Approach Notes for the ASEAN Public Sector Community

I.   Rationale

1.   The adoption of both the "Declaration of ASEAN Concord II (Bali Concord II)" and the "Cebu Declaration on the Acceleration of the Establishment of an ASEAN Community by 2015" by ASEAN Heads of State indicate that the member states acknowledge that an integrated, stable, knowledgeable and caring community will help ASEAN nations to strengthen their economic competitiveness and attractiveness to investors, in particular during an economic downturn.The three pillars of the ASEAN Community, namely the ASEAN Political-Security Community (APSC), the ASEAN Economic Community (AEC) and the ASEAN Socio-Cultural Community (ASCC), are vital to the future progress and evolution of ASEAN and its peoples. The Blueprints of these three communities have been carefully formulated to detail specific strategic objectives and actions that intend to achieve progress and positive development in the respective areas.

2.   The importance of promoting good governance is explicitly stated in the objectives, strategies and actions of the Blueprints (article A.1.4. inAPSC). One channel of achieving this is to conduct a platform for ASEAN Members to share experiences and best practices through workshops and seminars that emphasize good governance and developing norms or standard criteria on good governance.

3.   What is currently lacking is a sustainable, continuous community of practice on Good Governance in the ASEAN region. There is thus broad interest in setting up a practitioners' network where government officials can seek peer advice, learn other countries' experiences, and share knowledge in Good Governance. Forming a peer-learning practitioners' network would facilitate the exchange of ASEAN experiences and, thereby fill a gap among ASEAN Members. Ultimately, it is hypothesized that such knowledge sharing would lead to improved governance systems.

II.   Program Introduction

4.   The public sectors in ASEAN have undergone dramatic changes during the past four decades. Several key changes that shape the roles of the public sector and how it provides services to its citizens have taken place since the early 1960s when several countries became independent. The Vietnam War, as well as the beginning of the Cold War, contributed to the rapid expansion of public services, especially basic services such as healthcare and education, and basic economic infrastructure (e.g., roads, railways, electricity, water, and telephone) as part

of the overall effort to fight poverty and to raise the standard of living. From an uninterrupted period of economic growth in the 1970s to 1990s, the roles and demands for public services continued to increase. Infrastructure development and social services such as education and healthcare remained the focus on public expenditure that came from foreign assistance and each nations growing tax base. As a result, the public sector grew in size and budget expenditure.

5.   New services such as housing and other social welfare programs were developed to ensure that a social safety net for low-income earners and families was equally geared. It is important to note that the spending on national security and defenses continued to grow due to the height of the Cold War. The need to balance public expenditure between national security and public services while maintaining a country's fiscal responsibility has often been a sensitive issue within the issue of Good Governance, especially regarding efficiency, effectiveness, value for money, transparency, and accountability.

6.   In general, central planning was often cited as a common practice for economic and social development. This was due to the limited capability by the private sector such as manpower and capital investment. Due to the massive investment needed, the public sector was the only viable player in national economic and social development. Large-scale public services, especially healthcare and education, had to rely on the public sector for service delivery- schools, hospitals, doctors, nurses, teachers, equipment, laboratory, etc. Therefore, the public sector had to undertake the simultaneous roles of a policy maker, a service provider and a market regulator.

7.   The debates about the reduced roles of the public sector such as infrastructure investment, the need to bring in the private sector's capital and knowledge for public service delivery, and the importance of local governments was raised and discussed in the early 1990s. The 1997 economic crisis in Asia (especially Indonesia, Malaysia, and Thailand) highlighted the urgent need to identify the future roles of the public sector and how it would operate as a service provider, a regulator, and a policy maker.

8.   In the early 2000s, many countries around the world began to review and develop a comprehensive framework on future roles of the public sector, and organizational restructuring that will fit with the changing context in society- demographic changes, urbanization, and globalized trades with less restrictions and increased deregulation in all segments such as financial, healthcare, energy, telecommunication markets. In addition, the growth of the public-

service industry (i.e., private firms delivering public services to the society such as waste treatment, garbage collection, audit and inspection, severe weather warnings, care for the elderly, libraries, etc.) resulted in more pressure to the public sector to prove its services remain cost effective. Otherwise, these services should be transferred to the private sector.

9. During this decade, due to the growing importance of the third sector (also commonly referred to as the community or civic sector), stronger checks-and-balances in society forced the public sector to explicitly integrate GG into practices from policy planning to program/project implementation. The third sector reflects the social or civic-related activities undertaken by non-governmental organizations (or NGOs) that are classified as not-for-profit. NGOs employ groups of volunteers when delivering social services such as drug and crime prevention, protecting the general public from unfairness and injustice, and providing emergency services during natural and industrial disasters.

10. Many ASEAN member states have started to apply GG as part of their strategic objective of public-sector management practices and framework. For instance, Thailand initiated the Good Governance Act of 2003 in conjunction with several reforms relating to the public sector such as financial management practices, public participation, deregulationof the telecommunication and electricity industries, decentralization through increased empowerment to Sub-district and Provincial Administrative Organizations, service quality through more ICT applications, process reengineering and improvement, public accountability, and performance agreements. Public-private partnerships in expressway and mass transit systems highlighted the increasing roles of the private sector in investment and service delivery to the general public. Other practices adapted from the private sector include one-stop services and e-Payment (e.g., taxes and other fees).

11. ASEAN's commitment towards a single market in 2015 as well as other pledges to harmonize many activities in public service deliveries have ensuredgreater convenience with less cost for businesses and citizens alike. In addition, there are many areas in which a single country may not be able to tackle due to resource limitations and a lack of knowledge, especially that it would not be feasible from a budget standpoint to prepare massive resources. As a result, how individual countries' public sectors work together is also a subject that has common interests among workshop participants.

12.   Finally, this GG workshop also introduces experts and specialists from the World Bank. They are expected to share their viewpoints on the trends of GG practices, the impacts of GG on a country's economic and social development, and how to establish a network of practitioners from the public sector that can be a foundation for future collaboration among public agencies (especially in the areas of policies and management of public-sector management). In addition, two site visits are to be arranged that will highlight the impacts on service quality through the use of information and communication technology or ICT, as well as the ability to raise the standard of living in one rural area as a result of local participation. These visits will demonstrate the problems facing the public sector in urban areas (such as time) and rural areas (e.g., poverty and migration).

13.   The GG from the site visits (especially from the rural areas) are expected to cover the following subject matters.

- Community cooperation- working together is better than working individually
- Community development –the need to highlight common interests and problems- household's financial statement (what and how much you spend vs. what and how much you earn)
- Working philosophy: His Majesty's Sufficient Economy
- Key success factors: participation, learning, consensus, check-and-balance among co-community groups, and roles of local/provincial and central governments in responding to the needs of communities for learning and development
- Ultimate goals:
  - Use of local materials for daily consumption and product development
  - Maintaining expenditure through a comprehensive saving scheme and mixed plantation to satisfy local consumption
  - Stable incomes through value-added products, dealing with buyers through co-community models relating to local products (e.g., organic coconut sugar and dessert products)
  - Standards of living through healthy life styles
  - Building a strong family and sense of community togetherness
  - Community learning and harmony through constant communications (by applying co-community models)
  - Preservation of local ways of life through protection of the surrounding environment (with organic farming with the assistance of provincial and central governmental agencies)

III.   Objectives

14.   The objectives of this workshop have been to:

> 1) Create a platform to establish best-fit practices and baselines for governance.
> 2) Promote dialogue and best practice exchange among ASEAN members.
> 3) Provide and bring together top-level policy makers to discuss and share experiences and knowledge of promoting good governance.
> 4) Develop a roadmap on how to strengthen service delivery among ASEAN members.

15.   Thus, during the 26th and 31st of August 2013, ASEAN delegates are expected to promote greater democratic governance practices and processes for inclusive and equitable sustainable development along with national and regional institutions. They will have the opportunity to share visions, challenges as well as to gain the new experiences from the 2 site visit cases in order to create a common understanding for means of good governance and to improve governance harmonization for ASEAN Community integration in 2015.

The first site visit represents a public agency which is one of outstanding cases on streamlining work processes by employing the utility of IT. The Department of Land Transport (DLT) is responsible for the operation of the land transport system to ensure the safety of motorists by governing the process of registration of motor vehicles; which by use of an accurate registering system of vehicles can approve and inspect every vehicle.

The second site visit refers to a strong community, called TambonKlongkern (AmperMeaung, Samutsongkhram Province) which represents a case of people participation.

IV.   Program Milestones and Results

16.   The program has four key milestones. The first one is to ensure that all participants are familiarized with the GG scope and development. A consensus is needed on how GG is viewed and how GG can potentially contribute to ongoing reforms in the public sector within individual countries. The second milestone is for participants to share their GG experiences. These experiences include challenges and progress made. The third milestone deals with shaping individuals to common challenges that public-sector management practices need to be reviewed and examined. The identification of possible improvement areas is expected. The fourth milestone focuses on how participants plan to work together in the future so that knowledge (i.e.,

data/information, expertise/skills and experiences) sharing can take place in a common platform. Additional details for each milestone are as follows.

Milestone 1: From defining GG to identifying the general challenges

Key highlights and additional learning points are as follows.
GG from an international perspective
- Due to its practicality and simplicity, UNDP's five principles of good governance: 1) Legitimacy; 2) Direction; 3) Performance; 4) Accountability and 5) Fairness were presented as the common framework in the term good governance. Several countries and regions such as the EU have adapted and extended good governance based on these principles as a foundation for the role of the public sector. The first step of this workshop should be how to move forwards with good governance among ASEAN members while addressing common problems that require the involvement of the public sector from multiple countries (e.g., emergency management such as natural and industrial disasters).

GG scope and development from the World Bank and workshop participants:
- Governance and government definitions
- Effective government depends on good governance
- Scope of good governance, including interpretations and implications
- Good governance and economic development- sustainability and continuity
- Spending the budget alone is not sufficient to ensure the sustainability of economic development
- Transparency can help improve the service delivery of the public sector
- Public sector harmonization and convergence needs political drivers to ensure regulatory, judicial, and political convergences
- ASEAN Blueprint: extensive description of 'what-to-do' but more importantly 'how-to-do-it'
- EU experiences - what to do vs. what not to do
- EU- Good governance is essential to the integration of countries with diverse backgrounds

GG scope commonly agreed by the workshop participants:
- Participation, Rule of Law, Strategic Vision, Responsiveness, Effectiveness, Efficiency, and Accountability
- Good governance (larger than good government) sustains national development.
- Workshop participants (Cambodia, Indonesia, Laos, Malaysia, Myanmar, The Philippines, Singapore and Thailand) exchanged opinions on the key areas of GG
  - How the service is delivered?- Quality, responsiveness, equity, etc.

- How do public agencies perform?- Efficiency, performance measurement, accountability, etc.
- Despite more than ten years of public-sector reforms, the impact and benefit to the general public may not be tangible or immediately quantifiable. As a result, execution and implementation are vital to ensure good governance.

Milestone 2: From the challenges for individual countries to the common challenging areas for all ASEAN members

Key highlights and additional learning points are as follows.
From individual countries, there are many unique viewpoints that may not be common for all participants. They include:

- Strong central government– setting the country's vision
- Extensive involvement of NGOs in service delivery
- Balance of public obligations to rebuild the country (from the Cold War), to provide basic public services, and to invest in economic infrastructure for development and growth
- Weak bureaucratic structure which is subjected to political interference
- High-income countries that move through the middle-income trap are driven by good governance practices in the public sector
- Service delivery should be defined by the minimum requirements and improve through continuous engagement with citizens.
- Service delivery for life-cycle consideration (from birth-to-death) should be designed within the context of technology advancement.
- Legitimacy of the public sector depends on how well the voice of citizens is heard which is possible through political processes (e.g., elections and political parties).
- Skills of civil servants in providing life-cycle services will be essential.
- Weak management systems and the inability to attract qualified staff are major hurdles of good governance practices.
- Empowerment (when citizens are ready) is the key to sustain good governance practices.
- Good governance practices should include the size of the public sector.
- There are ongoing role changes of the public sector from ownership of assets when delivering services (i.e., service delivery) to a regulator.
- Practices of conflict management between central and local governments during service delivery.

After the presentations, the shared areas of the interests from the participants will begin to emerge. These areas can be outlined as follows:

- The need to change the current way government agencies think and act in response to higher demands and expectations of future generations in each country.
- Active involvement of citizen and private sectors in governance seems to be a common direction in policy creation and service delivery, in particular for public infrastructure development & improvement.
- Upgrade civil servant workforce competency in order to engage the new set of challenges and problems with responsiveness.
- New approaches for civil servants to interact with politicians and citizens to ensure sustainable growth of the nation
- Dealing with generation Y as future civil servants and citizens to ensure good governance (e.g., service delivery, participation and engagement, etc.)
- Understanding the impacts and limitations of ICT in good governance practices
- Service delivery is dynamics and changes over time. The public sector must be proactive in learning and understanding the needs of citizens.

After the brainstorming session among the participants (who are separated into two groups), the common areas that represent their GG concerns are identified and can be illustrated as follows:
- Common internal challenges:
  - Capacity building for staff and management on a continuous basis
  - Organizational culture
  - Retirement and replacement through recruitment of top talent
- Common external challenges:
  - The ability to anticipate public needs, given a lack of understanding of generation Y, the unique needs in different regions, youth population, aging population, and lack of understanding citizens' needs, etc.
  - Continuous investment in economic infrastructures such as roads, mass transit, airports, and electricity generating plants through private investment and public-private partnership- how are public interests protected?
  - Size and geography with different needs of public services such as service delivery for urban and rural populations
  - Continuous engagement with the general public to ensure participation for consensus building in the development of public policies (and preventing disillusionment)
  - Climate change and disaster management- how the public sector provides vital services such as warning, evacuation, rescue and reconstruction
  - Decentralization and regionalization
  - Accessibility and communication of performance information to the general public
  - Checks and balances mechanism through legal means and the involvement of NGOs
  - Corruption

Milestone 3: From the common challenging areas in ASEAN to further collaborations on service delivery

Key highlights and additional learning points are as follows:
The participants from the two groups will make a proposal that focuses on GG in two areas such as consensus and check-and-balance

- How services are delivered? This first area contains the following GG issues:
    o Equity and fairness
    o Service quality
    o Responsiveness
    o Participation and feedback
- How public agencies perform during service delivery? This second area needs to adapt the following GG issues:
    o Rule of law
    o Effectiveness
    o Efficiency
    o Accountability

The participants further refine the future areas for collaboration that are to be part of the fourth milestone. They are as follows:

- Dynamics and future public needs, service delivery, decentralization and regionalization, investment in economic and social infrastructures, and disaster management
- Capacity building for civil servants, and organizational cultures/systems/processes

Finally, after another brainstorming session, the participants will summarize the potential areas for future collaboration. This summary is as follows:

Challenging Areas/GG Aspects	Capacity Building for Civil Servants	Systems and Work Processes within an Agency	Service Delivery	Investment in Economic Infrastructure	Investment in Social Infrastructure	Crisis and Disaster Management
Participation	X			x	x	X
Rule of Law		X	X			

Strategic Vision	X					
Responsiveness			X	X	X	X
Effectiveness			X		X	X
Efficiency	X	X	X	X	X	
Accountability				X	X	

Milestone 4: From future collaboration to plans for working together on good governance

Key highlights and additional learning points are as follows:
The participants will provide a conclusion based on the agreement of the two groups. This will includea framework on how they could work together in the future. Other details such as what to share (i.e., contents, reports, data, practices, etc.), how to share (thought webpages), and who will be the host of the next workshop will have to be finalized at a later date. Any possible working framework will adopt a similar structure and content to the World Bank's Public Expenditure Management Network in Asia (PEMNA).

V.   Conclusion - A Suggested Way Forward

17.   Contributionsfrom participants and the workshop confirmed that a network of government official practitioners that foster peer learning and experiences sharing on Good Governance could greatly benefit the ASEAN community. Participants were of the view that most exchanges of knowledge among ASEAN member countries are usually conducted on an ad hoc basis, which is useful on its own, but a sustainable Community of Practice of public sector management officials is needed to foster greater ASEAN integration in the public sector and foster closer peer-to-peer learning ties within the Community.

18.   It wastherefore agreed among the members that the following sequential steps should be adopted:

- Strengthening ASEAN Community of Practitioners through ASEAN website/ Facebook (www.facebook.com/ASEANPUBS)

- Organize video conferences to share information between members in order to identify knowledge gaps that the community can fill

- Staff exchange program

- On-the-job training

- Governance program

- Regular ASEAN annual conferences/forumswith rotating host nations.

- Conduct a policy level ministerial meeting to seek top-level buy-in and guidance for establishing this Community of Practice.

- Launch the ASEAN Public Service Awards to recognize outstanding examples of public sector reform.

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