fung, 2006). In terms of participation, the spectrum stretches from policymaking by expert administration at one end to the whole public at the other. Fung defines deliberative policymaking as ones that involve the "mini-publics" that lie between both ends (Fung, 2006). The second axis measures the role that the involved public has in their participation, from just listeners to experts on the issue being discussed. The last axis represents how much power the participatory process has over the actual policy, from just being involved in personal education and empowerment to possessing the governing power over a policy (Schrögel & Kolleck, 2018).

Figure 1. The Democracy Cube (Fung, 2006)



As a clarification, this concept should not be perceived as a tool to determine whether a policy consultation is democratic per se. It is more of a gauge of which type of democratic approach an administration employs in a given policy consultation. For instance, a purely technocratic policy consultation among governmental institutions can be democratic - as their institutional leaders are extensions of democratically elected executive leaders. On the other hand, the quality of democratic policy consultation does not necessarily mean a country is democratic. Case in point, Singapore, who often involve its mini-publics in policy consultations including in customs policy is not known as a very democratic country - scoring 6.18 out of ten, considerably below Indonesia at 6.53 (The Economist Intelligence Unit, 2023).

3. RESEARCH METHODOLOGY

This paper uses a qualitative approach in conducting the research. Data will be collected through various documents from government

agencies, international organizations, news, and social media. The term document itself includes both printed and digital material. Clark et al. (2021) state that one of the benefits of using documents in qualitative research is data validity. Moreover, the legitimacy and credibility of the state official documents, such as regulations, as the primary source of data met the criteria of document quality suggested by Scott (1990, p. 6).

A desk research was conducted based on the official documents released by government institutions, specifically their transparency and public consultation programs/policies. Bowen (2009) argues that document analyses could provide a complete picture of any changes and development of program, or policy, of an organization. Other data such as reports from international agencies, academic articles, news media, and social media are used to give the writers a better grasp of the background issue. Furthermore, Bowen (2009) considers this particular method as cost-effective and efficient compared to others.

The Democracy Cube has both conceptual and practical merit in figuring out the right formula for public participation in policymaking. This paper positions itself as a conceptual exercise from which practitioners of customs operations, especially in Indonesia, can use to gauge the right formula of which "mini-publics" to choose from, how the communication and decision-making modes to take, and how much influence a public consultation will have over the final decision or policy.

In doing so, this paper uses 5 main cases to dissect and analyze as examples of how other democracies conducted public consultations in their respective customs policy, namely in Australia, The United Kingdom, Singapore, New Zealand, and The European Union. These cases will be analyzed using the components of the Democracy Cube as well as their duration and the public institutions responsible for the public consultation. Further instrumental analysis will be elaborated to provide the lessons learned from each public consultation.

There are three reasons for the sample selection. The first reason is methodically driven, where we set our inquiry to the cases with proper governmental reports that contain adequate data to be incorporated into the Democracy Cube. The second reason is the number of cases selected. We argue that five cases are neither too few nor too many to provide a proper depth of analysis from which we can take a valuable lesson on how other countries conduct public consultation for their customs policy. Thirdly, the nations from which the cases are chosen are noticeably performing better in the Logistics Performance Index than Indonesia, most notably Singapore which tops the list in 2023 (World Bank, 2023). Therefore, albeit not this paper's primary message, these cases will provide a valuable reflection on Indonesia's DGCE.

4. RESULTS AND FINDINGS

4.1. Status Quo of DGCE

Indonesian Customs is undergoing a reform under the sustainable customs reforms program (Program Reformasi Kepabeanan dan Cukai Berkelanjutan [PRKC-B]). It is a multi-year program that will finish at the end of 2024. PRKC-B focuses on four aspects, that are integrity, service delivery, law enforcement, and revenue optimization. Among other aspects, service delivery is the most correlated with Indonesian Customs' stakeholders with raising public trust as the primary goal. The legal basis of PRKC-B is the Decree of the Minister of Finance No. 399 of 2021 and the Decree of the Director General of Customs and Excise No. 148 of 2021. The regulations allow Indonesian Customs to collaborate with external parties – other government agencies and business associations, during the reform effort (Directorate General of Customs and Excise, 2021; Ministry of Finance, 2021). Nevertheless, the space for public consultation has been limited, especially for business communities as the main stakeholder.

The Indonesian Legal Drafting Law 2022 opens the possibility of public consultation through various methods. Moreover, The Indonesian Government Regulation No. 14 of 2015 regarding the National Industry Development Master Plan stated that the national industry policies will consider the stakeholder's feedback. That being said, the current regulations have already provided the required space for the public to be involved in the regulation-making process, which will eventually affect them.

However, Indonesian Customs is under the Ministry of Finance, where the Regulation of the Minister of Finance No. 123 of 2012 (PMK 123/2012) underlies the regulation-making. PMK 123/2012 closes the opportunity to include public participation in the drafting of Ministerial-level or Director General-level regulations or decrees (Ministry of Finance, 2012). The regulation expands the coordination's possibility only with the "other institutions", which refers to other government agencies, not the private sector, beyond the Ministry of Finance. PMK 123/2012 only requires the government to make the regulations accessible through its official website.

Coming back to the types of transparency mentioned before, DGCE has done a decent job in terms of conventional transparency by making all regulations, policies, and procedures published on its website accessible to everyone. However, all of them are published after ratification leaving the public with no opportunity to express their preferences. In an era of information, the public demanded their voice to be heard and the opportunity to participate in policy or decision-making. Deliberative transparency through public consultation is what the public currently pursuing.

In summary, DGCE needs to refine its public engagement effort in the policy-making. Nevertheless, the Ministry of Finance seems to omit this option in its regulation-making process. Furthermore, public

consultation is only generally mentioned under the Legal Drafting Law. There are no guidelines for the government agencies opting in for public consultation or the public demanding accountability. DGCE's attempts to facilitate the industry and public voices are limited to visits, direct meetings, and written letters within a narrow time frame (see beacukai.go.id). Overall, there are many changes to be desired especially from DGCE. Indonesia's numbers on the Enabling Trade Index (ETI) and Logistics Performance Index (LPI) are also poor (Peterson, 2017) in comparison to neighbouring countries Singapore, Malaysia, Thailand, the Philippines and Vietnam (World Bank, 2023; World Economic Forum, 2016), confirming the shortcomings identified above and also room for improvement.

4.2. Public Consultations of Customs Policy In Australia, The UK, Singapore, New Zealand, and The EU

This part explores the public consultation methods that have been applied in 5 countries, namely The Simplified Trade System (STS) Consultation in Australia, the United Kingdom Global Tariff (UKGT), Singapore's Advance Export Declaration (AED), Proposed Goods' Clearance Fees (GCF) of New Zealand, and The EU's Rules on the Import of Cultural Goods (ICG). The table below briefly laid out the components of each public consultation from the Democracy Cube's perspective, and additionally, on the timeframe and the implementing agencies of the consultations. (See Public Consultations of Customs Policy in Australia, the UK, Singapore, New Zealand, and the EU in Appendix II)

In terms of the scope of participation, Singapore and New Zealand set the narrowest involvement of citizen in their public consultation. Both Advance Export Declaration and Goods Clearance Fees Consultations involved professional stakeholders, mainly businesses and business association representatives for their respective public consultation (New Zealand Ministry of Customs, 2019; Singapore Customs, 2011). Australia's Simplified Trade System consultation involved professional stakeholders as well as academicians who are closer to lay stakeholders – defined as citizens who have an interest and invest a significant amount of energy and time in the issue (Austrade, 2024; Fung, 2003). The United Kingdom and the European Union set a similar limit to their respective consultations, which were considerably wider than the other three samples. The consultations are open for fellow public sector to common individuals who are not necessarily academics (Department of International Trade UK, 2020; European Commission, 2016b).

Interestingly, the breadth of participation does not directly correlate to the length of the consultation period. For instance, the UK's UKGT public consultations were only open for four weeks despite the extensive range of target participants, and as long as Australia's STS and New Zealand's GCF

consultations which involved only professionals and academics (Austrade, 2024; Department of International Trade UK, 2020; New Zealand Ministry of Customs, 2019). In contrast, Singapore's AED public consultation which involves the least number of participants lasted for around a year (Singapore Customs, 2012). The EU's Import of Cultural Goods also differs from the others with around three-month of public consultation period (European Commission, 2016a).

The communication and decision-making methods chosen for each public consultation may partly explain the duration of the consultation as well as their influence over the final policy. Australia's STS public consultation was run for four weeks because it was designed to complement previously organized consultations on the same issue. The announcement document of the public consultation includes information on previous consultations to avoid redundancy and to set participants' expectations of the consultation of their influence on the grand result of STS (Austrade, 2024). Rather similarly, New Zealand's GCF and The EU's ICG public consultations were stand-alone consultations with extensive introductions to inform and help shape participants' responses. Therefore, the periods set by New Zealand and the EU's respective implementing agencies were deemed enough for participants to develop a proper response to the consulted points (European Commission, 2016a; New Zealand Ministry of Customs, 2019).

Singapore's AED and UKGT are the outliers in terms of communication and decision-making methods. Singapore's AED's public consultation method was deeply deliberative with a real impact on the final result of the policy. Notably, after 9 months of deliberation and complemented by a month-long survey, the final policy included four points of revision from the original draft. Among others in giving a longer adjustment period for businesses to implement the ruling and allowing several products to be declared within three days after exportations (Singapore Customs, 2012). On the other hand, UKGT's 4-week public consultation period was designed not only to gather responses but also to select parties to join the Strategic Trade Advisory Group (STAG). This group was designed to hold high-level strategic discussions on UK trade policy from 2020-2022. It was chaired by the Minister of International Trade of the UK, with 21 members from individual businesses, associations, and customers as well as 4 experts. Interestingly, the STAG's membership was quite diverse to allow representations of SMEs, regional businesses, consumers, farmers, environmentalists, think tanks, academia, tech, and standard agencies (UK Government, n.d.).

Figure 2. Public Consultation on Democratic Cube

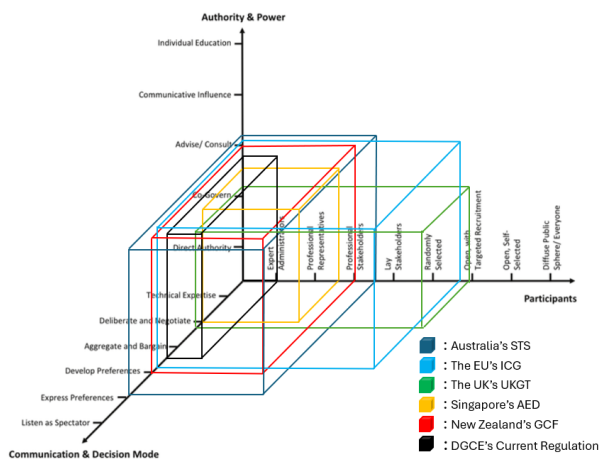


Figure 2 visualizes how the current DGCE regulation lies within the Democracy Cube framework vis-a-vis the public consultations that have taken place in the other 5 nations. While the regulation allows some flexibility in communication and decision-making methods as well as a reasonably powerful impact of any consultations, the only allowed participants of any consultations are only of fellow public institutions. The variations of participation within the mini-public continuum that the 5 other cases have chosen represent room for improvement for DGCE in the future.

4.3. Considerations for DGCE's Road to Public Consultation

In planning and designing a public consultation strategy for the future, DGCE needs to take several considerations into account. The first consideration is that suitable information to improve trust might not be the type of information for a better government (Prat, 2006). For example, disclosing information without considering the public's ability to digest that information; or publishing information that can make the government vulnerable. Careful consideration must be made in determining what to publish while also trying to maximize the impact, for example getting academics and technical experts to help provide analysis to help the public grasp the information (as Wikileaks has done).

Reflecting on other countries' cases, information openness is a crucial point to consider in organizing public consultations. For example in the case of EU CGI, the introduction was provided with a clear intention - that the proposed ban on cultural goods import was targeted at those originating from terrorist-controlled areas to avoid terror groups from profiting (European Commission, 2016a). As a result, despite successfully garnering 304 responses, they were very divided with business communities mostly against the proposal while NGOs and civil society organisations strongly support the idea (European Commission, 2016a). While disagreement is essential in a democracy, DGCE must precisely calibrate the

openness of information to optimize the trust-building benefit of any consultations.

The second consideration is that pre-existing attitudes towards the government far outweigh any transparency attempts to gain trust (Grimmelikhuijsen, 2012). DGCE must know where it stands in the eyes of the public before setting expectations over transparency and public consultation programs. However, this study does confirm that there is a positive effect between transparency and trust level. One exemplary case is Singapore's AED public consultation where Customs Singapore successfully converted public consultation into real changes in customs policy. There were four points of change from the initial draft to the final policy. First, giving a longer preparation time before AED's implementation. Secondly, setting a longer adoption period for businesses. Third, reducing the amount of mandatory data submission for AED. Lastly, permitting changes for certain products to be reported within three working days after export (Singapore Customs, 2012). In this regard, Singapore's achievement in demonstrating their public consultation's result can be considered a step closer to building trust through transparency and in line with Grimmelikhuijsen's argument (2012).

The third is that DGCE needs to consider cultural values differences between Indonesia and other countries in the literature (mostly Western and developed countries). A comparative experiment suggests that the effect of transparency on trust in government is low and sometimes negative both in the Netherlands and South Korea. However, the negative impact is more apparent in South Korea which suggests that cultural values affect people's view of government transparency (Grimmelikhuijsen et al., 2013).

5. RECOMMENDATION & CONCLUSIONS

5.1. Recommendation

From our analysis, we recommend that DGCE adopt a deliberative transparency introduced by Tienhaara (2020) which focuses on a public participation strategy to improve public trust. Engaging with the public in the policymaking processes also enables DGCE to move away from reactive policy as mentioned before in this paper. We suggest that DGCE to start with small-scale pilot projects considering the current practice of policymaking in DGCE, where public involvement is minimal. DGCE can utilize these pilot projects to gather initial feedback, assess the effectiveness of the initiative, and make necessary adjustments for broader implementation (Blomkamp, 2018, p. 733). Pilot projects will build the initial trust needed for a larger implementation of public participation, setting the foundation for a more collaborative relationship between DGCE and the public. We also consider the cultural differences between Indonesia and Western or developed countries where most of the theories and examples of public consultation come from,

therefore we suggest DGCE to start small with pilot projects.

To ensure the success of the pilot projects, we identified key strategies that DGCE needs to prioritise. First, clear communication and accessible information are critical (Cucciniello et al., 2015; Mardiyanta, 2013) to create transparency and meaningful engagement as a foundation for building public trust (Buell et al., 2021). The information should be made available for the public to access and be easy to understand. For example, instead of merely disclosing a draft of a regulation or decree, DGCE could supply background information, considerations, other policy options, and possible impacts, related to the proposed policy. This strategy will ensure that the public can comprehend the government's viewpoint and work together instead of against each other. However, DGCE needs to be careful in determining what to publish concerning the nature of customs operations that sometimes need to be confidential and also how the information should be presented to maximize the impact of building trust. Second, a user-friendly digital platform will help with feedback collection and streamline communication, enhancing engagement effectiveness (Buell et al., 2021; Cucciniello et al., 2015). The consultation cases from the EU and Singapore Customs demonstrate the use of digital platforms in feedback collection and communication. Third, the mentioned platform could also provide regular updates to the public which will reinforce and maintain the initial trust and accountability. The reporting-back mechanism presents accountability by sharing the outcomes of the consultation and explaining how DGCE incorporates public feedback in the decision-making process. The Singapore Customs example demonstrates how the input from the public was able to influence the end results of public consultation. Last but not least, DGCE personnel should be equipped with skills to manage public consultation effectively and ensure positive and productive engagement with the public. Blomkamp (2018) highlighted the importance of a facilitator to support the public in expressing themselves and meaningfully participating in the discussion.

The next step is for DGCE to scale up the successful pilot projects. To measure the success of the pilot projects, several parameters can be used, such as increased public participation and positive feedback; small targets or benchmarks to track the impact of the projects; and surveys, focus groups, and social media analytics to gauge public sentiment. However, regulations and guidelines on how to conduct public consultation and transparency need to be formulated before the wider implementation of these projects. Cucciniello et al. (2015) stressed the importance of having transparency laws, regulations, and/or guidelines to ensure the compliance of government institutions. Ultimately, these laws and regulations will act as the legal basis and guide for DGCE and the public to conduct or participate in public consultation.

5.2. Conclusion

Public trust in customs operations is undoubtedly important, as it is a building block to foreign trade facilitation policy. Our findings suggest that to enhance public trust, public participation/consultation is a suitable strategy for DGCE to adopt. The fact that this strategy has never been meaningfully explored before, makes it more enticing for DGCE to try as an attempt to increase accountability and public trust. There is also the public expertise that DGCE can take advantage of in the areas where DGCE is lacking. There are a plethora of strategies for transparency and public consultation that DGCE can look into as examples from customs agencies and government institutions across the world. Strategies are diverse in terms of the degree of public participation such as the breadth of participants, depth of communication and decision-making, and influence to determine the decision (Fung, 2006). From the 5 examples, we can also see that the topics of consultation also vary from broad topics such as Australia's Simplified Trade System, and specific issues such as New Zealand Customs' Goods Clearance Fees and The European Union's Import on Cultural Goods.

However, DGCE also needs to make several considerations in determining public participation/consultation strategy. We identified three considerations in this paper namely the amount and type of information to be disclosed, the public's pre-existing attitudes towards the government, and the cultural differences between Indonesia and the countries where the theories and examples come from. Therefore, this paper recommends that DGCE adopt public participation/consultation in small/local pilot projects in several of its offices in Indonesia and scale up the successful projects as an effort to increase transparency and public trust. Using the democracy cube, DGCE can determine the degree of participation the public can have on a particular policy or issue. Lessons and examples from around the world are also available for DGCE to learn.

Lastly, adopting public participation in DGCE is not just a change in approach to policymaking but a cultural shift. A commitment from the leaders in DGCE and the Ministry of Finance is needed to ensure the successful adoption of public consultation. Additionally, building public trust takes time, and DGCE needs to be patient and persistent in its efforts, showing genuine interest in creating meaningful engagement and improving public trust. With concerted efforts, DGCE can be a model of transparent and inclusive government for the Ministry of Finance and other government agencies.

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APPENDIX I

Table 1 The Typology of Transparency (Tienhaara, 2020, p. 113)

Type of Transparency	Ideological Underpinnings	Transparency for Whom?	Mechanism	Transparency to What Ends?
Conventional	Liberalism	Citizens	Facilitate accountability of decision-makers	Better/less corrupt governance
Deliberative	Liberalism	Citizens	Facilitate deliberation and participation in decision-making	Better/more legitimate governance
Technocratic	Rationalism	Experts	Increase efficiency & effectiveness of decision-making	Better governance
Disciplinary	Neoliberalism	Market actors	Facilitate market transactions	Capital accumulation
Disruptive	(Cyber-) Anarchism	Citizens	Obstruct secretive communication among the powerful	Abolition of hierarchy

APPENDIX II

Table 2. Public Consultations of Customs Policy in Australia, the UK, Singapore, New Zealand, and the EU

Country Name	Name of Public Consultation Program (Year)	Scope of Participation	Communication and Decision-Making Modes	Authority/Power in the Outcome	Timeframe	Implementing Agencies
Australia	Simplified Trade System Consultation – Trade Identity Policy, Fit and Proper Person & Border Control Policy (2024)	<u>Lay-Professional Stakeholders:</u> Businesses, Industry Associations, and Academia – 24 responses	<u>Express Preferences:</u> Participant submitted their responses and the STS Taskforce collected submissions	<u>Advise and Consult:</u> The STS Taskforce analyzed the potential benefits, challenges, and risks of each submission	9 April – 6 May 2024 (4 weeks)	STS Taskforce: Austrade + Australian Border Force (ABF), Department of Agriculture, Fisheries, and Forestry (DAFF)
The United Kingdom	Public Consultation: Most Favoured Nations Tariff Policy – The UK Global Tariff -UKGT (2022)	<u>Open w/ Targeted Recruitment:</u> Public Sector, NGOs, Business Associations, Businesses, Individuals – 1.394 responses	<u>Deliberate and Negotiate:</u> At the end of the period, the responses were further discussed by The Strategic Trade Advisory Group (STAG) from 2020-22	<u>Co-Govern:</u> The STAG, consisting of businesses, civil society, consumers, and academia representatives who oversaw and evaluated UKGT	6 February – 5 March 2020 (4 weeks)	Department for International Trade
Singapore	Public Consultation on Advance Export Declaration - AED (2010-2011)	<u>Professional Stakeholders:</u> Trade and logistics companies, business associations, and declaring agents	<u>Deliberate and Negotiate:</u> Includes multiple consultation sessions with businesses and associations to flesh out preferences	<u>Advise and Consult:</u> Singapore Customs gave longer adjustment periods and made AED exceptions for certain products as some companies needed	April – December 2010 (9 months) & 18 March 2011 – 12 April 2011 (26 days)	Customs Singapore
New Zealand	Public Consultation on Customs' Proposed Goods Clearance Fees (2019)	<u>Professional Stakeholders:</u> Businesses related to cross-border trade (carriers, freight forwarders, importers, and exporters)	<u>Develop Preferences:</u> Provided an 11-page introduction consisting of definitions, past policies, the current proposal, etc., to inform and shape participants' responses.	<u>Advise and Consult:</u> The responses were summarized and used to refine the proposal for Customs Clearance Fees (new fees came into force on 1 April 2020)	August 2019 (4 weeks)	Ministry of Customs, with inputs from the Ministry for Primary Industry, Ministry of Transport, Ministry of Foreign Affairs & Trade, Airways NZ, and The Treasury
The European Union	Public Consultation on Rules on the Import of Cultural Goods (2016-2017)	<u>Open w/ Targeted Recruitment:</u> Public Authorities, NGOs, Interest Groups/ Associations, Enterprises, Individuals. – 304 Responses	<u>Develop Preferences:</u> Provided a nuanced introduction to help shape participants' responses. Allowed submission of position papers/ reports	<u>Advise and Consult:</u> All responses were summarized and functioned as the representative of people's choices	28 October 2016 – 23 January 2017 (13 weeks)	Directorate-General of Taxation and Customs Union: The European Commission

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